



APARTMENT ASSOCIATION OF NORTH CAROLINA RESIDENTIAL LEASE AGREEMENT

1. SUMMARY OF KEY TERMS OF THIS LEASE AGREEMENT ("Agreement"): The following information ("Paragraph 1" and subparts) is provided strictly for informational purposes and is intended to be construed contextually with the other terms and conditions of this Agreement.

1(A). PARTIES.

Name of LESSOR (Owner): _____

Address of Lessor: _____

All sums paid to Lessor by Lessee(s) shall be made payable to (if different than name of LESSOR): _____

Name(s) of LESSEE(S) - Full Legal Name(s):

1. _____
2. _____
3. _____
4. _____

If this Agreement is executed by more than one Lessee, each Lessee shall be jointly and severally liable (i.e., each Lessee will be fully responsible) for compliance of all the terms and conditions contained in this Agreement.

AUTHORIZED OCCUPANTS (Check box for those with key access):

	Name	Age
<input type="checkbox"/>	_____	_____
<input type="checkbox"/>	_____	_____
<input type="checkbox"/>	_____	_____

For the remainder of this Agreement, Lessor may also be referred to as "We" or "Us" or in the possessive form as "Our" or "Ours." Lessee(s) may be referred to as "You," "Yourself," or "Yourselves," or in the possessive forms as "Your" or "Yours." You shall be responsible for the acts of Your Authorized Occupants.

1(B). ADDRESS & TERM.

ADDRESS OF LEASED PROPERTY (unit, street, city, state, zip code): _____

DETACHED STORAGE/GARAGE UNIT? YES NO Unit No. _____

In consideration of the promises and agreements contained in this Agreement, We agree to lease to You the above-described real property, together with any detached storage area or detached garage (if any), the combination of which shall hereinafter be collectively referred to in this Agreement as the "HOME." You agree that Your rental of the Home does NOT grant You the right to use any Common Area facility. See Paragraph 8 for more details.

BEGINNING DATE OF LEASE TERM: _____

ENDING DATE OF LEASE TERM: _____

1(C). UTILITIES.

UTILITIES & SERVICES TO BE PAID BY US (only if checked by Us):

- | | | | |
|--------------------------------------|-----------------------------------|------------------------------------|--------------------------------|
| <input type="checkbox"/> ELECTRICITY | <input type="checkbox"/> GAS | <input type="checkbox"/> INTERNET | <input type="checkbox"/> SEWER |
| <input type="checkbox"/> GARBAGE | <input type="checkbox"/> CABLE TV | <input type="checkbox"/> TELEPHONE | <input type="checkbox"/> WATER |

You understand and agree that all utilities not checked will be paid by You.

See Paragraph 36 for additional information. Your Initials: _____

ARE WATER/SEWER SERVICES SUBMETERED? YES NO

If Yes, Type of Submetering: ALL WATER HOT WATER ONLY

If water and/or sewer services are submetered, You shall receive, and You agree that You shall pay, monthly bills received from Us (as provider) or from Our billing agent related to Your usage of water and/or sewage services at the Home. See Paragraph 37 of this Agreement for more details regarding submetering.

Name and address of Our water/sewer services billing agent ("Agent"): _____

1(D). LIABILITY AND CONTENTS INSURANCE POLICIES.

- You ARE ARE NOT required to have liability insurance coverage.
 You ARE ARE NOT required to have contents insurance coverage.

Minimum Liability Insurance Coverage: \$ _____

Minimum Contents Insurance Coverage: \$ _____

We are not responsible for any damage to Your personal property. See Paragraph 20.

1(E). RENT.

BASE MONTHLY RENT: \$ _____

ADDITIONAL MONTHLY RENTS: \$ _____

(If any, describe form and amount of rents below)

_____ \$ _____

_____ \$ _____

MONTHLY RENT SUBTOTAL: \$ _____

Monthly Discount? Yes No

If Yes, list discount per month: (-) \$ _____

TOTAL MONTHLY RENT: \$ _____

(Equal to Base Monthly Rent Plus Additional Monthly Rents Minus Discounts, if any).

PRORATED RENT FOR FIRST MONTH OF LEASE TERM: \$ _____

(Equal to Total Monthly Rent divided by total number of calendar days in 1st month of term multiplied by number of calendar days remaining in 1st month of term).

LATE FEES: \$ _____

(Equal to 5% of the Total Monthly Rent, if rent paid after 5th of month; if rent is subsidized by a government entity, Late Fees will be \$15.00 or 5% of the Resident's share of the monthly rent, whichever is higher).

ONE-TIME DISCOUNT/PROMOTIONS? Yes No

(If any, describe type and amount below)

_____ \$ _____

_____ \$ _____

1(F). REFUNDABLE DEPOSITS.

SECURITY DEPOSIT: \$ _____

PET DEPOSITS:

Amount per pet: \$ _____

Number of pets: _____

TOTAL OF PET DEPOSITS: \$ _____

ADDITIONAL DEPOSIT (if any, describe below):

_____ \$ _____

TOTAL OF ALL DEPOSITS: \$ _____

Name and Address of Financial Institution Where Deposits Are Held:

1(G). MISCELLANEOUS FEES/CHARGES.

COMPLAINT FILING FEE [see Paragraph 38(F)]: \$ _____

COURT APPEARANCE FEE [see Paragraph 38(F)]: \$ _____

SECOND TRIAL FEE [see Paragraph 38(F)]: \$ _____

CHANGE OF LOCKS/KEYS (per set): \$ _____

PET FEES (per pet): \$ _____

ANNUAL RATE OF INTEREST, if any [see Paragraph 38(G)]: _____ %

OTHER FEES/CHARGES (describe below):

_____ \$ _____

_____ \$ _____

1(H). SMOKE-FREE HOUSING.

You understand and agree that the Home IS IS NOT designated as a smoke-free unit. See Paragraph 15(C) for more details.

1(I). ASSUMPTION OF RISK & WAIVER OF ACKNOWLEDGEMENT.

By Your act of initialing below, You acknowledge that You have read, understood, and fully agreed to Paragraph 16 of this Agreement.

Your Initials: _____

2. LEASE TERM, RENT, AND DISCOUNTS.

A. Term of Agreement: The initial rental term ("initial rental term") of this Agreement shall begin and end on the dates set forth in Paragraph 1(B). At the end of the initial rental term, this Agreement shall be automatically renewed on a month-to-month basis under the same terms and conditions unless ONE of the following events occurs:

(1) You or We provide the other with a written notice of termination at least _____ days prior to the end of the initial rental term or at least _____ days prior to the end of any month-to-month term, OR

(2) We provide You with a written notice at least _____ days prior to the end

of the initial rental term that any renewal term will be at a different stated monthly rent and/or with different stated terms and conditions ("new monthly terms"), AND if within ten (10) days after receipt of Our notice, You provide Us with a written notice of termination effective at the end of the initial rental term. However, if You fail to provide Us with written notice of termination within the aforementioned ten (10) day period, the term of this Agreement shall be renewed automatically on a month-to-month basis at the new monthly terms.

B. How/When Written Notices of Termination Take Effect:

(1) You agree that any written notice of termination will not take effect until the LAST day of the initial rental term or on the LAST day of any subsequent month-to-month term.

(2) What this means to You: Regardless of how many days written notice You provide to Us, You may NOT terminate this Agreement before the last day of the initial rental term. If this Agreement automatically renewed on a month-to-month basis, You may NOT terminate this Agreement before the last day of any month-to-month term. If You attempt to terminate this Agreement prior to the last day of the initial rental term or prior to the last day of any subsequent month-to-month term, You will be in default of this Agreement, and You will be liable to Us for the Total Monthly Rent until (a) the end of the initial term or month-to-month term (whichever is applicable) or (b) until the date that We receive a rental payment from the subsequent tenant who entered into a lease agreement with Us for the Home, whichever one of the two events occurs first.

(3) **Holdover Status:** Notwithstanding the above, in the event You provide Us with a written notice of termination containing a specific "move out" date (i.e., the exact calendar date on which You will terminate the Agreement and vacate the Home, hereinafter referred to as the "move out" date), and if We send You written notice that We have accepted Your proposed "move out" date, then the combination of Your written notice and Our written acceptance of same shall serve as a modification to this Agreement, where the parties agree that the term of this Agreement shall end on the "move out" date, with the following condition precedent: that You actually vacate the Home on or before the "move out" date. In the event You remain in possession of the Home past the "move out" date, You understand and agree that:

(a) You shall be considered as a holdover tenant subject to removal immediately via summary ejectment pursuant to N.C. GEN. STAT. 42-26(a)(1), and/or

(b) You shall be in default of this Agreement; and/or

(c) You shall be liable to Us for the Total Monthly Rent until (i) the end of the initial term or month-to-month term (whichever is applicable) or (ii) until the date that We receive a rental payment from the subsequent tenant who entered into a lease agreement with Us for the Home, whichever one of the two events occurs first; AND

(d) You shall be liable to Us for any and all damages arising from Your failure to vacate the Home on or before the "move out" date.

C. Effect of Automatic Renewal of Lease: If the term of this Agreement is automatically renewed on a month-to-month basis, the renewal term will be subject to the same terms and conditions of this Agreement, with the sole exception that You shall honor the new monthly terms if:

(1) We exercise our rights under Paragraph (2)(A)(2) to enforce new monthly terms, AND

(2) You do not provide Us with a written notice of termination within ten (10) days of receipt of Our written notice advising You of the new monthly terms.

D. Rent: You agree to pay Us the prorated amount of rent calculated and listed in Paragraph 1(E) for the first partial month of the lease term. After that, You agree to pay Us the Total Monthly Rent listed in Paragraph 1(E), said amount being the sum of the base rent plus any additional rents minus any scheduled discounts. **You shall deliver Your payment of the Total Monthly Rent to Us at Our address (described in Paragraph 1(A)) ON OR BEFORE THE FIRST CALENDAR DAY OF EACH MONTH of the initial rental term and every subsequent month-to-month term. Should You fail to deliver the Total Monthly Rent to Us by the first calendar day of any month in which it is due, You shall be in default of this Agreement, even if You attempt to pay Us in full as soon as one calendar day afterwards. In the event You are in default of this Agreement for Your failure to pay the Total Monthly Rent when due, You understand and agree that We have no duty to comply with N.C. GEN. STAT. § 42-42(a) and Paragraph 11(A).**

E. Revocation of Monthly Discount: If You receive a monthly discount ("the discount") of rent, it will be indicated and described in Paragraph 1(E) of this Agreement. In consideration for Our decision to enter into this Agreement with You for the rental of the Home, and in consideration of Our reasonable expectation that You will honor the full terms of this Agreement and pay the Total Monthly Rent when due to Us, You agree that We have granted You a discount in the form of a reduction in the rental amount due during the lease term. **Notwithstanding the foregoing, You understand and agree that the discount is a privilege which We may revoke in the event that: (a) You fail to pay the Total Monthly Rent on or before the fifth (5th) calendar day of the month two (2) or more times during the term of this Agreement, OR (b) You become more than sixty (60) days past due in the payment of any bill for Your use of submetered water or sewer services, We may choose to revoke the discount, and in such an event, We will provide You with at least fifteen (15) days written notice of our intention to revoke the monthly discount, and any revocation will take effect on: (i) the first calendar day of the month following the most recent month for which You were late in tendering the Total Monthly Rent, or (ii) the first day of the calendar month following the fifteen (15) day written notice where the revocation is based on Your failure to pay a submetered water or sewer bill. Upon the revocation of the**

discount, Your Total Monthly Rent for the remainder of the lease term will increase by the value of the discount described in Paragraph 1(E).

