

WORKING WITH REAL ESTATE AGENTS (LEASE TRANSACTIONS) (FOR TENANTS)

*NOTE: This form is designed for use by agents working with tenants. It is similar, but not identical, to the "Working with Real Estate Agents Disclosure (For Buyers)" published by the NC Real Estate Commission (available as NCAR Standard Form #520), which **must** be used by agents working with buyers.*

IMPORTANT

This form is not a contract. Signing this disclosure only means you have received it.

- In a real estate lease transaction, it is important that you understand whether an agent represents you.
- Real estate agents should (1) review this form with you at first substantial contact - before asking for or receiving your confidential information and (2) give you a copy of it after you sign it. This is for your own protection.
- Do not share any confidential information with a real estate agent or assume that the agent is acting on your behalf until you have entered into an agreement with the agent to represent you. Otherwise, the agent can share your confidential information with others.

Note to Agent: Check all relationship types below that may apply to this tenant.

_____ **Tenant Agency:** If you agree, the agent who gave you this form (and the agent's firm) would represent you as a tenant agent and be loyal to you. You may begin with an oral agreement, but your agent must enter into a written tenant agency agreement with you before making a written or oral offer for you. The landlord would either be represented by an agent affiliated with a different real estate firm or be unrepresented.

_____ **Dual Agency** Dual agency will occur if you lease a property listed by the firm that represents you. If you agree, the real estate firm and any agent with the same firm (company), would be permitted to represent you and the landlord at the same time. A dual agent's loyalty would be divided between you and the landlord, but the firm and its agents must treat you and the landlord fairly and equally and cannot help you gain an advantage over the other party.*

_____ **Designated Dual Agency:** If you agree, the real estate firm would represent both you and the landlord, but the firm would designate one agent to represent you and a different agent to represent the landlord. Each designated agent would be loyal only to their client.*

*Any agreement between you and an agent that permits dual agency must be put in writing no later than the time you make an offer to lease.

_____ **Unrepresented Tenant (Landlord subagent):** The agent who gave you this form may assist you in your lease, but will not be representing you and has no loyalty to you. The agent will represent the landlord. Do not share any confidential information with this agent.

Note to Tenant: For more information on an agent's duties and services, refer to the NC Real Estate Commission's "Questions and Answers on: Working With Real Estate Agents" brochure at ncrec.gov (Publications, Q&A Brochures) or ask an agent for a copy of it.

Tenant's signature

Tenant's signature

Date

Agent's name

Agent's license no.

Firm name



RESIDENTIAL RENTAL CONTRACT

NOTE: THIS AGREEMENT WILL BECOME LEGALLY BINDING ONLY WHEN IT HAS BEEN SIGNED BY TENANT AND BY OR ON BEHALF OF LANDLORD

RESIDENT: _____ (“Tenant”)

OWNER: _____ (“Landlord”)

REAL ESTATE MANAGEMENT FIRM: _____ (“Agent”)

PREMISES: City: _____ County: _____ State of North Carolina

Street Address: _____ Zip Code: _____

Apartment Complex: _____ Apartment No. _____

Other Description (Room, portion of above address, etc.): _____

“Premises” shall include both the inside and outside of any dwelling unit, and any exterior areas such as any front/back yard, in Tenant’s exclusive control.

INITIAL TERM: Beginning Date of Lease: _____ Ending Date of Lease: _____

RENT: \$ _____ PAYMENT PERIOD: monthly weekly yearly other: _____

LATE PAYMENT FEE: \$ _____ OR _____ % of rental payment, whichever is greater
(State law provides that the late fee may not exceed \$15.00 or five percent (5%) of the rental payment, whichever is greater.)

RETURNED CHECK FEE: \$ _____ *(The maximum processing fee allowed under State law is \$35.00.)*

SECURITY DEPOSIT: \$ _____ to be deposited with: (check one) Landlord Agent

LOCATION OF DEPOSIT: (insert name of bank): _____

BANK ADDRESS: _____

FEES FOR COMPLAINT FOR SUMMARY EJECTMENT AND/OR MONEY OWED (See paragraph 17) (NOTE: Landlord may charge and retain only one of the following fees in addition to any court costs):

- COMPLAINT-FILING FEE: \$ _____ OR _____ % of rental payment, whichever is greater *(Fee may not exceed \$15.00 or five percent (5%) of the rental payment, whichever is greater.)*
- COURT APPEARANCE FEE: _____ % of rental payment *(Fee may not exceed ten percent (10%) of the rental payment.)*
- SECOND TRIAL FEE: _____ % of rental payment *(Fee may not exceed twelve percent (12%) of the rental payment.)*

PERMITTED OCCUPANTS (in addition to Tenant): _____

CONTACT PERSON IN EVENT OF DEATH OR EMERGENCY OF TENANT (name and contact information): _____

IN CONSIDERATION of the promises contained in this Agreement, Landlord, by and through Agent, hereby agrees to lease the Premises to Tenant on the following terms and conditions:

1. Termination and Renewal:

(a) **Termination at End of Initial Term.** EITHER LANDLORD OR TENANT MAY TERMINATE THE TENANCY AT THE EXPIRATION OF THE INITIAL TERM BY GIVING WRITTEN NOTICE TO THE OTHER AT LEAST _____ DAYS PRIOR TO THE EXPIRATION DATE OF THE INITIAL TERM.

(b) **Renewal.** IN THE EVENT SUCH WRITTEN NOTICE IS NOT GIVEN OR IF THE TENANT HOLDS OVER BEYOND THE INITIAL TERM, THE TENANCY SHALL AUTOMATICALLY BECOME A _____ (PERIOD) TO _____ (PERIOD) TENANCY UPON THE SAME TERMS AND CONDITIONS CONTAINED HEREIN.

(c) Termination at End of Renewal Term.

(i) IF THE TENANCY IS RENEWED ON A CALENDAR MONTH-TO-MONTH BASIS, IT MAY THEREAFTER BE TERMINATED BY EITHER LANDLORD OR TENANT GIVING THE OTHER WRITTEN NOTICE, WITH THE TERMINATION TO BE EFFECTIVE ON THE LAST DAY OF THE CALENDAR MONTH FOLLOWING THE CALENDAR MONTH DURING WHICH THE NOTICE IS GIVEN.



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Tenant Initials _____



(ii) IF THE TENANCY IS RENEWED ON ANYTHING OTHER THAN A CALENDAR MONTH-TO-MONTH BASIS, THE TENANCY MAY BE TERMINATED BY EITHER LANDLORD OR TENANT GIVING THE OTHER _____ DAYS WRITTEN NOTICE PRIOR TO THE LAST DAY OF THE FINAL PERIOD OF THE TENANCY, WITH THE TERMINATION TO BE EFFECTIVE ON THE LAST DAY OF THE FINAL PERIOD OF THE TENANCY.

(NOTE: State and Federal law permit early termination of leases under certain circumstances by members of the United States Armed Forces. For information, see *Questions and Answers on: North Carolina Military Personnel Residential Lease Termination*, available on the website of the NC Real Estate Commission at www.ncrec.gov).

2. **Rent:** Tenant shall pay the Rent, without notice, demand or deduction, to Landlord or as Landlord directs. The first Rent payment, which shall be prorated if the Initial Term commences on a day other than the first day of the Payment Period, shall be due on _____ (date). Thereafter, all rentals shall be paid in advance on or before the **FIRST** day of each subsequent Payment Period for the duration of the tenancy. Rentals not paid on or before the first day of the Payment Period will be considered late, and any such non-payment will constitute a breach of this Agreement.

3. **Late Payment Fees and Returned Check Fees:** Tenant shall pay the Late Payment Fee if any rental payment is five (5) days or more late. *This late payment fee shall be due immediately without demand therefor and shall be added to and paid with the late rental payment. Tenant also agrees to pay the Returned Check Fee for each check of Tenant that is returned by the financial institution because of insufficient funds or because the Tenant did not have an account at the financial institution.*

4. **Tenant Security Deposit:** The Security Deposit shall be paid prior to Tenant's occupancy of the Premises, and shall be administered in accordance with the North Carolina Tenant Security Deposit Act (N.C.G.S. § 42-50 et. seq.). IT MAY, IN THE DISCRETION OF EITHER THE LANDLORD OR THE AGENT, BE DEPOSITED IN AN INTEREST-BEARING ACCOUNT WITH THE BANK OR SAVINGS INSTITUTION NAMED ABOVE. ANY INTEREST EARNED UPON THE TENANT SECURITY DEPOSIT SHALL ACCRUE FOR THE BENEFIT OF, AND SHALL BE PAID TO, THE LANDLORD, OR AS THE LANDLORD DIRECTS. SUCH INTEREST, IF ANY, MAY BE WITHDRAWN BY LANDLORD OR AGENT FROM SUCH ACCOUNT AS IT ACCRUES AS OFTEN AS IS PERMITTED BY THE TERMS OF THE ACCOUNT.

Upon any termination of the tenancy herein created, the Landlord may deduct from the Tenant Security Deposit amounts permitted under the Tenant Security Deposit Act. If there is more than one person listed above as Tenant, Agent may, in Agent's discretion, pay any balance of the Tenant Security Deposit to any such person, and the other person(s) agree to hold Agent harmless for such action. If the Tenant's address is unknown to the Landlord, the Landlord may deduct any permitted amounts and shall then hold the balance of the Tenant Security Deposit for the Tenant's collection.

