

UNIVERSITY OF CENTRAL FLORIDA (UCF) REE3433 REAL ESTATE LAW PRACTICE EXAM 2 (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. What does a Fee Tail estate primarily ensure?**
 - A. Ownership only for the duration of the grantee's life.
 - B. That property will pass through the grantor's direct heirs.
 - C. The total ownership of the estate by creditors.
 - D. A restriction on property alienation.
- 2. What constitutes Implied Authority for a real estate broker?**
 - A. Only written agreements
 - B. Actions and prior agreements
 - C. Shareholder approval
 - D. Public announcement
- 3. What is the defining feature of a Life Estate?**
 - A. It is inheritable by the grantee's heirs.
 - B. Duration is based on the life of a specific person.
 - C. It allows for multiple owners simultaneously.
 - D. It automatically ends upon reaching a specified age.
- 4. What is meant by "anticipatory breach" in contract law?**
 - A. One party indicates they will not fulfill the contract
 - B. Both parties agree to end the contract early
 - C. A breach that occurs unexpectedly
 - D. A party fulfills their obligations ahead of schedule
- 5. What essential aspect does a deed ensure in a property transaction?**
 - A. A guarantee of future value
 - B. A guarantee of property taxes
 - C. A legal transfer of ownership
 - D. A summary of property features
- 6. What is the main function of a Real Estate Investment Trust (REIT)?**
 - A. To manage residential properties only
 - B. To invest in real estate ventures and distribute income to investors
 - C. To provide loans for real estate purchases
 - D. To sell real estate development services

7. Which statement about Consideration in contracts is true?

- A. Consideration can be anything of value exchanged
- B. No consideration is needed for verbal agreements
- C. Consideration must only be financial
- D. Consideration is dependent on the buyer's profession

8. What is the definition of actual notice in real estate law?

- A. Hearing about a document through hearsay
- B. Not being aware of any recordings
- C. Personal knowledge of a document's existence
- D. A presumption of knowledge based on recording

9. How is a joint tenancy terminated?

- A. By the death of a joint tenant
- B. When one of the four unities is destroyed
- C. By transferring ownership to a non-joint tenant
- D. Through legal action

10. Which term refers to the division of costs between a buyer and seller based on time of use?

- A. Execution
- B. Warranty
- C. Prorations
- D. Inspection

Answers

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1. B
2. B
3. B
4. A
5. C
6. B
7. A
8. C
9. B
10. C

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Explanations

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1. What does a Fee Tail estate primarily ensure?

- A. Ownership only for the duration of the grantee's life.
- B. That property will pass through the grantor's direct heirs.**
- C. The total ownership of the estate by creditors.
- D. A restriction on property alienation.

A Fee Tail estate primarily ensures that property will pass through the grantor's direct heirs. This type of estate is established to restrict the inheritance of the property to the grantee's lineal descendants, meaning that it is intended to keep the property within a specific family lineage. This feature helps maintain family estates across generations, preventing the grantee from selling or transferring the property to individuals outside their lineage. Consequently, upon the grantee's death, the estate would typically descend directly to their children or, if there are no children, to other heirs in the direct line, as specified in the terms of the Fee Tail. Understanding this concept is crucial because it highlights the intentions behind property law and the management of estates, illustrating how legal mechanisms can influence family structures and inheritance practices.

2. What constitutes Implied Authority for a real estate broker?

- A. Only written agreements
- B. Actions and prior agreements**
- C. Shareholder approval
- D. Public announcement

Implied authority for a real estate broker arises from actions and prior agreements that suggest the broker has the capability to act on behalf of a client without needing explicit consent for every action. This type of authority is established through the behaviors and contexts established during the course of a relationship, indicating to third parties that the broker has the right to perform certain actions related to their duties. In many cases, a broker's implied authority can be inferred from their role, the nature of the task, or previous dealings with the client. For example, if a broker has consistently negotiated contracts or arranged showings in the past, it is understood that they have the authority to continue performing these tasks in the future, even if new written agreements have not been created for each instance. On the other hand, the other options do not encapsulate what implied authority means in the real estate context. Only written agreements would refer to express authority, which must be clearly stated. Shareholder approval relates typically to corporate governance and does not pertain directly to the authority of real estate brokers. Public announcements might communicate intentions or announcements but do not inherently grant authority to act on behalf of a client. Thus, actions and prior agreements are indeed the basis for stipulating implied authority in real estate.