3. LATE PAYMENTS: You agree that We may reject any attempt by You to pay rent if You are in default of this Agreement. However, should We choose to accept a late rental payment received from You after the fifth (5th) calendar day of the month, You will also owe Us a late fee ("late fee") in the amount stated in Paragraph 1(E) of this Agreement (said amount not to exceed \$15.00 or five percent (5%) of the Total Monthly Rent, whichever is greater-or, where Your Total Monthly Rent is subsidized by the United States Department of Housing and Urban Development, by the United States Department of Agriculture, by a State agency, by a public housing authority, or by a local government, said amount shall not exceed \$15.00 or an amount equal to five percent (5%) of Your share of the Total Monthly Rent [after deducting the value of the rent subsidy received], whichever is greater). **The late fee shall be considered additional rent, and You will owe Us the late fee without Us having to demand it from You, and You will tender the late fee, together with the late rental payment, only in the form of a Cashiers Check or Money Order.**

A. When Rent is Considered Paid. You understand and agree that You have not made a rental payment to Us, nor have We accepted same, until We:

(1) receive Your check, money order, or other negotiable instrument (all of the above hereinafter referred to as "negotiable instrument");

(2) We endorse [i.e., sign or stamp the back of] the negotiable instrument;

(3) We deposit the negotiable instrument with Our banking institution; AND

(4) Your banking institution honors the negotiable instrument by paying Us through Our banking institution.

Until all four (4) of the above events occur, You agree that You have not made a payment, nor have We accepted a payment. You shall not owe Us a late fee if (i) We received Your negotiable instrument on or before the fifth (5th) calendar day of the month that the rental payment was due and (ii) after we receive Your negotiable instrument, all four (4) of the above events occur.

B. Effect of Lost or Stolen Negotiable Instruments. You understand and agree that Your attempted payment of rent or other sums due under this Agreement may be stolen by criminal third parties outside of Our control. You understand and agree that until We have received, endorsed, and deposited (and received value for) Your negotiable instrument, You should consider Your rent as unpaid. **You agree that it is Your responsibility to ensure that We receive Your payment of rent on-time. In the event Your negotiable instrument is lost or stolen, You agree that it is Your sole responsibility to replace the lost or stolen negotiable instrument in time to comply with the requirements of Paragraph 3 of this Agreement, or else You shall be in default of this Agreement.**

4. RETURNED CHECKS: You agree to pay a \$25.00 (or the maximum allowed by law, pursuant to N.C. GEN. STAT. § 25-3-506) processing fee ("returned check fee") for each check that You submit to Us if said check is returned by the financial institution for any reason, including but not limited to insufficient funds available to cash the check or if the bank account is closed or otherwise unavailable. You agree that the returned check fee shall be due without Our demand, and as such, You shall tender the returned fee, together with the rent and any late fees due, by Cashiers Check or Money Order. If a check submitted by You is returned, We reserve the right to require that You make all future payments by Cashiers Check or Money Order only, and We also reserve the right to seek enforcement of the returned check pursuant to N.C. GEN. STAT. § 6-21.3.

5. SECURITY DEPOSIT: You agree to tender to Us the Total of All Deposits (the "Deposit") as described in Paragraph 1(F) of this Agreement prior to taking possession of the Home. This sum shall be held in trust as a Security Deposit at the financial institution listed in Paragraph 1(F). We will hold the Deposit for the period that You occupy the Home. After You move from the Home and remove all items of personal property and surrender possession of the Home back to Us, We will determine whether or not You are eligible for a refund of any or all of the Deposit. The amount of the refund will be determined in accordance with N.C. GEN. STAT. § 42-51 and the following conditions and procedures:

A. You understand that the Deposit is Security for Your performance of the terms and conditions of this Agreement, and You agree that the Deposit cannot be applied under any circumstances towards rent (including but not limited to the last month's rent) or other charges due while You are in possession of the Home;

B. If the Home is rented by more than one Lessee, all of You agree that You are responsible for dividing any refund among Yourselves. We may pay the refund to any Lessee named in Paragraph 1(A) of this Agreement, and in such an event, You agree to hold Us harmless for such action;

C. Upon a sale or conveyance of the Home, We may transfer or assign the Deposit to the new owner, who then assumes the liability thereof upon transfer, and at that point in time, You agree that Our liability for the Deposit shall terminate;

D. IF WE PLACE THE SECURITY DEPOSIT IN AN INTEREST-BEARING BANK ACCOUNT, YOU AGREE THAT ANY INTEREST THAT ACCRUES SHALL BE FOR OUR SOLE BENEFIT, AND THAT WE MAY WITHDRAW SUCH INTEREST AT ANY TIME;

E. We will refund You the amount of the Deposit LESS any amount needed to pay the cost of:

(1) unpaid rent;

(2) damage to the Home in excess of normal wear and tear;

(3) charges for late payments or returned checks;

(4) cleaning the Home if You fail to clean the Home properly and if Your failure to clean the Home properly results in damages that exceed normal wear and tear;

(5) any unpaid bills that become a lien on the Home;

(6) re-renting the Home after Your default of this Agreement;

(7) any damages and/or court costs incurred by Us as a result of Your default of this Agreement;

(8) any unpaid charges for submetered water and sewer services.

F. If we can determine the extent of all Our potential deductions from the Security Deposit, We shall, within thirty (30) days after termination of the tenancy and Your delivery of possession of the Home back to Us **[NOTE: You agree that Your delivery of possession of the Home shall not be considered complete until You comply with Paragraphs 35(B) and 35(F)],** return the balance, if any, of the Security Deposit, along with an itemization of any deductions from the Security Deposit, to You at Your last known address. If we cannot determine the extent of Our potential deductions from the Security Deposit within thirty (30) days after termination of the tenancy and Your delivery of Possession of the Home back to Us, then We shall provide You with an interim accounting no later than thirty (30) days after termination of the tenancy and delivery of possession of the Home to Us, and We shall provide You with a final accounting within sixty (60) days after termination of the tenancy and delivery of possession of the Home to Us. If Your address is unknown or if Your deposit is returned to Us as undeliverable by the U.S. Postal Service, We will hold the balance of the Deposit for Your collection for a period of six (6) months, after which time any remaining balance of the Deposit shall escheat to the State of North Carolina. At such time, Our liability for the return of the Deposit shall cease.

G. While the Deposit may be increased as shown in Paragraph 1(F) due to the presence of a pet, the Deposit can be applied as set forth in Paragraphs 5(E)(1) through 5(E)(8) and not just to those damages that may be attributed to the presence of a pet. You agree that the Deposit is not to be considered a non-refundable pet fee or separate monthly pet rent. You agree that any non-refundable pet fee or monthly pet rent serves only as consideration for Your privilege of maintaining a pet at the Home and not as payment for future damages relating to said pet. As such, You also agree that any non-refundable pet fee or monthly pet rent is not subject to the deposit itemization requirements at lease termination.

H. Absent a separate written agreement or written modification to the Agreement signed by all parties, in the event a co-Lessee ("the terminating Lessee") seeks to terminate the Agreement and avoid further liability under the Agreement as provided by N.C. GEN. STAT. § 42-45.1, and in the event the Agreement shall continue in full force and effect as to any remaining Lessee(s), You agree that the ownership of any and all security deposits tendered under this Agreement shall automatically transfer to the remaining, non-terminating Lessee(s).

6. PETS:

A. No animals, birds, or pets of any kind shall be permitted in the Home at any time without Our express, written consent, which shall be documented in a separate Pet Agreement. You understand and agree that We have the sole discretion and absolute right to determine regarding what animals, if any, will be allowed to enter or remain in the Home, although reasonable accommodations will be made where otherwise required by law. You further understand and agree that even if We permit a pet in the Home, the pet must be removed from the Home if, in Our sole discretion, We determine that the pet constitutes a nuisance, creates a disturbance, or causes damage, poses a threat to the safety of any person or property, or is no longer desirable. Should we discover that You have or had an unauthorized pet in the Home during Your tenancy (whether or not Our discovery of the unauthorized pet occurs during Your tenancy or thereafter), You agree that You shall be liable to Us for the immediate payment of any and all non-refundable pet fees and pet rents and pet deposits normally due to Us pursuant to Our rules and regulations, or pursuant to Our normal charges and fees. You understand and agree that it is unreasonable for You to demand that We ascertain the exact date and time that any unauthorized pet was present in the Home for the purpose of establishing a prorated sum; accordingly, for the purposes of assessing the amount of said pet fees and pet rents and pet deposits that You owe to Us, You agree that such amounts shall be calculated as though the unauthorized pets were present in the Home on the first day of the initial lease term. In the event You fail to tender these sums immediately upon Our demand, it will constitute Your default of this Agreement.

B. You understand and agree that the presence of pet urine or other animal waste that may be deposited in the carpeting or on the flooring of the Home during Your tenancy represents certain biological, health, and safety hazards--as well as offensive odors--for Yourself and for future and neighboring tenants. Due to (1) the unique characteristics of animal urine and other animal waste and its damaging effects on carpet, carpet padding, and flooring and (2) the unlikelihood of cleaning such damages to the satisfaction of future tenants, You agree that the presence of animal urine or animal waste in the carpet or flooring of the Home **shall not, under any circumstances, be considered normal wear and tear.** You understand and agree that, in any event, You shall be fully responsible for the value of replacement and installation of carpet, flooring, and/or fixtures necessitated by the presence of animal urine or other animal waste found by Us in the carpeting or flooring of the Home, and that the Deposit referenced in Paragraph 1(F) may be applied to such damages, though You shall be fully liable to Us for any deficiency. The replacement value of carpet, flooring, and fixtures shall be prorated based on the respective age of the item(s) at the time of replacement as compared to the original expected life of the respective item(s).

C. You understand and agree that the presence of pets in the Home may hinder Our ability to re-rent the Home to a future tenant, due to specific odors, dander, fleas, and other characteristics that may be objectionable to future tenants. As such, You agree that You shall be liable to Us for any costs associated with (1) deodorizing the Home, and (2) professionally treating the Home for the actual or suspected presence of fleas or ticks.

7. KEYS AND LOCKS:

A. You agree not to install additional or different locks or gates on any doors or windows of the Home, unless We first expressly approve of such installation in writing or as otherwise provided in Paragraphs 7(B), 7(C), and 7(D). When this Agreement ends, You agree to return all keys, security access cards and devices, parking gate openers, AND garage door openers (as applicable to the Home) to Us. If keys are not returned to Us at the end of the tenancy, You agree to pay the usual lock fee described by Our then-existing policies or Rules and Regulations for each lock changed. For other devices named in this Paragraph, You shall be liable for their replacement value.

B. You also agree that at any time any other co-Lessee may request, either orally or in writing, that We install new or different locks to the Home. You agree that, whenever We may install replacement locks at the Home at Your request, You shall be responsible to pay Us the amount listed under Paragraph 1(G) or the amount required pursuant to Our policies and/or Rules and Regulations in effect at the time.

C. In the event We install replacement locks, You understand and agree that We shall provide keys for the replacement locks for the Home to any other co-Lessee who may request them, with the exception of persons who may be Perpetrators of sexual assault, stalking, or domestic violence and who have been ordered to remain away from the Home by a court of law, as provided in Paragraph 7(D), below.

D. Procedures for Changing of Locks for Victims of Domestic Violence, Sexual Assault, or Stalking. A person who has been ordered to remain away from the Home or is otherwise excluded from entry into same pursuant to a domestic violence restraining order or any other similar governmental order barring the person's re-entry into the Home shall, for the purposes of this Agreement, be referred to as a *Perpetrator*.

(1) Where the Perpetrator is a Lessee or Authorized Occupant: In the event a co-Lessee or Authorized Occupant or any other household member claims to be the victim of domestic violence, sexual assault, or stalking, and the co-Lessee or Authorized Occupant or household member (also referred to as the "victim") seeks to change exterior door locks (hereinafter "locks") to bar the Perpetrator or any other person having key access to the Home from re-entering the Home under the terms of this Paragraph, the victim must first provide Us with a copy of an Order issued by a court that requires the Perpetrator to stay away from the Home. Upon Our receipt of (a) the victim's request to change locks (which may be in oral or written form) and (b) a copy of the Order, We shall either change the locks within seventy-two (72) hours or grant permission to the victim to change their own locks. Should We fail to change locks within seventy-two (72) hours after receipt of the victim's request and a copy of the Order, the parties agree that Our failure to act within such time shall serve as Our granting of permission to the victim to change the locks pursuant to N.C. GEN. STAT. § 42-42.3. In the event the victim changes their own locks, You shall provide Us with a working key to the replacement locks within forty-eight (48) hours of the replacement locks' installation. Pursuant to the terms of this Paragraph and the pertinent provisions of N.C. GEN. STAT. § 42-42.3, You agree that We **shall not** provide keys for replacement locks or otherwise grant access to the Home to any person We know to be a Perpetrator, whether or not the Perpetrator may be You, an Authorized Occupant, or any other person. In such an event, You agree that We are not liable for civil damages to the Perpetrator excluded from the dwelling unit, including, but not limited to, any claims related to the Perpetrator's loss of use of the Home or loss of use or damage to the Perpetrator's personal property.