If the Landlord removes Agent or Agent resigns, the Tenant agrees that Agent may transfer any Tenant Security Deposit held by Agent hereunder to the Landlord or the Landlord's designee and thereafter notify the Tenant by mail of such transfer and of the transferee's name and address. The Tenant agrees that such action by Agent shall relieve Agent of further liability with respect to the Tenant Security Deposit. If Landlord's interest in the Premises terminates (whether by sale, assignment, death, appointment of receiver or otherwise), Agent shall transfer the Tenant Security Deposit in accordance with the provisions of North Carolina General Statutes § 42-54.

5. **Tenant's Obligations:** Unless otherwise agreed upon, the Tenant shall:

- (a) use the Premises for residential purposes only and in a manner so as not to disturb the other tenants;
- (b) not use the Premises for any unlawful or immoral purposes or occupy them in such a way as to constitute a nuisance;
- (c) not engage in, or permit any member of Tenant's household or any guest to engage in, criminal activity on or in the immediate vicinity of any portion of the Premises;
- (d) keep the Premises, including but not limited to all plumbing fixtures, facilities and appliances, in a clean and safe condition;
- (e) cause no unsafe or unsanitary condition in the common areas and remainder of the Premises used by him;
- (f) comply with any and all obligations imposed upon tenants by applicable building and housing codes;
- (g) dispose of all ashes, rubbish, garbage, and other waste in a clean and safe manner and comply with all applicable ordinances concerning garbage collection, waste and other refuse;
- (h) use in a proper and reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air conditioning, and other facilities and appliances, if any, furnished as a part of the Premises;
- (i) not deliberately or negligently destroy, deface, damage or remove any part of the Premises, whether inside or outside any dwelling unit, or permit any person, known or unknown to the Tenant, to do so;
- (j) be responsible for all damage, defacement, or removal of any property inside a dwelling unit in the Tenant's exclusive control (including but not limited to all appliances and fixtures) unless the damage, defacement or removal was due to ordinary wear and tear, acts of the Landlord or the Landlord's agent, defective products supplied or repairs authorized by the Landlord, acts of third parties not invitees of the Tenant, or natural forces;
- (k) pay the costs of all utility services to the Premises which are billed directly to the Tenant and not included as a part of the rentals, including, but not limited to, water, electric, telephone, and gas services;

(l) conduct himself and require all other persons on the Premises with his consent to conduct themselves in a reasonable manner and so as not to disturb other tenants' peaceful enjoyment of the Premises;

(m) not abandon or vacate the Premises during the Initial Term or any renewals or extensions thereof. Tenant shall be deemed to have abandoned or vacated the Premises if Tenant removes substantially all of his possessions from the Premises;

(n) not smoke cigarettes, cigars, pipes or any other tobacco or lighted product of any kind in any interior portion of the Premises, including any detached structures, and to pay the cost of any abatement, cleaning, ductwork replacement that may be necessary as a result of Tenant's failure to comply with this obligation; and

(o) _____

6. Landlord's Obligations: Unless otherwise agreed upon, the Landlord shall:

(a) comply with the applicable building and housing codes to the extent required by such building and housing codes;

(b) make all repairs to the Premises as may be necessary to keep the Premises in a fit and habitable condition; provided, however, in accordance with paragraph 11, the Tenant shall be liable to the Landlord for any repairs necessitated by the Tenant's intentional or negligent misuse of the Premises;

(c) keep all common areas, if any, used in conjunction with the Premises in a clean and safe condition;

(d) promptly repair all facilities and appliances, if any, as may be furnished by the Landlord as part of the Premises, including electrical, plumbing, sanitary, heating, ventilating, and air conditioning systems, provided that the Landlord, except in emergency situations, actually receives notification from the Tenant in writing of the needed repairs; and

(e) within a reasonable period of time based upon the severity of the condition, repair or remedy any imminently dangerous condition on the Premises after acquiring actual knowledge or receiving notice of the condition. Notwithstanding Landlord's repair or remedy of any imminently dangerous condition, Landlord may recover from Tenant the actual and reasonable costs of repairs that are the fault of Tenant.

7. Utility Bills/Service Contracts: Landlord and Tenant agree that utility bills and service contracts ("Service Obligations") for the Premises shall be paid by the party indicated below as to each Service Obligation. The party agreeing to be responsible for payment of a Service Obligation agrees to timely pay the applicable Service Obligation, including any metering, hook-up fees or other miscellaneous charges associated with establishing, installing and maintaining such utility or contract in that party's name. Within thirty (30) days of the Beginning Date of this Lease, Tenant shall provide Landlord with a copy of any requested information about any Service Obligation for which Tenant has agreed to be responsible. Any Service Obligation not designated below shall be the responsibility of Tenant unless the parties agree otherwise in writing.

Service obligation	Landlord	Tenant	N/A
Sewer/Septic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Telephone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Security System	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trash disposal/dumpster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Landscaping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lawn Maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Smoke and Carbon Monoxide Alarms: Pursuant to North Carolina General Statutes § 42-42, the Landlord shall provide operable smoke alarms, either battery-operated or electrical. If the Premises has a fossil-fuel burning heater, appliance, or fireplace, or an attached garage, the Landlord shall provide and install a minimum of one operable carbon monoxide alarm per level in the Premises, either battery operated or electrical. The Tenant shall notify the Landlord, in writing, of the need for replacement of or repairs to a smoke or carbon monoxide alarm. The Landlord shall replace or repair the smoke or carbon monoxide alarm within 15 days of receipt of notification if the Landlord is notified of needed replacement or repairs in writing by the Tenant. The Landlord shall ensure that a smoke or carbon monoxide alarm is operable and in good repair at the beginning of the Initial Term of the Tenancy. The Landlord shall place new batteries in any battery-operated smoke or carbon monoxide alarms at the beginning of the Initial Term of the tenancy **and the Tenant shall replace the batteries as needed during the tenancy**, except where the smoke alarm is a tamper-resistant, 10-year lithium battery smoke alarm.

9. Rules and Regulations:

(a) **Landlord Rules and Regulations:** The Tenant, his family, servants, guests and agents shall comply with and abide by all the Landlord’s existing rules and regulations and such future reasonable rules and regulations as the Landlord may, at Landlord’s discretion, from time to time, adopt governing the use and occupancy of the Premises and any common areas used in connection with them (the “Rules and Regulations”). Landlord reserves the right to make changes to the existing Rules and Regulations and to adopt additional reasonable rules and regulations from time to time; provided however, such changes and additions shall not alter the essential terms of this lease or any substantive rights granted hereunder and shall not become effective until thirty (30) days’ written notice thereof shall have been furnished to Tenant. A copy of the existing Rules and Regulations are attached hereto and the Tenant acknowledges that he has read them. The Rules and Regulations shall be deemed to be a part of this lease giving to the Landlord all the rights and remedies herein provided.

(b) (check if applicable) **Owner Association Rules and Regulations:** The Premises are subject to regulation by the following owners/condo association:

- Name of association: _____
- Name of association property manager/president: _____
- Contact address and phone number: _____
- Association website address, if any: _____

Tenant agrees to abide by any applicable owners’ association regulations as they now exist or may be amended.

10. Right of Entry: Landlord hereby reserves the right to Landlord, Agent and their respective agents and representatives to enter the Premises during reasonable hours for the purpose of (1) inspecting the Premises and the Tenant’s compliance with the terms of this lease; (2) making such repairs, alterations, improvements or additions thereto as they may deem appropriate; (3) showing the Premises to prospective purchasers or tenants; and (4) displaying “For Sale” or “For Rent” signs in a reasonable manner upon the Premises. Tenant acknowledges and understands that in the case of an emergency, the Landlord, Agent and their agents and representatives may need to enter the Premises at any hour to cause repairs to be made to preserve or prevent further damage from occurring to the Premises, and the Tenant agrees to cooperate reasonably with them in the event of any such emergency.

11. Payment for repair of Damages: Tenant agrees to pay Landlord for the cost of repairing any damage for which Tenant is responsible upon receipt of Landlord’s demand therefor, and to pay the Rent during the period the Premises may not be habitable as a result of any such damage. Such damage may include but is not limited to window panes, shutters, or screens damaged by Tenant, filthy ovens, refrigerators, kitchen floors, cabinets or bathrooms, drink stains on carpet, unauthorized paint colors, and lawn, shrubbery or tree damage caused by Tenant or Tenant’s animals.

12. Pets: Tenant agrees not to keep or allow anywhere on or about the Premises any animals or pets of any kind, whether on a temporary basis or otherwise and whether belonging to the Tenant or anybody else, including but not limited to, dogs, cats, birds, rodents, reptiles or marine animals, unless permitted under the terms of a Pet Addendum attached to this Agreement. Tenant shall be subject to a fine of \$ _____ for any violation of this paragraph or of the terms of any Pet Addendum that may be a part of this Agreement, and Tenant agrees to pay any such fine upon receipt of Landlord’s demand therefore. Payment of any such fine shall not permit Tenant to keep any animal or pet for which the fine was imposed.

13. Alterations: The Tenant shall not paint, mark, drive nails or screws into, or otherwise deface or alter walls, ceilings, floors, windows, cabinets, woodwork, stone, ironwork or any other part of the Premises, decorate the Premises, change or remove any existing locks or add any additional locks, or make any alterations, additions, or improvements in, to, on or about the Premises without the Landlord’s prior written consent and then only in a workmanlike manner using materials and contractors approved by the Landlord. All such work shall be done at the Tenant’s expense and at such times and in such manner as the Landlord may approve, and keys for any changed or additional locks shall immediately be provided to the Landlord. All alterations, additions, and improvements upon the Premises, made by either the Landlord or Tenant, shall become the property of the Landlord and shall remain upon and become a part of the Premises at the end of the tenancy hereby created.

