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Chapter 9 Alaska Real Estate Law Correspondence Course Information

Please read and become familiar with this information prior to the class date.

This part of the class will be taken correspondence. You will be required to take a test on this information and the test must be returned prior to taking the classroom portion of the course. The remainder of the class may be taken in the classroom or by correspondence.

If you have registered for the correspondence course, the test as well as the evaluation sheet must returned for grading and issuance of you graduation certificate. You may take the tests all at once or one chapter at a time. The test may be taken open book and the answer sheet must be sent back to:

Email to info@AlaskaRealEstateSchool.com

Or Fax to 866-659-8458

Or Mail to: AlaskaRealEstateSchool.com Attn: Denny Wood PO Box 241727 Anchorage, Alaska 99524-1727



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Refer to Chapter 9 Correspondence Statutes and Regulations, then complete this section.



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Title 34 Property Chapter 3

UNIFORM RESIDENTIAL LANDLORD AND TENANT ACT

Article 01. PURPOSE AND CONSTRUCTION

AS 34.03.010. Purpose and Construction.

- (a) This chapter shall be liberally construed and applied to promote its underlying purposes and policies.
- (b) The underlying purposes and policies of this chapter are to
- (1) simplify, clarify, modernize, and revise the law governing the rental of dwelling units and the rights and obligations of landlord and tenant;
- (2) encourage landlord and tenant to maintain and improve the quality of housing; and
- (3) make uniform the law among those states that enact it.

Article 02. RENTAL AGREEMENTS

AS 34.03.020. Terms and Conditions of Rental Agreement.

- (a) The landlord and tenant may include in a rental agreement clauses and conditions not prohibited by this chapter or by law, including rent, terms of agreement, and other provisions governing the rights and obligations of the parties.
- (b) In the absence of agreement, the tenant shall pay as rent the fair rental value for the use and occupancy of the dwelling unit.
- (c) Rent shall be payable without demand or notice at the time and place agreed upon by the parties. Unless otherwise agreed, rent is payable at the dwelling unit. Unless otherwise agreed, rent is payable at the beginning of any term of one month or less and otherwise in equal monthly installments. Unless



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otherwise agreed, rent shall be uniformly apportionable from day to day and shall be paid on the date the periodic tenancy begins and payable on or before the same date of each and every month thereafter until the tenancy terminates.

- (d) Unless the rental agreement fixes a definite term, the tenancy shall be week to week in the case of a tenant who pays weekly rent, and in all other cases month to month.
- (e) If required by the landlord, the landlord and the tenant shall include within the rental agreement, incorporate by reference in the rental agreement, or add as a separate attachment to the rental agreement a premises condition statement, setting out the condition of the premises, including fixtures but excluding reference to any of the other contents of the premises, and, if applicable, a contents inventory itemizing or describing all of the furnishings and other contents of the premises and specifying the condition of each of them. In the premises condition statement and contents inventory, the parties shall describe the premises and its contents at the commencement of the term of the period of the occupancy covered by the rental agreement. When signed by the parties, the premises condition statement and contents inventory completed under this subsection become part of the rental agreement.

AS 34.03.030. Effect of Unsigned or Undelivered Rental Agreement.

- (a) If the landlord does not sign and deliver a written rental agreement signed and delivered to the landlord by the tenant, acceptance of rent without reservation by the landlord gives the rental agreement the same effect as if it had been signed and delivered by the landlord.
- (b) If the tenant does not sign and deliver a written rental agreement signed and delivered to the tenant by the landlord, acceptance of possession and payment of rent without reservation gives the rental agreement the same effect as if it had been signed and delivered by the tenant.
- (c) If a rental agreement given effect by the operation of this section provides for a term longer than one year, it is effective only for one year.

AS 34.03.040. Prohibited Provisions in Rental Agreements.

- (a) A rental agreement may not provide that the tenant or landlord
- (1) agrees to waive or to forego rights or remedies under this chapter;
- (2) authorizes a person to confess judgment on a claim arising out of the rental agreement;
- (3) agrees to the exculpation or limitation of any liability of the landlord or tenant arising under the law or to indemnify the landlord or tenant for that liability or the costs connected with it;
- (4) agrees to pay the landlord's attorney fees.
- (b) A provision prohibited by (a) or (c) of this section included in a rental agreement is unenforceable. If a landlord or tenant wilfully uses a rental agreement containing provisions known by the person to be prohibited, the other party may recover the amount of actual damages.
- (c) A rental agreement between a mobile home park operator and a mobile home park tenant may not



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- (1) deny a tenant of a mobile home park the right to sell the tenant's mobile home within the park or require the resident or tenant to remove the mobile home from the park solely on the basis of the sale of the mobile home, nor may the mobile home park operator make a rule or regulation to the same effect, except that, within 30 days of written notice by the tenant of intent to sell the mobile home to a specified buyer, the operator or owner of the mobile home park may refuse to allow a sale for the following reasons:
- (A) the mobile home is in violation of laws or ordinances relating to health, safety or welfare;
- (B) the proposed buyer refuses to assume the same terms as are in the existing rental agreement; or
- (C) the proposed buyer does not have sufficient financial responsibility;
- (2) require a tenant to provide permanent improvements that become a part of the real property of the mobile home park owner or operator as a condition of tenancy in the mobile home park; however, the rental agreement may require the tenant to maintain existing conditions in the park;
- (3) require payment of any type of vendor or transfer fee either by a tenant in the mobile home park desiring to sell the tenant's mobile home to another party or by any party desiring to purchase a mobile home from a tenant in the park as a condition of tenancy; however, this paragraph does not prevent the owner or operator from applying normal park standards to prospective tenants before granting or denying tenancy or from charging a reasonable vendor or transfer fee for services actually performed if the tenant is notified in writing of the amount of those charges before agreeing to move into the park; or
- (4) require the prospective tenant to pay a fee to enter the mobile home park or a tenant to pay a fee to transfer the tenant's mobile home to another location outside the park; however, this paragraph does not prevent the owner or operator from charging a reasonable fee for services actually performed and if the tenant is notified in writing of the amount of those charges before agreeing to move into the park.

AS 34.03.050. Separation of Rents and Obligations to Maintain Property Forbidden.

A rental agreement, assignment, conveyance, trust deed, or security instrument may not permit the receipt of rent free of the obligation to comply with AS <u>34.03.100</u> (a).

AS 34.03.060. Sublease and Assignment.

- (a) Unless otherwise agreed in writing, the tenant may not sublet the premises or assign the rental agreement to another without the landlord's consent.
- (b) The tenant's right to sublease the premises or assign the rental agreement to another shall be conditioned on obtaining the landlord's consent, which may be withheld only upon the grounds specified in (d) of this section; no further restrictions on sublease or assignment are enforceable.
- (c) When the rental agreement requires the landlord's consent for sublease or assignment, the tenant may secure one or more persons who are willing to occupy the premises. Each prospective occupant



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shall make a written offer signed and delivered by the prospective occupant to the landlord, containing the following information on the prospective occupant:

- (1) name, age, and present address;
- (2) marital status;
- (3) occupation, place of employment, and name and address of employer;
- (4) number of all other persons who would normally reside with the prospective occupant;
- (5) two credit references, or responsible persons who will confirm the financial responsibility of the prospective occupant; and
- (6) names and addresses of all landlords of the prospective occupant during the prior three years.
- (d) Within 14 days after the written offer has been delivered to the landlord, the landlord may refuse consent to a sublease or assignment by a written rejection signed and delivered by the landlord to the tenant, containing one or more of the following reasonable grounds for rejecting the prospective occupant:
- (1) insufficient credit standing or financial responsibility;
- (2) number of persons in the household;
- (3) number of persons under 18 years of age in the household;
- (4) unwillingness of the prospective occupant to assume the same terms as are included in the existing rental agreement;
- (5) proposed maintenance of pets;
- (6) proposed commercial activity; or
- (7) written information signed by a previous landlord, which shall accompany the rejection, setting out abuses of other premises occupied by the prospective occupant.
- (e) In the event the written rejection fails to contain one or more grounds permitted by (d) of this section for rejecting the prospective occupant, the tenant may consider the landlord's consent given, or at the tenant's option may terminate the rental agreement by a written notice given without unnecessary delay to the landlord at least 30 days before the termination date specified in the notice.
- (f) If the landlord does not deliver a written rejection signed by the landlord to the tenant within 14 days after a written offer has been delivered to the landlord by the tenant, the landlord's consent to the sublease or assignment shall be conclusively presumed.

Article 03. LANDLORD OBLIGATIONS

AS 34.03.070. Security Deposits and Prepaid Rent.

- (a) A landlord may not demand or receive prepaid rent or a security deposit, however denominated, in an amount or value in excess of two months' periodic rent. This section does not apply to rental units where the rent exceeds \$2,000 a month.
- (b) Upon termination of the tenancy, property or money held by the landlord as prepaid rent or as a security deposit may be applied to the payment of accrued rent and the amount of damages that the landlord has suffered by reason of the tenant's noncompliance with AS $\underline{34.03.120}$. The accrued rent and damages must be itemized by the landlord in a written notice mailed to the tenant's last known



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address within the time limit prescribed by (g) of this section, together with the amount due the tenant. In this subsection, "damages"

- (1) means deterioration of the premises and, if applicable, of the contents of the premises;
- (2) does not include deterioration
- (A) that is the result of the tenant's use of the premises by normal, nonabusive living;
- **(B)** caused by the landlord's failure to prepare for expected conditions or by the landlord's failure to comply with an obligation of the landlord imposed by this chapter.
- (c) All money paid to the landlord by the tenant as prepaid rent or as a security deposit in a lease or rental agreement shall be promptly deposited by the landlord, wherever practicable, in a trust account in a bank, savings and loan association, or licensed escrow agent, and the landlord shall provide to the tenant the terms and conditions under which the prepaid rent or security deposit or portions of them may be withheld by the landlord; nothing in this chapter prohibits the landlord from commingling prepaid rents and security deposits in a single financial account.
- (d) If the landlord wilfully fails to comply with (b) of this section, the tenant may recover an amount not to exceed twice the actual amount withheld.
- (e) This section does not preclude a landlord or tenant from recovering other damages to which either may be entitled under this chapter.
- (f) The holder of the landlord's interest in the premises at the time of the termination of the tenancy is bound by this section.
- (g) If the landlord or tenant gives notice that complies with AS 34.03.290, the landlord shall mail the written notice and refund required by (b) of this section within 14 days after the tenancy is terminated and possession is delivered by the tenant. If the tenant does not give notice that complies with AS 34.03.290, the landlord shall mail the written notice and refund required by (b) of this section within 30 days after the tenancy is terminated, possession is delivered by the tenant, or the landlord becomes aware that the dwelling unit is abandoned. If the landlord does not know the mailing address of the tenant, but knows or has reason to know how to contact the tenant to give the notice required by (b) of this section, the landlord shall make a reasonable effort to deliver the notice and refund to the tenant.

AS 34.03.080. Disclosure.

- (a) The landlord or a person authorized to enter into a rental agreement on behalf of the landlord shall disclose to the tenant in writing at or before the commencement of the tenancy the name and address of
- (1) the person authorized to manage the premises; and
- (2) an owner of the premises or a person authorized to act for and on behalf of the owner for the purpose of service of process and for the purpose of receiving and receipting for notices and demands.
- **(b)** The information required to be furnished by this section shall be kept current and this section extends to and is enforceable against any successor landlord, owner, or manager.
- (c) A person who fails to comply with (a) of this section becomes an agent of each person who is a landlord for the purpose of
- (1) service of process and receiving and receipting for notices and demands; and



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- (2) performing the obligations of the landlord under this chapter and under the rental agreement and expending or making available for the purpose all rent collected from the premises.
- (d) A mobile home park operator shall disclose fully in writing all capital improvements that will be required to be made by the tenant including but not limited to skirting or utility hook-ups, before entering into a rental agreement.

AS 34.03.090. Landlord to Supply Possession of the Dwelling Unit.

- (a) At the commencement of the term the landlord shall deliver possession of the premises to the tenant in compliance with the rental agreement and AS $\underline{34.03.100}$. The landlord may, after serving a notice to quit under AS $\underline{99.45.100}$ $\underline{09.45.105}$ to a person who is wrongfully in possession,
- (1) bring an action for possession against any person wrongfully in possession; and
- (2) recover the damages provided in AS 34.03.290.
- **(b)** As a condition of delivery of possession of the premises to the tenant, the landlord may require the tenant to acknowledge or verify by the tenant's signature the accuracy of the premises condition statement and contents inventory prepared under AS <u>34.03.020</u> (e). Before requiring the tenant's signature, the landlord shall first advise the tenant that the premises condition statement and contents inventory
- (1) may be used by the landlord as the basis
- (A) to determine whether prepaid rent or a security deposit shall be applied to the payment of damages to the premises when authorized by AS 34.03.070(b); and
- (B) to compute the recovery of other damages to which the parties may be entitled under this chapter; and
- (2) is, in an action initiated by a party to recover damages or to obtain other relief to which a party may be entitled under this chapter, presumptive evidence of the condition of the premises and its contents at the commencement of the term of the period of occupancy covered by the rental agreement.