(2) Where the Perpetrator does not reside in the Home: In the event You request a change of locks and claim to be the victim of domestic violence, sexual assault, or stalking, We shall either change the locks within forty-eight (48) hours of the request or grant You permission to change Your own locks. Should we fail to change locks within forty-eight (48) hours after receipt of Your request, the parties agree that Our failure to act within such time shall serve as Our granting of permission to You to change Your own locks pursuant to N.C. GEN. STAT. § 42-42.3. In the event You change Your own locks, You agree to provide Us with a working key to the replacement locks within forty-eight (48) hours of their installation.

E. Key Access: With the exception of the procedures related to Perpetrators described in Paragraph 7(D), You agree that We may open the Home to any Authorized Occupant listed under Paragraph 1(A) of this Agreement upon the request of such Authorized Occupant (whether or not said Authorized Occupant is a minor) where You have indicated that this is acceptable to You, as signified by checking the box for key access beside the name of the respective Authorized Occupant(s) listed in Paragraph 1(A) of this Agreement. This authorization imposes no duty upon Us to open the Home for any Authorized Occupant, and You waive any claim for damages resulting from Our act of opening the Home for such Authorized Occupant.

8. COMMON AREAS: For the purposes of this Agreement, the terms "Common Area" or "Common Areas" shall refer to all land and fixtures and spaces (other than Our business and management offices) outside the Home that are owned and maintained by Us and comprise the single piece of real property (or the contiguous pieces of real property) that form the single community in which the Home is located. You understand and agree that the use of the Common Areas (including any amenity, swimming pool, exercise room, basketball court, parking areas, laundry facilities, roadways, and so forth) is subject to any Rules and Regulations set by Us and that such Rules and Regulations may be changed at any time without notice. **You understand and agree that Your payment of rent to Us only entitles You to the rental and use of the Home and Your ingress and egress to and from the Home while You remain in legal possession of the Home; You also understand and agree that Your use of any Common Area facility (also known interchangeably as "amenity") is not included as part of the rent but instead is a privilege (not a right) granted to You by Us.** We may revoke Your privilege to use a Common Area facility anytime if, in Our sole discretion, You or an Authorized Occupant or Your guest (a) misused the facility in any way or (b) disturbed the rights or comfort of other people in

the facility. In the event We revoke Your privilege to use a Common Area facility, You agree that We have the right to trespass You and Your Authorized Occupant(s) criminally from the Common Area facility. Accordingly, You further agree that (i) We may close or eliminate any Common Area facility at any time, or (ii) We may forbid You or any Authorized Occupant or guest from entering or using any Common Area facility or amenity based on Your (or their) misuse of same, and in either event, You would not be entitled to any rent reduction or abatement or rescission of any kind whatsoever.

9. USE OF THE HOME: You agree to use the Home for residential purposes only and agree not to use the Home in any manner which We deem is injurious to Our reputation, safety, or welfare or is otherwise injurious to the property or to any person whatsoever. Generally, You may not use the Home for business purposes. However, where allowed by law and by Us in Our sole discretion, You may use the Home as a home office provided that such home office use (a) is ancillary to the residential use, (b) does not generate any additional pedestrian or vehicular traffic to or from the Home or Common Areas, and (c) does not cause any disturbance to other neighbors or other tenants or occupants of the community in which the Home is located.

10. ASSIGNMENT AND SUBLETTING/TRANSFER OF INTEREST:

You agree that You may not assign or sublet this Agreement or the Home in any manner or to any extent without Our prior express written permission. It is hereby understood and agreed that any consent obtained from Us as to any assignment or subletting of the Home shall not constitute Our consent to any future assignment or subletting, nor would any such consent release You from liability under this Agreement. It is understood that We may sell or transfer the Home and transfer this Agreement to any new owner. In the event that the Home is sold or transferred, You agree that We are released from all obligations under this Agreement and Your sole remedy would be against Our successor in rights.

11. MAINTENANCE: Consistent with N.C. GEN. STAT. § 42-41, § 42-42, §42-43 and this Agreement, We agree to maintain the Home in a fit and habitable condition, subject to the reasonable limitations described in Paragraph 16. You understand and agree that We are entitled to a reasonable time to make any necessary repairs or maintenance and that You shall not be entitled to any abatement for any inconvenience or annoyance during that reasonable time. **You further understand and agree that You may NOT withhold the payment of rent under any circumstance**, regardless of any allegation made by You that We did not make repairs within a reasonable time or that We otherwise failed to cure any other complaint made by You.

A. We Agree To:

- (1) maintain the Common Areas in a clean condition;
- (2) maintain all equipment and appliances in a proper working order;
- (3) make necessary repairs with reasonable promptness after receiving written notice from You;

(4) provide routine pest extermination treatment (though (i) if We determine that additional extermination treatments are required due to Your failure to maintain the Home in a clean and safe condition, or (ii) if You fail to cooperate with Our routine pest control extermination treatments, including but not limited to, Your failure to prepare Your unit for extermination treatment after receiving proper notice from Us, then in either event You will be liable to Us for the cost of additional pest extermination treatments and any other expenses associated with such additional treatments); AND

(5) provide operable smoke detectors (and where required by law, carbon monoxide detectors) and repair or replace the smoke detectors (and carbon monoxide detectors, where applicable) when You notify Us in writing that repairs or replacement is needed.

B. You Agree To:

(1) keep the Home, including plumbing fixtures, facilities, and appliances, in a clean and sanitary condition;

(2) comply with all laws, health and policy requirements with respect to the Home, including, but not limited to, N.C. GEN. STAT. § 42-43, and in the event You fail to comply with any duty imposed by N.C. GEN. STAT. § 42-43, You hereby release Us of any duty to comply with N.C. GEN. STAT. § 42-42(a) and Paragraph 11(A);

(3) use all appliances, fixtures, electrical wiring and outlets, plumbing, sanitation and waste disposal systems, heating, ventilation, air conditioning, and other equipment in a safe manner and only for the purposes for which they are intended;

(4) not litter the grounds or Common Areas and to keep the sidewalks, entrances, porches, floors, exterior patios, balconies, and front and back yards free from discards, clutter, unsightly items, and other personal articles;

(5) not destroy, deface, damage or remove any part of the Home or Common Areas;

(6) give Us prompt written notice of any imminently dangerous condition, as defined by N.C. GEN. STAT. § 42-42(a)(8), or of any unsafe or unsanitary condition, or of any defects in the plumbing, fixtures, appliances, heating and/or cooling equipment or any other part of the Home or Common Areas, except in the event of an emergency, when You are to give notice by the quickest means available;

(7) remove garbage and other waste from the Home in a clean and safe manner;

(8) supply all electric light bulbs, heating and air conditioning filters, and fuse replacements required during Your tenancy;

(9) periodically inspect the smoke detectors and carbon monoxide detectors to ensure their operability and notify Us in writing of any needed repairs;

(10) test and replace batteries in any battery-operated smoke detectors and carbon monoxide detectors at the beginning of the tenancy, during the tenancy, and during any renewal thereof;

(11) do nothing to disable the smoke detectors and carbon monoxide detectors;

(12) do nothing that would cause, permit, or otherwise allow or exacerbate any insect infestation **(including bed bugs) in the Home;**

(13) **immediately** notify Us in writing of any insect or bed bug infestation in the Home; AND

(14) comply fully with any insect or bed bug treatment or eradication plan as presented by a licensed pest control company ("pest control vendor") that We may retain to treat the Home, **and in the event that You fail to** (a) grant Us or Our pest control vendor access to the Home for pest inspection and treatment, (b) prepare the Home for treatment pursuant to Our specific requests, or (c) permanently remove infested personal property from the Home per Our request, **You understand and agree that (i) You will be in default of this Agreement and (ii) You shall be liable for any damages or losses incurred by Us as a result.**

12. MOLD, MILDEW, AND OTHER ENVIRONMENTAL ISSUES: You acknowledge and agree that, for both the maintenance of the Home and for Your health and well-being as well as that of Your occupants, family, and guests, You shall provide appropriate climate control, keep the Home clean, and take other measures to retard and prevent mold and mildew from accumulating in the Home. Additionally, You agree to:

A. Clean and dust the Home on a regular basis and to remove visible moisture accumulation on windows, walls, and other surfaces as soon as such accumulation becomes reasonably apparent;

B. Immediately notify Us of any evidence of a water leak or excessive moisture or standing water inside the Home;

C. Immediately notify Us of the presence of mold, mildew, or similar growth in the Home that persists after You have first attempted to remove it through the application of common household cleaning solutions or anti-microbial products;

D. Immediately notify Us of any malfunction of any part of the heating, ventilation, air conditioning, plumbing, or laundry systems present on the Home;

E. Immediately notify Us of any inoperable doors or windows in the Home.

F. In any event, You agree that You shall be solely responsible for damages caused to the Home--and to personal property present in the Home, as well as any injuries or adverse medical condition suffered by You or Your occupants, family, or guests--resulting from Your failure to comply with the terms of this Paragraph 12.

G. Further, You agree that We may, in Our sole discretion, relocate You to an equal or better rental home ("new home") whenever there is an environmental concern, including but not limited to mold or mildew or any condition described in Paragraph 22(A). Such relocation shall in no way terminate this Agreement but shall only automatically amend this Agreement as to the Address of the Home (as set forth in Paragraph 1(B) of this Agreement) to reflect the address of the new home. In the event We determine that such relocation is in any way related to Your failure to comply with the terms of this Paragraph or any other requirement of this Agreement, then the costs of such relocation shall be at Your sole expense.

13. DAMAGES: You agree to hold Us harmless and to indemnify Us from all fines, penalties and costs related to Your violations of Your noncompliance with any laws, requirements or regulations and from any liability arising out of such violations or noncompliance. You and We expressly agree that N.C. GEN. STAT. § 42-10 shall not apply to your tenancy. As such, You agree that We shall hold You strictly liable for all damage at the Home caused directly or indirectly by You, Your Authorized Occupants, Your guests, and/or Your visitors. In the event of such damage, You agree to pay:

A. The cost of all repairs and to do so within seven (7) days after receipt of Our demand for the repair charges; and

B. Total Monthly Rent during the period the Home is damaged, whether or not the Home is fit or habitable.

14. RESTRICTIONS AND ALTERATIONS: You agree not to do any of the following without first obtaining Our written permission:

A. Change or remove any part of the appliances, fixtures or equipment in the Home;

B. Paint any part of the Home or install paneling, wallpaper or contact paper in the Home;

C. Attach awnings or window guards inside or outside the Home;

D. Attach or place any object, appliance, electronic device, fixture, sign, fence or clothesline anywhere in the Common Areas, including, but not limited to, any building, breezeway, stairwell, rooftop, on the exterior side of any patio or balcony or window, or anywhere else outside the Home itself;

E. Attach any shelves, dividers, screen doors or make any other temporary or permanent improvements in the Home;

F. Place or attach any aerials, antennas, satellite dishes, or other electrical connections in or on the Home or Common Areas without Our written permission, but in the case of the installation of a satellite dish, We shall not unreasonably withhold written permission, so long as:

(1) the satellite dish remains inside the Home (i.e., the satellite dish and/or its mounting equipment do not hang over the edge of a patio, deck, window or balcony, and the satellite dish and/or its equipment are not placed in any Common Area, including window sills or any other ledge or surface on the exterior of windows or doors of the Home);

(2) the satellite dish is mounted and secured without damaging the Home in any way ("damaging the Home" includes the use of drilling, bolting, or screwing support structures into any portion of the Home or altering windows or doors or their respective frames or structures in any way so as to make the use of a satellite dish possible, and if any damage to the Home occurs, You shall be liable to Us for the full extent of such damages, including but not limited to water damages and mold damages);

(3) no cables or wires of any kind may be installed into or through any wall of the Home;

(4) In consideration for allowing the installation and use of a satellite dish on the Home, You accept any and all risks inherent in installing or maintaining a satellite dish at the Home, and You also indemnify and hold Us harmless for any damage or injury to any person or chattel caused by the use or installation of the satellite dish on the Home; AND

(5) At Our sole discretion, You agree to provide Us, at Our request, evidence of an existing renter's insurance or other liability insurance policy which provides coverage in an amount not less than \$25,000.00 in the event of injury to any other person or person's chattel arising from the use or installation or presence of a satellite dish on the Home. *This subsection shall not apply if You are required to maintain insurance policies as provided by Paragraph 1(D) and 20(D) of this Agreement.*

G. In any event, You agree that any improvement or alteration made by You or anyone under Your control shall become a part of the Home and the property, unless We agree otherwise in writing, and You agree that any improvement or alteration that We authorize must be (i) done only in a workmanlike manner, and (ii) no lien may attach to the Home. You also agree that You shall have no claim against Us to recover the value of any improvements or alterations, even those authorized by Us.