14. Occupants: The Tenant shall not allow or permit the Premises to be occupied or used as a residence by any person other

Tenant Initials _____

than Tenant and the Permitted Occupants. Tenant shall be subject to a fine of \$ _____ for any violation of this paragraph, and Tenant agrees to pay any such fine upon receipt of Landlord's demand therefor. Payment of any such fine shall not permit any person for whom the fine was imposed to occupy or use the Premises as a residence.

15. Rental Application: In the event the Tenant has submitted a Rental Application in connection with this lease, Tenant acknowledges that the Landlord has relied upon the Application as an inducement for entering into this Lease and Tenant warrants to Landlord that the facts stated in the Application are true to the best of Tenant's knowledge. If any facts stated in the Rental Application prove to be untrue, the Landlord shall have the right to terminate the tenancy and to collect from Tenant any damages resulting therefrom.

16. Tenant's Duties Upon Termination: Upon any termination of the Tenancy created hereby, whether by the Landlord or the Tenant and whether for breach or otherwise, the Tenant shall: (1) pay all utility bills due for services to the Premises for which he is responsible and have all such utility services discontinued; (2) vacate the Premises removing there from all Tenant's personal property of whatever nature; (3) properly sweep and clean the Premises, including plumbing fixtures, refrigerators, stoves and sinks, removing there from all rubbish, trash, garbage and refuse; (4) make such repairs and perform such other acts as are necessary to return the Premises, and any appliances or fixtures furnished in connection therewith, in the same condition as when Tenant took possession of the Premises; provided, however, Tenant shall not be responsible for ordinary wear and tear or for repairs required by law or by paragraph 6 above to be performed by Landlord; (5) fasten and lock all doors and windows; (6) return to the Landlord any and all keys, other access devices, parking and pool passes, garage door openers and other similar items to the Premises and any amenities; (7) restore the level of fuel in any fuel tank used by the Tenant to its level as of the Beginning Date of the Tenancy; and (8) notify the Landlord of the address to which the balance of the Security Deposit may be returned. If the Tenant fails to sweep out and clean the Premises, appliances and fixtures as herein provided, Tenant shall become liable, without notice or demand, to the Landlord for the actual costs of cleaning (over and above ordinary wear and tear), which may be deducted from the Security Deposit as provided in paragraph 4 above.

In the event Tenant desires to terminate the Tenancy prior to the end of its term then in effect, Tenant acknowledges and understands that the Landlord will use reasonable efforts to re-rent the Premises, but that the Tenant shall remain responsible for the performance of all the Tenant's obligations under this Agreement until such time as the Landlord may be able to re-rent the Premises, unless the Landlord and the Tenant agree otherwise in writing.

17. Tenant's Breach:

(a) **Events Constituting Breach:** It shall constitute a breach of this Agreement if Tenant fails to:

- (i) pay the full amount of rent herein reserved as and when it shall become due hereunder; or
- (ii) perform any other promise, duty or obligation herein agreed to by him or imposed upon him by law and such failure shall continue for a period of five (5) days from the date the Landlord provides Tenant with written notice of such failure or shall occur again any time thereafter without any requirement of further notice from the Landlord.

In either of such events and as often as either of them may occur, the Landlord, in addition to all other rights and remedies provided by law, may, at its option and with or without notice to Tenant, either terminate this lease or terminate the Tenant's right to possession of the Premises without terminating this lease.

(b) **Landlord's Right to Possession:** Regardless of whether Landlord terminates this lease or only terminates the Tenant's right of possession without terminating this lease, Landlord shall be immediately entitled to possession of the Premises and the Tenant shall peacefully surrender possession of the Premises to Landlord immediately upon Landlord's demand. In the event Tenant shall fail or refuse to surrender possession of the Premises, Landlord shall, in compliance with Article 2A of Chapter 42 of the General Statutes of North Carolina, reenter and retake possession of the Premises only through a summary ejectment proceeding.

(c) **Fees/Costs of Summary Ejectment Proceeding:** If a summary ejectment proceeding is instituted against Tenant, Landlord shall be entitled to recover from Tenant the following fees/costs in accordance with NC General Statutes §42-46: (i) filing fees charged by the court, (ii) costs for service of process, (iii) the relevant Complaint-Filing Fee, Court Appearance Fee or Second Trial Fee, and, (iv) reasonable attorneys' fees actually incurred not to exceed fifteen percent (15%) of the amount owed by Tenant, or fifteen percent (15%) of the monthly rent stated in this Agreement if the summary ejectment proceeding is based on a default other than the nonpayment of rent.

(d) **Acceptance of Partial Rent:** Tenant acknowledges and understands that Landlord's acceptance of partial rent or partial housing subsidy will not waive Tenant's breach of this Agreement or limit Landlord's rights to evict Tenant through a summary ejectment proceeding, whether filed before or after Landlord's acceptance of any such partial rent or partial housing subsidy.

(e) **Termination of Lease:** In the event Landlord terminates this lease, all further rights and duties hereunder shall terminate and Landlord shall be entitled to collect from Tenant all accrued but unpaid rents and any damages resulting from the Tenant's breach, including but not limited to damages for Tenant's continued occupancy of the Premises following the Landlord's termination.

(f) **Termination of Tenant's Right of Possession:** In the event Landlord terminates the Tenant's right of possession without

terminating this lease, Tenant shall remain liable for the full performance of all the covenants hereof, and Landlord shall use reasonable efforts to re-let the Premises on Tenant's behalf. Any such rentals reserved from such re-letting shall be applied first to the costs of re-letting the Premises and then to the rentals due hereunder. In the event the rentals from such re-letting are insufficient to pay the rentals due hereunder in full, Tenant shall be liable to the Landlord for any deficiency. In the event Landlord institutes a legal action against the Tenant to enforce the lease or to recover any sums due hereunder, Tenant agrees to pay Landlord reasonable attorney's fees in addition to all other damages.

18. Landlord's Default; Limitation of Remedies and Damages: Until the Tenant notifies the Landlord in writing of an alleged default and affords the Landlord a reasonable time within which to cure, no default by the Landlord in the performance of any of the promises or obligations herein agreed to by him or imposed upon him by law shall constitute a material breach of this lease and the Tenant shall have no right to terminate this lease for any such default or suspend his performance hereunder. In no event and regardless of their duration shall any defective condition of or failure to repair, maintain, or provide any area, fixture or facility used in connection with recreation or recreational activities, including but not limited to swimming pools, club houses, and tennis courts, constitute a material breach of this lease and the Tenant shall have no right to terminate this lease or to suspend his performance hereunder. In any legal action instituted by the Tenant against the Landlord, the Tenant's damages shall be limited to the difference, if any, between the rent reserved in this lease and the reasonable rental value of the Premises, taking into account the Landlord's breach or breaches, and in no event, except in the case of the Landlord's willful or wanton negligence, shall the Tenant collect any consequential or secondary damages resulting from the breach or breaches, including but not limited to the following items: damage or destruction of furniture or other personal property of any kind located in or about the Premises, moving expenses, storage expenses, alternative interim housing expenses, and expenses of locating and procuring alternative housing.

19. Bankruptcy: If any bankruptcy or insolvency proceedings are filed by or against the Tenant or if the Tenant makes any assignment for the benefit of creditors, the Landlord may, at his option, immediately terminate this Tenancy, and reenter and repossess the Premises, subject to the provisions of the Bankruptcy Code (11 USC Section 101, et. seq.) and the order of any court having jurisdiction thereunder.

20. Tenant's Insurance; Release and Indemnity Provisions:

(a) Personal Property Insurance (Tenant initial if applicable*):

_____ Tenant shall be required to obtain and maintain throughout the term of the tenancy a renter's insurance policy, which policy shall, without cost to Landlord or Agent, name Landlord and Agent as an additional insured, and to promptly provide Landlord evidence of such insurance upon Landlord's request. In addition to coverage for damage or loss to Tenant's personal property in such amount as Tenant may determine, the policy shall include coverage for bodily injury and property damage for which Tenant may be liable in the amount of _____.

****If not initialed, Tenant shall not be required to obtain a renter's insurance policy***

(b) Whether or not Tenant is required to obtain a renter's insurance policy, Tenant shall be solely responsible for insuring any of his personal property located or stored upon the Premises upon the risks of damage, destruction, or loss resulting from theft, fire, storm and all other hazards and casualties. Regardless of whether the Tenant secures such insurance, the Landlord and his agents shall not be liable for any damage to, or destruction or loss of, any of the Tenant's personal property located or stored upon the Premises regardless of the cause or causes of such damage, destruction, or loss, unless such loss or destruction is attributable to the intentional acts or willful or wanton negligence of the Landlord.

(c) The Tenant agrees to release and indemnify the Landlord and his agents from and against liability for injury to the person of the Tenant or to any members of his household resulting from any cause whatsoever except only such personal injury caused by the negligent, or intentional acts of the Landlord or his agents.

