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# **Property Management**

**from the  
Iowa Association of REALTORS®**

Prepared by

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January, 1999

# Property Management

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9. If a landlord does not sign and return a lease signed and delivered by tenant, acceptance of rent without reservation gives the lease the same effect as if it had been signed by the landlord.

True                      False

10. A landlord may not demand or receive an amount in excess of 2 months rent as a rental deposit and prepaid rent.

True                      False

11. Any interest earned during the first 5 years of a tenancy is the property of the Tenant.

True                      False

12. Tenants must be notified as to any rent increase, in writing, at least 30 days prior.

True                      False

13. A landlord may adopt rules concerning tenant's use of premises if in writing and certain requirements are met. A rule adopted after tenant enters the lease is enforceable if reasonable notice of its adoption is given and it does not work a substantial modification of the lease.

True                      False

14. Upon a material noncompliance by landlord with the lease materially affecting health and safety, a tenant may commence an action and deliver a written notice of breach stating that the lease shall end 30 days after receipt of the notice if the breach is not remedied within 7 days

True                      False

15. If the breach is remediable by repair or payment of damages and the breach is cured prior to the date in the notice, the lease will not end.

True                      False

16. If substantially the same noncompliance as specified in the notice recurs within 6 months, may a tenant terminate the lease on 7 days written notice unless landlord exercised due diligence to remedy the breach.

True                                      False

17. A landlord has remedies, if the same fact patterns as #14, #15, and #16, available upon a material noncompliance by the tenant with the lease *materially affecting health and safety*.

True                                      False

18. Written, oral and implied leases for a year or longer are all covered by the Statute of Frauds.

True                                      False

19. Property Manager J hires W as the full-time maintenance person for one of the buildings she manages. While repairing a faucet in one of the apartments, W steals a television set. J could protect the owner against this type of loss by purchasing:

- a. liability insurance
- b. workers' compensation insurance
- c. a surety bond
- d. casualty insurance

20. What type of insurance covers a landlord against loss of rent if an occupied building is burned to the ground.

- a. Fire and hazards
- b. Liability
- c. Consequential loss, use and occupancy
- d. Casualty

## Answers to Property Management Quiz

1. The Americans with Disabilities Act (ADA) prohibits discrimination in commercial and residential properties.

**False** – The ADA prohibits discrimination in **Commercial** properties. The ADA requires managers to ensure that people with disabilities have full and equal access to facilities and services offered by any public accommodation. The Federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, disability and family status. State and local ordinances may offer additional protections for additional classes of citizens.

2. A “tenancy at sufferance” gives a tenant the right of possession with the consent of the owner for an indefinite period of time.

**False - That is the definition of a “Tenancy at Will”**, a “tenancy at sufferance” occurs when a tenant obtains possession of the premises legally but then remains on the property without the owner’s consent after the leasehold interest has expired.

3. The leasehold estate most commonly used by property managers in renting residential, commercial and industrial space is the estate from “period to period.”

**False. Nationally the general standard is “Estate for Years”**. A lease creating an “estate for years” grants the tenant possession for a period of time under the terms of the lease agreement, whether it be for a month, a year or a decade. When the designated terms expires, the estate terminates without notice. The tenant must then surrender possession of the property to the owner. An estate for years does not terminate upon the death of either the owner or the tenant.

An estate from “**Period to Period**” is an estate in which the premises are leased for a term that is automatically renewable for an indefinite number of successive similar terms. The most common example of such an interest is an estate from year to year, although month-to-month and week-to-week estates also exist. To terminate an estate from period to period, one of the parties must give proper notice.

4. Gross Annual Income – Operating Costs = Net Operating Income

**True**

5. The occupant of a condominium unit is a shareholder in a corporation that owns the underlying real property

**False** - COOPERATIVE ownership of an apartment unit means that the apartment **OWNER** has purchased shares in the corporation (or partnership trust) that holds title to the entire apartment building. The cooperative apartment owner is in essence a shareholder in a corporation whose principal asset is a building. In return for stock in the corporation, the owner receives a proprietary lease granting occupancy of a specific unit in the building. The owner occupies the unit under the terms of the lease but does not own the unit, and his or her interest in the cooperative is personal property.