15. YOUR GENERAL RESTRICTIONS & OBLIGATIONS:

A. You agree Not To:

(1) Permit any person other than those listed in Paragraph 1(A) to reside or to stay in the Home without Our express written permission. Residency in the Home by an unauthorized person may be established by the totality of the circumstances;

(2) Use the Home for any purpose deemed hazardous by insurance companies carrying insurance thereon;

(3) Make or permit noises or acts that will disturb the rights or comfort of anyone, including any other tenant of Ours, any Authorized Occupant, and any employee or representative or contractor of Ours, and for the purposes of this Paragraph, such noises or acts shall include, but are not limited to, (i) verbal or physical abuse, (ii) cursing, (iii) yelling, (iv) actual or implied threats, (v) any form of intimidation, whether physical or verbal, or (vi) refusing to leave either the management office or any Common Area facility/amenity immediately upon Our request--though as to these restrictions, You specifically understand and agree that:

(a) Any duty that We may have to enforce this Paragraph 15(A)(3) against any neighbor of Yours or other tenant shall be subject to, and limited by, the provisions of Paragraph 16; but

(b) Notwithstanding the provisions of Paragraph 16, We shall have the absolute right to enforce Paragraph 15(A)(3) against You in our sole discretion, and in so doing, You understand and agree that You may not, under any circumstances, employ any of the terms of Paragraph 16 as a defense to Your default in Paragraph 15(A)(3);

(4) Discharge, display, or in any way use in or around the Home or Common Areas any firearm or weapon of any type, including but not limited to air rifles and pistols, bows and arrows, knives (other than ones being used for cooking or eating food), swords, etc.;

(5) Use a portable grill within ten (10) feet (or any higher limit imposed by local ordinances) of the Home or of any combustible material not being used for grilling, unless otherwise indicated;

(6) Use the exterior patio, balcony, and/or entrance area for storage; AND

(7) Introduce or use any fossil-fuel burning heating unit or generator in the Home.

B. You agree To:

(1) Observe and comply with any Rules and Regulations which now exist or which may be later established by Us for the maintenance and operation of the Home or for the Common Areas. You understand and agree that such Rules and Regulations are or otherwise shall be referenced hereto and incorporated herein as part of this Agreement;

(2) At the time You vacate and surrender possession of the Home, You will provide Us with written authorization allowing Us to dispose immediately of any personal property left by You, and in so doing, You agree to sign, upon our request, a document that will assign to Us the ownership of any and all personal property that You intend to abandon in the Home;

(3) Allow Us or any law enforcement officer to remove or have removed from the Common Areas any person who cannot or will not establish that he/she is a Lessee or Authorized Occupant or Your invited guest; AND

(4) Abide by the terms, restrictions, covenants, and rules and regulations that may be promulgated from time to time under the authority of any recorded instrument affecting the Home, including but not limited to homeowners' association covenants. You agree that any such recorded documents affecting the Home are incorporated herein by reference as if set out fully herein as part of this Agreement.

C. Non-Smoking Units. The contents of this Paragraph 15(C) shall be considered valid terms and conditions of this Agreement ONLY in the event that Paragraph 1(H) designates the Home as a non-smoking unit.

(1) Definition of Smoking: The term "smoking" means inhaling, exhaling, breathing, or carrying any lighted cigar, cigarette, other tobacco product, or similar lighted product in any manner or in any form; the term "smoking" shall also include the act or omission of permitting others to perform any of the aforementioned acts.

(2) Smoke-Free Building and Environment: You understand and agree that the Home has been designated as a smoke-free living environment. You, Authorized Occupants, and any guest or visitor of Yours shall not smoke anywhere in the Home or the building in which the Home is located or in any of the Common Areas immediately adjoining the building in which the Home is located.

(3) Your Duty to Advise Us of Violations: You shall inform Your guests of the smoke-free requirements ("smoke-free policy") of this Agreement. You shall also

promptly give Us a written statement of any incident where tobacco smoke is migrating into the Home from sources outside of the Home. You understand and agree that the enforcement of the smoke-free policy is only possible through Your cooperation with Us. As such, in the event that any information You provide to Us leads Us to evict another tenant for a default of this Agreement, You agree to appear in court--whether by Our informal request or via subpoena--and testify as a witness on Our behalf. You agree that any such duties are subject to the provisions of Paragraph 16.

(4) Lessor Not a Guarantor of Smoke-Free Environment: You acknowledge and agree that Our adoption of a smoke-free living environment, and the efforts to designate the Home and the building and Common Areas immediately adjoining the Home as smoke-free, do not make Us the guarantor of Your health or of the smoke-free condition of the Home, the building, and the Common Areas. However, We shall take reasonable steps to enforce the smoke-free policy of this Agreement and of similar Leases signed by Your neighbors, where possible and applicable. You agree that Our duties to enforce the smoke-free policy are subject to the provisions of Paragraph 16.

(5) Acknowledgements Regarding Smoke-Free Environment: You acknowledge that Our adoption of a smoke-free living environment and Our efforts to designate the Home as smoke-free do not in any way change the standard of care that We owe to You as described elsewhere in this Agreement and limited by the terms of Paragraph 16. Furthermore, You understand and agree that designating the Home as smoke-free does not make the Home any safer, more habitable, or improved in terms of air quality standards than any other rental Home. Furthermore, We cannot and do not warranty or promise that the Home or Common Areas will be free from secondhand smoke. Should You, Your Authorized Occupants, or Your guests have respiratory ailments, allergies, or any other physical or mental condition directly affected by smoke, You and they are put on notice that We do not assume any higher duty of care to enforce the smoke-free policies than any other landlord obligation arising under the Lease or under North Carolina law.

16. LIMITATIONS ON FITNESS, HABITABILITY, AND PEACEFUL, SAFE & QUIET ENJOYMENT OF THE HOME. You and We specifically agree that:

A. Smoke and Odors.

(1) You agree that N.C. GEN. STAT. § 42-42 and/or any other similar element of common or municipal law related to fitness and habitability do not impose a duty on Us to make the Home smoke-free or odor-free to Your satisfaction, particularly where said smoke and/or odors and/or smells are caused by Your neighbors;

(2) You agree that certain smells (to include cooking certain types of food), odors, and tobacco smoke caused by Your neighbors (and Yourself) have the capability of penetrating walls, ceilings, and floors, and You further agree that this reality is inherent in any multifamily living environment such as condominiums and apartments and any other rental housing property where units are built immediately next to, or on top of, each other; and

(3) You agree that it is impossible or unreasonably impractical (due to the extraordinary costs involved) for Us to prevent odors, smoke, and other smells from entering the Home from neighboring rental units, even with Our use of modern building materials and Our compliance with applicable building codes.

B. Noises/Sounds.

(1) You agree that the concept of peaceful, safe, and quiet enjoyment (as generally defined by applicable common law and provided by N.C. GEN. STAT. § 42-59.1) is not a guarantee that the Home will be perfectly quiet, safe, or peaceful, and due to the inherent nature of multifamily living environments, You agree that certain everyday sounds such as walking, talking, cleaning, using common appliances, and the occasional entertaining of guests will penetrate walls, floors, and ceilings, and as such, You agree that We cannot guarantee that You will have a completely quiet and serene living environment;

(2) As such, You agree that it is impossible or unreasonably impractical for Us to prevent noises or sounds from penetrating the walls, floors, and ceilings of the Home, even with Our use of modern building materials and Our compliance with applicable building codes;

(3) You understand and agree that any complaint made by You, regardless of the number or intensity, that You submit to Us regarding elevated noise or other disturbing sounds is inadmissible hearsay for the purposes of an eviction (summary ejectment) lawsuit to the extent that We would attempt to submit Your oral or written statements to a court of law. As such, You understand and agree that We cannot attempt to file a legitimate eviction lawsuit against any offending neighbor unless and until (a) You first agree to appear in a court of law and testify as an eyewitness against Your neighbor and (b) You or We are able to corroborate Your complaints with sworn testimony of at least one other neighbor or eyewitness. If You refuse or fail to comply or to cooperate with requirements (a) and (b) described above, You understand and agree that You have essentially prevented Us from obtaining a legal remedy as to the elevated noises or sounds that may exist in the Home, and as such, You agree that (i) You do not have any right to obtain any legal remedy or reimbursement or damage against Us under any theory of law whatsoever related to noises or similar disturbances, (ii) You do not have any right to demand early termination of this Agreement without liability, and (iii) You do not have the right to demand that We allow You transfer to any other rental property.

C. Objective Standards. You agree that (a) the implied warranties of fitness and habitability (as defined by applicable common law and N.C. GEN. STAT. § 42-42) and (b) the concepts of peaceful, safe, and quiet enjoyment are objective (not subjective) concepts judged against the general population. As such, You agree that Our duties to You are based on an objective and reasonable standard, and therefore We cannot be held liable or otherwise responsible under any theory of law for any subjective, unique, or even dangerous sensitivities that You or Your Authorized Occupants may

have to any smoke, odor(s), noises, sounds, or other nuisances.

D. ASSUMPTION OF RISK; WAIVER OF CLAIMS. Given the above, and by signing this Agreement and taking possession of the Home, **YOU FREELY AND VOLUNTARILY ASSUME THE RISK OF INCONVENIENCE AND NUISANCE RELATED TO NOISES, SOUNDS, TOBACCO AND SIMILAR FORMS OF SMOKE, COOKING SMELLS, AND SIMILAR ODORS OR SUBSTANCES.** YOU UNDERSTAND AND AGREE THAT THE CONCEPTS OF FITNESS AND HABITABILITY AND PEACEFUL, SAFE AND QUIET ENJOYMENT ARE STRICTLY RELATED TO THE PHYSICAL CONDITION(S) OF THE HOME ITSELF AS PROVIDED BY US OR CONDITIONS THAT ARE DIRECTLY (NOT PROXIMATELY OR INDIRECTLY) CAUSED BY US. YOU AGREE THAT ISSUES SUCH AS NOISES, SOUNDS, TOBACCO AND SIMILAR FORMS OF SMOKE, COOKING SMELLS, AND SIMILAR ODORS OR SUBSTANCES ARE NOT DIRECTLY CAUSED BY US, BUT INSTEAD THEY ARE CAUSED SOLELY BY THE ACTS OR OMISSIONS OF YOUR NEIGHBOR(S) AND/OR THEIR GUESTS, AND UNLESS SAID ACTS OR OMISSIONS ARE CRIMINAL IN NATURE, YOU AGREE THAT YOUR ONLY LEGAL REMEDY IS AGAINST YOUR NEIGHBOR(S) OR THEIR GUESTS UNDER A LEGAL THEORY OF PRIVATE NUISANCE. AS SUCH, YOU WAIVE ANY AND ALL CLAIMS AGAINST US THAT ARISE OUT OF OR ARE IN ANY WAY RELATED TO NOISES, SOUNDS, TOBACCO OR SIMILAR FORMS OF SMOKE, COOKING SMELLS, AND SIMILAR ODORS OR SUBSTANCES THAT MAY BE CAUSED BY YOUR NEIGHBOR(S) AND/OR THEIR GUESTS.