AS 34.03.100. Landlord to Maintain Fit Premises.

- (a) The landlord shall
- (1) make all repairs and do whatever is necessary to put and keep the premises in a fit and habitable condition;
- (2) keep all common areas of the premises in a clean and safe condition;
- (3) maintain in good and safe working order and condition all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, kitchen, and other facilities and appliances, including elevators, supplied or required to be supplied by the landlord;
- (4) provide and maintain appropriate receptacles and conveniences for the removal of ashes, garbage, rubbish, and other waste incidental to the occupancy of the dwelling unit and arrange for their removal;



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- (5) supply running water and reasonable amounts of hot water and heat at all times, insofar as energy conditions permit, except where the building that includes the dwelling unit is so constructed that heat or hot water is generated by an installation within the exclusive control of the tenant and supplied by a direct public utility connection;
- (6) if requested by the tenant, provide and maintain locks and furnish keys reasonably adequate to ensure safety to the tenant's person and property; and
- (7) provide smoke detection devices and carbon monoxide detection devices as required under AS 18.70.095.
- (b) A landlord of a single family residence located in an undeveloped rural area or located where public sewer or water service has never been connected is not liable for a breach of (a)(3) or (5) of this section if the dwelling unit at the beginning of the rental agreement did not have running water, hot water, sewage, or sanitary facilities from a private system.
- (c) The landlord and tenant of a one- or two-family residence may agree in writing that the tenant perform the landlord's duties specified in (a)(4), (5), (6), and (7) of this section. A tenant may agree to perform the duties specified in (a)(3) of this section in rental units where the rent exceeds \$2,000 a month. They may also agree in writing that the tenant perform specified repairs, maintenance tasks, alterations, and remodeling, but the tenant may not agree to maintain elevators in good and safe working order. Agreements are allowed under this subsection only if the transaction is entered into in good faith and not for the purpose of evading the obligations of the landlord.
- (d) The landlord and tenant of a dwelling unit other than a single family residence may agree that the tenant is to perform specified repairs, maintenance tasks, alterations, or remodeling only if
- (1) the agreement of the parties is entered into in good faith and not for the purpose of evading the obligations of the landlord and is set out in a separate writing signed by the parties and supported by adequate consideration; and
- (2) the agreement does not diminish or affect the obligation of the landlord to other tenants in the premises.
- (e) The landlord may not treat performance of a separate agreement described in (d) of this section as a condition to an obligation or performance of a rental agreement.

AS 34.03.110. Limitation of Liability.

- (a) Unless otherwise agreed, a landlord who conveys premises that include a dwelling unit subject to a rental agreement in a good faith sale to a bona fide purchaser is relieved of liability under the rental agreement and this chapter as to events occurring subsequent to written notice to the tenant of the conveyance. However,
- (1) the landlord remains liable to the tenant for the property and money to which the tenant is entitled under AS $\underline{34.03.070}$, unless the property and money are specifically assigned to and accepted by the purchaser; and
- (2) the provisions of



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- (A) a premises condition statement prepared under AS <u>34.03.020</u> (e) between the landlord and the tenant remains valid as between the purchaser and the tenant until a new premises condition statement is entered into between the purchaser and the tenant; and
- **(B)** a contents inventory prepared under AS <u>34.03.020</u> (e) between the landlord and the tenant remains valid as between the purchaser and the tenant for the contents remaining on the premises after the conveyance of the premises until a new contents inventory is entered into between the purchaser and the tenant.
- (b) Unless otherwise agreed, a manager of premises that include a dwelling unit is relieved of liability under the rental agreement and this chapter as to events occurring after written notice to the tenant of the termination of the person's management.

Article 04. TENANT OBLIGATIONS

AS 34.03.120. Tenant Obligations.

- (a) The tenant
- (1) shall keep that part of the premises occupied and used by the tenant as clean and safe as the condition of the premises permit;
- (2) shall dispose all ashes, rubbish, garbage, and other waste from the dwelling unit in a clean and safe manner;
- (3) shall keep all plumbing fixtures in the dwelling unit or used by the tenant as clean as their condition permits;
- (4) shall use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, kitchen, and other facilities and appliances including elevators in the premises;
- (5) may not deliberately or negligently destroy, deface, damage, impair, or remove a part of the premises or knowingly permit any person to do so;
- (6) may not unreasonably disturb, or permit others on the premises with the tenant's consent to unreasonably disturb, a neighbor's peaceful enjoyment of the premises;
- (7) shall maintain smoke detection devices and carbon monoxide detection devices as required under AS 18.70.095;
- (8) may not, except in an emergency when the landlord cannot be contacted after reasonable effort to do so, change the locks on doors of the premises without first securing the written agreement of the landlord and, immediately after changing the locks, providing the landlord a set of keys to all doors for which locks have been changed; in an emergency, the tenant may change the locks and shall, within five days, provide the landlord a set of keys to all doors for which locks have been changed and written notice of the change; and
- (9) may not unreasonably engage in conduct, or permit others on the premises to engage in conduct, that results in the imposition of a fee under a municipal ordinance adopted under AS $\underline{29.35.125}$.
- (b) The tenant may not knowingly engage at the premises in prostitution, an illegal activity involving a place of prostitution, an illegal activity involving alcoholic beverages, an illegal activity involving gambling or promoting gambling, an illegal activity involving a controlled substance, or an illegal



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activity involving an imitation controlled substance, or knowingly permit others in the premises to engage in one or more of those activities at the rental premises.

AS 34.03.130. Rules and Regulations.

- (a) A landlord may adopt rules and regulations, which shall be posted prominently on the premises, concerning the tenant's use and occupancy of the premises. A rule or regulation is enforceable against the tenant only if
- (1) its purpose is to promote the convenience, safety, health, or welfare of the tenants in the premises, preserve the landlord's property from abusive use, or make a fair distribution of services and facilities held out for the tenants generally;
- (2) it is reasonably related to the purpose for which it is adopted;
- (3) it applies to all tenants in the premises in a fair manner;
- (4) it is sufficiently explicit in its prohibition, direction, or limitation of the tenant's conduct to fairly inform the tenant of what the tenant must or must not do to comply;
- (5) it is not for the purpose of evading the obligations of the landlord; and
- (6) the tenant has notice of it at the time the tenant enters into the rental agreement.
- (b) A rule or regulation adopted after the tenant enters into the rental agreement is enforceable against the tenant if reasonable notice of its adoption is given to the tenant and it does not work a substantial modification of the rental agreement.
- (c) A mobile home park operator may determine by rule or regulation the style or quality of the equipment, including but not limited to underskirting and tie-downs, to be purchased by the tenant from the vendor of the tenant's choice; however, the operator may not require that the equipment be purchased from the operator.

AS 34.03.140. Access.

- (a) The tenant may not unreasonably withhold consent to the landlord to enter into the dwelling unit in order to inspect the premises, make necessary or agreed repairs, decorations, alterations, or improvements, supply necessary or agreed services, remove personal property belonging to the landlord that is not covered by a written rental agreement, or exhibit the dwelling unit to prospective or actual purchasers, mortgagees, tenants, workers, or contractors.
- (b) The landlord may enter the dwelling unit without the consent of the tenant in the case of emergency.
- (c) A landlord may not abuse the right of access or use it to harass the tenant. Except in case of emergency or if it is impracticable to do so, the landlord shall give the tenant at least 24 hours notice of intention to enter and may enter only at reasonable times and with the tenant's consent.
- (d) The landlord does not have a right of access to the dwelling unit
- (1) except
- (A) as permitted by this section;
- **(B)** by court order; or



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- (C) as permitted by AS 34.03.230 (b); or
- (2) unless the tenant has abandoned or surrendered the premises.

AS 34.03.150. Tenant to Use and Occupy.

Unless otherwise agreed, the tenant shall occupy the dwelling unit only as a dwelling unit. The rental agreement shall require that the tenant notify the landlord of an anticipated extended absence from the premises in excess of seven days; however, the notice shall be given as soon as reasonably possible after the tenant knows the absence will exceed seven days.

Article 05. TENANT REMEDIES

AS 34.03.160. Noncompliance By the Landlord: General.

- (a) Except as provided in this chapter, if there is a material noncompliance by the landlord with the rental agreement or a noncompliance with AS 34.03.100 materially affecting health and safety, the tenant may deliver a written notice to the landlord specifying the acts and omissions constituting the breach and specifying that the rental agreement will terminate upon a date not less than 20 days after receipt of the notice if the breach is not remedied in 10 days, and the rental agreement shall terminate as provided in the notice subject to the provisions of this section. If the breach is remediable by repairs or the payment of damages or otherwise, and the landlord remedies the breach before the date specified in the notice, the rental agreement will not terminate. In the absence of due care by the landlord, if substantially the same act or omission that constituted a prior noncompliance of which notice was given recurs within six months, the tenant may terminate the rental agreement upon at least 10 days written notice specifying the breach and the date of termination of the rental agreement. The tenant may not terminate for a condition caused by the deliberate or negligent act or omission of the tenant, a member of the tenant's family, or other person on the premises with the tenant's consent.
- (b) Except as provided in this chapter, the tenant may recover damages and obtain injunctive relief for any noncompliance by the landlord with the rental agreement or AS $\underline{34.03.100}$, $\underline{34.03.210}$, or $\underline{34.03.280}$.
- (c) The remedy provided in (b) of this section is in addition to a right of the tenant under (a) of this section.
- (d) If the rental agreement is terminated, the landlord shall return all prepaid rent or security deposits recoverable by the tenant under AS $\underline{34.03.070}$.

AS 34.03.170. Failure to Deliver Possession.

(a) If the landlord fails to deliver possession of the dwelling unit to the tenant as provided in AS 34.03.090, rent abates until possession is delivered and the tenant may



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- (1) upon at least 10 days written notice to the landlord terminate the rental agreement and upon termination the landlord shall return all prepaid rent and security deposits; or
- (2) demand performance of the rental agreement by the landlord and if the tenant elects, maintain an action for possession of the dwelling unit against the landlord and any person wrongfully in possession and recover the damages sustained.
- **(b)** If a person's failure to deliver possession is wilful and not in good faith, an aggrieved tenant may recover from that person an amount not to exceed one and one-half times the actual damages.

AS 34.03.180. Wrongful Failure to Supply Heat, Water, Hot Water or Essential Services.

- (a) If, contrary to the rental agreement or AS <u>34.03.100</u>, the landlord deliberately or negligently fails to supply running water, hot water, heat, sanitary facilities, or other essential services, the tenant may give written notice to the landlord specifying the breach and may immediately
- (1) procure reasonable amounts of hot water, running water, heat, sanitary facilities, and essential services during the period of the landlord's noncompliance and deduct their actual and reasonable cost from the rent;
- (2) recover damages based on the diminution in the fair rental value of the dwelling unit; or
- (3) procure reasonable substitute housing during the period of the landlord's noncompliance, in which case the tenant is excused from paying rent for the period of the landlord's noncompliance and, in addition, may recover the amount by which the actual and reasonable cost exceeds rent.
- **(b)** A tenant who proceeds under this section may not proceed under AS <u>34.03.160</u> as to that breach.
- (c) Rights do not arise under this section until the tenant has given written notice to the landlord. Rights do not arise under this section if the condition was caused by the deliberate or negligent act or omission of the tenant, a member of the tenant's family, or other person on the premises with the tenant's consent.

AS 34.03.190. Landlord's Noncompliance as Defense to Action For Possession or Rent.

- (a) In an action for possession based upon nonpayment of the rent or in an action for rent when the tenant is in possession, the tenant may counterclaim for any amount recoverable under the rental agreement or this chapter. If a counterclaim is made, the court shall determine whether the defense is supported by the evidence and, if so, may order that
- (1) the periodic rent is to be reduced to reflect the diminution in value of the dwelling unit during the period of noncompliance;
- (2) the action be continued for a reasonable time to enable the landlord to cure the violation;
- (3) the tenant pay into court all or part of the rent accrued and thereafter accruing; if the violations have not been cured within six months, the court shall enter judgment for the defendant and either refund to the defendant all money deposited or use the money for the purpose of making the dwelling fit for



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human habitation; if the violations have been cured, the court shall determine the amount due to each party; the party to whom a net amount is owed shall be paid first from the money paid into the court, and the balance by the other party; if no rent remains due after application of this section, judgment shall be entered for the tenant in the action for possession;

- (4) the tenant vacate the dwelling during the making of necessary repairs, when the repairs cannot be made without vacation of the premises, the tenant to be reinstated upon completion of the repairs.
- (b) In an action for rent where the tenant is not in possession, the tenant may counterclaim as provided in (a) of this section but the tenant is not required to pay rent into court.