6. A person acting as a resident manager when living in the dwelling, who only engages in leasing of the property in connection with their employment is exempt from the requirement to have a real estate license.

**True** See the exemptions provided for in the Iowa Code regarding individuals who are required to have a license. #8

**543B.7 Acts excluded from provisions.**

**The provisions of this chapter shall not apply to the sale, exchange, purchase, rental, lease, or advertising of any real estate in any of the following cases:**

1. A person who, as owner, spouse of an owner, general partner of a limited partnership, lessor, or prospective purchaser, or through another engaged by such person on a regular full-time basis, buys, sells, manages, or otherwise performs any act with reference to property owned, rented, leased, or to be acquired by such person.
2. By any person acting as attorney in fact under a duly executed and acknowledged power of attorney from the owner, to act on behalf of the owner or lessor to authorize the final consummation and execution of any contract for the sale, leasing, or exchange of real estate.
3. A licensed attorney admitted to practice in Iowa acting solely as an incident to the practice of law.
4. A person acting as a receiver, trustee in bankruptcy, administrator, executor, guardian, or while acting under court order or under authority of a deed of trust, trust agreement, or will.
5. The acts of an auctioneer in conducting a public sale or auction. The auctioneer's role must be limited to establishing the time, place, and method of an auction, advertising the auction including a brief description of the property for auction and the time and place for the auction, and crying the property at the auction. If the auctioneer closes or attempts to close the sale of the property or otherwise engages in acts defined in sections 543B.3 and 543B.6, then the requirements of this chapter do apply to the auctioneer.
6. An isolated real estate rental transaction by an owner's representative on behalf of the owner; such transaction not being made in the course of repeated and successive transactions of a like character.
7. The sale of time-share uses as defined in section 557A.2.
- 8. A person acting as a resident manager when such resident manager resides in the dwelling and is engaged in the leasing of real property in connection with their employment.**
9. An officer or employee of the federal government, state government, or a political subdivision of the state, in the conduct of the officer's or employee's official duties.

10. A person employed by a public or private utility who performs an act with reference to property owned, leased, or to be acquired by the utility employing that person, where such an act is performed in the regular course of, or incident to, the management of the property and the investment in the property.
  11. A nonlicensed employee of a licensee who provides information to another licensee concerning the sale, exchange, purchase, rental, lease, or advertising of real estate which has been provided to the employee by the employer licensee either verbally or in writing.
7. A person who engages directly or indirectly in renting or leasing real estate needs to have a real estate license.

**True See 543B.3 activities which necessitate a real estate license.**

### **B.3 Broker—definition.**

As used in this chapter, "real estate broker" means a person acting for another for a fee, commission, or other compensation or promise, whether it be for all or part of a person's time, and who engages directly or indirectly in any of the following acts:

- 1. Sells, exchanges, purchases, rents, or leases real estate.**
- 2. Lists, offers, attempts, or agrees to list real estate for sale, exchange, purchase, rent, or lease.**
- 3. Advertises or holds oneself out as being engaged in the business of selling, exchanging, purchasing, renting, leasing, or managing real estate.**
- 4. Negotiates, or offers, attempts, or agrees to negotiate, the sale, exchange, purchase, rental, or lease of real estate.**
- 5. Buys, sells, offers to buy or sell, or otherwise deals in options on real estate or improvements on real estate.**
- 6. Collects, or offers, attempts, or agrees to collect, rent for the use of real estate.**
- 7. Assists or directs in the procuring of prospects, intended to result in the sale, exchange, purchase, rental, or leasing of real estate.**
- 8. Assists or directs in the negotiation of any transaction intended to result in the sale, exchange, purchase, rental, or leasing of real estate.**

8. An individual property management account maintained in the name of the owner or owners for the purpose of conducting ongoing property management whether it is conducted by the property owner or by an agent or manager when the account is part of a property management agreement between owner and agent or manager needs to follow trust account requirements.