17. RIGHT OF ENTRY: We reserve the right to enter the Home, with or without notice, during reasonable times for any inspections, maintenance, pest extermination treatments, alterations, or improvements deemed necessary or desirable in Our sole discretion, or to show the Home to prospective residents during the last thirty (30) days of the rental term. We reserve the right to place "For Rent" and/or "For Sale" signs on the Home, at any time deemed necessary or desirable in Our sole discretion. We reserve the right to enter the Home, with or without notice to You, at any time deemed necessary in Our sole discretion to protect life or prevent damage to the Home—including by way of example, but not limited to, turning on utilities at Your expense during periods of cold weather to protect against the possibility of frozen pipes. Should You be in default of this Paragraph, We may, in addition to all other remedies available under law or otherwise set forth in this Agreement, hold You liable for special damages related to the loss of income and other monetary damages related to Your act of preventing or otherwise discouraging Us from either maintaining or improving the Home or from showing same for sale or lease to third parties.

18. AUTOMOBILES & PARKING:

A. Parking is allowed in the designated areas only for cars and light trucks. Any other type of vehicle or object, including but not limited to motorcycles, boats, trailers, recreational vehicles (RV's), motorhomes, or any container used for moving or storage of personal property, shall not be allowed in the Common Areas unless We grant You prior written permission.

B. We reserve the right to control parking in any manner We deem necessary in Our sole discretion.

C. Vehicles shall be parked so as not to obstruct spaces for other vehicles, driveways or sidewalks.

D. All vehicles must be kept in proper operating condition so as not to be a hazard or a nuisance by reason of noise, emissions, appearance or otherwise. Except for minor adjustments, no repairs or maintenance shall be conducted on the property or Common Areas. Drainage of any automotive fluids in a Common Area is strictly prohibited.

E. Car washing is not allowed except in such designated area(s) that We specifically establish.

F. At Our direction, any vehicle parked on the Home or property that is unlicensed, inoperable, abandoned, or lacking any required permit may be towed away and stored at its owner's expense, and in such an event, You agree that We will not incur any liability to anyone for any reason, including but not limited to You, Your guests, and Your Authorized Occupants.

G. You agree that We may tow, without notice or demand, any vehicle in violation of any provision of this Paragraph 18. Should We tow any vehicle as a result of a breach of any portion of this Paragraph 18, You agree to hold Us harmless from any liability that arises from the towing away of any such vehicle owned, possessed, or maintained by You, members of Your household, or any of Your guests.

19. DRUG AND CRIME-FREE HOUSING:

A. You, Your guest(s), Your Authorized Occupant(s), and Your visitors, whether or not they are under Your control or direction, shall not engage in or facilitate criminal activity of any kind on or near the Home or on or near any property owned and/or operated and/or managed by Us or Our agent(s);

B. You, Your Authorized Occupants, guests, and visitors shall not engage in or facilitate any criminal activity anywhere;

C. You shall not allow the Home or Common Areas to be used by any person who may have an outstanding criminal warrant for their arrest, including but not limited to any arrest warrants related to a failure to appear in court in any criminal matter, regardless of the severity or nature of the criminal offense;

D. You shall not invite or allow any person to enter the Home or the community in which the Home is located, when the person in question is:

(1) a person who We have trespassed, removed, criminally-charged, or otherwise asked to leave from the Home, the Common Areas, or from other property owned or managed by Us or Our agent(s);

(2) a registered sex offender; OR

(3) any other person to whom We object, in our sole and unlimited discretion, once We have notified You of Our objection via written notice.

E. You shall immediately notify law enforcement or Us upon learning that any person

described by Paragraph 19(D) has entered the Home or the community in which the Home is located;

F. Proof of a violation of this Paragraph 19 shall be by preponderance of the evidence;

G. The fact that a criminal prosecution involving criminal activity that violates this Agreement has not commenced or concluded, or has concluded or terminated without a conviction or adjudication of delinquency, shall not prevent either Our termination of this Agreement based on Your default of this Paragraph 19 or Our filing of any civil action against You—in essence, You agree that We may file a civil action against You whether or not a criminal prosecution is pending or whether the criminal action will result or has resulted in a finding of criminal innocence;

H. Where a criminal prosecution involving criminal activity that violates this Agreement results in a final criminal conviction or adjudication of delinquency, such adjudication or conviction shall be considered in any civil action brought by Us as conclusive and irrefutable proof that criminal activity occurred in default of this Agreement;

I. We may accept rent due and owing with full and complete knowledge of any illegal acts that violate this Agreement without such acceptance of rent constituting a waiver of the default(s);

J. For the purposes of this Paragraph, any crime involving domestic violence, sexual assault, stalking, or related offenses shall constitute a violation of this Paragraph, and if any domestic violence restraining order or similar governmental order is issued by a court of law as a result of such an act or acts, You understand and agree that We shall not provide keys to the Perpetrator for replacement locks for the Home pursuant to the terms of Paragraph 7(D);

K. We reserve the right to check the criminal records of You and Your Authorized Occupants at any time during the initial rental term or renewal terms of this Agreement, though You understand and agree that We have no affirmative duty to anyone, including You, to research or monitor the criminal records or sex offender records of any person;

L. Pursuant to Paragraph 19(D)(3), You understand and agree that You may not permit or otherwise allow the presence of a registered sex offender in the Home. Should we discover the presence of a registered sex offender in the Home, You agree that it shall constitute Your default of this Agreement. In addition, You understand and agree that We have the unfettered right to review, without Your permission or consent, the North Carolina sex offender registry at any time to determine whether or not a registered sex offender is present in the Home.

20. INSURANCE, RELEASE & INDEMNITY: Even if You are not required to secure insurance coverage pursuant to Paragraph 1(D), You agree that You should secure insurance to protect all personal property against loss resulting from theft, fire, storm and other hazards and casualties.

A. You understand and agree that neither We nor Our agents are liable for any damage to, destruction of, or loss of any personal property located or stored in the Home or in Common Areas regardless of the cause of such damage.

B. You agree to indemnify, defend and hold Us—and Our agents—harmless from and against all claims, liabilities and any other costs (including attorney's fees and court costs) arising out of:

(1) any harm to person or property resulting from the negligent or intentional acts or omissions of You or Your guests;

(2) any injury resulting from any default of this Agreement by You;

(3) Your failure to comply with any requirements imposed by any governmental authority;

(4) any judgment, lien or other encumbrance filed against Us or the Home as a result of Your actions;

(5) the towing of any vehicles belonging to You or Your guests pursuant to Paragraph 18(F) of this Agreement or any state or local law or ordinance; and

(6) any damages, expenses, and costs—to include attorney's fees—arising out of or in any way relating to injury to persons or property caused, whether directly or indirectly, by any animals owned or otherwise kept by You, Your Authorized Occupants, or Your guests.

C. You also agree that, in consideration for Our allowing You to use any Common Areas and amenities, YOU AND YOUR AUTHORIZED OCCUPANTS AND GUESTS **SHALL ASSUME ALL RISKS ASSOCIATED WITH THE USE THEREOF AND SHALL HOLD US AND OUR AGENTS HARMLESS AND INDEMNIFY US AND OUR AGENTS FOR ANY INJURY ARISING OUT OF THE USE THEREOF.**

D. Insurance Requirements. In the event Paragraph 1(D) of the Agreement indicates that You are required to have a liability insurance policy and/or a contents insurance policy in effect during the term of the Agreement, You specifically understand and agree that:

(1) During the term of the Agreement and any subsequent renewal periods, You agree to obtain and maintain, at Your sole expense, liability insurance and/or contents insurance [as specified by Paragraph 1(D)] at the respective minimum coverage level(s) specifically described in Paragraph 1(D) (hereinafter referred to as "Insurance Requirements"). For liability insurance, the Insurance Requirements shall cover each occurrence or incident that arises in any way from Your tenancy at the Home or for the acts or omissions of either You or any Authorized Occupant, guest, or visitor. You shall ensure that We are listed as an additional insured on the liability insurance policy.

(2) Prior to taking possession of the Home at the beginning of the initial rental term, You shall provide Us with certificates ("certificates") from Your respective insurance company(-ies) or agent(s), and the certificates shall (i) show that You have met the Insurance Requirements and (ii) shall require that the insurance company(-ies) will give Us written notice within ten (10) days of the cancellation or non-renewal of any insurance coverage required by Paragraph 1(D).

(3) Your failure to obtain and maintain insurance coverage meeting the Insurance Requirements shall constitute Your default of this Agreement.

(4) Your failure to obtain and maintain insurance coverage meeting the Insurance Requirements does not absolve You from Your liability to others, including Us, for damage or loss resulting from the behavior, act, and/or failure to act of You, any Authorized Occupant, visitor, or guest.

(5) You may purchase insurance meeting the Insurance Requirements through any insurance provider(s) of Your choosing, so long as any and all providers are insurance companies licensed to do business in the State of North Carolina. You are under no commitment or obligation to use the specific insurance provider(s) whose information We may provide to You as a courtesy.

21. SECURITY: We, Our agents, and Our employees do not make any warranties, guaranties or representations regarding the security of the Home or Common Areas. Any such warranties or representations, whether express or implied, are hereby disclaimed by Us. You understand and agree that You and Your Authorized Occupants are exclusively responsible for protecting Yourself, themselves, the Home, and guests from crime, fire and any other danger.

A. If security systems and/or personnel are present in the Home or Common Areas, their presence should not cause You or Your guests to rely upon the security systems and/or personnel or to lower Your and their vigilance in any way;

B. If security systems and/or personnel are present in the Home or Common Areas, no representation is made that they will prevent crime or injury, and We reserve the right to modify or eliminate any security system and/or personnel at any time without notice and without such actions constituting a breach of this Agreement or any other obligation;

C. You release Us and Our agents and Our employees from any or all liability for the criminal or intentional acts of others, and You agree that We have made no representations regarding the safety of the Home or Common Areas.

22. FIRE OR CASUALTY:

A. You shall immediately notify Us of any damage to the Home by fire, flooding, or other casualty, including natural disasters, other catastrophic damage, or the presence of a bed bug infestation, highly elevated levels of radon gas, or the presence of a methamphetamine laboratory and/or toxic chemicals used in or otherwise related to the production of methamphetamine. We may at Our sole discretion elect to repair the damage within a reasonable time under the circumstances, and in such an event, Your obligations under this Agreement shall continue. In the alternative, We may, at Our sole discretion, elect not to repair the Home, and in such an event, this Agreement shall terminate as of the date of the damage, and should You remain in possession of the Home after We elect not to make repairs to the Home, then You agree that You shall be considered a holdover tenant subject to eviction immediately pursuant to N.C. GEN. STAT. § 42-26(a)(1).

B. You and We expressly agree that N.C. GEN. STAT. § 42-10 shall not apply to Your tenancy; You agree that We shall hold You strictly liable for all damage at the Home, unless the damage is caused by Our own gross negligence. As such, You shall always be liable for and shall indemnify, defend, and hold Us harmless for, any damages caused by or attributable to You, Your Authorized Occupants, or Your guests or agents; in the event of damage caused by You, Your Authorized Occupants, and/or Your guests or agents, We may declare a default of this Agreement and terminate Your right of possession without terminating the Agreement (pursuant to Paragraph 38) in which case Your obligations under the Agreement shall continue with full force and effect.

C. You understand and agree that in the event of a fire, flood, catastrophe, radon, methamphetamine, bed bugs, or other casualty that was not caused directly by Us, We have **NO** duty whatsoever to:

(1) find, provide, or pay for alternate housing for You; OR

(2) pay for any other related expense(s), including but not limited to any costs related to Your relocation to another home.

23. NOTICES: All notices shall be in writing. Where notices are required by this Agreement, they (i) cannot be in the form of or written onto any other instrument (such as a check or money order); and (ii) they shall be a written notice on letter-sized paper (8½" x 11") separate from the Agreement itself. **YOU SPECIFICALLY AGREE THAT ORAL NOTICES, REGARDLESS OF FORM OR CONTENT OR IMPLICATION, SHALL NEVER CONSTITUTE THE TERM "NOTICE" AS DESCRIBED IN THIS AGREEMENT.**

A. Notice to You. Notices shall be delivered to You by:

(1) posting the notice on the front door of the Home; or

(2) hand delivery to You or any Authorized Occupant over fifteen years of age;

or

(3) U.S. Mail, first class postage; or

(4) via a designated private delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2).

B. Notice to Us. Notices shall be delivered to Us by:

(1) hand delivery to an employee of Ours during regular business hours inside the management office at the community in which the Home is located, or by delivery to a "drop box," if available, pursuant to Paragraph 23(D); or

(2) U.S. Mail, first class postage; or

(3) via a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2) to the address listed in Paragraph 1(A) or other such address that We may provide in writing.