AS 34.03.200. Fire or Casualty Damage.

- (a) If the dwelling unit or premises are damaged or destroyed by fire or casualty to the extent that enjoyment of the dwelling unit is substantially impaired, the tenant shall
- (1) immediately vacate the premises and notify the landlord of the intention to terminate the rental agreement, in which case the rental agreement terminates as of the date of vacating; or
- (2) if continued occupancy is lawful, vacate the part of the dwelling unit rendered unusable by the fire or casualty, in which case the tenant's liability for rent is reduced in proportion to the diminution in the fair rental value of the dwelling unit.
- (b) If the rental agreement is terminated, the landlord shall return all prepaid rent and security deposits recoverable under AS $\underline{34.03.070}$. Accounting for rent in the event of termination or apportionment shall occur as of the date of the casualty.

AS 34.03.210. Tenant's Remedies For Landlord's Unlawful Ouster, Exclusion, or Diminution of Service.

If the landlord unlawfully removes or excludes the tenant from the premises or wilfully diminishes services to the tenant by interrupting or causing the interruption of electric, gas, water, sanitary, or other essential service to the tenant, the tenant may recover possession or terminate the rental agreement and, in either case, recover an amount not to exceed one and one-half times the actual damages. If the rental agreement is terminated, the landlord shall return all prepaid rent and security deposits recoverable by the tenant under AS 34.03.070.

Article 06. LANDLORD REMEDIES

AS 34.03.220. Noncompliance With Rental Agreement; Failure to Pay Rent.

(a) Except as provided in this chapter,



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- (1) if the tenant or someone in the tenant's control deliberately inflicts substantial damage to the premises in breach of AS 34.03.120(a)(5), the landlord may deliver a written notice to quit to the tenant under AS 09.45.100 09.45.105 specifying the act constituting the breach and specifying that the rental agreement will terminate upon a date that is not less than 24 hours after service of the notice; for purposes of this paragraph, damage to premises is "substantial" if the loss, destruction, or defacement of property attributable to the deliberate infliction of damage to the premises exceeds \$400:
- (2) if there is a material noncompliance by the tenant with the rental agreement, or if there is noncompliance with AS $\underline{34.03.120}$, other than deliberate infliction of substantial damage to the premises or other than noncompliance as to a utility service for which the provisions of (e) of this section apply, materially affecting health and safety, the landlord may deliver a written notice to quit to the tenant under AS $\underline{09.45.100}$ $\underline{09.45.110}$ specifying the acts and omissions constituting the breach and specifying that the rental agreement will terminate upon a date not less than 10 days after service of the notice; if the breach is not remedied, the rental agreement terminates as provided in the notice subject to the provisions of this section; if the breach is remediable by repairs or the payment of damages or otherwise and the tenant adequately remedies the breach before the date specified in the notice, the rental agreement will not terminate; in the absence of due care by the tenant, if substantially the same act or omission that constituted a prior noncompliance of which notice was given recurs within six months, the landlord may terminate the rental agreement upon at least five days written notice to quit specifying the breach and the date of termination of the rental agreement.
- (b) If rent is unpaid when due and the tenant fails to pay rent in full within seven days after written notice by the landlord of nonpayment and the intention to terminate the rental agreement if the rent is not paid within that period of time, the tenancy terminates unless the landlord agrees to allow the tenant to remain in occupancy, and the landlord may terminate the rental agreement and immediately recover possession of the rental unit. Only one written notice of default need be given the tenant by the landlord as to any one default. A landlord who has given written notice to the tenant under this subsection may accept a partial payment of the rent due under the rental agreement and extend the date for the eviction accordingly.
- (c) Except as provided in this chapter, the landlord may recover actual damages and obtain injunctive relief for any noncompliance by the tenant with the rental agreement or AS $\underline{34.03.120}$.
- (d) An order of abatement entered by a court under AS $\underline{09.50.170}$ terminates a rental agreement on the premises subject to the order of abatement.
- (e) If a public utility providing electricity, natural gas, or water to the premises occupied by the tenant discontinues the service to the premises due to the failure of the tenant to pay for the utility service, the landlord may deliver a written notice to quit to the tenant advising that, notwithstanding (a) of this section, the tenancy will terminate five days after the landlord's service of the notice. If, within three days from the service of the notice, the tenant reinstates the discontinued service and repays the landlord for any amounts paid by the landlord to reinstate service, and if damage did not occur to the rental unit as a result of the discontinuance of service, the rental agreement will not terminate. However, in the absence of due care by the tenant, if substantially the same act or omission that constituted a prior noncompliance under this subsection for which notice was given recurs within six



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months, the landlord may terminate the rental agreement upon at least three days' written notice specifying the breach and the date of termination of the rental agreement.

(f) A person whose use of premises is based solely on rights acquired by a tenant, and who has not individually acquired the rights of a tenant under this chapter, does not acquire rights under this chapter as a result of being present on the premises.

AS 34.03.225. Limitations On Mobile Home Park Operator's Right to Terminate.

- (a) A mobile home park operator may evict a mobile home or a mobile home park dweller or tenant only for one of the following reasons:
- (1) the mobile home dweller or tenant has defaulted in the payment of rent owed;
- (2) the mobile home dweller or tenant has been convicted of violating a federal or state law or local ordinance, and that violation is continuing and is detrimental to the health, safety, or welfare of other dwellers or tenants in the mobile home park;
- (3) the mobile home dweller or tenant has violated a provision, enforceable under AS $\underline{34.03.130}$, of the rental agreement or lease signed by both parties and not prohibited by law including rent and the terms of agreement; and
- (4) a change in the use of the land comprising the mobile home park, or the portion of it on which the mobile home to be evicted is located; however, all dwellers or tenants so affected by a change in land use shall be given at least 270 days' notice, or longer if a longer notice period is provided in a valid lease or required by a municipality; a dweller or tenant so affected by a change in land use shall be given a quit date not earlier than May 1 and not later than October 15; a municipality may establish a mobile home relocation fund and require that a dweller or tenant so affected by a change in land use be given a longer notice period or compensated from the fund for the cost of disconnecting, relocating, and reestablishing the dweller's or tenant's mobile home.
- (b) A mobile home park operator may not evict a mobile home or a mobile home park dweller or tenant because of the age of the mobile home, except that a mobile home or a mobile home park dweller or tenant may be evicted if, when the mobile home was admitted to the mobile home park, a regulation of the mobile home park limiting the age of a mobile home in the mobile home park was in effect, the mobile home is sold after the age limitation has been exceeded, and the owner or tenant of the mobile home has failed to bring the unit into compliance with the life safety requirements of 24 CFR Part 3280. This does not prohibit eviction for violation of a provision enforceable under AS 34.03.130 that requires that a mobile home be in a fit and habitable condition.
- (c) When, under (a) of this section, a mobile home park owner is required to give notice to evict a mobile home owner or a mobile home park dweller or tenant, provision of notice to quit under AS <u>09.45.100</u> <u>09.45.105</u> satisfies the requirement of notice.



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AS 34.03.230. Remedies For Absence, Nonuse and Abandonment.

(a) When the rental agreement requires the tenant to give notice to the landlord of an anticipated extended absence in excess of seven days as required in AS 34.03.150 and the tenant wilfully fails to do so, the landlord may recover an amount not to exceed one and one-half times the actual damages.
(b) During an absence of the tenant in excess of seven days, the landlord may enter the dwelling unit at times reasonably necessary as provided in AS 34.03.140. The landlord may reenter the dwelling unit and, if there is evidence that the tenant has abandoned the dwelling unit, unless the landlord and tenant have made a specific agreement to the contrary, the landlord may terminate the rental agreement.
(c) If the tenant abandons the dwelling unit, the landlord shall make reasonable efforts to rent it at a fair rental value. If the landlord rents the dwelling unit for a term beginning before the expiration of the rental agreement, the agreement is considered terminated on the date the new tenancy begins. The rental agreement is considered terminated by the landlord on the date the landlord has notice of the abandonment if the landlord fails to use reasonable efforts to rent the dwelling unit at a fair rental value or if the landlord accepts the abandonment as a surrender. If the tenancy is from month to month, or week to week, the term of the rental agreement for purposes of this section shall be considered a month or a week, as the case may be.

AS 34.03.240. Waiver of Landlord's Right to Terminate.

Acceptance of rent with knowledge of a default by the tenant or acceptance of performance by the tenant that varies from the terms of the rental agreement or rules or regulations subsequently adopted by the landlord constitutes a waiver of the right of the landlord to terminate the rental agreement for that breach, unless otherwise agreed after the breach has occurred.

AS 34.03.250. Landlord Liens; Distraint For Rent Abolished.

- (a) A lien or security interest on behalf of the landlord in the tenant's household goods is not enforceable unless perfected before March 19, 1974.
- **(b)** Distraint for rent is abolished.

AS 34.03.260. Disposition of Abandoned Property.

(a) Except as otherwise agreed, if, upon termination of a tenancy including but not limited to a termination after expiration of a lease or by surrender or abandonment of the premises, a tenant has left personal property upon the premises, and the landlord reasonably believes that the tenant has abandoned this personal property, the landlord may



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- (1) give notice to the tenant demanding that the property be removed within the dates set out in the notice but not less than 15 days after delivery or mailing of the notice, and that if the property is not removed within the time specified, the property may be sold; if the property is not removed within the time specified in the notice, the landlord may sell the property at a public sale; the landlord may dispose of perishable commodities in any manner the landlord considers fit;
- (2) if the tenant has left personal property that is reasonably determined by the landlord to be valueless or of such little value that the cost of storing and conducting a public sale would probably exceed the amount that would be realized from the sale, the landlord may notify the tenant that the property be removed within the date specified in the notice but not less than 15 days after delivery or mailing of the notice, and that if the property is not removed within the time specified, the landlord intends to destroy or otherwise dispose of the property; if the property is not removed within the time specified in the notice, the landlord may destroy or otherwise dispose of the property; in the notice, the landlord shall indicate an election to sell certain items of the tenant's personal property at public sale and to destroy or otherwise dispose of the remainder.
- (b) After notice as provided in (a) of this section, the landlord shall store all personal property of the tenant in a place of safekeeping and shall exercise reasonable care of the property, but is not responsible to the tenant for loss not caused by the landlord's deliberate or negligent act. The landlord may elect to store the property on the premises previously demised, in which event the storage cost may not exceed the fair rental value of the premises. If the tenant's property is removed to a commercial storage company, the storage cost shall include the actual charge for the storage and removal from the premises to the place of storage.
- (c) After landlord's notice under (a) of this section, or otherwise, if the tenant makes timely response in writing of an intention to remove the personal property from the premises and does not do so within the time specified in the landlord's notice or within 15 days of the delivery or mailing of the tenant's written response whichever is later, it shall be conclusively presumed that the tenant has abandoned the property. If the tenant removes the property after notice, the landlord is entitled to the cost of storage for the period the property has remained in the landlord's safekeeping.
- (d) The landlord is not liable in damages in an action by a tenant claiming loss by reason of the landlord's storage, destruction, or disposition of property under this section. A landlord who deliberately or negligently violates the provisions of this section is liable for actual damages and penal damages of an amount not to exceed actual damages.
- (e) A public sale authorized under this section shall be conducted under AS $\underline{09.35.140}$. The landlord may dispose of any property upon which no bid is made at the public sale.

AS 34.03.270. Remedy After Termination.

If the rental agreement is terminated, the landlord may have a claim for possession and for rent and a separate claim for actual damages for breach of the rental agreement.



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AS 34.03.280. Recovery of Possession Limited.

A landlord may not recover or take possession of the dwelling unit by action or otherwise, including wilful diminution of services to the tenant by interrupting or causing the interruption of electricity, gas, water, sanitary, or other essential services to the tenant, except in case of abandonment, surrender, circumstances beyond the control of the landlord due to energy conditions, or as permitted in this chapter.

AS 34.03.285. Service of Process Upon Tenant.

In an action for possession under this chapter, the summons and complaint shall be served under the provisions of Rule No. 85 of the Rules of Civil Procedure. A continuance may not be granted plaintiff or defendant except for good cause shown.

Article 07. PERIODIC TENANCY, HOLDOVER, AND ABUSE OF ACCESS

AS 34.03.290. Periodic Tenancy and Holdover.