**False - Those accounts are exempted from trust account regulations. See 543B.46(3)**

543B.46 Trust accounts.

1. Each real estate broker shall maintain a common trust account in a bank, a savings and loan association, savings bank, or credit union for the deposit of all down payments, earnest money deposits, or other trust funds received by the broker or the broker's salespersons on behalf of the broker's principal, except that a broker acting as a salesperson shall deposit these funds in the common trust account of the broker for whom the broker acts as salesperson. The account shall be an interest-bearing account. The interest on the account shall be transferred quarterly to the treasurer of state and transferred to the department of economic development for deposit in the local housing assistance program fund established in section 15.354 unless there is a written agreement between the buyer and seller to the contrary. The broker shall not benefit from interest received on funds of others in the broker's possession.
2. Each broker shall notify the real estate commission of the name of each bank or savings and loan association in which a trust account is maintained and also the name of the account on forms provided therefor.
3. Each broker shall authorize the real estate commission to examine each trust account and shall obtain the certification of the bank or savings and loan association attesting to each trust account and consenting to the examination and audit of each account by a duly authorized representative of the commission. The certification and consent shall be furnished on forms prescribed by the commission. This subsection does not apply to an individual farm account maintained in the name of the owner or owners for the purpose of conducting ongoing farm business whether it is conducted by the farm owner or by an agent or farm manager when the account is part of a farm management agreement between the owner and agent or manager. **This subsection also does not apply to an individual property management account maintained in the name of the owner or owners for the purpose of conducting ongoing property management whether it is conducted by the property owner or by an agent or manager when the account is part of a property management agreement between the owner and agent or manager.**
4. Each broker shall only deposit trust funds received on real estate or business opportunity transactions as defined in section 543B.6 in the common trust account and shall not commingle the broker's personal funds or other funds in the trust account with the exception that a broker may deposit and keep a sum not to exceed five hundred dollars in the account from the broker's personal funds, which sum shall be specifically identified and deposited to cover bank service charges relating to the trust account.
5. A broker may maintain more than one trust account provided the commission is advised of said account as specified in subsections 2 and 3 above.

6. The commission shall verify on a test basis, a random sampling of the brokers, corporations, and partnerships for their trust account compliance. The commission may upon reasonable cause, or as a part of or after an investigation, request or order a special report.
  7. The examination of a trust account shall be conducted by the commission or the commission's authorized representative.
  8. The commission shall adopt rules to ensure implementation of this section.
9. If a landlord does not sign and return a lease signed and delivered by tenant, acceptance of rent without reservation gives the lease the same effect as if it had been signed by the landlord.

**True – see the plain language of Iowa Code 562A.10(1)**

**562A.10 Effect of unsigned or undelivered rental agreement.**

- 1. If a 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.**
  2. If a tenant does not sign and deliver a written rental agreement signed and delivered to the tenant by the landlord, acceptance of possession without reservation gives the rental agreement the same effect as if it had been signed and delivered by the tenant.
  3. 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.
10. A landlord may not demand or receive an amount in excess of 2 months rent as a rental deposit and prepaid rent.

**True. See the plain language of Iowa Code 562A.12(1)**

**562A.12 Rental deposits.**

- 1. A landlord shall not demand or receive as a security deposit an amount or value in excess of two months' rent.**
2. All rental deposits shall be held by the landlord for the tenant, who is a party to the agreement, in a bank or savings and loan association or credit union which is insured by an agency of the federal government. Rental deposits shall not be commingled with the personal funds of the landlord. Notwithstanding the provisions of chapter 543B, all rental deposits may be held in a trust account, which may be a common trust account and which may be an interest bearing account. Any interest earned on a rental deposit during the first five years of a tenancy shall be the property of the landlord.
3. A landlord shall, within thirty days from the date of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, return the rental deposit to the tenant or furnish to the tenant a written statement showing the specific reason for withholding of the rental deposit or any portion thereof. If the rental deposit or any portion of the rental deposit is withheld for the restoration of the dwelling unit, the statement shall specify the nature of

the damages. The landlord may withhold from the rental deposit only such amounts as are reasonably necessary for the following reasons:

- a. To remedy a tenant's default in the payment of rent or of other funds due to the landlord pursuant to the rental agreement.
  - b. To restore the dwelling unit to its condition at the commencement of the tenancy, ordinary wear and tear excepted.
  - c. To recover expenses incurred in acquiring possession of the premises from a tenant who does not act in good faith in failing to surrender and vacate the premises upon noncompliance with the rental agreement and notification of such noncompliance pursuant to this chapter.
- In an action concerning the rental deposit, the burden of proving, by a preponderance of the evidence, the reason for withholding all or any portion of the rental deposit shall be on the landlord.

4. A landlord who fails to provide a written statement within thirty days of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions shall forfeit all rights to withhold any portion of the rental deposit. If no mailing address or instructions are provided to the landlord within one year from the termination of the tenancy the rental deposit shall revert to the landlord and the tenant will be deemed to have forfeited all rights to the rental deposit.

5. Upon termination of a landlord's interest in the dwelling unit, the landlord or an agent of the landlord shall, within a reasonable time, transfer the rental deposit, or any remainder after any lawful deductions to the landlord's successor in interest and notify the tenant of the transfer and of the transferee's name and address or return the deposit, or any remainder after any lawful deductions to the tenant.

Upon the termination of the landlord's interest in the dwelling unit and compliance with the provisions of this subsection, the landlord shall be relieved of any further liability with respect to the rental deposit.

6. Upon termination of the landlord's interest in the dwelling unit, the landlord's successor in interest shall have all the rights and obligations of the landlord with respect to the rental deposits, except that if the tenant does not object to the stated amount within twenty days after written notice to the tenant of the amount of rental deposit being transferred or assumed, the obligations of the landlord's successor to return the deposit shall be limited to the amount contained in the notice. The notice shall contain a stamped envelope addressed to landlord's successor and may be given by mail or by personal service.

7. The bad faith retention of a deposit by a landlord, or any portion of the rental deposit, in violation of this section shall subject the landlord to punitive damages not to exceed two hundred dollars in addition to actual damages.

8. The court may, in any action on a rental agreement, award reasonable attorney fees to the prevailing party.

11. Any interest earned during the first 5 years of a tenancy is the property of the Tenant.

**False the interest for the first 5 years belong to the landlord. 562A.12(2)**

**562A.12 Rental deposits.**

1. A landlord shall not demand or receive as a security deposit an amount or value in excess of two months' rent.
2. All rental deposits shall be held by the landlord for the tenant, who is a party to the agreement, in a bank or savings and loan association or credit union which is insured by an agency of the federal government. Rental deposits shall not be commingled with the personal funds of the landlord. Notwithstanding the provisions of chapter 543B, all rental deposits may be held in a trust account, which may be a common trust account and which may be an interest bearing account. **Any interest earned on a rental deposit during the first five years of a tenancy shall be the property of the landlord.**
3. A landlord shall, within thirty days from the date of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, return the rental deposit to the tenant or furnish to the tenant a written statement showing the specific reason for withholding of the rental deposit or any portion thereof. If the rental deposit or any portion of the rental deposit is withheld for the restoration of the dwelling unit, the statement shall specify the nature of the damages. The landlord may withhold from the rental deposit only such amounts as are reasonably necessary for the following reasons:
  - a. To remedy a tenant's default in the payment of rent or of other funds due to the landlord pursuant to the rental agreement.
  - b. To restore the dwelling unit to its condition at the commencement of the tenancy, ordinary wear and tear excepted.
  - c. To recover expenses incurred in acquiring possession of the premises from a tenant who does not act in good faith in failing to surrender and vacate the premises upon noncompliance with the rental agreement and notification of such noncompliance pursuant to this chapter. In an action concerning the rental deposit, the burden of proving, by a preponderance of the evidence, the reason for withholding all or any portion of the rental deposit shall be on the landlord.
4. A landlord who fails to provide a written statement within thirty days of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions shall forfeit all rights to withhold any portion of the rental deposit. If no mailing address or instructions are provided to the landlord within one year from the termination of the tenancy the rental deposit shall revert to the landlord and the tenant will be deemed to have forfeited all rights to the rental deposit.
5. Upon termination of a landlord's interest in the dwelling unit, the landlord or an agent of the landlord shall, within a reasonable time, transfer the rental deposit, or any remainder after any lawful deductions to the landlord's successor in interest and notify the tenant of the transfer and of the transferee's name and address or return the deposit, or any remainder after any lawful deductions to the tenant.