C. Receipt of Notice. Notices You send to Us shall be deemed received by Us only upon Our actual receipt of such notice, regardless of the method of delivery used pursuant to Paragraph 23(B). To establish Your receipt of Our notice as a matter of law and fact, You and We agree that, in the event there is a dispute between You and

Us as to the specific date You actually received a notice from Us, all notices shall be considered received by You no later than the following time periods:

(1) seventy-two (72) hours subsequent to the postmark date of sending written notice via U.S. Mail, First-Class Delivery;

(2) twenty-four (24) hours subsequent to the sending of an overnight delivery package via U.S. Mail or via a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2); or

(3) twelve (12) hours subsequent to the posting of the notice on the door of the Home; or

(4) immediately upon hand-delivery to You, Your Authorized Occupant, or Our employee, as set forth in Paragraphs 23(A) and 23(B), respectively.

D. Use of Overnight or "Drop" Boxes. For the purposes of this Agreement and for the purpose of assessing late fees pursuant to Paragraphs 1(E) and 3, You agree that any notice or payment that You deliver to an after-hours "drop box" that may be located on the exterior of Our management office shall be deemed received at the time the management office re-opens for business, not before. **By using the "drop box," You agree that delivery of a notice or payment after business hours on the date any notice or payment is due may result in the notice or payment being considered late, and in such an event, You shall be liable for late fees and/or for an additional month-to-month renewal term, where applicable under the terms of this Agreement.**

24. CONDITION OF DWELLING HOME:

A. By signing this Agreement, You acknowledge that the Home is safe, clean, and in good condition. You agree that all appliances and equipment in the Home are in good working order, except as described on the **Apartment Condition Checklist**. You acknowledge and agree that You must carefully inspect the Home for any defective conditions, including but not limited to the presence of any insect/pest infestation, and You must report such defective conditions, pest/insect infestation, and any further discrepancies by providing written notice to Us within seven (7) calendar days (hereinafter "Notice Period") of You first taking possession of the Home. After the expiration of Notice Period, You agree that any defective condition, insect/pest infestation or other discrepancy arising in the Home shall be deemed to be caused by You alone, and in such an event, We shall hold You personally liable for any damages incurred by Us in remedying any defective condition, insect/pest infestation, or other discrepancy that arises after the Notice Period (with the exception of fixtures or systems that may fail due to normal wear and tear).

25. DELIVERY OF POSSESSION: If, for any reason not in Our control, We are unable to deliver possession of the Home to You at the beginning of the term, and We notify You of same any time prior to the beginning of the term and immediately upon learning of the inability to deliver possession, then You shall have the option to either (a) terminate the agreement and receive a full refund of all sums paid to Us within five (5) days of Our receipt of Your notice of termination or (b) take possession of the Home within fifteen (15) days after We notify You in writing that it is available, in which event Your obligation to pay rent shall begin (i) on the last day of the fifteen (15) day notice or (ii) the day You take possession of the Home, whichever event occurs first. Your election must be in writing and received by Us within ten (10) days of the date that We notify You of the inability to deliver possession. Your failure to make an election within ten (10) days shall constitute Your election of subsection (b), above. In either case, upon Your receipt of Our notice of inability to deliver possession as required in this Paragraph, We shall be released from any liability or obligation to You for failure to deliver possession.

26. RENTAL APPLICATION: You understand and agree that We have relied upon the Rental Application ("Application") submitted by You as an inducement for entering into this Agreement, and You warrant that the facts contained in such Application are true. If We determine or learn that any fact or representation in the Application is false or deceptive or omits material facts, You shall be in default of this Agreement, and in such an event, We shall have all of the rights and remedies set forth in this Agreement, including but not limited to Our ability to terminate Your tenancy immediately and seek possession of the Home and collect from You any damages incurred, including reasonable attorney's fees.

27. SEVERABILITY: In the event that any provision of this Agreement is deemed by any Court of competent jurisdiction to be unenforceable, void, and invalid or otherwise not binding for any reason, the offending provision shall be severed and all other provisions of this Agreement shall remain in full force and effect.

28. SUBORDINATION: You understand and agree that Your interests under this Agreement in the Home are, and shall remain, subject to and subordinate to any liens, deeds of trust, security agreements, or other such liens or security interests in the Home and property. This subordination provision shall be self-operative.

29. EMINENT DOMAIN: If the Home or Common Areas or any part thereof shall be taken by eminent domain pursuant to governmental authority, this Agreement shall terminate at Our option, and in such an event, You agree that You shall have no claim against Us or any agent any award granted to Us related to the taking.

30. NON-WAIVER: Our failure to insist upon the strict performance of the terms, covenants, agreements and conditions herein contained, or any of them, shall not constitute or be construed as a waiver or relinquishment of Our rights hereinafter to enforce any such terms, covenants, agreements, or conditions, but the same shall continue in full force and effect. Our endorsement, deposit, or any acceptance of any monthly rental payment after the due date shall not constitute a waiver of Our right to receive future rent payments on the due date. **You and We specifically and expressly agree that We may endorse, deposit, or otherwise accept any payment from You with Our full knowledge of Your default of this Agreement without such payment operating as a waiver of any of Our legal rights, and as such, You specifically agree that We may endorse, deposit, or otherwise accept any**

payment of rent without waiving Our right to declare a default under Paragraph 38 and without waiving Our right to exercise any of the remedies provided to Us by Paragraph 38 or applicable law. You also agree that to the extent We and/or Our agent are required to deposit any payment from You in order to comply with Title 21, Chapter 58A, Section .0107(a) of the N.C. Administrative Code (21 NCAC 58A.0107(a)), You agree that Our deposit of any such payment is only made in order to comply with applicable law and shall in no way constitute our voluntary waiver of any legal right or of any remedy provided to us by Paragraph 38 or applicable law.

31. STATUS AS AGENT: Responsibility for all Our obligations hereunder rests entirely with Us. The Agent (if Our Agent is identified in Paragraph 39) may exercise, and shall have, Our rights and powers, but the Agent's duties, if any, are solely limited to those duties owed to Us. As the Agent for Us, the Agent shall benefit from the covenants, waivers, releases and indemnifications contained in the Agreement to the same extent as if the Agent were Us. In the event of conflict between this Paragraph and any other provision, this Paragraph shall control supremely and no consideration shall be given to any contrary provision.

32. REMEDIES: All remedies under this Agreement or allowed by law or equity shall be cumulative; We shall have the right, in our sole discretion, to exercise any one, or more, or all of the remedies described in this Agreement as well as any other remedy available at law. If a suit for any default of this Agreement establishes a default by You, or if You bring an unsuccessful civil action against Us, You shall pay Us all costs associated with such action, including but not limited to court costs and attorney's fees.

33. INTERPRETATION: This Agreement shall be construed consistent with the laws of The State of North Carolina.

34. DISCLOSURE OF YOUR INFORMATION. You understand and agree that We possess and maintain personal, nonpublic information obtained from Your rental application, credit reports, rental references, as well as information otherwise obtained during the normal course of Your business relationship with Us. **You hereby authorize Our disclosure of any and all such information to third parties at the request of law enforcement, governmental agencies, business entities that own Us in whole or in part or are owned in whole or in part by Us, or business entities engaged in business transactions with You, INCLUDING, BUT NOT LIMITED TO, FINANCIAL INSTITUTIONS OR OTHER BUSINESSES PERFORMING NECESSARY INQUIRIES WITH YOUR CONSENT OR KNOWLEDGE.**

35. YOUR DUTIES UPON TERMINATION: Upon any termination of the tenancy, whether for default or otherwise, You shall, in addition to any other obligations required by this Agreement or law:

- A. Pay all utility bills due for services to the Home for which You are responsible;
- B. Vacate the Home and remove all personal property, and should You fail to remove all personal property, You understand and agree that Your failure to remove same may constitute Your continued possession of the Home, which may require Us to file a summary ejectment (eviction) lawsuit against You to secure possession of the Home, and in such an event, You shall continue to be responsible for the monthly rent until We regain legal possession of the Home ten (10) days after the execution of a Writ of Possession by a Sheriff;
- C. Properly clean the Home, including patios, balconies, windows, bathroom showers and bath tubs, plumbing fixtures, refrigerators, stove and sinks, and remove all rubbish and trash;
- D. Make any repairs necessary to return the Home to the same condition it was at the beginning of the tenancy, less ordinary wear and tear;
- E. Fasten and lock all doors and windows;
- F. Return to Us all keys, security access cards and devices, parking gate openers, AND garage door openers (as applicable to the Home);
- G. Not disclose to any third party any information regarding any security code obtained from Us;
- H. Provide Us with a forwarding address to which the Security Deposit may be returned, if You are so entitled; AND
- I. Immediately prior to vacating the Home but after You have removed all items of personal property (including trash), You shall arrange a meeting with Us at the Home in order to allow Us to perform a move-out inspection. The purpose of a move-out inspection is for Us to review the condition of the Home and to create an initial, though not final, estimate of the costs to repair damages in the Home that exceed normal wear and tear, if any such damages exist. You agree that the move-out inspection shall never be considered a final estimate of damages present in the Home, and You agree that any oral statement made by Our employee or representative during the move-out inspection shall not bind Us in any way. Instead, You acknowledge and agree that the move-out inspection and its estimate is merely a cursory examination of the Home and that We reserve the right to provide You with a final statement of any damages and costs at a future date.

36. UTILITIES--GENERAL PROVISIONS. To the extent that We do not provide any of the utilities described in Paragraph 1(C) as part of the Total Monthly Rent, You agree to obtain electric, water, sewer, and garbage service for the Home; You must obtain electric service in Your name prior to taking possession of the Home. Should You fail to do so, or in the event that payments for electricity are not made when due, either failure shall be considered Your default of this Agreement. In any case, We are not liable for failure to supply electric, water or sewer service(s), nor are We liable for any damage resulting from an interruption or malfunction in service or any utility due to any cause, unless We (1) supplied the utility to You and (2) We acted with gross negligence regarding same.

37. SUBMETERING UTILITY DISCLOSURE: The contents of this Paragraph shall be considered valid terms and conditions of this Agreement ONLY in the event that Paragraph 1(C) denotes that We are submetering water and/or sewer services to You.

If the appropriate check box in Paragraph 1(C) is marked "YES," this Paragraph shall control, as this Agreement relates to the submetering of water and/or sewer services in the Home. You agree that You are solely responsible for paying all charges that You incur for the use of water and/or sewer services (hereinafter referred to as "utilities") that are submetered (submetering shall include systems where meters measure both hot and cold water sources or, where applicable, hot water sources only with corresponding estimates of cold water usage as permitted by N.C. Gen. Stat. § 62-110(g)(1a) for the Home and provided to You by Us and billed to You by Us or by our billing agent, as listed in Paragraph 1(C) of this Agreement. **Such charges for utilities shall be in addition to Your Total Monthly Rent, and the charges shall not exceed the total of (1) the unit consumption rate charged by the supplier of the service, plus (2) a monthly administrative fee, said amount representing the cost of billing and collection, said cost not to exceed the maximum administrative fee authorized by the N.C. Utilities Commission.** You shall receive bills for use of the utilities at least once per monthly period. Each bill shall list a billing date, and Your payment of such a bill shall be considered past due if not received within twenty-five (25) days of the billing date. You agree to allow Us or Our billing agents to have access to the Home during regular business hours if necessary to read the submeter for the Home. In the event that You fail to pay for the utilities when due, You understand that any and all unpaid amounts related to the utilities may be deducted from Your security deposit pursuant to Paragraph 5. Pursuant to N.C. GEN. STAT. § 42-26(b), We shall not use Your failure to pay for submetered water and/or sewer utilities as a basis to terminate either Your lease or Your right of possession during the initial rental term or during any renewal term, though We reserve the right to terminate this Agreement at the end of the initial rental term or at the end of any renewal term. In the event You fail to pay for submetered water when due, We also reserve the right to (1) sue You in a civil action to recover the unpaid amounts, and (2) report Your failure to pay to any credit bureau or collection agency during any lease term, in addition to any other remedies more fully described in Paragraph 38 of this Agreement. In consideration of the receipt of such utilities, You release Us and Our billing agent from any and all liability arising from the use or enjoyment of the utilities or from any interruption or variations in the utilities, unless such injury or damage is the result of Our gross negligence.