- (a) While rent is current, the landlord or the tenant may terminate a week to week tenancy by a written notice given to the other at least 14 days before the termination date specified in the notice.
- **(b)** The landlord or the tenant may terminate a month to month tenancy by a written notice given to the other at least 30 days before the rental due date specified in the notice.
- (c) If the tenant remains in possession without the landlord's consent after expiration of the term of the rental agreement or after its termination under (a) or (b) of this section, the landlord may, after serving a notice to quit to the tenant under AS 09.45.100 09.45.105, bring an action for possession and if the tenant's holdover is wilful and not in good faith the landlord, in addition, may recover an amount not to exceed one and one-half times the actual damages. If the landlord consents to the tenant's continued occupancy, AS 34.03.020 applies.

AS 34.03.300. Landlord and Tenant Remedies For Abuse of Access.

(a) If the tenant refuses to allow lawful access, the landlord may obtain injunctive relief to compel access or terminate the rental agreement. In either case, the landlord may recover an amount not to exceed the actual damages or one month's periodic rent, whichever is greater. If the landlord terminates the rental agreement, the landlord shall give written notice to the tenant at least 10 days before the date specified in the notice.



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(b) If the landlord makes an unlawful entry or a lawful entry in an unreasonable manner or makes repeated demands for entry otherwise lawful but which have the effect of unreasonably harassing the tenant, the tenant may obtain injunctive relief to prevent the recurrence of the conduct or terminate the rental agreement. In either case, the tenant may recover an amount not to exceed the actual damages or one month's periodic rent, whichever is greater, court costs and reasonable attorney fees. If the tenant terminates the rental agreement, the tenant shall give written notice to the landlord at least 10 days before the date specified in the notice.

Article 08. RETALIATORY ACTION

AS 34.03.310. Retaliatory Conduct Prohibited.

- (a) Except as provided in (c) and (d) of this section, a landlord may not retaliate by increasing rent or decreasing services or by bringing or threatening to bring an action for possession after the tenant has
- (1) complained to the landlord of a violation of AS <u>34.03.100</u>;
- (2) sought to enforce rights and remedies granted the tenant under this chapter;
- (3) organized or become a member of a tenant's union or similar organization; or
- (4) complained to a governmental agency responsible for enforcement of governmental housing, wage, price, or rent controls.
- **(b)** If the landlord acts in violation of (a) of this section, the tenant is entitled to the remedies provided in AS <u>34.03.210</u> and has a defense in an action against the tenant for possession.
- (c) Notwithstanding (a) and (b) of this section, after serving a notice to quit to the tenant under AS <u>09.45.100</u> <u>09.45.105</u>, a landlord may bring an action for possession if
- (1) the tenant is in default in rent;
- (2) compliance with the applicable building or housing code requires alteration, remodeling, or demolition that would effectively deprive the tenant of use of the dwelling unit;
- (3) the tenant is committing waste or a nuisance, or is using the dwelling unit for an illegal purpose or for other than living or dwelling purposes in violation of the rental agreement;
- (4) the landlord seeks in good faith to recover possession of the dwelling unit for personal purposes;
- (5) the landlord seeks in good faith to recover possession of the dwelling unit for the purpose of substantially altering, remodeling, or demolishing the premises;
- (6) the landlord seeks in good faith to recover possession of the dwelling unit for the purpose of immediately terminating for at least six months use of the dwelling unit as a dwelling unit; or
- (7) the landlord has in good faith contracted to sell the property, and the contract of sale contains a representation by the purchaser corresponding to (4), (5) or (6) of this subsection.
- (d) Notwithstanding (a) of this section, the landlord may increase the rent if the landlord
- (1) has become liable for a substantial increase in property taxes, or a substantial increase in other maintenance or operating costs not associated with compliance with the complaint or request, not less than four months before the demand for an increase in rent; and the increase in rent bears a reasonable relationship to the net increase in taxes or costs;



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- (2) has completed a capital improvement of the dwelling unit or the property of which it is a part and the increase in rent does not exceed the amount that may be claimed for federal income tax purposes as a straight-line depreciation of the improvement, prorated among the dwelling units benefited by the improvement;
- (3) can establish by competent evidence that the rent now demanded of the tenant does not exceed the rent charged other tenants of similar dwelling units in the building or, in the case of a single-family residence or if there is no similar dwelling unit in the building, does not exceed the fair rental value of the dwelling unit.
- (e) Maintenance of the action under (c) of this section does not release the landlord from liability under AS <u>34.03.160</u> (b).

Article 09. GENERAL PROVISIONS

AS 34.03.320. Obligation of Good Faith.

Every duty under this chapter and every act that must be performed as a condition precedent to the exercise of a right or remedy under this chapter imposes an obligation of good faith in its performance or enforcement. The aggrieved party has a duty to mitigate damages.

AS 34.03.330. Application and Exclusions.

- (a) This chapter applies to and determines rights, obligations and remedies under a rental agreement, wherever made, for a dwelling unit in this state.
- **(b)** Unless created to avoid the application of this chapter, the following arrangements are not governed by this chapter:
- (1) residence at an institution, public or private, if incidental to detention or the provision of medical, geriatric, educational, counseling, religious, or similar services;
- (2) occupancy under a contract of sale of a dwelling unit or the property of which it is a part if the occupant is the purchaser or a person who succeeds to the interest of a purchaser;
- (3) occupancy by a member of a fraternal or social organization in the portion of a structure operated for the benefit of the organization;
- (4) transient occupancy in a hotel, motel, lodgings, or other transient facility;
- (5) occupancy by an employee of a landlord whose right to occupancy is conditioned upon employment substantially for services, maintenance, or repair to the premises;
- (6) occupancy by an owner of a condominium unit or a holder of a proprietary lease in a cooperative;
- (7) occupancy under a rental agreement covering premises used by the occupant primarily for agricultural purposes;
- (8) occupancy under a rental agreement covering premises used as part of a transitional or supportive housing program that is sponsored or operated by a public corporation or by a nonprofit corporation



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and that provides shelter and related support services intended to improve the occupant's opportunity to obtain permanent housing.

AS 34.03.335. Proof of Certain Property Damage Claims.

In an action initiated by a party to recover damages or to obtain other relief to which a party may be entitled under this chapter, a premises condition statement and contents inventory prepared under AS 34.03.020(e) is presumptive evidence of the condition of the premises and its contents at the commencement of the term of the period of occupancy covered by the rental agreement between the parties. Unless its authenticity is rebutted by clear and convincing evidence by the party against whom the statement and contents inventory is offered, the statement and contents inventory may be offered by a party, without additional supporting evidence, as the basis on which to compute the recovery of damages to which the party may be entitled under this chapter.

AS 34.03.340. Service of Process.

If a landlord is not a resident of this state or is a corporation not authorized to do business in this state and engages in any conduct in this state governed by this chapter, or engages in a transaction subject to this chapter, the landlord may designate an agent upon whom service of process may be made in this state. The agent shall be a resident of this state or a corporation authorized to do business in this state. The agent shall be the same person designated under AS 34.03.080. The designation shall be in writing and filed with the commissioner of commerce, community, and economic development. If no designation is made and filed or if process cannot be served in this state upon the designated agent, process may be served upon the commissioner of commerce, community, and economic development, but the service upon the commissioner is not effective unless the plaintiff or petitioner immediately mails a copy of the process and pleadings by certified or registered mail to the defendant or respondent at the last ascertainable address of the defendant or respondent. An affidavit of compliance with this section shall be filed with the clerk of the court having jurisdiction on or before the return day for the process, if any, or within any further time allowed by the court.

AS 34.03.345. Mediation and Binding Arbitration.

- (a) A landlord and a tenant may agree to mediate disputes between them as to an obligation of either of them arising out of the rental agreement. If the landlord and tenant agree to mediate disputes, they shall include the scope of the agreement within the executed rental agreement, incorporate a reference to that agreement within the rental agreement, or add the text of the agreement as a separate attachment to the rental agreement.
- (b) A landlord and a tenant may agree to binding arbitration of the disputes between them as to an obligation of either of them arising out of the rental agreement. If the landlord and tenant agree to binding arbitration, they shall include the scope of the agreement within the executed rental agreement,



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incorporate a reference to that agreement within the rental agreement, or add the text of the agreement as a separate attachment to the rental agreement.

AS 34.03.350. Attorney Fees.

Attorney fees shall be allowed to the prevailing party in any proceeding arising out of this chapter, or a rental agreement.

AS 34.03.360. Definitions.

In this chapter,

- (1) "abandonment" means that the tenant has left the dwelling unit and the tenant's personal belongings in it and has been absent for a continuous period of seven days or longer without giving notice under AS 34.03.150 and has defaulted in the payment of rent;
- (2) "building and housing codes" include any law, ordinance, or governmental regulation concerning fitness for habitation, or the construction, maintenance, operation, occupancy, use, or appearance of a premise or dwelling unit;
- (3) "dwelling unit" means a structure or a part of a structure that is used as a home, residence, or sleeping place by one person who maintains a household or by two or more persons who maintain a common household, and includes mobile homes, and if located in a mobile home park, the lot or space upon which a mobile home is placed;
- (4) "fair rental value" means the average rental rate in the community for available dwelling units of similar size and features:
- (5) "good faith" means honesty in fact in the conduct of the transaction concerned;
- (6) "illegal activity involving alcoholic beverages" means a person's delivery of an alcoholic beverage in violation of AS <u>04.11.010</u> (b) in an area where the results of a local option election have, under AS <u>04.11.491</u>, prohibited the Alcoholic Beverage Control Board from issuing, renewing, or transferring a liquor license or permit under AS <u>04</u>;
- (7) "illegal activity involving a controlled substance" means a violation of AS $\underline{11.71.010}$ (a), $\underline{11.71.020}$ (a), $\underline{11.71.030}$ (a)(1) or (2), or $\underline{11.71.040}$ (a)(1), (2), or (5);
- (8) "illegal activity involving gambling or promoting gambling" means a violation of
- (A) AS $\underline{11.66.200}$, other than a social game as that term is defined by AS $\underline{11.66.280}$ (9); and (B) AS $\underline{11.66.210}$ or $\underline{11.66.220}$;
- (9) "illegal activity involving an imitation controlled substance" means a violation of AS <u>11.73.010</u> 11.73.030:
- (10) "illegal activity involving a place of prostitution" means a violation of AS $\underline{11.66.120}$ (a)(1) or $\underline{11.66.130}$ (a)(1) or (4);
- (11) "landlord" means the owner, lessor, or sublessor of the dwelling unit or the building of which it is a part, and it also means a manager of the premises who fails to disclose as required by AS 34.03.080;



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- (12) "organization" includes a corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, and any other legal entity;
- (13) "owner" means one or more persons, jointly or severally, in whom is vested all or part of the legal title to property or all or part of the beneficial ownership of property and a right to present use of the premises; the term includes a mortgagee in possession;
- (14) "premises" means a dwelling unit and the structure of which it is a part and facilities and appurtenances in it and grounds, areas, and facilities held out for the use of tenants generally or whose use is promised to the tenant;
- (15) "prepaid rent" means that amount of money demanded by the landlord at the initiation of the tenancy for the purpose of ensuring that rent will be paid, but does not include the first month's rent or money received as security for damage;
- (16) "prostitution" means an act in violation of AS 11.66.100;
- (17) "rent" means the uniform periodic payment due the landlord, however denominated;
- (18) "rental agreement" means all agreements, written or oral, and valid rules and regulations adopted under AS 34.03.130 embodying the terms and conditions concerning the use and occupancy of a dwelling unit and premises;
- (19) "sanitary facility" means a flush toilet and proper drainage for all toilets, sinks, basins, bathtubs, and showers;
- (20) "single family residence" means a structure maintained and used as a single dwelling unit;
- (21) "tenant" means a person entitled under a rental agreement to occupy a dwelling unit to the exclusion of others;
- (22) "undeveloped rural area" means an area where public sewer or water services are not available.

AS 34.03.370. Applicability.

After March 19, 1974, this chapter applies to any rental agreement, lease, or tenancy entered into, extended, or renewed by the payment of rent on or subsequent to that date.

AS 34.03.380. Short Title.

This chapter may be cited as the "Uniform Residential Landlord and Tenant Act."



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A.S. 34.07. Horizontal Property Regimes Act

Article 01. FORMATION OF HORIZONTAL PROPERTY REGIMES

<u>Section 10</u>. This Chapter Applicable Only If Declaration Executed and Recorded.

- .010 (a) This chapter is applicable only to property, the sole owner or all of the owners of which submit it to the horizontal property regime by executing and recording a declaration under (c) of this section and AS 34.07.020.
- (b) A declaration or any amendment to the declaration is not valid unless recorded.
- (c) The declaration shall be recorded in the recording district in which the property is located. Section 20. Contents of Declaration.