Upon the termination of the landlord's interest in the dwelling unit and compliance with the provisions of this subsection, the landlord shall be relieved of any further liability with respect to the rental deposit.

6. Upon termination of the landlord's interest in the dwelling unit, the landlord's successor in interest shall have all the rights and obligations of the landlord with respect to the rental deposits, except that if the tenant does not object to the stated amount within twenty days after written notice to the tenant of the amount of rental deposit being transferred or assumed, the obligations of the landlord's successor to return the deposit shall be limited to the amount contained in the notice. The notice shall contain a stamped envelope addressed to landlord's successor and may be given by mail or by personal service.

7. The bad faith retention of a deposit by a landlord, or any portion of the rental deposit, in violation of this section shall subject the landlord to punitive damages not to exceed two hundred dollars in addition to actual damages.

8. The court may, in any action on a rental agreement, award reasonable attorney fees to the prevailing party.

12. Tenants must be notified as to any rent increase, in writing, at least 30 days prior.

**True. See Iowa Code 562A.13 (5).**

**562A.13 Disclosure.**

1. 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:

a. The person authorized to manage the premises.

b. 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.

2. The information required to be furnished by this section shall be kept current and this section extends to and is enforceable against a successor landlord, owner, or manager.

3. A person who fails to comply with subsection 1 becomes an agent of each person who is a landlord for the purpose of:

a. Service of process and receiving and receipting for notices and demands.

b. Performing the obligations of the landlord under this chapter and under the rental agreement and expending or making available for that purpose all rent collected from the premises.

4. The landlord or any person authorized to enter into a rental agreement on the landlord's behalf shall fully explain utility rates, charges and services to the prospective tenant before the rental agreement is signed unless paid by the tenant directly to the utility company.

**5. Each tenant shall be notified, in writing, of any rent increase at least thirty days before the effective date. Such effective date shall not be sooner than the expiration date of original rental agreement or any renewal or extension thereof.**

13. A landlord may adopt rules concerning tenant's use of premises if in writing and certain requirements are met. A rule adopted after tenant enters the lease is enforceable if reasonable notice of its adoption is given and it does not work a substantial modification of the lease.

**True see Iowa Code 562A.18.**

562A.18 Rules.

A landlord, from time to time, may adopt rules, however described, concerning the tenant's use and occupancy of the premises. A rule is enforceable against the tenant only if it is written and if:

1. Its purpose is to promote the convenience, safety, 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.
6. The tenant has notice of it at the time the tenant enters into the rental agreement.

A rule 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.

14. Upon a material noncompliance by landlord with the lease materially affecting health and safety, may a tenant commence an action and deliver a written notice of breach stating that the lease shall end 30 days after receipt of the notice if the breach is not remedied within 7 days.