38. DEFAULT: In the event that You fail to comply with any one or more of the terms and conditions contained herein or referenced hereto, or should You fail to perform any other promise, duty or obligation herein agreed to or imposed by law, any such failure shall constitute Your immediate, material, and instant **DEFAULT** of this Agreement, without notice or warning of any kind to You. Upon any default by You, We shall be entitled to collect from You any and all expenses, damages, and costs (including reasonable attorney's fees and court costs) arising out of or in any way relating to said default. **Should You desire to terminate Your tenancy of the Home at any time prior to the ending date of the initial rental term stated in Paragraph 1(B) (or prior to any renewal month-to-month term), You specifically understand and agree that, in addition to any other remedies available to Us under this Agreement, You shall be liable to Us for the Total Monthly Rent that accrues through the date of whichever one of the following events occurs first: (i) the date We receive a rental payment from the subsequent tenant who entered into a separate written lease agreement with Us for the Home OR (ii) the end of the initial rental term (or applicable renewal month-to-month term).** In addition to the foregoing, and in the event of a default by You:

A. We may, with or without notice to You, do any one or more of the following acts:

- (1) terminate Your right to possession of the Home without terminating this Agreement; AND/OR
- (2) exercise any other act or remedy described in this Paragraph 38 or provided by law; OR
- (3) terminate this Agreement;

B. We shall be entitled to immediate possession of the Home, and as such, You shall peacefully and affirmatively surrender the Home to Us, with or without Our demand;

C. Should You fail to surrender possession of the Home immediately upon default, We shall have the immediate right to re-enter and retake possession of the Home, and We may enforce this right through a summary ejectment proceeding or expedited eviction proceeding authorized by relevant sections of Chapter 42 of the North Carolina General Statutes;

D. In the event that We terminate this Agreement, all Our duties under this Agreement shall terminate, and We shall be entitled to collect from You all accrued and unpaid rents and damages arising under this Agreement;

E. In the event that We terminate Your right to possession without terminating the Agreement, You shall remain liable for the full performance of all terms and conditions under this Agreement -- including, but not limited to, the payment of rent -- and We shall use reasonable efforts to re-let the Home on Your behalf, and in any event, You shall always remain liable for any resulting costs, lost rents and any other deficiencies or damages;

F. In the event We file a summary ejectment action against You [as described in Paragraph 38(C)], You shall also be liable to Us for the highest ONE of whichever of the following fees apply:

(1) Complaint Filing Fee. If You are in default of the lease, and if We file and serve a summary ejectment complaint or a complaint for money owed against You, then You shall owe Us a Complaint Filing Fee in the amount described in Paragraph 1(G). The Complaint Filing Fee shall be equal to \$15.00 or five percent (5%) of the Total Monthly Rent, whichever is higher, and said Fee shall be in addition to late fees, court costs, attorney's fees, and any other monetary damages or costs arising under

the terms of this Agreement. If the Total Monthly Rent is subsidized by a government entity, the Complaint Filing Fee will be \$15.00 or 5% of Your share of Total Monthly Rent, whichever is higher. In the event a summary ejection complaint is filed and served against You, You understand and agree that You will owe Us the Complaint Filing Fee even if We elect to dismiss the pending summary ejection complaint, and You also agree that We may require You to pay said Fee as a condition of allowing You, at our discretion, to cure a default.

(2) Court Appearance Fee. In the event that (i) We file, serve, and prosecute successfully a summary ejection complaint or complaint for money owed against You and (ii) a judgment is entered against You, and (iii) if You fail to appeal the judgment within the legally proscribed timeframe, You shall owe Us -- in lieu of the Complaint Filing Fee -- a Court Appearance Fee in the amount described in Paragraph 1(G). The Court Appearance Fee shall be equal to ten percent (10%) of the Total Monthly Rent, and said Fee shall be in addition to late fees, court costs, attorney's fees, and any other monetary damages or costs arising under the terms of this Agreement. If the Total Monthly Rent is subsidized by a government entity, the Court Appearance Fee will be 10% of Your share of Total Monthly Rent. You understand and agree that You will owe Us the Court Appearance Fee if We elect to allow You to cure the default after judgment is entered, and You also agree that We may require You to pay said Fee as a condition of allowing You, at our discretion, to cure a default after judgment is entered against You.

(3) Second Trial Fee. In the event that (i) You appeal a judgment of a magistrate and (ii) We prove that You are in default of the lease at the new trial and (iii) We obtain a judgment against You at the new trial, You shall owe Us -- in lieu of the Complaint Filing Fee and the Court Appearance Fee -- a Second Trial Fee in the amount described in Paragraph 1(G). The Second Trial Fee shall be equal to twelve percent (12%) of the monthly rent, and said Fee shall be in addition to late fees, court costs, attorney's fees, and any other monetary damages or costs arising under the terms of this Agreement. If the Total Monthly Rent is subsidized by a government entity, the Second Trial Fee will be 12% of Your share of Total Monthly Rent. You understand and agree that You will owe Us the Second Trial Fee if We elect to allow You to cure the default after judgment is entered at the new trial, and You also agree that We may require You to pay said Fee as a condition of allowing You, at our discretion, to cure a default after the new trial.

G. In the event that any default of this Agreement by You results in You owing a debt (hereinafter the "Debt") to Us, the Debt shall accrue interest at the annual rate described in Paragraph 1(G), beginning from the date We obtain legal possession of the Home until the Debt is paid in full;

H. You understand and agree that the term "with or without notice" as used in this Paragraph 38 grants Us the absolute and sole discretion to perform any one or more of the acts described herein without notice to You of any kind. By signing this Agreement, You freely and voluntarily and expressly acknowledge that We have no duty to notify You regarding any default, nor do We have any duty to make any demand in any form or manner whatsoever as a prerequisite to exercising Our right to seek Your summary ejection from the Home;

I. Regardless of Our election of any remedy described herein, We shall always have the right to hold You liable for the Debt, and in so doing, We reserve the right to seek enforcement of the Debt against You through any and all available remedies, including but not limited to (1) a civil lawsuit, (2) the referral of the Debt to a collection agent, and (3) the reporting of the Debt to a consumer credit reporting agency.

39. EXECUTION OF AGREEMENT

A. MEMBERSHIP REQUIREMENT. In order for this Agreement to be valid and binding, **We and the management entity acting as Our agent (if any, hereinafter "managing agent") must be, at the time of the signing of this Agreement and at the time of the signing of any additional document memorializing the renewal or extension of this Agreement, members in good standing of both the Apartment Association of North Carolina (AANC) and of the AANC-affiliated local apartment association, if any, for the area in which Home is located (both AANC and the AANC-affiliated local apartment association shall be referred to collectively for the remainder of this Paragraph as "AANC").**

(a) If We or Our managing agent are not members in good standing of AANC as provided above, this Agreement is, at Your option, voidable and unenforceable by Us, though You agree that Your rights under this subparagraph shall be subject to the following conditions:

(i) You may only void this Agreement by providing Us notice in writing;

(ii) Should You void this Agreement, You shall vacate the Home immediately; and

(iii) When vacating the Home, You shall also remove all personal property from the Home immediately; and

(iv) You shall be considered a holdover tenant immediately upon Your voiding of this Agreement, and should You fail to vacate the Home and remove all personal property, You agree You are subject to summary ejection (via legal process) from the Home;

(v) You shall not receive, nor shall We be liable for, a refund of any rent or fee previously paid under this Agreement, but You shall not be liable for any rent or fees that are unpaid as of the date You void this Agreement; AND

(vi) You shall be liable to Us for daily rent (prorated daily based on the value of the Total Monthly Rent) beginning the seventh (7th) calendar day after You void this Agreement until We obtain legal possession of the Home and until all of Your personal property is removed from the Home.

(b) Your right to void this Agreement, as described and conditioned in subparagraph (a), above, shall also apply if both of the following events occur:

(i) the Agreement is automatically renewed on a month-to-month basis three or more times after Our, or Our managing agent's membership in AANC has lapsed, and

(ii) neither We nor the management company is a member of AANC at the time of the third automatic month-to-month renewal.

B. PROTECTION OF COPYRIGHT. By signing below, We and Our managing agent, if any, acknowledge that pages one through nine (1-9) of this Agreement is a lease form (pages one through nine of this Agreement hereinafter generally referred to as the "master lease form") exclusively created, owned, and copyrighted by AANC. As such, We and Our managing agent, if any, hereby represent that this form is either (i) an original master lease form purchased directly from AANC or from a local apartment association affiliate of AANC or (ii) a computer-generated version of the master lease form purchase from an authorized licensee of AANC. You and We agree that if the master lease form signed by You and Us is either a **photocopy or a computer-generated version obtained from any source other than an authorized licensee of AANC, then this Agreement shall be void ab initio (i.e., null and void from the beginning, as if the Agreement had never been signed or otherwise agreed upon).**

C. EXECUTION OF AGREEMENT. IN WITNESS HEREOF, We and You duly execute this Lease Agreement on the respective dates written below. By executing this Agreement, **YOU ACKNOWLEDGE HAVING READ AND AGREED TO ALL THE PROVISIONS OF THIS AGREEMENT.** You further acknowledge having received a copy of this Agreement. You also acknowledge consulting with, or having had the opportunity to consult with, counsel prior to executing this Agreement. **This Agreement, as well as all addenda to this Agreement, which are hereby incorporated herein by reference, as well as any special terms and conditions [if any, more fully described as:**

_____,
hereby constitute the ENTIRE agreement between the parties and NO statement, oral or written or otherwise, not contained or described herein shall be binding on either party. No subsequent amendment to this Agreement or any statement, oral or otherwise, by either party to this Agreement shall be binding unless it is IN WRITING AND SIGNED BY ALL PARTIES HERETO, with the sole exception of modification to the Rules and Regulations.

LESSOR:

Print Name of Lessor

BY:

Print Name of Management Company (if any)/Agent for Lessor

Signature of Authorized Person for Management Company or Agent

N.C. Real Estate License Number (if signed by licensed N.C. broker)

Date Signed: _____

LESSEES [signature only, do not print name]:

(SEAL)

First Name Middle Initial Last Name

Date Signed: _____

(SEAL)

First Name Middle Initial Last Name

Date Signed: _____

(SEAL)

First Name Middle Initial Last Name

Date Signed: _____

(SEAL)

First Name Middle Initial Last Name

Date Signed: _____



APARTMENT ASSOCIATION OF NORTH CAROLINA PET AGREEMENT

1. ADDENDUM. For mutual and proper consideration, the receipt of which is acknowledged by all of the undersigned parties to this document, this document shall serve as an addendum ("the Addendum") to the residential lease contract ("the Lease") between

as Lessor (hereinafter referred to as "We" or "Us" or in similar possessive forms) and

as Lessee(s) (hereinafter referred to as "You" or in similar possessive forms) for the rental of real property located at a street address of:

(said real property hereinafter referred to as "the Home"). Where the terms of the Lease and this Addendum may conflict, the terms of this Addendum shall control.

2. DEFINITION OF PETS. As used in this Addendum, the term "pet" shall refer to any animal that You keep at the Home or allow into the Home, and for the purposes of this Addendum, the term "pet" shall include any animal - whether such animal is an amphibian, bird, fish, insect, mammal, reptile, or any other creature - that You allow into the Home, whether or not the animal is owned by You (e.g., a guest's animal or an animal that You agree to house temporarily for another person).

3. DESCRIPTION OF PETS. By signing this Addendum, You hereby represent that You shall keep or otherwise maintain the following type and description of animal in the Home (*check where applicable and describe where indicated*):

DOG(S)

Number: _____ Weight(s): _____

Color(s): _____

Describe breed(s): _____

Age(s): _____ City license no.: _____

CAT(S)

Number: _____ Weight(s): _____

Color(s): _____

Describe breed(s): _____

Age(s): _____ City license no.: _____

FISH

Number of Fish Tank(s): _____

Size(s) of Fish Tanks (Gallons): _____

OTHER

Please describe: _____

The above-described animal(s) shall hereinafter (singularly and collectively) be referred to as "**pet**."