21. Agent: The Landlord and the Tenant acknowledge that the Landlord may, from time to time in his discretion, engage a third party ("the Agent") to manage, supervise and operate the Premises or the complex, if any, of which they are a part. If such an Agent is managing, supervising and operating the Premises at the time this lease is executed, his name will be shown as "Agent" on the first page hereof. With respect to any Agent engaged pursuant to this paragraph, the Landlord and the Tenant hereby agree that: (1) Agent acts for and represents Landlord in this transaction; (2) Agent shall have only such authority as provided in the management contract existing between the Landlord and Agent; (3) Agent may perform without objection from the Tenant, any obligation or exercise any right of the Landlord imposed or given herein or by law and such performance shall be valid and binding, if authorized by the Landlord, as if performed by the Landlord; (4) the Tenant shall pay all rents to the Agent if directed to do so by the Landlord; (5) except as otherwise provided by law, the Agent shall not be liable to the Tenant for the nonperformance of the obligations or promises of the Landlord contained herein; (6) nothing contained herein shall modify the management contract existing between the Landlord and the Agent; however, the Landlord and the Agent may from time to time modify the management agreement in any manner which they deem appropriate; (7) the Landlord, may, in his discretion and in accordance with any management agreement, remove without replacing or remove and replace any agent engaged to manage, supervise and operate the Premises.

22. Form: The Landlord and Tenant hereby acknowledge that their agreement is evidenced by this form contract which may

contain some minor inaccuracies when applied to the particular factual setting of the parties. The Landlord and Tenant agree that the courts shall liberally and broadly interpret this lease, ignoring minor inconsistencies and inaccuracies, and that the courts shall apply the lease to determine all disputes between the parties in the manner which most effectuates their intent as expressed herein. The following rules of construction shall apply: (1) handwritten and typed additions or alterations shall control over the preprinted language when there is an inconsistency between them; (2) the lease shall not be strictly construed against either the Landlord or the Tenant; (3) paragraph headings are used only for convenience of reference and shall not be considered as a substantive part of this lease; (4) words in the singular shall include the plural and the masculine shall include the feminine and neuter genders, as appropriate; and (5) the invalidity of one or more provisions of this lease shall not affect the validity of any other provisions hereof and this lease shall be construed and enforced as if such invalid provision(s) were not included.

23. **Amendment of Laws:** In the event that subsequent to the execution of this lease any state statute regulating or affecting any duty or obligation imposed upon the Landlord pursuant to this lease is enacted, amended, or repealed, the Landlord may, at his option, elect to perform in accordance with such statute, amendment, or act of repeal in lieu of complying with the analogous provision of this lease.

24. **Eminent Domain and Casualties:** The Landlord shall have the option to terminate this lease if the Premises, or any substantial part thereof, are condemned or sold in lieu of condemnation or damaged by flood, storm, fire or other casualty. The Landlord shall give Tenant at least thirty (30) days written notice of any such termination. This lease shall terminate as of the date specified in the notice and the rent will be accounted for between Landlord and Tenant as of that date.

25. **Assignment:** The Tenant shall not assign this lease or sublet the Premises in whole or part.

26. **Waiver:** No waiver of any breach of any obligation or promise contained herein shall be regarded as a waiver of any future breach of the same or any other obligation or promise.

27. **Joint and Several Liability:** If there are multiple persons listed as Tenant, their obligations under this Agreement shall be joint and several.

28. **Other Terms and Conditions:**

(a) If there is an Agent involved in this transaction, Agent hereby discloses to Tenant that Agent is acting for and represents Landlord.

(b) Itemize all addenda to this Contract and attach hereto:

- Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (form 430-T) (if Premises built prior to 1978)
- Military Status Addendum (form 436-T)
- Maintenance Addendum (form 440-T)
- Pet Addendum (form 442-T)
- Assistance Animal Addendum (form 443-T)
- Guaranty Addendum (form 445-T)

OTHER: _____

(c) The following additional terms and conditions shall also be a part of this lease: _____

29. **Inspection of Premises:** Within _____ days of occupying the Premises, Tenant has the right to inspect the Premises and complete a Move-in Inspection Form.

30. **Tenant Information:** Tenant acknowledges and understands that during or after the term of this Agreement, the Landlord may provide information about Tenant or relating to the Tenancy in accordance with applicable laws, including but not limited to providing such information to a credit reporting agency.

31. **Execution; Counterparts:** When Tenant signs this lease, he acknowledges he has read and agrees to the provisions of this lease. This lease is executed in _____ (number) counterparts with an executed counterpart being retained by each party.

32. **Entire Agreement:** This Agreement contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed in writing. All changes, additions or deletions hereto must be in writing and signed by all parties.

33. **Use of Electronic Means; Notice.** The parties agree that electronic means may be used to sign this Agreement or to make any modifications the parties may agree to, and that any written notice, communication or documents may be transmitted electronically to any e-mail address, cell phone number or fax number used by the parties to communicate during the course of this Agreement. Any notices required or authorized to be given hereunder or pursuant to applicable law may also be mailed or hand delivered to the Tenant at the address of the Premises and to the Landlord at the address of the Agent.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION.

LANDLORD: _____

LANDLORD: _____

BY: AGENT: _____
[Name of real estate firm]

By: _____ Individual license # _____ Date: _____
[Signature of authorized representative]

Address: _____

Telephone: _____ Fax: _____ E-mail: _____

TENANT: _____ Date: _____
[Tenant signature]

Contact information: _____
Home Work Cell Email

TENANT: _____ Date: _____
[Tenant signature]

Contact information: _____
Home Work Cell Email

TENANT: _____ Date: _____
[Tenant signature]

Contact information: _____
Home Work Cell Email

TENANT: _____ Date: _____
[Tenant signature]

Contact information: _____
Home Work Cell Email

PET ADDENDUM

Premises: _____

This Addendum is attached to and made a part of the Residential Rental Contract ("Contract") between Landlord and Tenant for the Premises. Landlord agrees that Tenant shall be permitted to keep a pet of the type described below on the Premises on the following terms and conditions:

1. **Description of Permitted Pet:** (insert breed, color, age, weight, name, etc.): _____

_____ (the "Pet")

Tenant acknowledges and understands that the terms and conditions of this Addendum apply only to the Pet and not to any other animal of any type except to the extent that Tenant acquires another animal in accordance with paragraph 3 below.

2. **Pet Fee; Damages:** Tenant shall pay a nonrefundable pet fee in the amount of \$ _____ ("Pet Fee"). Tenant acknowledges that the amount of the Pet Fee is reasonable and agrees that the Landlord shall not be required to refund the Pet Fee in whole or in part. Tenant agrees to reimburse Landlord for any primary or secondary damages caused by the Pet, whether the damage is to the Premises or to any common areas used in conjunction with them.

3. **Removal of Pet:** The Tenant shall remove the Pet within _____ hours of written notification from the Landlord that the Pet, in the Landlord's sole judgment, creates a nuisance or disturbance or is, in the Landlord's opinion, undesirable. If the Pet is caused to be removed pursuant to this paragraph, the Landlord shall not be required to refund the Pet Fee; however, the Tenant shall be entitled to acquire and keep another pet of the type previously authorized without the payment of another Pet Fee, but subject to all the other terms of this Addendum.

4. **Tenant Representation:** Tenant represents that to the extent applicable, the Pet (i) has been properly licensed and inoculated for rabies and other required inoculations for the type of animal; and (ii) has been neutered or spayed.

5. **Tenant Responsibility for Care and Control of Pet:** Tenant agrees to be responsible for feeding, maintaining, providing veterinary care, and promptly cleaning up after the Pet. Tenant also agrees that the Pet will not be tethered, and that when not inside the dwelling, the Pet will at all times be on a leash, or carried, or kept in a secure, fenced-in area.

6. **Indemnity:** Tenant agrees to take reasonable measures to prevent the Pet from causing damage to the property or person of any individual, and to indemnify and hold Landlord and Landlord's agents harmless from any liability to third parties which may result from Tenant's keeping of the Pet.

7. **Insurance:** If Tenant is required to obtain and maintain a renter's insurance policy, Tenant understands and agrees that the policy will include coverage for bodily injury and property damage caused by the Pet.

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TENANT: _____ (SEAL)

Date: _____ (SEAL)

Date: _____ (SEAL)

Date: _____ (SEAL)

Date: _____

LANDLORD: _____ (SEAL)

_____ (SEAL)

By: _____, AGENT

_____ (SEAL)

Date: _____



GUARANTY ADDENDUM

Tenant: _____

Landlord: _____

Premises: _____

Commencement Date of Lease: _____ Expiration Date of Lease: _____ Monthly Rent: _____

This Addendum is attached to and made a part of the Residential Rental Contract ("Lease") between Landlord and Tenant for the Premises.

In consideration for Landlord leasing the Property to Tenant, the undersigned Guarantor(s) ("Guarantor") guarantee the performance of Tenant under the Lease. Guarantor acknowledges and understands that Landlord has relied upon Guarantor agreeing to sign this Guaranty as a condition of Landlord agreeing to enter into the Lease with Tenant.

1. **Guaranty.** If Tenant fails to make any payment required under the Lease, Guarantor will, upon demand, make such payment to Landlord or Landlord's agent. Payments under the Lease include but are not limited to rent, late charges, returned check charges, summary ejection fees, court costs, attorney's fees, fines, utility charges, maintenance charges, repair charges for property damage, and other costs or charges specified in the Lease.

2. **Enforcement of Guaranty.** Landlord is not obligated to first attempt recovery from Tenant for any breach of the Lease, non-payment of rent or other financial obligations of Tenant, and may immediately seek enforcement of this Guaranty. Any suits may be brought by the Landlord against the Tenant and Guarantor, either jointly or severally. THE GUARANTOR EXPRESSLY WAIVES ANY RIGHT UNDER N.C. GENERAL STATUTES SECTION 26-7 TO REQUIRE LANDLORD TO FIRST SEEK RECOVERY AGAINST THE TENANT.