**True. 562A.21**

## **TENANT REMEDIES**

### **562A.21 Noncompliance by the landlord—in general.**

- 1. Except as provided in this chapter, if there is a material noncompliance by the landlord with the rental agreement or a noncompliance with section 562A.15 materially affecting health and safety, the tenant may elect to commence an action under this section and shall deliver a written notice to the landlord specifying the acts and omissions constituting the breach and that the rental agreement will terminate upon a date not less than seven days after receipt of the notice if the breach is not remedied in seven days, and the rental agreement shall terminate and the tenant shall surrender as provided in the notice subject to the following:**
  - a. If the breach is remediable by repairs or the payment of damages or otherwise, and if the landlord adequately remedies the breach prior to the date specified in the notice, the rental agreement shall not terminate.**

**b. If substantially the same act or omission which constituted a prior noncompliance of which notice was given recurs within six months, the tenant may terminate the rental agreement upon at least seven days' written notice specifying the breach and the date of termination of the rental agreement unless the landlord has exercised due diligence and effort to remedy the breach which gave rise to the noncompliance.**

**c. 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.**

2. 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 section 562A.15 unless the landlord demonstrates affirmatively that the landlord has exercised due diligence and effort to remedy any noncompliance, and that any failure by the landlord to remedy any noncompliance was due to circumstances reasonably beyond the control of the landlord. If the landlord's noncompliance is willful the tenant may recover reasonable attorney's fees.

3. The remedy provided in subsection 2 is in addition to any right of the tenant arising under subsection 1.

4. If the rental agreement is terminated, the landlord shall return all prepaid rent and security recoverable by the tenant under section 562A.12.

15. If the breach is remediable by repair or payment of damages and the breach is cured prior to the date in the notice, the lease will not end.

**True. See Iowa Code above.**

16. If substantially the same noncompliance as specified in the notice recurs within 6 months, may a tenant terminate the lease on 7 days written notice unless landlord exercised due diligence to remedy the breach.

**True. See Iowa Code above.**

17. Do landlords have remedies, if the same fact patterns as #14, #15, and #16, available upon a material noncompliance by the tenant with the lease *materially affecting health and safety*.

**Yes (true).** See 562A.27

## **LANDLORD REMEDIES**

**562A.27 Noncompliance with rental agreement—failure to pay rent.**

**1. Except as provided in this chapter, if there is a material noncompliance by the tenant with the rental agreement or a noncompliance with section 562A.17 materially affecting health and safety, the landlord may deliver a written notice to the tenant specifying the acts and omissions constituting the breach and that the rental agreement will terminate upon a date not less than seven days after receipt of the notice if the breach is not remedied in seven 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 tenant adequately remedies the breach prior to the date specified in the notice, the rental agreement shall not terminate. If**

**substantially the same act or omission which constituted a prior noncompliance of which notice was given recurs within six months, the landlord may terminate the rental agreement upon at least seven days' written notice specifying the breach and the date of termination of the rental agreement.**

2. If rent is unpaid when due and the tenant fails to pay rent within three days after written notice by the landlord of nonpayment and the landlord's intention to terminate the rental agreement if the rent is not paid within that period of time, the landlord may terminate the rental agreement.

3. Except as provided in this chapter, the landlord may recover damages and obtain injunctive relief for noncompliance by the tenant with the rental agreement or section 562A.17 unless the tenant demonstrates affirmatively that the tenant has exercised due diligence and effort to remedy any noncompliance, and that the tenant's failure to remedy any noncompliance was due to circumstances beyond the tenant's control. If the tenant's noncompliance is willful, the landlord may recover reasonable attorney's fees.

4. In any action by a landlord for possession based upon nonpayment of rent, proof by the tenant of the following shall be a defense to any action or claim for possession by the landlord, and the amounts expended by the claimant in correcting the deficiencies shall be deducted from the amount claimed by the landlord as unpaid rent:

- a. That the landlord failed to comply either with the rental agreement or with section 562A.15; and
- b. That the tenant notified the landlord at least seven days prior to the due date of the tenant's rent payment of the tenant's intention to correct the condition constituting the breach referred to in paragraph "a" at the landlord's expense; and
- c. That the reasonable cost of correcting the condition constituting the breach is equal to or less than one month's periodic rent; and
- d. That the tenant in good faith caused the condition constituting the breach to be corrected prior to receipt of written notice of the landlord's intention to terminate the rental agreement for nonpayment of rent.