The declaration must contain

- (1) a description of the land on which the building and improvement are or are to be located;
- (2) a description of the building, stating the number of stories and basements, the number of apartments and the principal materials of which it is or is to be constructed;
- (3) the apartment number of each apartment, and a statement of its location, approximate area, number of rooms, and immediate common areas to which it has access, and any other data necessary for its proper identification;
- (4) a description of the common areas and facilities;
- (5) a description of the limited common areas and facilities, if any, stating to which apartment their use is reserved:
- (6) the value of the property and of each apartment, and the percentage of undivided interest in the common areas and facilities appertaining to each apartment and its owner for all purposes, including voting;
- (7) a statement of the purposes for which the building and each of the apartments are intended and restricted as to their use;
- (8) the name of a person to receive service of process in the cases provided for in this chapter, together with the address of the person's residence or place of business, which shall be within the city or recording district in which the building is located;
- (9) a provision as to the percentage of votes by the apartment owners that determines whether or not to rebuild, repair, restore, or sell the property in the event of the damage or the destruction of all or a part of the property;
- (10) a provision authorizing and establishing procedures for the subdividing or combining of an apartment or apartments, common areas and facilities or limited common areas and facilities, through the use of a metes and bounds description or otherwise;
- (11) a provision requiring the adoption of bylaws for the administration of the property or for other purposes not inconsistent with this chapter that may include that the property be administered by a board of directors elected from among the apartment owners, or by a manager, or by a managing agent, or otherwise, and the procedures for the adoption and amendment of the bylaws;



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- (12) any further details in connection with the property that the person executing the declaration may consider desirable to set out consistent with this chapter;
- (13) the method by which the declaration may be amended, consistent with this chapter, except that not less than 60 percent of the apartment owners may consent to any amendment; and
- (14) a reference to the file number and recording information for the floor plans of the building affected that are required to be filed and recorded simultaneously with the declaration under AS 34.07.030.

<u>Section 30</u>. Filing and Recording of Survey Map and Floor Plans With Verified Statement.

There shall be filed and recorded simultaneously with the recording of the declaration in the recording district in which the property is located

- (1) a survey map of the surface of the land submitted under the provisions of this chapter showing the location of the building on it;
- (2) a set of the floor plans of the building showing the layout, apartment numbers and dimensions of the apartments in sufficient detail to identify and locate each apartment with certainty, stating the name of the building or that it has no name, and bearing the verified statement of a registered architect or registered professional engineer certifying that it is an accurate copy of portions of the plans of the building as filed with and approved by the governmental entity having jurisdiction over the approval or issuance of permits for the construction of the building, or a statement that no approval or permit is required.

<u>Section 40</u>. Amendment to Declaration in Place of Verified Statement By Architect or Engineer Regarding Floor Plans.

- (a) If the floor plans do not include a verified statement by a registered architect or registered professional engineer that the plans fully and accurately depict the layout, apartment numbers, and dimensions of the apartments as built, there shall be recorded before the first conveyance of an apartment an amendment to the declaration to which shall be attached a verified statement of a registered architect certifying that the plans previously filed and recorded or being filed and recorded simultaneously with the amendment fully and accurately depict the layout, apartment number, and dimensions of the apartments as built.
- (b) The plans must each contain a reference to the date of recording of the declaration and the volume, page, and receiving number of the recorded declaration.

Section 50. Form of Floor Plans.

The recording office shall prescribe the style, size, form, and quality of floor plans filed and recorded under AS 34.07.030.

Section 60. Survey Map and Floor Plans Subject to State and Local Laws.



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The survey map and floor plans are subject to the provisions of state and local laws relating to plats, planning and plans, subdivisions, and zoning, if the laws are not inconsistent with the purposes of this chapter and if the building is or is to be located on land that is not owned in common.

Section 70. Recording of Instruments Affecting Horizontal Property Regimes.

The declaration, an amendment to it, or any instrument by which the property may be removed from this chapter and every instrument affecting the property or an apartment may be recorded.

Article 02. APARTMENT OWNERSHIP AND CONVEYANCING

Section 80. Apartment Classified as Real Property.

Each apartment, together with its undivided interest in the common areas and facilities is not considered an intangible or a security or any interest therein but for all purposes constitutes and is classified as real property under the provisions of this chapter.

Section 90. Apartment Ownership and Possession.

Each apartment owner shall have exclusive ownership and possession of the owner's apartment, but any apartment may be owned by husband and wife as tenants by the entirety or may be commonly owned by more than one person.

<u>Section 100</u>. Separation of Apartment Ownership From Common Areas and Facilities Ownership Prohibited.

The percentage of the undivided interest in the common areas and facilities may not be separated from the apartment to which it appertains even though the interest is not expressly mentioned or described in the conveyance or other instrument.

<u>Section 110</u>. Release or Partial Release From Encumbrance Affecting Apartment With First Conveyance; Partial Waiver of Lien Claims.

- (a) At the time of the first conveyance of each apartment, every mortgage, deed of trust, lien, or other encumbrance affecting the apartment, including the percentage of undivided interest of the apartment in the common areas and facilities, shall be paid and satisfied of record, or the apartment being conveyed and its percentage of undivided interest in the common areas and facilities shall be released by a recorded partial release.
- (b) A partial waiver of lien claims created under AS $\underline{34.35.050}$ $\underline{34.35.120}$ (mechanics liens) on unsold apartments may be obtained by following the procedures specified in AS $\underline{34.35.119}$.

Section 120. Liability of Grantee For Unpaid Common Expenses at Time of Conveyance.



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In a voluntary conveyance the grantee of an apartment is jointly and severally liable with the grantor for all unpaid assessments against the latter for the grantor's share of the common expenses up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid on the assessments by the grantee.

<u>Section 130</u>. Person Obtaining Possession Upon Foreclosure of Apartment Not Liable For Common Expenses.

If a mortgagee of a recorded mortgage or a trustee of a recorded deed of trust or other purchaser of an apartment obtains possession of the apartment as a result of foreclosure of the mortgage or deed of trust, the possessor, and successors and assigns of the possessor are not liable for the share of the common expenses or assessments by the association of apartment owners chargeable to the apartment that became due before possession. This unpaid share of common expenses or assessments is a common expense collectable from all of the apartment owners including the possessor and successors and assigns of the possessor.

<u>Section 140</u>. Grantee Entitled to Statement of Unpaid Assessments.

A grantee is entitled to a statement from the manager or board of directors setting out the amount of the unpaid assessments against the grantor. The grantee is not liable for, nor is the apartment conveyed subject to a lien for, any unpaid assessments against the grantor in excess of the amount in the statement.

Section 150. Contents of Apartment Deed.

An apartment deed must include

- (1) a description of the land as provided in AS <u>34.07.020</u>, or the post office address of the property, and in either case, the date of recording of the declaration and its volume, page, and receiving number; (2) the apartment number of the apartment in the declaration and any other data necessary for its proper
- (2) the apartment number of the apartment in the declaration and any other data necessary for its proper identification;
- (3) a statement of the use for which the apartment is intended and any restrictions on its use;
- (4) the percentage of undivided interest appertaining to the apartment, the common areas and facilities and limited common areas and facilities appertaining to it, if any; and
- (5) any further details that the grantor and grantee may set out consistent with the declaration and with this chapter.

Article 03. COMMON AREAS AND FACILITIES OWNED WITH APARTMENTS

Section 160. Common Areas and Facilities Ownership.



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- (a) Each apartment owner has the common right to a share, with other apartment owners, in the common areas and facilities.
- (b) Each apartment owner is entitled to an undivided interest in the common areas and facilities in the percentage expressed in the declaration. The percentage is computed by taking as a basis the value of the apartment in relation to the value of the property.

Section 170. Nonexclusive Easement to Use Common Areas and Facilities.

Each apartment owner has a nonexclusive easement for, and may use the common areas and facilities in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful right of the other apartment owners.

<u>Section 180</u>. Alteration of Common Areas and Facilities Ownership.

- (a) The percentage of the undivided interest of each apartment owner in the common areas and facilities as expressed in the declaration may not be altered except in accordance with procedures set out in the bylaws and by amending the declaration.
- (b) The bylaws must provide for a periodic reappraisal of the apartments and the common areas and facilities together with a recomputation, if required, of the percentage of the undivided interest of each apartment owner in the common areas and facilities.

Section 190. Partition of Common Areas and Facilities Ownership Prohibited.

- (a) The common areas and facilities shall remain undivided and an apartment owner or other person may not bring an action for partition or division of any part, unless the property has been removed from the provisions of this chapter under AS <u>34.07.300</u> <u>34.07.340</u>. Any covenant to the contrary is void.
- **(b)** Nothing in this chapter limits the right of partition by a husband and wife owning as tenants by the entirety or by the owners in common of one or more of the apartments as to the ownership of the apartment or apartments.

Section 200. Maintenance, Repair and Replacement of Common Areas and Facilities.

- (a) The necessary work of maintenance, repair, and replacement of the common areas and facilities and the making of an addition or improvement may be carried out only as provided in this chapter and in the bylaws.
- (b) The association of apartment owners has the irrevocable right, to be exercised by the manager or board of directors, to have access to each apartment from time to time during reasonable hours as may be necessary for
- (1) the maintenance, repair, or replacement of any of the common areas and facilities in it, or accessible from it; or



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(2) making emergency repairs in the apartment necessary to prevent damage to the common areas and facilities or to another apartment.

<u>Section 210</u>. Waiver of Liability For Share of Common Expenses Prohibited.

Waiver by an apartment owner of the use or enjoyment of any of the common areas and facilities or abandonment of the apartment does not exempt the owner from liability for contribution towards the common expenses of common areas or facilities.

Section 220. Collection of Unpaid Common Expenses From Apartment Owner.

A sum assessed by the association of apartment owners but unpaid for the share of the common expenses chargeable to any apartment may be enforced by the manager or board of directors acting on behalf of the apartment owners, upon first obtaining the approval of a majority of all apartment owners, in the following manner:

- (1) 10 days' notice shall be given the delinquent apartment owner stating that unless the assessment is paid within 10 days any or all utility services will be immediately severed and shall remain severed until the assessment is paid; or
- (2) by the lawful method of enforcement as may be provided in the declaration or bylaws.

Section 230. Unpaid Common Expense is Lien On Apartment; Order of Lien Priority.

A sum assessed by the association of apartment owners but unpaid for the share of the common expenses chargeable to an apartment constitutes a lien on the apartment prior to all other liens except

- (1) tax liens on the apartment in favor of an assessing unit or special district; and
- (2) sums unpaid on deeds of trust or mortgages of record.

Section 240. Common Expense Lien Foreclosure.

- (a) A common expense lien under AS <u>34.07.230</u> may be foreclosed in a civil action brought by the manager or board of directors, acting on behalf of the apartment owners, in the same manner as a lien on, or mortgage of or a deed or trust of real property.
- (b) In the event of foreclosure, the apartment owner shall be required to pay a reasonable rental for the apartment, if provided for in the bylaws, and the plaintiff in the foreclosure may appoint a receiver to collect it.
- (c) The manager or board of directors, acting on behalf of the apartment owners may, unless prohibited by the declaration, bid in the apartment at the foreclosure sale, and may acquire and hold, lease, mortgage, and convey the apartment.

Section 250. Action to Recover a Judgment For Unpaid Common Expenses Does Not Waive Lien.



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An action to recover a judgment for unpaid common expenses is maintainable without foreclosing or waiving the lien securing it.

<u>Section 260</u>. Causes of Action Relating to Common Areas and Facilities.

- (a) Without limiting the rights of an apartment owner, a cause of action may be brought by the manager or board of directors, in either case in the discretion of the board of directors, on behalf of two or more apartment owners, as their respective interests may appear, with respect to a cause of action relating to the common areas and facilities of more than one apartment.
- (b) A cause of action relating to the common areas and facilities for damages arising out of tortious conduct may be maintained only against the association of apartment owners and a judgment lien or other charge is a common expense. The judgment lien or charge is removed from an apartment and its percentage of undivided interest in the common areas and facilities upon payment by the respective owner of the proportionate share based on the percentage of undivided interest owned by that owner.

<u>Section 270</u>. Service of Process On Two or More Apartment Owners.

Service of process on two or more apartment owners in an action relating to the common areas and facilities of more than one apartment may be made on the person designated in the declaration to receive service of process.

Section 280. Receipts and Expenditures Records to Be Kept.

- (a) The manager or board of directors shall keep detailed and accurate records in chronological order of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expenses of the common areas and facilities and any other expenses incurred.

 (b) All books and records shall be kept in accordance with good accounting procedures.
- Section 290. Examination By Apartment Owner of Receipts and Expenditures.

The receipts and expenditures records and vouchers authorizing payment for maintenance and repair of common areas and facilities required to be kept by AS <u>34.07.280</u> shall be available for examination by an apartment owner at convenient hours of weekdays.

Article 04. DAMAGE OR DESTRUCTION OF PROPERTY

<u>Section 300</u>. Determination to Be Made By Apartment Owners If Property Destroyed.