3. **Duration of Guaranty.** THE GUARANTOR'S OBLIGATIONS UNDER THIS GUARANTY APPLY TO TENANT'S OBLIGATIONS DURING THE INITIAL TERM OF THE LEASE AND DURING ANY EXTENSION OR RENEWAL OF THE LEASE, INCLUDING ANY RENT INCREASES OR OTHER MODIFICATIONS DURING THE INITIAL TERM OR ANY EXTENSION OR RENEWAL.

4. **Joint and Several Liability.** If there is more than one Guarantor, they are jointly and severally liable for all provisions of this Guaranty.

5. **Governing law/forum.** The parties agree that this Guaranty shall be governed by and construed in accordance with the laws of the State of North Carolina, and that in the event of a dispute, any legal action may only be instituted in the county where the Property is located.

Guarantor: _____ **Date:** _____

Printed Name: _____

Address: _____

Contact information: _____
Home Work Cell Email

Guarantor: _____ **Date:** _____

Printed Name: _____

Address: _____

Contact information: _____
Home Work Cell Email



MAINTENANCE ADDENDUM

Premises: _____

PURPOSE. The purpose of this Addendum is to give you, the Tenant, specific examples of things you are responsible for maintaining during the term of your lease so that you will have a better understanding of your obligations under the lease. **It does not list everything you are responsible for maintaining.** Depending on what type of residence you are leasing (apartment, single-family house, duplex, condominium, etc.) and what kind of improvements it contains, some items on the following list may not apply to you. **GOOD HOUSEKEEPING IS EXPECTED OF EVERYONE.**

VEHICLES

- You and your guests may park only in designated areas and not on the grass
- Keep driveways free of oil and grease
- Do not keep inoperable or unlicensed vehicles on the property
- You and your guests may not work on motor vehicles in the parking lot of the complex
- _____

LIGHTS, FILTERS, FUSES, ETC.

- Replace burned-out electric light bulbs and blown fuses
- Reset tripped circuit breakers and oven timers
- Leave working light bulbs in all electrical sockets at end of tenancy
- Relight oil or gas furnaces and hot water heaters
- Replace heating/air conditioning filters at least every three months
- Leave new filter in the air return at end of tenancy
- _____

CARPETS

- Use a professional carpet cleaning service to steam clean carpets unless you have written permission to clean them yourself
- _____

FIRE SAFETY

- If you have never used a fireplace before, ask for instruction on how to use it
- Do not store ashes in trash cans
- Do not build a wood fire in a fireplace that has connections for gas logs
- Do not use kerosene heaters
- Do not use grills within 10 feet (horizontally or vertically) of anything that will burn
- _____

WATER LINES. To help prevent water lines from freezing and bursting during cold weather:

- Allow water to trickle and place lights as appropriate
- If you are going to be away from home, have water turned off and water lines drained or leave sufficient heat in the house
- Disconnect garden hoses from the outside faucets
- _____

PEST EXTERMINATION

- Keep the Premises free from visible infestations of roaches, ants, hornets, bees, mice, bedbugs and other pests
- _____

LOCKS

- Do not change or remove any existing locks or add any additional locks without Agent’s written permission
- Immediately provide Agent keys for any changed or additional locks
- _____



MOLD AND MILDEW. To help prevent mold and mildew from accumulating in the Premises:

- Clean and dust the Premises on a regular basis
- Remove moisture on windows, walls, and other surfaces as soon as possible
- Immediately notify Agent of any evidence of a water leak or excessive moisture or standing water
- Immediately notify Agent of the presence of mold, mildew, or similar growth in the Premises after you have attempted to remove it using common household cleaning solutions or anti-microbial products
- Immediately notify Agent of any malfunction of any part of the heating, ventilation, air conditioning, plumbing, or laundry systems
- Immediately notify Agent of any inoperable doors or windows
- _____

EXTERIOR MAINTENANCE

- Mow the grass in a timely manner
- Clean any gutters and trim any shrubs at least semi-annually
- Keep the porches, patios, balconies, and front and back yards free of clutter, unsightly items, and other personal articles
- _____

REPAIRS

- If you do not keep an appointment to be home for maintenance or repair work, the worker's time will be charged to you
- If you request repairs and the worker is unable to enter due to extra locks or chains on the door not being removed, the worker's time will be charged to you
- You will be charged for any service calls to repair items that you are responsible for maintaining
- You may not authorize any maintenance or repairs at Landlord's or Agent's expense
- You will not be reimbursed for any unauthorized repairs that Landlord is responsible for
- _____

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TENANT:

LANDLORD:

_____(SEAL)

_____(SEAL)

Date: _____

_____(SEAL)

_____(SEAL)

By: _____, AGENT

Date: _____

_____(SEAL)

Date: _____

Questions and Answers on: RENTING RESIDENTIAL REAL ESTATE

The relationship between you (the tenant) and a landlord begins when you enter into a contract—typically a lease. The terms of a lease generally are not dictated by law. However, many of the duties that you owe to each other are controlled by statutory law and cannot be “bargained away.”

This pamphlet focuses on questions that frequently arise during the landlord-tenant relationship. Although the term “apartment” is used throughout, you should be aware that the questions and answers apply equally to other types of residential rental properties. For information on tenant security deposits, unlawful discrimination in rental housing, condominiums and townhouses, and other consumer housing issues, contact the North Carolina Real Estate Commission (919/875-3700) and request a free copy of a “Questions and Answers” brochure on any of these topics or visit the Commission’s Web site (www.ncrec.gov) for a pdf version. Other written materials are available from the Consumer Protection Section of the Attorney General’s Office (919/716-6000). If you are a member of the U.S. Armed Forces, you should obtain a copy of the brochure, *Questions and Answers on: North Carolina Military Personnel Residential Lease Termination*. And for fair housing (discrimination) issues, call the North Carolina Human Relations Commission (919/807-4420) or your local fair housing agency. In addition, you may wish to review Chapter 42 of the N.C. General Statutes and consult a private attorney.

Q: In North Carolina, must a lease agreement be in writing?

A: No. An oral agreement can establish a landlord-tenant relationship if it is for a term of less than three years from the time the agreement is made and includes the • names of the landlord and tenant(s), • location of the property to be leased, • time period of the lease, and • amount of rent to be paid. [Note: If the lease is required to be in writing, the signature of the party against whom you seek to enforce the lease is required.] However, a written lease gives better protection to both parties, especially in the event of a dispute.

Q: I filled out an application to rent an apartment and gave the landlord money to “hold” the apartment for me. Now I have found another place that I like better. Can I get my money back?

A: It depends. If you pay any money before signing a lease, you should ask for a written agreement indicating exactly what the money will be used for and whether it is refundable. Money you give to “hold” an apartment generally can be kept by the landlord. It is the price you pay to ensure that the landlord does not rent the apartment to someone else. Furthermore, if you have already agreed to rent a particular apartment for a particular term at a particular price, you may have created an oral lease; if so, the money may be considered a security deposit which can be retained by the landlord to the extent necessary to compensate him for your failure to pay rent. And, you may have to pay rent until the lease expires or until the landlord re-rents the property, whichever occurs first. If you

have not committed to renting a property, then it is unwise to pay a security deposit because you put this money at risk if you decide not to rent the property.

Q: After I sign a lease, do I have three days to change my mind?

A: No. Once you sign a lease, you are obligated to the full term.

Q: My landlord gave me a written lease but it does not include his earlier oral promise to replace worn carpet. Can I rely on his oral promise?

A: No. Do not rely on a prior oral agreement with the landlord. To make it “legal,” have it written into the lease and initialed by both of you.

Q: Does the landlord have to repaint the apartment or steam clean the carpets before I move in?

A: No. The landlord has no obligation to paint an apartment or steam clean the carpets each time it is rented.

Q: May a landlord refuse to rent to someone who smokes, has a criminal conviction or who is under a certain age?

A: Yes. A landlord may lawfully refuse to rent to anyone for any reason other than those specified in the Fair Housing Act. However, the landlord should apply his or her selection criteria consistently with all prospective tenants.

Q: Can the landlord charge me more because I have a pet?

A: Yes. The landlord may charge extra rent and/or a nonrefundable pet fee in exchange for allowing you to keep a pet in the apartment. Furthermore, the landlord may charge more for some types or sizes of pets than for others; or, may prohibit pets completely. Any agreement you have with the landlord about pets should be included in the written lease.

Q: If my personal property is damaged by fire or theft while I am a tenant, will the landlord have to compensate me for my loss?

A: Not necessarily. Many tenants assume that their belongings are protected under the landlord’s insurance. But unless the fire or theft was the result of a negligent act by the landlord, he is not responsible for your loss. Therefore, it is generally a good idea for you to purchase renter’s insurance for your protection.

Q: Can my landlord come into my apartment periodically just to check its condition?

A: Maybe. Many leases give the landlord the right to enter the property to inspect it to see if the tenant is complying with his obligations, to make necessary repairs, to place “for sale” or “for rent” signs on it, or to show it to prospective purchasers or tenants. Still, entry must be at reasonable times and upon reasonable notice. If your lease doesn’t address it, the landlord has no right to enter your apartment during the term of your lease.

Q: Does the landlord have to repair anything in my apartment that breaks down? What if I signed a lease accepting the apartment “as is”?

A: The landlord is responsible for some repairs, and the tenant for others. For example,

The landlord must

- Comply with local housing and building codes;
- Do whatever is necessary to put and keep your apartment in fit and habitable condition;
- Maintain in good, safe working order all electrical, plumbing, sanitary, heating, ventilating, air conditioning and other facilities and appliances which he has provided, and promptly repair them when you notify him in writing they are in need of repair (except in cases of emergencies);
- Keep all common areas in safe condition; and
- Provide and install smoke detectors and carbon monoxide detectors and replace batteries at the beginning of your tenancy.