NO PET. By checking this box, You certify that You do **not** have a pet. You also agree that in the event You acquire a pet or allow one to enter the Home, You shall notify Us immediately.

4. NO OTHER ANIMALS. By signing this Addendum, You agree that only the specific pet listed herein is permitted to occupy the Home. You understand and agree that no other animal is permitted either to visit or to stay in the Home without Our prior express written permission. Should You acquire a new animal, allow another animal to enter the Home, or otherwise seek to replace a pet listed herein with another animal, You must first obtain Our written consent and also sign a new Addendum describing the new animal. You understand and agree that We reserve the right to reject any animal for any reason in Our sole discretion. Unless You obtain Our express written permission, You are not permitted to have fish aquariums exceeding twenty (20) gallons in volume, birds, rodents (including gerbils, guinea pigs, mice, rabbits, ferrets, etc.), reptiles (lizards, snakes, etc.), insects (ants, bees, etc.) or arachnids (spiders, scorpions, etc.).

5. PET FEES, RENTS, AND DEPOSITS. You agree to pay Us the following amounts (check where applicable):

Monthly Pet Rent: \$ _____.

This amount shall be in addition to Your monthly rent due under the Lease and shall be due and payable on or before the first calendar day of each month of the term of the Lease.

Non-Refundable Pet Fees: \$ _____.

This amount is paid by You as consideration for Your privilege of maintaining a pet at the Home and not as payment for future damages relating to said pet.

You agree that Your payment of the monthly pet rent and/or the non-refundable pet fee is neither a deposit nor a payment for future damages relating to said pet. As these payments are not a security deposit, You also agree that they are not subject to any deposit itemization requirements at lease termination.

Refundable Pet Deposits: \$ _____.

(said amount shall hereinafter be referred to as "the deposit"). The deposit shall be considered as an additional security deposit subject to the requirements of the N.C. Tenant Security Deposit Act (N.C. GEN. STAT. § 42-50 *et seq.*). Should no damages beyond normal wear and tear exist in the Home at the end of Your tenancy, We shall refund the deposit to You. However, should damages beyond normal wear and tear exist in the Home at the end of Your tenancy, We may apply the deposit to pay for such damages and refund the balance of the deposit, if any, to You. Our application of the deposit to any damages beyond normal wear and tear shall not release You from liability for the amount of any damages at the Home that exceed the amount of the deposit.

6. PET WASTE. You understand and agree that the presence of pet urine or similar waste in the carpet, flooring, or fixtures of the Home shall not, under any circumstances, be considered "normal wear and tear" and shall likely result in the replacement of the carpet, flooring, and affected fixtures in the Home. In such an event, You shall be fully liable for the replacement of said carpet, flooring, and fixtures (including installation and labor costs). The replacement value of carpet, flooring, and fixtures shall be prorated based on the respective age of the item(s) at the time of replacement as

compared to the original expected life of the respective item(s).

7. PET RESTRICTIONS. You understand and agree that:

- a. The pet shall be kept inside the Home at all times with the exception of Your act of walking a dog or a cat outside, in which case the dog or cat shall be on a leash at all times and shall be under Your direct control and supervision;
- b. If there are designated pet walking areas in the community in which the Home is located, then You may only walk Your pet in those specific pet walking areas and not in any other Common Area of the community;
- c. If there are no designated pet walking areas in the community in which the Home is located, then You may walk Your pet in the Common Areas of the community, provided that Your pet (i) does not disturb the rights or comfort of other people using the Common Areas, (ii) is kept away from all shrubs, trees, and landscaped flower and plant beds, (iii) is not allowed to enter a swimming pool area, fitness facility, clubhouse, management office, playgrounds, or another residence in the community, and (iv) is kept out of traffic areas and parking areas;
- d. You shall not keep or allow any pet to be on a balcony, in a patio, or in any Common Area unless You are in the immediate presence of the pet at all times;
- e. You shall not tie up (or otherwise leash) any pet to any stationary object outside the Home;
- f. You shall immediately clean up any solid waste left by Your pet in a Common Area;
- g. The pet shall only be allowed to defecate or urinate in areas specifically designated by Us, and if We do not specifically designate such areas, then You shall ensure that Your pet does not defecate or urinate within 100 feet of any building, traffic or parking area, swimming pool area, fitness facility, clubhouse, management office, playgrounds, or any residence in the community; and
- h. If, in Our sole discretion, We determine that the pet constitutes a nuisance, creates a disturbance, causes damage, or poses a threat to the safety or welfare of any person or property, then You shall remove the pet from the Home within twenty-four (24) hours of Our demand for You to remove said pet.

8. INDEMNIFICATION. You understand and agree that You shall indemnify Us and hold Us and Our agents harmless from any and all claims, liabilities, costs, rents, fines, fees, attorney's fees, and any other monetary damage that We may incur arising out of, or in any way relating to, injury to persons or property caused, whether directly or indirectly, by any pet owned or otherwise kept by You, Your Authorized Occupants, or Your guests.

9. PAYMENT OF RENTS, FEES, AND DEPOSITS FOR UNAUTHORIZED PETS. Should We discover that You have or had an unauthorized pet in the Home during Your tenancy (whether or not Our discovery of the unauthorized pet occurs during Your tenancy or thereafter), You agree that You shall be liable to Us for the immediate payment of any and all non-refundable pet fees and pet rents and pet deposits normally due to Us pursuant to Our rules and regulations, or pursuant to Our normal charges and fees as if You had disclosed such pet to Us at the inception of the Lease. You understand and agree that it is unreasonable for You to demand that We ascertain the exact date and time that any unauthorized pet was present in the Home for the purpose of establishing a prorated sum; accordingly, for the purpose of assessing the amount of said pet fees and pet rents and pet deposits (the deposit) that You owe to Us, You agree that such amounts shall be calculated as though the unauthorized pet was present in the Home on the first day of the Lease term. In the

event You fail to tender these sums immediately upon Our demand, Your failure shall constitute Your default of this Agreement and the Lease.

10. NON-WAIVER. We shall not be deemed to have waived the right to evict for Your default under this Addendum under any circumstances, and We may collect rent with full knowledge of any breach of this Addendum without waiving Our right to enforce any remedy described herein, unless We have provided You with a signed writing that explicitly and with particularity waives Our right to evict for Your default.

11. ANY BREACH OF THIS ADDENDUM A DEFAULT. Any action or inaction or omission by You or any guest or visitor or occupant that violates any term or condition of this Addendum shall constitute Your default of the Lease.

12. SEVERABILITY. Should any court of law consider any provision of this Addendum to be unenforceable, then that provision shall be considered severed from this Addendum and the remainder of this Addendum shall continue in full force and effect. If required, the parties agree that a court of law shall construe the remaining non-severed provisions in a context consistent with the Addendum as a whole.

13. EXECUTION BY PARTIES. We and You duly execute this Addendum on the respective dates written below. By executing this Addendum, **YOU ACKNOWLEDGE HAVING READ AND AGREED TO ALL THE PROVISIONS OF THIS ADDENDUM.** You further acknowledge having received a copy of this Addendum. You also acknowledge consulting with, or having had the opportunity to consult with, counsel prior to executing this Addendum. **This Addendum constitutes the ENTIRE agreement between the parties and NO statement, oral or written or otherwise, not contained or described herein shall be binding on either party. No subsequent amendment to this Addendum or the Lease or any statement, oral or otherwise, by either party to this Addendum shall be binding unless it is in writing and signed by all parties.**

LESSOR:

Print Name of Lessor

BY: _____
Signature of Authorized Person for Management Company or Agent

Date Signed: _____

LESSEES [signature only, do not print name]:

1. _____ (SEAL)

Date Signed: _____

2. _____ (SEAL)

Date Signed: _____

3. _____ (SEAL)

Date Signed: _____

4. _____ (SEAL)

Date Signed: _____



Apartment Association of North Carolina APARTMENT CONDITION CHECKLIST

Address of Leased Property: _____

CHECK ALL ITEMS THAT ARE APPLICABLE TO THE ADDRESS ABOVE.

RESIDENT
INITIALS

- SMOKE DETECTOR(S) WERE TESTED AT MOVE-IN AND ARE WORKING UNLESS OTHERWISE INDICATED: _____
- CARBON MONOXIDE DETECTOR(S) WERE TESTED AT MOVE-IN AND ARE WORKING UNLESS OTHERWISE INDICATED: _____
- ALL DOOR LOCKS AND WINDOW LATCHES WERE TESTED AT MOVE-IN AND ARE WORKING UNLESS OTHERWISE INDICATED: _____
- NO INSECT OR PEST INFESTATIONS (including but not limited to rats, roaches, ants, bed bugs, etc.) WERE OBSERVED. _____

ITEMS	MOVE IN CONDITION
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ITEMS	MOVE OUT CONDITION
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LIVING ROOM:

- Walls _____
- Ceiling _____
- Floor _____
- Fireplace _____

LIVING ROOM:

- Walls _____
- Ceiling _____
- Floor _____
- Fireplace _____

DINING ROOM:

- Walls _____
- Ceiling _____
- Floor _____

DINING ROOM:

- Walls _____
- Ceiling _____
- Floor _____

KITCHEN:

- Walls _____
- Ceiling _____
- Floor _____
- Cabinets _____
- Countertops _____
- Range _____
- Vent hood _____
- Refrigerator _____
- Dishwasher _____
- Disposal _____
- Microwave _____

KITCHEN:

- Walls _____
- Ceiling _____
- Floor _____
- Cabinets _____
- Countertops _____
- Range _____
- Vent hood _____
- Refrigerator _____
- Dishwasher _____
- Disposal _____
- Microwave _____

HALLS:

- Walls _____
- Ceiling _____
- Floor _____

HALLS:

- Walls _____
- Ceiling _____
- Floor _____

BEDROOM(S):

- 1- Walls _____
- Ceiling _____
- Floor _____
- 2- Walls _____
- Ceiling _____
- Floor _____
- 3- Walls _____
- Ceiling _____
- Floor _____

BEDROOM(S):

- 1- Walls _____
- Ceiling _____
- Floor _____
- 2- Walls _____
- Ceiling _____
- Floor _____
- 3- Walls _____
- Ceiling _____
- Floor _____

MOVE IN

BATH(S):

- Walls _____
- Ceiling _____
- Floor _____
- Countertops _____
- Cabinets _____
- Fixtures _____
- Tub/Shower _____

LAUNDRY:

- Walls _____
- Ceiling _____
- Floor _____
- Washer _____
- Dryer _____

GARAGE:

- Walls _____
- Ceiling _____
- Floor _____
- Remote(s) _____

- _____ :
- Walls _____
 - Ceiling _____
 - Floor _____
 - _____

OTHER:

- Carpets _____
- Doors/Screens _____
- Blinds _____
- Light Fixtures _____
- Light Bulbs _____
- Ceiling Fan(s) _____
- Patio/Balcony _____
- Storage Room _____
- Phone Jacks _____
- Access Cards _____
- Keys _____
- Pest/Insect Infestation? If so, please describe: _____

Move-In Date: _____

I, and/or we, accept the aforementioned MOVE-IN INVENTORY as a part of the lease agreement for this address:

_____ and agree that it is an accurate account of the condition of said premises for purposes of a refund of deposit(s) upon move-out and compliance with the law.

Resident or Resident's Agent

Owner or Owner's Representative

MOVE OUT

BATH(S):

- Walls _____
- Ceiling _____
- Floor _____
- Countertops _____
- Cabinets _____
- Fixtures _____
- Tub/Shower _____

LAUNDRY:

- Walls _____
- Ceiling _____
- Floor _____
- Washer _____
- Dryer _____

GARAGE:

- Walls _____
- Ceiling _____
- Floor _____
- Remote(s) _____

- _____ :
- Walls _____
 - Ceiling _____
 - Floor _____
 - _____

OTHER:

- Carpets _____
- Doors/Screens _____
- Blinds _____
- Light Fixtures _____
- Light Bulbs _____
- Ceiling Fan(s) _____
- Patio/Balcony _____
- Storage Room _____
- Phone Jacks _____
- Access Cards _____
- Keys _____
- _____
- _____

Move-Out Date: _____

Notes: _____

The undersigned has inspected this dwelling unit and found it to be in the condition stated in the column on date of move-out.

Resident or Resident's Agent

Owner or Owner's Representative