If within 60 days of damage or destruction of all or part of the property it is not determined by a majority of all apartment owners to repair, reconstruct, or rebuild in accordance with the original plan, or by a unanimous vote of all apartment owners to do otherwise, then



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- (1) the property shall be owned in common by the apartment owners;
- (2) the undivided interest in the property owned in common that appertains to each apartment owner shall be the percentage of undivided interest previously owned by that owner in the common areas and facilities; and
- (3) mortgages, deeds of trust, or liens affecting any of the apartments are transferred in accordance with the existing priorities to the percentage of the undivided interest of the apartment owner in the property.

Section 310. Action For Partition If Apartment Owners Fail to Act.

An action for partition may be started by an apartment owner if the apartment owners fail to act under AS 34.07.300 after the damage to or destruction of the property.

Section 320. Distribution of Funds From Partition Sale.

- (a) The net proceeds of a sale of the property conducted in an action for partition started under AS 34.07.310 shall be considered as one fund.
- **(b)** The fund shall be divided into separate shares, one for each apartment owner in a percentage equal to the percentage of undivided interest that the owner has in the property.
- (c) After first paying out of the respective share of each apartment owner, all mortgages, deeds of trust, and liens on the undivided interest in the property owned by the apartment owner, the balance remaining in each share shall be distributed to each apartment owner respectively.

Article 05. REMOVAL OF PROPERTY FROM THE HORIZONTAL PROPERTY REGIME

Section 330. Removal of Property From the Provisions of This Chapter.

All of the apartment owners may remove a property from the provisions of this chapter by a recorded instrument to that effect if the mortgagees, trustees, and holders of all liens affecting any of the apartments consent or agree, in either case by a recorded instrument, that their mortgages, deeds of trust, and liens are transferred to the percentage of the undivided interest of the apartment owner in the property under AS <u>34.07.340</u>.

<u>Section 340</u>. Ownership of Property Upon Removal From the Provisions of This Chapter.

- (a) Upon removal of the property from the provisions of this chapter, the property is owned in common by the apartment owners.
- (b) The undivided interest in the property owned in common that appertains to each apartment owner is the percentage of the undivided interest previously owned by the owners in the common areas and facilities.

Section 350. Removal of Property Does Not Bar Subsequent Resubmission Under This Chapter.



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The removal of property under AS $\underline{34.07.330}$ - $\underline{34.07.340}$ does not bar the subsequent resubmission of the property to the provisions of this chapter.

Article 06. MISCELLANEOUS PROVISIONS

Section 360. Strict Compliance With Bylaws By Apartment Owner Necessary.

Each apartment owner shall comply strictly with the bylaws and with the adopted administrative regulations, as either may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set out in the declaration or in the deed to the apartment. Failure to comply with any of the foregoing is ground for an action to recover sums due for damages or injunctive relief, or both, maintainable by the manager or board of directors on behalf of the association of apartment owners or by a particularly aggrieved apartment owner.

<u>Section 370</u>. Unanimous Consent of All Apartment Owners Needed For Certain Work On Individual Apartment.

An apartment owner may not do work that will jeopardize the soundness or safety of the property, reduce its value, or impair any easement or hereditament without the unanimous consent of all of the other apartment owners being first obtained.

Section 380. Common Profits and Expenses Shared By Apartment Owners.

The common profits of the property shall be distributed among and the common expenses shall be charged to the apartment owners according to the percentage of the undivided interest in the common areas and facilities.

Section 390. Persons Subject to This Chapter.

- (a) An apartment owner, a tenant, or their employees, or any other person that may in any manner use the property or any part of it under this chapter are subject to the provisions of this chapter, and to the declaration and bylaws of the association of apartment owners adopted under this chapter.
- (b) An agreement, decision, and determination made by the association of apartment owners under this chapter, the declaration, or the bylaws and in accordance with the voting percentages established under this chapter, declaration, or the bylaws is binding on all apartment owners.

Section 400. Insurance of Property.

(a) A manager or board of directors, if required by the declaration, bylaws, or by a majority of the apartment owners, or if requested by a mortgagee or trustee having a mortgage or a deed of trust of record covering an apartment, shall obtain insurance for the property against loss or damage by fire and other hazards under the terms and amounts required or requested.



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- (b) The insurance coverage shall be written on the property in the name of the manager or of the board of directors of the association of apartment owners, as trustee for each of the apartment owners in the percentages established by the declaration.
- (c) Premiums for insurance coverage secured under (a) of this section are a common expense.
- (d) Provision for insurance under this section does not prejudice the right of an apartment owner to insure the owner's apartment or the personal contents in it.

Section 410. Liens Against Property, Apartments, Common Areas, and Facilities.

- (a) After the recording of the declaration as provided in this chapter, and while the property remains subject to this chapter, a lien may not arise or be effective against the property. During this period, liens or encumbrances may arise or be created only against each apartment and the percentage of undivided interest in the common areas and facilities appurtenant to the apartment in the same manner and under the same conditions as liens or encumbrances may arise or be created upon or against any other separate parcel of real property subject to individual ownership. However, labor performed or materials furnished with the consent of or at the request of the owner of any apartment, or the owner's agent, contractor, or subcontractor, may not be the basis for the filing of a lien against any other apartment or any other property of any other apartment owner not expressly consenting to or requesting the same. However, express consent is considered given by an apartment owner in the case of emergency repairs.
- (b) Labor performed or materials furnished for the common areas and facilities, if authorized as provided in this chapter, or by the declaration or bylaws, or by the association of apartment owners, the manager, or the board of directors, is considered performed or furnished with the express consent of each apartment owner and may be the basis for the filing of a lien against each of the apartments and is subject to the provisions of AS $\underline{34.07.420}$.

Section 420. Removal of Lien Against Two or More Apartments.

- (a) If a lien against two or more apartments becomes effective, the apartment owners of the separate apartments may remove their apartments and the percentage of undivided interest in the common areas and facilities appurtenant to the apartments from the lien by payment of the fractional or proportional amounts attributable to each of the apartments affected. The individual payments are computed by reference to the percentage appearing on the declaration.
- (b) After payment, discharge, or satisfaction of the lien, the apartment and the percentage of undivided interest in the common areas and facilities appurtenant to it are free and clear of the liens paid, satisfied, or discharged. The partial payment, satisfaction, or discharge does not prevent the lienor from proceeding to enforce the lienor's rights against any apartment and the percentage of undivided interest in the common areas and facilities appurtenant to it not paid, satisfied, or discharged.

Section 430. Assessment and Taxation of Apartments.

(a) An apartment and its undivided interest in the common areas and facilities are a parcel and it is subject to separate assessments and taxation by each assessing unit for all types of taxes authorized by



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law including special ad valorem levies and special assessments. A building, property, or any of the common areas and facilities may not be a security or a parcel for any purpose.

(b) Nothing in this chapter detracts from or limits the powers and duties of any assessing or taxing unit or official otherwise granted or imposed by law or regulation.

<u>Section 440</u>. Interpretation of Local Ordinances, Resolutions, or Zoning Laws.

Local ordinances, resolutions, or laws relating to zoning shall be construed to treat like structures, lots, or parcels in like manner regardless of whether or not the ownership is divided by sale of apartments under this chapter rather than by lease of apartments.

Article 07. GENERAL PROVISIONS

Section 450. Definitions.

In this chapter, unless the context otherwise requires,

- (1) "apartment" means a part of the property intended for any type of independent use, including one or more rooms or enclosed spaces located on one or more floors, or part or parts of the floors, in a building, regardless of whether or not it is destined for a residence, an office, the operation of any industry or business, or for any other use not prohibited by law, and that has a direct exit to a public street or highway, or to a common area leading to the street or highway; and the boundaries of an apartment are the interior surfaces of the perimeter walls, floors, ceilings, windows, and doors thereof, and the apartment includes both the portions of the building so described and the airspace so encompassed; and interpreting declarations, deeds, and plans, the existing physical boundaries of the apartment as originally constructed or as reconstructed in substantial accordance with the original plans shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed or depicted in the declaration, deed, or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown in the declaration, deed, or plan and those of apartments in the building;
- (2) "apartment number" means the number, letter, or a combination of them, designating the apartment in the recorded declaration;
- (3) "apartment owner" means the person or persons owning an apartment in fee simple absolute or qualified, or by way of a periodic estate, or in any other manner in which real property may be owned in this state, together with an undivided interest in a like estate of the common areas and facilities in the percentage specified and established in the recorded declaration;
- (4) "association of apartment owners" means all of the apartment owners acting as a group in accordance with the bylaws and with the recorded declaration;
- (5) "building" means a building, containing two or more apartments, or two or more buildings each containing two or more apartments, and comprising a part of the property;
- (6) "common areas and facilities" unless otherwise provided in the recorded declaration includes
- (A) the land on which the building is located;



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- **(B)** the foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, and entrances and exits of the building;
- (C) the basements, yards, gardens, parking areas, and storage spaces;
- (**D**) the premises for the lodging of janitors or persons in charge of the property;
- (E) the installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, and incinerating;
- (**F**) the elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and installations existing for common use;
- (G) the community and commercial facilities as provided for in the recorded declaration;
- (H) all other parts of the property necessary or convenient to its existence, maintenance, and safety, or normally in common use;
- (7) "common expenses" includes
- (A) all sums lawfully assessed against the apartment owners by the association of apartment owners;
- (B) expenses of administration, maintenance, repair, or replacement of the common areas and facilities;
- (C) expenses agreed upon as common expenses by the association of apartment owners;
- (**D**) expenses declared common expenses by the provisions of this chapter, or by the recorded declaration, or by the bylaws;
- (8) "common profits" means the balance of all income, rents, profits, and revenues from the common areas and facilities remaining after the deduction of the common expenses;
- (9) "declaration" means the instrument by which the property is submitted to provisions of this chapter and as it may be, from time to time amended;
- (10) "land" means the material of the earth, whatever may be the ingredients of which it is composed, whether soil, rock, or other substance, and includes free or occupied space for an indefinite distance upwards as well as downwards, subject to limitations upon the use of airspace imposed, and rights in the use of the airspace granted by the laws of the state or of the United States;
- (11) "limited common areas and facilities" includes those common areas and facilities designated in the recorded declaration, as reserved for use of certain apartment or apartments to the exclusion of the other apartments;
- (12) "majority" or "majority of apartment owners" means the apartment owners with 51 percent or more of the votes in accordance with the percentages assigned in the recorded declaration to the apartments for voting purposes;
- (13) "property" means the land, the building, all its improvements and structures, all owned in fee simple absolute or qualified or by way of a periodic estate, or in any other manner in which real property may be owned in the state, and all easements, rights, and appurtenances belonging to it, none of which shall be considered as a security or security interest, and all articles of personalty intended for use in connection with it, that have been or are intended to be submitted to this chapter.

Section 460. Short Title.

This chapter may be cited as the Horizontal Property Regimes Act.



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Chapter 55. Uniform Land Sales Practices Act

- Section 4. Administration.
- Section 6. Fraudulent and Prohibited Practices.
- <u>Section 8</u>. Prohibitions On Dispositions of Interests in Subdivisions.
- <u>Section 10</u>. Application For Registration.
- Section 12. Public Offering Statement.
- Section 14. Inquiry and Examination.
- <u>Section 16</u>. Notice of Filing and Registration.
- Section 18. Annual Report.
- Section 20. General Powers and Duties.
- Section 22. Investigations and Proceedings.
- Section 24. Cease and Desist Orders.
- Section 26. Revocation.
- Section 28. Penalties.
- Section 30. Civil Remedy.
- Section 32. Jurisdiction.
- Section 34. Interstate Rendition.
- Section 36. Service of Process.
- Section 38. Uniformity of Interpretation.
- Section 42. Exemptions.
- Section 44. Definitions.
- Section 46. Short Title.

AS 34.55.004. Administration.

This chapter shall be administered by the department.

AS 34.55.006. Fraudulent and Prohibited Practices.

It is unlawful for a person, in connection with the offer, sale, or purchase of subdivided land directly or indirectly, to knowingly

- (1) employ a device, scheme, or artifice to defraud;
- (2) make an untrue statement of a material fact or omit a statement of a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or



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(3) engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon a person.

AS 34.55.008. Prohibitions On Dispositions of Interests in Subdivisions.

Unless the subdivided land or the transaction is exempt under AS <u>34.55.042</u>,

- (1) a person may not offer or dispose of in this state an interest in subdivided land before the time the subdivided land is registered in accordance with this chapter;
- (2) a person may not dispose of an interest in subdivided land unless a current public offering statement is delivered to the purchaser and the purchaser is afforded a reasonable opportunity to examine the public offering statement before the disposition.

AS 34.55.010. Application For Registration.