[Note: After the tenancy begins, the landlord may enter a written agreement with you to pay you or reduce your rent in exchange for repairs.]

The tenant must

- Keep the rental unit clean (including toilet, sinks, and baths) and as safe as conditions permit;
- Dispose of trash and garbage in a clean and safe manner;
- Pay the rent as promised and otherwise comply with the lease;
- Not damage (or knowingly let anyone else damage) or remove any part of the property;
- Comply with any duties imposed by local building and housing codes;
- Replace batteries in smoke detectors and carbon monoxide detectors as needed and tell the landlord if a detector needs to be repaired; and
- Leave the unit clean at the end of the lease and in as good condition as when you moved in, except for reasonable wear and tear. *[Note: It is important at the beginning of your lease to note the condition of your apartment on a checklist and ask the landlord to initial it. That way, you will not be held responsible for damage that existed when you moved in.]*

Q: Can I withhold my rent if the landlord does not do the repairs?

A: No, not without a court order or the permission of the landlord. Give the landlord a written request for repairs, and keep a copy. If a reasonable time passes and the repairs are not properly done, you may seek a rent reduction in Small Claims Court for the decreased value of your apartment. If the landlord ignores your request to fix the problem and your apartment is

uninhabitable, you may be able to vacate the apartment and terminate the lease under a legal theory called “constructive eviction.” Consult a private attorney for advice.

Q: Can the landlord charge a late fee?

A: Yes. If the landlord receives your rent five days or more after it is due, then he may charge a late fee. The maximum late fee is \$15.00 or 5% of the rent, whichever is higher.

Q: Can the landlord evict me for complaining?

A: No. Under North Carolina law, you can do the following things without fear of eviction:

- Complain to the landlord;
- Complain to government agencies (such as housing inspectors and health departments);
- Assert your rights under the lease;
- Organize with other tenants to assert your rights; and
- Sue the landlord to enforce the lease.

However, a landlord may choose not to renew the lease at the end of the current term.

Q: Can the landlord raise my rent during the term of my lease?

A: No. Unless the lease states otherwise, you are guaranteed the agreed-upon monthly rent for the agreed-upon term of the lease. However, you also give the landlord your guarantee to pay the agreed-upon rent, on time, for that period.

Q: Can't I always terminate my lease with a 30-day notice to the landlord?

A: No. If your lease provides for a definite termination date, you are typically obligated for the entire lease term, even if you have a good reason for leaving such as illness or a job transfer. Early termination is only excused due to certain military transfers, foreclosures of the property or, in certain instances where the tenant is a victim of domestic violence, sexual assault, or stalking. So, if you leave early and the landlord is unable to re-rent your apartment, the landlord may sue you for the unpaid rent and costs, and/or file a negative credit report against you.

Some leases allow a tenant to terminate the lease early under certain circumstances by giving notice. Check your lease to determine if it permits early termination and the amount of notice it requires. If, for example, your lease allows you to give a 30-day notice to terminate it, typically, you must notify the landlord in writing at least 30 days before the end of the month in which you propose to leave and pay rent through the end of that month.

Q: I'm renting on a month-to-month basis. What notice must I give to terminate my lease?

A: Renting month-to-month is a form of “periodic tenancy.” A periodic tenancy often occurs when a tenant remains in the apartment after the expiration of the initial lease term. Periodic tenancies

have no termination date and may be terminated by either the landlord or tenant giving notice to the other. The amount of notice required will usually be set forth in the lease. If there is no written lease, or if the lease does not contain a notice provision, then North Carolina law allows you to terminate a year-to-year tenancy by giving notice to the landlord at least one month before the end of the year; a month-to-month tenancy by giving notice at least seven days before the end of the month; and a week-to-week tenancy by giving notice at least two days before the end of the week.

Q: My one-year lease has expired, but I still live in the property and pay rent on a monthly basis. Now the landlord says he is increasing my rent. Must I pay the increase?

A: It depends upon the terms of the lease. Most leases provide that when the lease expires, you automatically become a month-to-month tenant and are no longer guaranteed a particular rental rate. In that case, the landlord can increase the rent by any amount by giving you the same notice of his intent to raise the rent that he would be required to give to terminate your tenancy. You may either stay and pay the higher rent or move out.

However, some leases automatically expire at the end of the lease term and have no renewal provision. In that case, the landlord may demand a rent increase in order for you to remain in possession after the expiration of the lease. But if the landlord accepts your rent payment in the usual amount for the month following the expiration of your lease, he may have effectively renewed your lease for another year at the old rate.

Q: Does North Carolina have a rent control law limiting rent increases?

A: No.

Q: My landlord just sold the property I am renting to someone else. Can the new owner evict me?

A: Probably not. If you are a tenant in possession of the property, the law presumes that the purchaser is aware of your tenancy, and requires that purchaser to honor your lease until it expires. However, you could be evicted if you agreed in your lease that you would vacate the premises upon the sale of the property. The new owner will not have to renew your lease when it expires.

Q: The home I am currently renting is going to be sold at foreclosure. What are my rights and responsibilities?

A: Tenants residing in a property containing less than 15 rental units, which is being sold in a foreclosure proceeding, may terminate the lease and move out without penalty or breach of the lease. However, the tenant must set the termination date at least 10 days or more after the date of the formal notice of sale from the Superior Court.

Not all individuals who are renting a home want to move out immediately after the foreclosure sale. Since 2009, a federal law allows some leases to survive a foreclosure. In these cases, a tenant has the option to stay until the end of the lease. However, in cases where the tenant is renting

month-to-month or the buyer of the foreclosed property intends to live in the property, the law allows the buyer to terminate the tenant's remaining lease term, but only after giving the tenant a 90-day notice to vacate the home.

Q: My roommates and I paid a tenant security deposit when we rented our house. Will I get a refund of this deposit for my fair share if I vacate the property before my roommates?

A: No, typically a landlord will not refund a portion of the tenant security deposit to a roommate who is moving out if other tenants on the lease remain in the residence. In most cases, the tenant security deposit will be held in trust by the landlord until the last tenant leaves. At that time, the deposit will be refunded, less any lawful deductions, to any remaining tenants leaving the home. If you vacate the residence before the end of your lease, or before your roommates, you should discuss any refund with your roommates directly. *(See also Q & A on: Tenant Security Deposits.)*

Q: Am I responsible for paying my roommate's share of the rent if my name is on the lease?

A: Yes. If your name is on the lease, you are legally responsible for the full performance of the lease—even if your roommate's name is also on it. Many written leases require each tenant to be responsible for all rent that is due, and landlords will usually take legal action against the remaining tenant if his roommate(s) move out and the full rent is not paid.

Q: What must a landlord do to evict me?

A: A landlord or his agent may evict you for violating a provision of your lease, but must do so according to lawful procedures. For example, unless your lease provides otherwise, when you do not pay your full rent, the landlord must first make a clear demand on you for payment of the past-due rent. Then, if you do not pay the rent within ten days (or if you have violated your lease in some other way), the landlord may file a formal "summary ejectment" complaint against you in court describing why you should be ejected. The landlord may recover unpaid rent, court fees and other damages from you.

Many leases permit the landlord to shorten the ten day notice period or avoid it altogether by including a "forfeiture" clause. Such clauses provide that the lease terminates if you do not pay your rent within a specified number of days after it is due and may require no notice or less than ten days' notice before the landlord is permitted to begin the summary ejectment proceeding in court. At the court hearing, you can, of course, raise defenses. If the magistrate rules in favor of the landlord, you can appeal the decision within ten days. However, you must pay the appropriate rent to the clerk of court while the appeal is pending. If you do not appeal in time, or if the landlord wins the appeal, he can enlist the services of the county sheriff to execute the judgment and evict you. At all times throughout the process, the landlord must use peaceable means to regain his property. "Self-help eviction," such as changing the locks, removing your possessions, or padlocking your door, is not permitted.

Q: Can I pay rent to the landlord to stop an eviction proceeding?

A: Maybe. It depends on the terms of your lease. If your lease does not address the issue and you pay or offer to pay the rent due (and any costs the landlord has incurred), the eviction proceeding is automatically terminated. If the landlord continues the suit, he will be responsible for your future legal fees. But if your lease allows the landlord to terminate your tenancy if you don't pay your rent on time, he can accept your late rent and still seek to evict you. Most leases today give the landlord this right.

**THE NORTH CAROLINA
REAL ESTATE COMMISSION
P.O. Box 17100 • Raleigh, NC 27619-7100
Phone: 919/875-3700 • Web Site: www.ncrec.gov**

REC 3.39 3/1/16

Questions and Answers on: FAIRHOUSING

The purpose of the fair housing laws is to protect a person's right to own, sell, purchase, or rent housing of his or her choice without fear of unlawful discrimination. The fair housing laws are intended to allow everyone equal access to housing. State and Federal fair housing laws prohibit discrimination in the housing market on the basis **of race, color, sex, religion, national origin, handicap, or familial status**. To discriminate against a person on the basis of his or her membership in one of these protected categories is against the law.

This pamphlet will focus primarily on the fair housing laws as they are applied in the State of North Carolina.

Q: Do the fair housing laws apply to all housing transactions?

A: Yes, except for the following limited exemptions:

- The rental of a unit in a multi-family dwelling with not more than four units where the owner (or a member of the owner's family) lives in one of the units
- The rental of a room or rooms in a private house where the owner (or a member of the owner's family) lives in the house
- Lodging owned or operated by private clubs which give preference to their members
- Religious, charitable, or educational institutions or organizations which are operated, supervised, or controlled by religious institutions or organizations that give preference in real estate transactions to their members, provided the organization does not exclude members of a protected category
- Single-sex dormitories

Discriminatory Practices

Q: What are some common unlawful acts of discrimination?

