

CHAPTER 5: Leases**MATCHING:**

tenancy at will
 actual eviction
 sublet
 escalation clause
 restrictive clauses
 constructive eviction
 index lease
 net lease

percentage lease
 gross lease
 tenancy at sufferance
 assignment
 statute of frauds
 estate for years
 estate from period to period

1. _____ Forcible removal of a tenant from a property by the court after a judgment decree of possession is issued in favor of the owner
2. _____ Transfer of a tenant's remaining rental rights in a property to a third party, but not responsibilities unless agreed to by landlord
3. _____ A situation in which a tenant must abandon the premises because of the landlord's negligence in providing essential services
4. _____ A lease clause providing that the rental rate will increase or decrease according to a selected index of economic conditions
5. _____ A leasehold estate that continues for a specified period of time; not ordinarily terminated by death of either party or by sale of the property
6. _____ A common residential lease: the tenant pays a fixed rental and the landlord pays all operating expenses for the property
7. _____ A leasehold estate that is automatically renewed for successive periods of time until either party gives notice to the other
8. _____ A lease containing an escalation clause that is tied to an index
9. _____ A common industrial lease form requiring the tenant to pay rent plus certain costs incurred in the operation of the property
10. _____ A common retail lease requiring the tenant to pay a percentage of its gross income as rental consideration
11. _____ A clause in a deed or lease that limits the way that the real estate ownership or possession may be used
12. _____ Part of state law that requires certain leases to be in writing in order to be legally enforceable
13. _____ Partial transfer of a tenant's right in a rental property to a third party
14. _____ A rental situation in which a tenant who originally obtained possession of the premises legally continues to occupy the property after the expiration of the leasehold interest and without permission of the owner

15. _____ An estate that gives the tenant the right of possession for an indefinite period; may be terminated by either party or the death of either party

Chapter 5: True/False

1. **T** **F** Parties to a lease are the owner and the manager.
2. **T** **F** The option to renew clause favors the tenant.
3. **T** **F** The most typical residential lease is the estate for years.
4. **T** **F** All leases must be in writing to be legally enforceable.
5. **T** **F** Should an owner fail to provide heat in sub-zero weather, the tenant may terminate the lease claiming constructive eviction.
6. **T** **F** The Uniform Landlord Tenant Act determines the content of residential leases.
7. **T** **F** A lease that continually renews is called a tenancy at will.
8. **T** **F** A lease running from April 23 to August 31 is called an estate for years.
9. **T** **F** The net lease is most commonly used for residential leases.
10. **T** **F** Leases for space in a shopping mall are usually percentage leases.
11. **T** **F** A lease must be delivered and accepted.
12. **T** **F** Under a net lease, the tenant pays a fixed amount and the landlord pays expenses.
13. **T** **F** The owner usually retains the right to accept or reject subletting.
14. **T** **F** It is wise to include a clause stating that illegal drug dealing is grounds for immediate termination of the lease.
15. **T** **F** Standard lease forms off the internet are less expensive and just as valid as one written by the owner's attorney.

Chapter 5: Multiple Choice

1. **A leasehold estate used by most residential property managers is a(n)**
 - a. estate by the entirety.
 - b. estate from period to period.
 - c. estate for years.
 - d. tenancy at will.

- 2. An estate that occurs at the end of a lease term without the consent of the owner is a(n)**
 - a. estate for years.
 - b. tenancy at will.
 - c. estate by the entirety.
 - d. tenancy at sufferance.

- 3. A lease under which the tenant pays a flat fee and the landlord pays all the expenses of the building is called a**
 - a. net lease.
 - b. gross lease.
 - c. percentage lease.
 - d. triple-net lease.

- 4. All of the following are correct regarding the basic elements of a valid lease EXCEPT**
 - a. Description of the property
 - b. Names and signatures of lessors and lessees
 - c. Consideration or amount of rent
 - d. Racial composition of the tenants

- 5. Which statute requires any leases not fully performable within one year be in writing to be legally enforceable?**
 - a. Statute of time and use
 - b. Statute of limitations
 - c. Statute of frauds
 - d. None of the above

- 6. Options to renew a lease favor the**
 - a. tenant.
 - b. landlord.
 - c. landlord and tenant.
 - d. None of the above

- 7. The clause in a lease that could help a new starting business is the**
 - a. index clause.
 - b. step up clause.
 - c. pass-through.
 - d. expense stop.

- 8. The transfer of a tenant's rights of all the remaining interest to a third party is called**
 - a. an assignment.
 - b. subletting.
 - c. subrogation.
 - d. release of liability.

- 9. The tenant may terminate his lease when the landlord fails to provide essential services by claiming**
 - a. will noncompliance.
 - b. notice to quite.
 - c. actual eviction.
 - d. constructive eviction.

- 10. Which is about the only reason that a manager should use a standard lease form?**
 - a. Inexpensive
 - b. May be out of date
 - c. Often require much revision
 - d. Manager is familiar with the legal ramifications and provisions