- (a) The application for registration of subdivided land shall be filed as prescribed by the department's regulations and must contain the following documents and information:
- (1) an irrevocable appointment of the department to receive service of lawful process in a noncriminal proceeding arising under this chapter against the applicant or personal representative of the applicant;
- (2) a legal description of the subdivided land offered for registration, together with a map showing the division proposed or made, and the dimensions of the lots, parcels, units, or interest and the relation of the subdivided land to existing streets, roads, and other off-site improvements;
- (3) the states or jurisdictions in which an application for registration or similar document has been filed, and an adverse order, judgment, or decree entered in connection with the subdivided land by the regulatory authorities in each jurisdiction or by a court;
- (4) the applicant's name, address, and the form, date, and jurisdiction of organization; and the address of each of its offices in this state;
- (5) the name, address, and principal occupation for the past five years of every director and officer of the applicant or person occupying a similar status or performing similar functions; the extent and nature of the interest of the director, officer, or other person in the applicant or the subdivided land as of a specified date within 30 days of the filing of the application;
- (6) a statement, in a form acceptable to the department, of the condition of the title to the subdivided land including encumbrances as of a specified date within 30 days of the date of application by a title opinion of a licensed attorney, not a salaried employee, officer, or director of the applicant or owner, or by other evidence of title acceptable to the department;
- (7) copies of the instruments that will be delivered to a purchaser to evidence the interest of the purchaser in the subdivided land and of the contracts and other agreements that a purchaser will be required to agree to or sign;



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- (8) copies of the instruments by which the interest in the subdivided land was acquired and a statement of any lien or encumbrance upon the title and copies of the instruments creating the lien or encumbrance, if any, with data as to recording;
- (9) if there is a lien or encumbrance affecting more than one lot, parcel, unit, or interest a statement of the consequences for a purchaser of failure to discharge the lien or encumbrance and the steps, if any, taken to protect the purchaser in case of this eventuality;
- (10) copies of instruments creating easements, restrictions, or other encumbrances, affecting the subdivided land;
- (11) a statement of the zoning and other governmental regulations affecting the use of the subdivided land and also of any existing tax and existing or proposed special taxes or assessments which affect the subdivided land:
- (12) a statement of the existing provisions for access, sewage disposal, water, and other public utilities in the subdivision; a statement of the improvements to be installed, the schedule for their completion, and a statement as to the provisions for improvement maintenance;
- (13) a narrative description of the promotional plan for the disposition of the subdivided land together with copies of all advertising material that has been prepared for public distribution by any means of communication;
- (14) the proposed public offering statement;
- (15) other information, including a current financial statement, that the department by its regulations requires for the protection of purchasers.
- (b) If the subdivider registers additional subdivided land to be offered for disposition, the subdivider may consolidate the subsequent registration with an earlier registration offering subdivided land for disposition under the same promotional plan.
- (c) The subdivider shall immediately report a material change in the information contained in an application for registration.

AS 34.55.012. Public Offering Statement.

- (a) A public offering statement must disclose fully and accurately the physical characteristics of the subdivided land offered and must make known to prospective purchasers all unusual and material circumstances or features affecting the subdivided land. The proposed public offering statement submitted to the department must be in a form prescribed by its regulations and must include
- (1) the name and principal address of the subdivider;
- (2) a general description of the subdivided land stating the total number of lots, parcels, units, or interests in the offering;
- (3) the significant terms of encumbrances, easements, liens, and restrictions, including zoning and other regulations affecting the subdivided land and each unit or lot, and a statement of all existing taxes and existing or proposed special taxes or assessments that affect the subdivided land;
- (4) a statement of the use for which the property is offered;



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- (5) information concerning improvements, including streets, water supply, levees, drainage control systems, irrigation systems, sewage disposal facilities, and customary utilities, and the estimated cost, date of completion and responsibility for construction and maintenance of existing and proposed improvements that are referred to in connection with the offering or disposition of any interest in subdivided land:
- (6) additional information required by the department to assure full and fair disclosure to prospective purchasers.
- (b) The public offering statement may not be used for promotional purposes before registration of the subdivided land and afterwards only if it is used in its entirety. A person may not advertise or represent that the department approves or recommends the subdivided land or its disposition. No portion of the public offering statement may be underscored, italicized, or printed in larger or heavier or different color type than the remainder of the statement unless the department requires it.
- (c) The department may require the subdivider to alter or amend the proposed public offering statement in order to assure full and fair disclosure to prospective purchasers. A change in the substance of the promotional plan or plan of disposition or development of the subdivision may not be made after registration without notifying the department and without making appropriate amendment of the public offering statement. A public offering statement is not current unless all amendments are incorporated.

AS 34.55.014. Inquiry and Examination.

Upon receipt of an application for registration in proper form, the department shall immediately initiate an examination to determine that

- (1) the subdivider can convey or cause to be conveyed the interest in subdivided land offered for disposition if the purchaser complies with the terms of the offer, and when appropriate, that release clauses, conveyances in trust or other safeguards have been provided;
- (2) there is reasonable assurance that all proposed improvements will be completed as represented;
- (3) the advertising material and the general promotional plan are not false or misleading and comply with the standards prescribed by the department in its regulations and afford full and fair disclosure;
- (4) the subdivider has not, or if a corporation, its officers, directors, and principals have not, been convicted of a crime involving land dispositions or any aspect of the land sales business in this state, the United States, or any other state or foreign country within the past 10 years and has not been subject to an injunction or administrative order within the past 10 years restraining a false or misleading promotional plan involving land dispositions;
- (5) the public offering statement requirements of this chapter have been satisfied.



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AS 34.55.016. Notice of Filing and Registration.

- (a) Upon receipt of the application for registration in proper form, the department shall issue a notice of filing to the applicant. Within 90 days from the date of the notice of filing, the department shall enter an order registering the subdivided land or rejecting the registration. If no order of rejection is entered within 90 days from the date of notice of filing, the land shall be considered registered unless the applicant has consented in writing to a delay.
- **(b)** If the department affirmatively determines, upon inquiry and examination, that the requirements of AS <u>34.55.014</u> have been met, it shall enter an order registering the subdivided land and shall designate the form of the public offering statement.
- (c) If the department determines upon inquiry and examination that any of the requirements of AS 34.55.014 has not been met, the department shall notify the applicant that the application for registration must be corrected in the particulars specified within 10 days. If the requirements are not met within the time allowed the department shall enter an order rejecting the registration which shall include the findings of fact upon which the order is based. The order rejecting the registration may not become effective for 20 days during which time the applicant may petition for reconsideration and shall be entitled to a hearing.

AS 34.55.018. Annual Report.

(a) Within 30 days after each annual anniversary date of an order registering subdivided land, the subdivider shall file a report in the form prescribed by the regulations of the department. The report must reflect material changes in information contained in the original application for registration.
(b) The department at its option may permit the filing of annual reports within 30 days after the anniversary date of the consolidated registration in lieu of the anniversary date of the original registration.

AS 34.55.020. General Powers and Duties.

- (a) The department shall adopt regulations under AS <u>44.62</u> (Administrative Procedure Act). The regulations must include but not be limited to provisions for advertising standards to assure full and fair disclosure; provisions for escrow or trust agreements or other means reasonably to assure that all improvements referred to in the application for registration and advertising will be completed and that purchasers will receive the interest in land contracted for; provisions for operating procedures; and other provisions as are necessary and proper to accomplish the purpose of this chapter.
- (b) The department, by regulation or by an order, after notice and hearing, may require the filing of advertising material relating to subdivided land before its distribution.



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- (c) If it appears that a person has engaged or is about to engage in an act or practice constituting a violation of this chapter, or a regulation or order under this chapter, the department, with or without prior administrative proceedings may bring an action in the superior court to enjoin the acts or practices and to enforce compliance with this chapter or a regulation or order under this chapter. Upon proper showing, injunctive relief or temporary restraining orders shall be granted, and a receiver or conservator may be appointed. The department is not required to post a bond in court proceedings.
- (d) The department may intervene in a suit involving subdivided land. In a suit by or against a subdivider involving subdivided land, the subdivider promptly shall furnish the department notice of the suit and copies of all pleadings.
- (e) The department may
- (1) accept registrations filed in other states or with the federal government;
- (2) contract with agencies in this state or other jurisdictions to perform investigative functions;
- (3) accept grants in aid from any source.
- (f) The department shall cooperate with similar departments in other jurisdictions to establish uniform filing procedures and forms, uniform public offering statements, advertising standards, rules, and common administrative practices.
- (g) [Repealed, Sec. 28 ch 90 SLA 1991].

AS 34.55.022. Investigations and Proceedings.

- (a) The department may
- (1) make necessary public or private investigations inside or outside this state to determine whether a person has violated or is about to violate this chapter or a regulation or order under this chapter or to aid in the enforcement of this chapter or in the adoption of regulations and forms under this chapter;
- (2) require or permit a person to file a statement in writing, under oath or otherwise as the department determines, as to all the facts and circumstances concerning the matter to be investigated.
- (b) For the purpose of an investigation or proceeding under this chapter, the department or an officer designated by the department may administer oaths or affirmations, and upon its own motion or upon request of any party shall subpoena witnesses, compel their attendance, take evidence, and require the production of any matter that is relevant to the investigation, including the existence, description, nature, custody, condition, and location of books, documents, or other tangible things and the identity and location of persons having knowledge of relevant facts or any other matter reasonably calculated to lead to the discovery of material evidence.
- (c) Upon failure to obey a subpoena or to answer questions propounded by the investigating officer and upon reasonable notice to all persons affected, the department may apply to the superior court for an order compelling compliance.
- (d) Except as otherwise provided in this chapter, all proceedings under this chapter must be in accordance with AS 44.62 (Administrative Procedure Act).



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AS 34.55.024. Cease and Desist Orders.

- (a) The department may issue an order requiring the person to cease and desist from the unlawful practice and to take affirmative action that in the judgment of the department will carry out the purposes of this chapter, if it determines after notice and hearing that a person has
- (1) violated a provision of this chapter;
- (2) directly or through an agent or employee knowingly engaged in a false, deceptive, or misleading advertising, promotional or sales method to offer or dispose of an interest in subdivided land;
- (3) made a substantial change in the plan of disposition and development of the subdivided land subsequent to the order of registration without obtaining prior written approval from the department;
- (4) disposed of subdivided land that has not been registered with the department; or
- (5) violated a lawful order or regulation of the department.
- (b) If the department makes a finding of fact in writing that the public interest will be irreparably harmed by delay in issuing an order, it may issue a temporary cease and desist order. Before issuing the temporary cease and desist order, the department, whenever possible, by telephone or otherwise shall give notice of the proposal to issue a temporary cease and desist order to the person. Every temporary cease and desist order must include in its terms a provision that upon request a hearing will be held within 10 days to determine whether or not it becomes permanent.

AS 34.55.026. Revocation.

- (a) A registration may be revoked after notice and hearing upon a written finding of fact that the subdivider has
- (1) failed to comply with the terms of a cease and desist order:
- (2) been convicted in a court subsequent to the filing of the application for registration for a crime involving fraud, deception, false pretenses, misrepresentation, false advertising, or dishonest dealing in real estate transactions;
- (3) disposed of, concealed, or diverted funds or assets of any person so as to defeat the rights of subdivision purchasers;
- (4) failed faithfully to perform a stipulation or agreement made with the department as an inducement to grant a registration, to reinstate a registration, or to approve a promotional plan or public offering statement:
- (5) made intentional misrepresentations or concealed material facts in an application for registration.
- (b) The findings of fact, if set out in statutory language, must be accompanied by a concise and explicit statement of the underlying facts supporting the findings.
- (c) If the department finds after notice and hearing that the subdivider has been guilty of a violation for which revocation could be ordered, it may issue a cease and desist order instead.



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- (5) made intentional misrepresentations or concealed material facts in an application for registration.
- (b) The findings of fact, if set out in statutory language, must be accompanied by a concise and explicit statement of the underlying facts supporting the findings.
- (c) If the department finds after notice and hearing that the subdivider has been guilty of a violation for which revocation could be ordered, it may issue a cease and desist order instead.

AS 34.55.030. Civil Remedy.