A: Refusing to sell, rent or negotiate — It is against the law to take any of the following actions because a person is a member of one of the protected categories:

- To refuse to engage in a real estate transaction
- To refuse to rent or sell housing
- To discriminate in terms, conditions, or privileges for the sale or rental of housing
- To refuse to receive or fail to transmit a bona fide offer to engage in a real estate transaction
- To indicate that housing is not available when it actually is available
- To discriminate by providing different facilities or services
- To refuse to negotiate for housing

Steering — Discouraging a person from seeking housing in a particular community, neighborhood, or development because the person is or is not a member of a protected category. For example, a real estate agent shows a black person housing in predominately black neighborhoods and a white person housing in predominately white neighborhoods.

Interference, coercion, or intimidation — Trying to limit the benefits of renting or buying housing in an area because the person is a member of one of the protected categories. This includes trying to coerce, threaten, intimidate, retaliate against, or interfere in any way with the use and enjoyment of housing.

Discriminatory advertising — Advertising or making any statement which indicates directly or indirectly an intent to make a limitation, specification, or to discriminate with respect to members of one of the protected categories.

Blockbusting (also referred to as *panic peddling*)

— Trying, in a direct or subtle way, to scare a person into moving out of a neighborhood by representing that a person from one of the protected categories is considering or is in fact moving into the neighborhood. For example, stating that the neighborhood would decline or that the crime rate would increase if members of a protected category moved into the neighborhood would be unlawful.

Redlining — Being denied or subjected to stricter conditions in applying for a loan on property in a particular area because of the racial composition of the area, including loans to purchase, construct, improve, repair, or maintain housing.

Q: Can a person other than the seller or landlord be guilty of violating the fair housing laws?

A: Yes. Anyone involved in the real estate transaction who discriminates based on a protected category has violated the fair housing laws. For example, a local banker informs a real estate agent that if the agent allows anyone else with kids to move into the neighborhood, the bank will not do business with the agent or the agent's customers.

Q: Does an owner have to rent or sell to a person just because he or she is in a protected category?

A: No. Owners may rent or sell to whomever they choose as long as their decisions are not based on the fact that a would-be tenant or buyer is a member of a protected category. If someone from a protected category becomes a tenant, the owner may hold that tenant to the same standard of performance and behavior as everyone else.

Q: Can landlords protect themselves from complaints of discrimination when they reject someone from a protected category?

A: Yes. A landlord should have detailed standards for deciding who is acceptable as a tenant and who is not. However, these standards may not be based upon a prospective tenant's membership in a protected category. Such standards are particularly important in decisions to reject a tenant applicant because of poor credit, and to place would-be tenants on a "waiting list." The landlord should then apply these standards equally to every tenant applicant. If a waiting list is used, the landlord must make sure that every applicant who is told that his or her name will be placed on the list is indeed put there and that, as an applicant's name comes up, the applicant is notified of this fact.

Handicap

Q: What conditions are considered handicaps under the fair housing laws?

A: A handicapping condition exists if someone has a physical or mental impairment which substantially limits one or more major life activities. Some examples are: physical disability, mental illness or retardation, cerebral palsy, muscular dystrophy, cancer, heart disease, Human Immunodeficiency Virus (HIV) infection or AIDS, drug addiction (other than addiction caused by current, illegal use of a controlled substance) and alcoholism. However, a landlord does not have to rent to anyone, including a handicapped person, who would constitute a genuine, direct threat to the health or safety of other tenants or whose tenancy would result in substantial physical damage to the property of others.

Q: Does a landlord have to allow a handicapped person to make modifications to a rental unit?

A: Yes. If a landlord rents his or her property to a handicapped person, the landlord *must allow* the handicapped person to make *reasonable modifications* to the existing premises as necessary for the full enjoyment of the premises, such as widening doorways, installing handrails, and installing wheelchair ramps. However, the handicapped person is responsible for the cost of the modifications. A landlord may condition permission to make modifications on the tenant's agreeing to restore the *interior* of the premises to the original condition if the modifications made by the handicapped tenant would interfere with the next tenant's reasonable use and enjoyment of the property. The landlord may also withhold permission until seeing a description of the proposed modifications which provides reasonable assurance that the modifications will be done in a workmanlike manner. [Note: All multifamily dwellings covered by the fair housing laws and ready for first occupancy after March 13, 1991, have to be designed and constructed so that few, if any, modifications will be necessary.]

Q: Can a landlord charge a higher security deposit to a handicapped person who makes modifications to a rental unit?

A: No. However, if the nature of the modifications is such as would interfere with the next tenant's use and enjoyment of the property, and correction of the modifications would be especially costly, the landlord may, as part of a restoration agreement between the landlord and tenant, require the tenant to pay into an interest-bearing escrow account a reasonable amount to cover restoration costs. The tenant would be entitled to any interest which accrues on the escrow account.

Q: Does a landlord have to make other accommodations for a handicapped tenant?

A: Yes. A landlord must make reasonable accommodations in rules, policies, practices, or services as necessary to afford a handicapped person equal opportunity to use and enjoy a housing unit, including public and common use areas. Two examples include allowing a visually-impaired tenant to have a service animal in a community where no pets are allowed, and not charge a pet fee, or allowing a tenant with a serious heart condition to have a reserved parking space close to the tenant's apartment.

Q: If a landlord has available units which are equipped for the handicapped, does a handicapped person have to take one of those units?

A: No. A landlord can advise a handicapped person of the availability of specially equipped units, but the handicapped person must be allowed to choose from any of the units which are available.

Familial Status

Q: Can persons with children be denied housing on that basis?

A: No. The fair housing laws protect a person who (1) has a child under the age of 18, (2) has legal custody of a child, (3) is designated by the parent to care for a child (provided that the designee has written permission from the parent), (4) is pregnant, or (5) is in the process of obtaining legal custody of a child. However, the fair housing laws do not protect persons denied housing because they are single, married, or living with someone.

Q: Are "adults only" communities allowed?

A: No, unless they qualify for one of the two exemptions which allow for adults-only housing for elderly persons. *[Note: There are numerous requirements which must be met to qualify for these exemptions. Contact the **North Carolina Human Relations***

Commission *for further details.*] If a housing complex qualifies for the elderly person exemption, then it may discriminate based on familial status only. It may not discriminate on the basis of any of the other protected categories.

Q: Can an owner or agent segregate families with children from other tenants?

A: No. A member of a protected category may not be assigned to a particular section of a community, neighborhood or development, or to a particular floor of a building, because of being a member of a particular category.

Q: Can a landlord or agent limit the number of children allowed in a bedroom, or prohibit the sharing of bedrooms by children of the opposite sex?

A: No. Although a landlord may set “occupancy standards” for the *number of people* that will be allowed to live in a unit, the standards should not be based on the age or sex of the individuals. [Note: The fair housing laws do not limit the applicability of any reasonable local, State, or Federal restrictions regarding the maximum number of persons permitted to occupy a housing unit.]

Real Estate Agents and Fair Housing

Q: May a real estate agent discriminate at the direction of the owner?

A: No. Even if a real estate agent has no discriminatory intent, the agent is in violation of the fair housing laws when discriminating against persons from one of the protected categories at the direction of the owner or lessor. Likewise, an agent is in violation if he or she knows that members of protected categories may be unlawfully rejected by the owner or lessor.

Q: What should a real estate agent do if he or she finds out that the seller or landlord intends to discriminate against a member of a protected category?

A: The agent should immediately terminate the agency relationship with the seller or landlord. The agent should then send a letter to the seller or landlord stating that the relationship has been terminated and explaining why. Next, the agent should inform any other agents or other parties to the transaction that he or she no longer represents the seller or landlord.

Q: Can a real estate agent decline to show property in a particular area because members of a protected category reside in that area?

A: No. This is *steering*, even if the buyer requests it. The real estate agent should inform the buyer that he or she can show property based on any of the buyer’s other criteria, but not the presence or absence in the area of members of a protected category.

Q: Is a real estate brokerage firm in violation of the fair housing laws if one of its employees or agents unlawfully discriminates?

A: Yes.

Q: Can a real estate agent answer questions about the characteristics of a neighborhood if the questions concern one of the protected categories?

A: No.

Q: Is it a violation of the fair housing laws to deny an agent who is a member of a protected category access to real estate related services?

A: Yes. It is a violation of the fair housing laws to deny a qualified real estate agent access to or membership in any membership listing service, real estate brokers' organization or other service, organization, or facility relating to the business of selling or renting housing, because he or she is a member of one of the protected categories.

Q: Can a violation of the fair housing law affect a real estate agent's license?

A: Yes. A violation of the fair housing laws is a violation of the North Carolina Real Estate License Law; therefore, it could result in suspension or revocation of the agent's license by the North Carolina Real Estate Commission. Additionally, a real estate broker is barred from conducting any brokerage activities or otherwise promoting their status as a broker in any manner that discriminates on the basis of race, color, religion, national origin, sex, familial status or disability.

Enforcement of the Fair Housing Laws

Q: What should I do if I suspect that I or someone else has experienced unlawful discrimination in a housing transaction?

A: You may file a complaint or notify the **North Carolina Human Relations Commission** (NCHRC), 1711 New Hope Church Road, Raleigh NC 27609 (Phone: 919/431-3036). However, the complaint must be filed within one year after the alleged violation occurred. The North Carolina Human Relations Commission will be glad to answer any questions you may have. **If a real estate broker was involved in the transaction, you are encouraged to file a complaint with the N.C. Real Estate Commission.**

Q: What happens after I file a complaint?