562A.27A Termination for creating a clear and present danger to others.

1. Notwithstanding section 562A.27 or 648.3, if a tenant has created or maintained a threat constituting a clear and present danger to the health or safety of other tenants, the landlord, the landlord's employee or agent, or other persons on or within one thousand feet of the landlord's property, the landlord, after a single three days' written notice of termination and notice to quit, may file suit against the tenant for recovery of possession of the premises pursuant to chapter 648, except as otherwise provided in subsection 3. The petition shall state the incident or incidents giving rise to the notice of termination and notice to quit. The tenant shall be given the opportunity to contest the termination in the court proceedings by notice thereof at least three days prior to the hearing.

2. A clear and present danger to the health or safety of other tenants, the landlord, the landlord's employees or agents, or other persons on or within one thousand feet of the landlord's property includes, but is not limited to, any of the following activities of the tenant or of any person on the premises with the consent of the tenant:

- a. Physical assault or the threat of physical assault.

b. Illegal use of a firearm or other weapon, the threat to use a firearm or other weapon I illegally, or possession of an illegal firearm.

c. Possession of a controlled substance unless the controlled substance was obtained directly from or pursuant to a valid prescription or order by a licensed medical practitioner while acting in the course of the practitioner's professional practice. This paragraph applies to any other person on the premises with the consent of the tenant, but only if the tenant knew of the possession by the other person of a controlled substance.

3. This section shall not apply to a tenant if the activities causing the clear and present danger, as defined in subsection 2, are conducted by a person on the premises other than the tenant and the tenant takes at least one of the following measures against the person conducting the activities:

a. The tenant seeks a protective order, restraining order, order to vacate the homestead, or other similar relief pursuant to chapter 236, 598, or 910A, or any other applicable provision which would apply to the person conducting the activities causing the clear and present danger.

b. The tenant reports the activities causing the clear and present danger to a law enforcement agency or the county attorney in an effort to initiate a criminal action against the person conducting the activities.

c. The tenant writes a letter to the person conducting the activities causing the clear and present danger, telling the person not to return to the premises and that a return to the premises may result in a trespass or other action against the person, and the tenant sends a copy of the letter to a law enforcement agency whose jurisdiction includes the premises. If the tenant has previously written a letter to the person as provided in this paragraph, without taking an action specified in paragraph "a" or "b" or filing a trespass or other action, and the person to whom the letter was sent conducts further activities causing a clear and present danger, the tenant must take one of the actions specified in paragraph "a" or "b" to be exempt from proceedings pursuant to subsection 1.

However, in order to fall within the exemptions provided within this subsection, the tenant must provide written proof to the landlord, prior to the commencement of a suit against the tenant, that the tenant has taken one of the measures specified in paragraphs "a" through "c".

18. Written, oral and implied leases for a year or more are all covered by the Statute of Frauds.

**True. The statute requires any lease not fully performable within one year of its execution to be in writing to be legally enforceable.**

19. Property Manger J hires W as the full-time maintenance person for one of the buildings she manages. While repairing a faucet in one of the apartments, W steals a television set. J could protect the owner against this type of loss by purchasing:
- a. liability insurance
  - b. workers' compensation insurance
  - c. a surety bond
  - d. casualty insurance

**Answer = c**

A surety bond is an agreement by an insurance or bonding company to be responsible for certain possible defaults, debts, or obligations contracted for by an insured party; in essence a policy insuring one's personal and/or financial integrity.

20. What type of insurance covers a landlord against loss of rent if an occupied building is burned to the ground.
- a. Fire and hazards
  - b. Liability
  - c. Consequential loss, use and occupancy
  - d. Casualty

**Answer = d**