- (a) A person who disposes of subdivided land in violation of AS <u>34.55.006</u> or <u>34.55.008</u> is liable as provided in this section to the purchaser unless in the case of an untruth or omission it is proved that the purchaser knew of the untruth or omission or that the person offering or disposing of subdivided land did not know and in the exercise of reasonable care could not have known of the untruth or omission.
- (b) In addition to any other remedies, the purchaser, under (a) of this section, may recover the consideration paid for the lot, parcel, unit, or interest in subdivided land together with interest at the rate of six per cent a year from the date of payment, property taxes paid, costs, and reasonable attorney fees less the amount of income received from the subdivided land upon tender of appropriate instruments of reconveyance. If the purchaser no longer owns the lot, parcel, unit, or interest in subdivided land, the purchaser may recover the amount that would be recoverable upon a tender of a reconveyance less the value of the land when disposed of and less interest at the rate of six per cent a year on that amount from the date of disposition.
- (c) Every person who directly or indirectly controls a subdivider liable under (a) of this section, every general partner, officer, or director of a subdivider, every person occupying a similar status or performing a similar function, every employee of the subdivider who materially aids in the disposition, and every agent who materially aids in the disposition is also liable jointly and severally with and to the same extent as the subdivider, unless the person otherwise liable sustains the burden of proof that the person did not know and in the exercise of reasonable care could not have known of the existence



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of the facts by reason of which the liability is alleged to exist. There is a right to contribution as in cases of contract among persons so liable.

- (d) A person whose occupation gives authority to a statement that has been used with the person's consent in an application for registration or public offering statement, who is not otherwise associated with the subdivision and development plan in a material way, is liable only for false statements and omissions in the person's statement and only if the person fails to prove
- (1) lack of knowledge of the facts by reason of which the liability is alleged to exist; and
- (2) that in the exercise of the reasonable care a person in the same occupation could not have known of the existence of the facts by reason of which the liability is alleged to exist.
- (e) A tender of reconveyance may be made at any time before the entry of judgment.
- (f) A person may not recover under this section in an action commenced more than four years after the person's first payment of money to the subdivider in the contested transaction.
- (g) A stipulation or provision purporting to bind a person acquiring subdivided land to waive compliance with this chapter or a regulation or order under it is void.

AS 34.55.032. Jurisdiction.

A disposition of subdivided land is subject to this chapter, and the superior court of this state has jurisdiction in claims or causes of action arising under this chapter if

- (1) the subdivider's principal office is located in this state;
- (2) an offer or disposition of subdivided land is made in this state, whether or not the offeror or offeree is then present in this state, if the offer originates in this state or is directed by the offeror to a person or place in this state and received by the person or at the place to which it is directed; or
- (3) the subdivided land is located in this state.

AS 34.55.034. Interstate Rendition.

In the proceedings for extradition of a person charged with a crime under this chapter, it need not be shown that the person whose surrender is demanded has fled from justice or at the time of the commission of the crime was in the demanding or other state.

AS 34.55.036. Service of Process.

(a) In addition to the methods of service provided for in the Rules of Civil Procedure, service may be made by delivering a copy of the process to the department, but it is not effective unless



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- (1) the plaintiff, which may be the department in a proceeding instituted by it, immediately sends a copy of the process and of the pleading by certified mail to the defendant or respondent at the last known address of the defendant or respondent; and
- (2) the plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.
- (b) If a person, including a nonresident of this state, engages in conduct prohibited by this chapter or a regulation or order under this chapter, and has not filed a consent to service of process and personal jurisdiction cannot otherwise be obtained in this state, the department is authorized to receive service of process in any noncriminal proceeding against the person or the person's successor that grows out of that conduct and that is brought under this chapter or a regulation or order under this chapter, with the same force and validity as if served on the person personally. Notice shall be given as provided in (a) of this section.

AS 34.55.038. Uniformity of Interpretation.

This chapter shall be so construed as to effectuate its general purpose to make uniform the law of those states that enact it.

AS 34.55.042. Exemptions.

- (a) Unless the method of disposition is adopted for the purpose of evasion of this chapter, the registration provisions of this chapter do not apply to offers or dispositions of an interest in land
- (1) by a purchaser of subdivided land for the account of the purchaser in a single or isolated transaction;
- (2) if fewer than 10 separate lots, parcels, units, or interests in subdivided land located outside this state are offered by a subdivider in a period of 12 months, or if fewer than 50 separate lots, parcels, units, or interests in subdivided land located in this state are offered by a subdivider in a period of 12 months;
- (3) on which there is a residential, commercial, or industrial building, or as to which there is a legal obligation on the part of the seller to construct such a building within one year from date of disposition;
- (4) to persons who are engaged in the business of construction of buildings for resale, or to persons who acquire an interest in subdivided land for the purpose of engaging, and do engage in the business of construction of buildings for resale;
- (5) under court order;
- **(6)** by a government or government agency;
- (7) as cemetery lots or interest;
- (8) if the land is located in this state and is registered or exempt from registration under the provisions of the federal Interstate Land Sales Full Disclosure Act (15 U.S.C. 1701 1720).
- **(b)** Unless the method of disposition is adopted for the purpose of evasion of this chapter, the provisions of this chapter do not apply to



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- (1) offers or dispositions of evidences of indebtedness secured by a mortgage or deed of trust of real estate;
- (2) offers or dispositions of securities or units of interest issued by a real estate investment trust regulated under a state or federal statute;
- (3) offers or dispositions of securities currently registered with the department; and
- (4) offers or disposition of an interest in oil, gas, or other minerals or a royalty interest therein if the offers or dispositions of the interests are regulated as securities by the department or by the United States.

AS 34.55.044. Definitions.

In this chapter, unless the context otherwise requires,

- (1) "department" means Department of Community and Economic Development;
- (2) "disposition" includes sale, lease, assignment, award by lottery, or any other transaction concerning a subdivision, if undertaken for gain or profit;
- (3) "offer" includes every inducement, solicitation, or attempt to encourage a person to acquire an interest in land, if undertaken for gain or profit;
- (4) "person" means an individual, corporation, government, or governmental subdivision or agency, business trust, estate, trust, partnership, unincorporated association, two or more of any of them having a joint or common interest, or any other legal or commercial entity;
- (5) "purchaser" means a person who acquires or attempts to acquire or succeeds to an interest in land;
- (6) "subdivider" means an owner of subdivided land who offers it for disposition or the principal agent of an inactive owner;
- (7) "subdivision" and "subdivided land" mean land that is divided or is proposed to be divided for the purpose of disposition into two or more lots, parcels, units, or interests and also includes any land whether contiguous or not if two or more lots, parcels, units, or interests are offered as a part of a common promotional plan of advertising and sale; if the land is contiguous or is known, designated, or advertised as a common unit or by a common name, the land shall be presumed, without regard to the number of lots covered by each individual offering, as being offered for disposition as part of a common promotional plan.

AS 34.55.046. Short Title.

This chapter may be cited as the Uniform Land Sales Practices Act.



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Answer Sheet															
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I certify that I,							_ personally answered these questions.								
Sig	Signature:														

Please Print this answer sheet and after finishing, email to denny@akhomes.co or FAX to 866-659-8458 or mail to:

AlaskaRealEstateSchool.com Attn: Denny Wood PO Box 241727 Anchorage, Alaska 99524-1727



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CORRESPONDENCE EVALUATION QUESTIONS

- 1. The person hired to perform duties as assigned by the Alaska Real Estate Commission is called?
 - a. The CEO of the Commission
 - b. The Executive Administrator of the Commission
 - c. The Chairman of the Commission
 - d. The Executive Vice President of the Commission
- 2. The Alaska Real Estate Commission consists of how many members?
 - a. 3 broker/ associate broker and 3 public members
 - b. 4 broker/ associate broker and 2 public members
 - c. 5 broker/ associate broker and 2 public members
 - d. 4 broker/ associate broker and 1 public member
- 3. The Alaska Real Estate Commission has the authority to suspend or revoke the license of a licensee if that employed real estate licensee of a real estate broker, fails immediately to turn money or other property collected in a real estate transaction over to the employing real estate broker
 - a. After a hearing
 - b. After sentencing in Superior Court
 - c. After an investigation
 - d. After properly issuing a subpoena of the records
- 4. Within one year after the date that the commission issues an initial license, the licensee shall complete how many hours of education
 - a. 25
 - b. 40
 - c. 20
 - d. 30
- 5. A real estate license is required for all of the following except?
 - a. Selling real estate
 - b. Collecting fees for property management
 - c. Selling mineral rights
 - d. Collect a real estate commission



- 6. If the board of directors of a community association allows a broker to exercise control over community association fees or other community association funds, the broker must
 - a. have written permission of the president of the board of directors
 - b. deposit all funds in the community association bank account
 - c. provide evidence to the commission that the broker is covered by a blanket fidelity insurance bond
 - d. must have a manager onsite
- 7. A person is required to meet the requirements for initial licensure if the person has been in inactive status for how long?
 - a. 24 months
 - b. 12 months
 - c. 36 months
 - d. 18 months
- 8. All real estate listings or management contracts must
 - a. May be automatically extended
 - b. Must be signed only by the client
 - c. May be made orally as long as all parties agree
 - d. be in writing and have a definite expiration date
- 9. The commission may award a claimant reimbursement from the real estate surety fund for the claimant's loss up to
 - a. \$8,000
 - b. \$15,000
 - c. \$20,000
 - d. \$10,000
- 10. A real estate license is required for all the activities except:
 - a. sell, exchange, rent, lease, auction, or purchase real estate
 - b. sell you own property to a licensed person
 - c. list real estate for sale, exchange, rent, lease, auction, or purchase
 - d. collect fees for community association management
- 11. At what time must you give out the AREC Licensee Relationship Pamphlet?
 - a. When you are ready write an offer
 - b. Upon meeting the buyer in person
 - c. When you speak to a potential buyer on the phone
 - d. Before closing the transaction



- 12. When do you have the buyer sign the AREC Licensee Relationship Pamphlet?
 - a. Before showing a property
 - b. Before preparing a written offer on a property
 - c. Before discussing confidential information
 - d. All of the above
- 13. Specific Assistance includes
 - a. Asking questions about confidential information
 - b. Showing real estate
 - c. Preparing written offers or entering into a personal services contract
 - d. All of the above
- 14. If a murder or suicide occurred on the property within one year of the time you first showed the property and you were aware of the murder or suicide
 - a. You may not disclose the fact
 - b. You may disclose the facts only with written permission of the seller
 - c. You must disclose the facts
 - d. You must disclose the facts only if requested by the buyer
- 15. If you represent one party and another licensee in the same offices represents the other party the licensees are
 - a. Neutral licensees
 - b. Dual licensees
 - c. Designated licensees
 - d. Assistant licensees
- 16. To become a neutral licensee a document entitled "WAIVER OF RIGHT TO BE REPRESENTED" needs to be signed
 - a. Before showing the property
 - b. Can be preauthorized with a listing
 - c. Can be preauthorized when beginning to represent a buyer
 - d. All of the above
- 17. When representing one person in a transaction, the licensee should
 - a. Advise them to obtain expert advise for matters beyond the licensee's expertise
 - b. Not disclose confidential information without the person's written consent
 - c. Not take action you know is adverse or detrimental to the interest of the person you represent
 - d. All of the above



- 18. When representing one party a licensee must show all real estate even if there is not a written agreement to pay the licensee.
 - a. True
 - b. False
- 19. A licensee does not owe a represented party the duty to
 - a. Conduct an independent investigation of the property
 - b. Conduct an independent investigation of a person's financial condition
 - c. To independently verify the accuracy or completeness of a statement by a party in a transaction or by a person believed by you to be reliable
 - d. All of the above
- 20. When acting as a neutral licensee, with written consent you may
 - a. Analyze, provide information or report on the merits of the transaction to each party
 - b. Discuss price, terms or conditions that each party would or should offer or accept
 - c. Suggest compromises in the parties respective bargaining position
 - d. All of the above
- 21. A broker is not in violation of statute if he
 - a. Pays a licensee commission directly from the trust account
 - b. Does not put the allowed funds deposit in the trust account to operate the account
 - c. Pays his personal commission from the trust account
 - d. Deposits the funds from his three association management accounts in the same trust account
- 22. Which of the following actions are not grounds for revocation or suspension of a license:
 - a. advertising a property for sale, lease, or rent after first obtaining the written authority of the owner or the owner's authorized agent to sell, lease, or rent the property
 - b. failing to disclose to all parties in a real estate transaction the fact that the licensee is licensed or failing to disclose the name of the broker or company under whom the licensee is licensed
 - c. accepting as earnest money anything other than cash unless the offered non-cash substitute is communicated to the owner before accepting the offer to purchase, and the acceptance of the non-cash substitute is identified as a non-cash substitute on the earnest money receipt
 - d. representing more than one party in a real estate transaction



- 23. A rental agreement is effective for a maximum term longer of:
 - a. 6 months
 - b. 1 year
 - c. 2 years
 - d. 3 years
- 24. Within 14 days after the written offer has been delivered to the landlord, the landlord may refuse consent to a sublease or assignment by a written rejection signed and delivered by the landlord to the tenant for any of the following reasons except:
 - a. insufficient credit standing or financial responsibility
 - b. proposed commercial activity
 - c. willingness of the prospective occupant to assume the same terms as are included in the existing rental agreement
 - d. number of persons in the household