A: The NCHRC will investigate to determine whether unlawful discrimination has occurred.

If it has, the NCHRC will attempt to eliminate or correct the discriminatory practice by informal conference, persuasion, or conciliation. If it is unable to resolve the matter: (1) you may request a right-to-sue letter so that you may file a civil lawsuit; (2) the NCHRC may file a lawsuit for you; or (3) if neither of the two previous options is taken, an administrative hearing may take place where a final decision on the matter will be made. If the NCHRC fails to find that discrimination has taken place, it will dismiss the complaint and issue a right-to-sue letter. The NCREC will investigate complaints involving real estate brokers and discipline brokers through their licenses when sufficient, admissible evidence of a violation is found.

Of course, you have the right to file a civil suit, at your expense, within one year based on a violation of the state fair housing laws and within two years based on a violation of the federal housing laws without filing a complaint with the NCHRC.

**THE NORTH CAROLINA
REAL ESTATE COMMISSION
P.O. Box 17100 • Raleigh, NC 27619-7100
Phone: 919/875-3700 • Website: www.ncrec.gov**

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Questions and Answers on: **TENANT SECURITY DEPOSITS**

Each year, hundreds of thousands of North Carolinians rent houses, apartments, mobile homes, and other dwellings as their residences. For the first-time tenant—and some veteran renters—this can be a confusing and somewhat unsettling experience. The more you know about the process of renting residential real estate, the better you will be able to protect your interests and carry out your responsibilities under your rental agreement.

This booklet addresses an important aspect of the rental process which generates many questions from tenants—tenant security deposits.

How much security deposit can I be charged? Can my landlord charge me a “pet fee”? What happens to my security deposit while I’m a tenant? And what happens to it once my rental term is over? These are some of the questions that this booklet attempts to answer. Although this information focuses on security deposits from your perspective as a tenant, it should also be useful to landlords, property managers and rental agents.

The North Carolina Tenant Security Deposit Act (the “Act”) sets out the rights and responsibilities of residential tenants, landlords, and their agents regarding tenant security deposits. (See NC General Statutes Sections 42-50 through 42-56.) The Act applies to all residential properties except single rooms. The Act does not require landlords, or their agents, to collect security deposits, but they usually do in order to assure that they will be reimbursed if certain specified losses are caused by tenants. Landlords also frequently use the services of real estate agents to help them manage and rent their properties. These agents must be licensed by the North Carolina Real Estate Commission and, like the landlord, must comply with the Tenant Security Deposit Act as well as the N.C. Real Estate License Law and various rules adopted by the Real Estate Commission when renting the owners’ properties.

Read this booklet carefully! Then, if you still have questions about tenant security deposits, you are encouraged to contact your private attorney. You may call the N.C. Real Estate Commission’s Regulatory Affairs Division (919-719-9180) if a real estate broker or firm is managing the rental property or the N.C. Department of Justice (919-716-6000) if you are renting directly from an unlicensed landlord.

Q & A

Q: How much security deposit can a landlord charge?

A: If your agreement with the landlord is to rent his property on a week-to-week basis, your deposit may not exceed the equivalent of two weeks’ rent. If you’re renting on a month-to-month basis, your deposit cannot be more than 1 1/2 months’ rent. And, if your rental period is greater than month-to-month, your deposit cannot be more than two months’ rent.

Q: Can my landlord charge me a “pet fee”?

A: Yes. In addition to the security deposit, your landlord may also charge you a non-refundable fee if you plan to keep a pet in the property or on the grounds. The “pet fee” can be any “reasonable” amount that the landlord wishes to charge. If your pet damages the property, the landlord may also keep all or a portion of the security deposit as necessary to repair the damage in addition to keeping the pet fee.

Q: What happens to my security deposit while I’m a tenant?

A: To ensure that your security deposit is safe during the period of your tenancy, State law requires the landlord or property manager to keep it in a “trust account.” A trust account is simply a bank account designated as “trust” or “escrow” that does not contain any of the landlord’s or broker’s personal funds. The trust account must be maintained in a licensed and insured depository institution authorized in North Carolina. Within 30 days following the beginning of your lease term, the landlord or agent must notify you in writing where your security deposit has been placed (typically, this notification is given in the lease). If your security deposit is moved to a different bank or savings and loan during your tenancy, you must be notified in writing of the new location.

Q: Are there any exceptions to the requirement that my security deposit be placed in a trust account?

A: Yes, there is one exception. If the owner is managing their own property, or the property is being managed by an agent who has agreed for the owner to hold the deposits, the owner may post a bond to cover the security deposits. In such case, the landlord must: (1) notify you and the other tenants of the name of the insurance company providing the bond; (2) purchase the bond from an insurance company licensed to do business in North Carolina; (3) name you and the other tenants as payees under the bond; and (4) assure that the amount of the bond is sufficient to cover all security deposits collected. However, this is uncommon and most landlords require a security deposit.

Q: Can my security deposit be placed in an interest-bearing account?

A: Yes, under certain conditions. If a real estate agent is managing property for the owner, they may place your deposit in an interest-bearing account *only if they have your written permission and the written permission of the owner*. If your lease authorizes the agent to place your security deposit in an interest-bearing account, the authorization in the lease must be stated in a clear and conspicuous manner. The interest may be paid to you, to the landlord, or to the agent, and depends upon your agreement with the landlord.

Q: What will happen to my security deposit at the end of my lease term?

A: If you stay for the entire lease term and you have paid all rent due, the landlord (or agent) may deduct from your security deposit only the actual cost of repairing any damage which you have done to the property. *You cannot be charged for damage caused by “ordinary wear and tear.”* What constitutes “ordinary wear and tear” must be

determined on a case-by-case basis. For example, if you are the most recent tenant in the property, the landlord cannot charge you to replace such items as carpet, plumbing, or appliances which need replacement because they are old and worn out. In fact, you cannot be charged for even contributing to the normal wear and tear of such items. On the other hand, if you caused the item to wear out because of your mistreatment of it, you may be charged for the amount of *unusual* wear which you caused (but not the entire cost of replacement). Ordinarily, costs for routine cleaning and maintenance (painting, carpet cleaning, etc.) may not be deducted from your security deposit. However, if you leave the property so filthy that unusual or extraordinary measures are necessary to clean or restore the premises, the landlord may deduct the cost of such cleaning from your security deposit.

Q: What will happen to my security deposit if I vacate the property before the end of my lease?

A: In addition to any physical damage which you may have caused to his property, the landlord may also deduct from your security deposit any actual damages caused by your moving out of the property before the end of your lease term; however, they may not charge you a “termination fee” or impose any other penalty or forfeiture of deposit for your early termination and must use their best efforts to fill the vacancy as soon as possible. For example, your rent is \$600 per month and you move out of the landlord’s property two months before the end of your lease. If it takes the landlord one month to re-rent the property, \$600 may be deducted from your security deposit as lost rent for the period during which the property was vacant. The landlord may also use the security deposit to recover any reasonable fees or commissions charged by a licensed broker to re-rent the property.

Q: What will happen to my security deposit if, for some reason, I am unable to pay my rent?

A: If you fail to fulfill your obligations under the lease, including your obligation to pay rent, the landlord or agent may evict you from the property. The court proceeding is known as “summary ejectment.” In addition to having you removed from the property, the landlord or agent may recover from you any unpaid rent, late fees, and, of course, the cost of repairing any physical damage which you may have caused to the property—but not damage due to ordinary wear and tear. In addition, if you leave behind any of your personal property (furniture, clothing, etc.), the landlord may also recover from you the cost of storing your property. If your security deposit will not cover the landlord’s damages for unpaid rent, physical damage to the property, and storage of your personal property, you will be liable for payment of any remaining costs. If a civil judgment is entered against you by the court, it could adversely affect your credit rating.

Q: Is there a deadline by which the landlord or agent must return my security deposit?

A: Within 30 days after the termination of your tenancy, the landlord or agent must send you either a full refund of your deposit or a written itemized accounting of any deductions along with any remaining refund amount. Where the full amount of damage cannot be determined within 30 days, the landlord or agent must send you a written interim accounting of deductions claimed, followed by a final accounting no later than 60 days following the end of the tenancy. So, it is important to give your landlord or agent a full forwarding address. If you cannot be located,

the landlord or agent must hold any refund due for at least six months in their trust account. If the landlord or agent fails to refund your deposit or make the required accounting, you can sue for recovery of the deposit and reasonable attorney fees. The failure to make the accounting as required under the Act is a forfeiture of the landlord's right to retain any portion of the deposit.

Q: What will happen to my security deposit if the ownership or management of the property that I rent is transferred to someone else?

A: If the landlord who collected your security deposit transfers ownership of the property to someone else during the term of your lease, they must either refund your security deposit to you, or transfer your deposit to the new owner (after making any allowable deductions) and notify you in writing of the new owner's name and address. In either case, your deposit must be refunded or notice given to you of the new owner's name and address *within thirty days of the transfer*. Likewise, if you have paid your security deposit to the landlord's agent and the agent discontinues managing the property during the term of your lease, the agent must either transfer your deposit to the landlord/owner or, with the owner's permission, transfer your deposit to the new manager. In either case, the agent to whom you paid your security deposit must notify you of the new location of your deposit and, if your deposit is being transferred to the owner, advise the landlord of their responsibilities to you under the Tenant Security Deposit Act (NC Gen. Stat. § 42-50 et seq.).

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