3. What is the defining feature of a Life Estate?

- A. It is inheritable by the grantee's heirs.
- B. Duration is based on the life of a specific person.**
- C. It allows for multiple owners simultaneously.
- D. It automatically ends upon reaching a specified age.

A Life Estate is a type of property ownership where the duration of the estate is explicitly tied to the life of a specified individual, often referred to as the "life tenant." This means that the holder of the life estate has the right to use, possess, and benefit from the property during their lifetime, but this right is limited because the estate terminates when that individual passes away. The property then typically reverts to another designated party, known as the remainderman. This characteristic is significant because it differentiates a life estate from other forms of property ownership, such as a fee simple estate, which does not have a set expiration linked to an individual's life. The emphasis on duration based on a person's life is what primarily defines a life estate and shapes its legal implications, including the rights of the life tenant and the remainderman. While the other options may relate to different aspects of property law—such as inheritance rights, concurrent ownership, or conditions of termination—they do not capture the specific, defining feature of a life estate as accurately as the connection to the lifespan of an individual.

4. What is meant by "anticipatory breach" in contract law?

- A. One party indicates they will not fulfill the contract**
- B. Both parties agree to end the contract early
- C. A breach that occurs unexpectedly
- D. A party fulfills their obligations ahead of schedule

Anticipatory breach in contract law occurs when one party clearly indicates that they will not fulfill their obligations under the contract before the performance is due. This indication can be made through explicit statements or through conduct that demonstrates an intention not to perform. By recognizing a party's unwillingness to perform, the other party is allowed to take legal action for breach of contract even before the performance is due. This principle is meant to provide an opportunity for the non-breaching party to take necessary steps, such as seeking alternate arrangements or claiming damages, without having to wait for the actual breach to occur. In this context, the other options pertain to different aspects of contract law but do not relate to the definition of anticipatory breach. Ending a contract early by mutual agreement, a breach that occurs unexpectedly, or fulfilling obligations ahead of schedule do not capture the essence of anticipatory breach, which specifically involves a clear signal from one party about their unwillingness to perform.

5. What essential aspect does a deed ensure in a property transaction?

- A. A guarantee of future value
- B. A guarantee of property taxes
- C. A legal transfer of ownership**
- D. A summary of property features

A deed is a critical legal document in property transactions, serving the essential purpose of providing a legal transfer of ownership from one party to another. When executed properly, a deed conveys the title of the property to the new owner, ensuring that they have the legal right to possess and use the property. This transfer is a necessary step to officially change the ownership recorded in public records, which protects the rights of the new owner and establishes their claim to the property. Outline summaries of property features, guarantees of property taxes, or future value are not functions of a deed. While these aspects may be relevant in the context of real estate transactions, they are addressed through other means, such as property inspections, appraisals, or local tax regulations. Thus, the primary and essential function of a deed is the legal conveyance of property ownership, making it a fundamental element of any real estate transaction.

6. What is the main function of a Real Estate Investment Trust (REIT)?

- A. To manage residential properties only
- B. To invest in real estate ventures and distribute income to investors**
- C. To provide loans for real estate purchases
- D. To sell real estate development services

A Real Estate Investment Trust (REIT) primarily functions by pooling capital from multiple investors to invest in a diversified portfolio of income-generating real estate properties and real estate-related financial instruments. The core purpose of a REIT is to generate income for its shareholders, and it is required by law to distribute at least 90% of its taxable income to investors in the form of dividends. This structure allows investors to earn a share of the income produced through commercial real estate ownership without having to buy, manage, or finance any properties directly. This investment vehicle is particularly attractive because it not only provides a method for individual investors to access real estate investments—typically reserved for large institutional investors—but also offers liquidity comparable to equities. REITs operate in various sectors, including retail, residential, commercial, and healthcare, making them versatile in investment strategies. The other options do not encapsulate the full purpose and functionality of a REIT. While managing residential properties, providing loans, or selling development services are important aspects of the real estate sector, they do not define the fundamental nature of what a REIT is designed to do—namely, to aggregate investments in real estate and provide income distributions to its shareholders.

7. Which statement about Consideration in contracts is true?

- A. Consideration can be anything of value exchanged**
- B. No consideration is needed for verbal agreements
- C. Consideration must only be financial
- D. Consideration is dependent on the buyer's profession

Consideration is a fundamental concept in contract law that refers to something of value exchanged between parties as part of an agreement. The essence of consideration is that each party must provide something of value, which can take many forms. This value does not have to be money; it can also include services, goods, or even a promise to perform or refrain from a certain action. Therefore, the statement that consideration can be anything of value exchanged is accurate and reflects the flexibility inherent in contract law regarding what can constitute consideration. In contrast, other options suggest limitations on what consideration can be, which do not align with legal principles. For instance, the notion that no consideration is needed for verbal agreements is misleading; even verbal agreements typically require consideration to be enforceable. Additionally, saying that consideration must only be financial overlooks the many other acceptable forms it can take. Finally, the idea that consideration depends on the buyer's profession is inaccurate, as consideration is a general requirement that applies uniformly, regardless of the parties' occupations.

8. What is the definition of actual notice in real estate law?

- A. Hearing about a document through hearsay
- B. Not being aware of any recordings
- C. Personal knowledge of a document's existence**
- D. A presumption of knowledge based on recording

Actual notice in real estate law refers specifically to personal knowledge of a document's existence. This type of notice means that a person is fully aware of a particular legal document and its implications, such as a deed, mortgage, or lease, directly from firsthand experience or communication. This contrasts with constructive notice, where someone is presumed to know about a legal document due to its recording in public records, even if they have no direct awareness of it. This understanding is important in real estate transactions, as actual notice can dictate the rights and responsibilities of parties involved. For example, if a buyer has actual notice of an existing lien on a property, this knowledge can affect their decision-making and obligations regarding that property. In contrast, the other options do not accurately represent the concept of actual notice. Hearing about a document through hearsay does not establish direct knowledge, and being unaware of any recordings does not equate to having actual notice. Lastly, the presumption of knowledge based on recording pertains to constructive notice rather than actual notice, which relies on direct or personal awareness.

9. How is a joint tenancy terminated?

- A. By the death of a joint tenant
- B. When one of the four unities is destroyed**
- C. By transferring ownership to a non-joint tenant
- D. Through legal action

A joint tenancy refers to a form of ownership in which two or more people hold equal shares in a property with the right of survivorship. The key characteristic of joint tenancy is the requirement of the four unities: time, title, interest, and possession. For a joint tenancy to remain intact, all four of these unities must be present. When one of the four unities is destroyed, the joint tenancy terminates and is converted into a tenancy in common. This can occur, for example, if one joint tenant transfers their interest to another party, which destroys the unity of title. Without all four unities, the essence of joint tenancy is lost, and thus the relationship between the original joint tenants is severed. While the death of a joint tenant typically results in the remaining joint tenants absorbing the deceased's interest (due to the right of survivorship), it doesn't terminate the joint tenancy. Legal action can also be a means to partition or dissolve a joint tenancy but is not a direct terminating event in itself. Moreover, transferring ownership to a non-joint tenant would indeed disrupt the unity of title but must be understood in the context of the broader concept of unities. Therefore, the correct answer focuses on the critical concept that the

10. Which term refers to the division of costs between a buyer and seller based on time of use?

- A. Execution
- B. Warranty
- C. Prorations**
- D. Inspection

The term that refers to the division of costs between a buyer and seller based on time of use is "prorations." In real estate transactions, prorations are commonly used to allocate expenses such as property taxes, homeowner association fees, and utilities between the buyer and the seller. This allocation is typically based on the date of closing and the time each party owns the property during the billing period. For example, if property taxes are due for the entire year and closing occurs halfway through that year, the seller would be responsible for their portion of the taxes for the time they owned the property, while the buyer will be responsible for the remaining portion. This ensures that both parties fairly share the costs based on their actual time of ownership. Understanding prorations is essential for real estate professionals and buyers to ensure a smooth transaction process and to avoid disputes regarding financial obligations after the closing.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

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We wish you the very best on your exam journey. You've got this!

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