



AANC

Apartment Association
of North Carolina

2010

LEGAL

HANDBOOK

Contents

About the Author:	8
CHAPTER 1: The AANC Lease Agreement.....	15
1. SUMMARY OF KEY TERMS.....	15
1. Summary of Key Terms of This Lease Agreement (“Agreement”).....	16
Joint and Several Liability and the Lease Agreement	17
Legal Status of Occupants.....	17
Authorized Occupants.....	18
1.B ADDRESS & TERM	19
1.C UTILITIES.....	19
1.D LIABILITY AND CONTENTS INSURANCE POLICIES.....	20
1.E RENT	20
1.F REFUNDABLE DEPOSITS	21
1.G MISCELLANEOUS FEES/CHARGES.....	22
1.H SMOKE-FREE HOUSING	23
1.I ASSUMPTION OF RISK & WAIVER ACKNOWLEDGEMENT	23
2.A LEASE TERM	24
2.B HOW/WHEN WRITTEN NOTICES OF TERMINATION TAKE EFFECT	25
2.C EFFECT OF AUTOMATIC RENEWAL OF LEASE	26
2.D RENT	26
2.E DISCOUNTS AND THEIR REVOCATION.....	27
3. LATE PAYMENTS.....	28
4. RETURNED CHECKS.....	30
5. SECURITY DEPOSIT.....	32
Statutory Penalties for Noncompliance	35
“Redecorating Fees” / “Administrative Fees” In Lieu of Security Deposits	36
Acceptance of Security Deposits Prior to Executing the Lease	37
Reservation Fees	37
Termination Fees.....	39
Damages	39
6. PETS	40
7. KEYS AND LOCKS	41
8. COMMON AREAS.....	44
9. USE OF THE HOME.....	44
10. ASSIGNMENT AND SUBLETTING/TRANSFER OF INTEREST	45
11. MAINTENANCE	46
12. MOLD, MILDEW, AND OTHER ENVIRONMENTAL ISSUES.....	51
13. DAMAGES	52
14. RESTRICTIONS AND ALTERATIONS	53
15. YOUR GENERAL RESTRICTIONS AND OBLIGATIONS.....	54
16. LIMITATIONS ON FITNESS, HABITABILITY, AND PEACEFUL, SAFE & QUIET ENJOYMENT OF THE HOME	55

17. RIGHT OF ENTRY	58
Law Enforcement Entry and Search of the Home	58
Bail Bondsmen and Entry Into the Home.....	59
18. AUTOMOBILES AND PARKING	60
19. DRUG AND CRIME-FREE HOUSING	61
20. INSURANCE, RELEASE AND INDEMNITY.....	64
21. SECURITY	65
22. FIRE OR CASUALTY.....	66
23. NOTICES.....	67
24. CONDITION OF DWELLING HOME	68
25. DELIVERY OF POSSESSION	69
26. RENTAL APPLICATION	69
27 - 29. SEVERABILITY, SUBORDINATION, & EMINENT DOMAIN	70
30. NON-WAIVER	70
31. STATUS AS AGENT.....	71
32. REMEDIES	71
33. INTERPRETATION.....	71
34. DISCLOSURE OF YOUR INFORMATION.....	72
35. YOUR DUTIES UPON TERMINATION	72
36. UTILITIES - GENERAL PROVISIONS.....	73
37. SUBMETERING UTILITY DISCLOSURE	74
38. DEFAULT	77
REMEDIES UPON DEFAULT: EVICTION	77
EVICTION FEES (Subparagraph F).....	78
OTHER REMEDIES RELATED TO BREACH (Subparagraphs G - I).....	80
Termination/Default by Residents Who Are Members of the Armed Forces.....	80
Servicemembers Civil Relief Act of 2003: 50 USCA §§ 501 – 596.....	82
Early Termination by Victims of Domestic Violence, Sexual Assault, or Stalking	84
39. EXECUTION OF AGREEMENT	86
MEMBERSHIP AND COPYRIGHT	86
EXECUTION OF LEASE.....	86
FAQ'S ON THE AANC LEASE AGREEMENT.....	88

Chapter 2: Working With Leases Other Than The AANC Lease 93

LATE FEES	93
EARLY TERMINATION FEES.....	95
SECURITY DEPOSITS.....	95
Location of the Deposit.....	95
Disposition of the Deposit	96
SELF-HELP EVICTIONS & DISPOSAL OF PERSONAL PROPERTY	97
SUBMETERED WATER/RUBS CALCULATIONS.....	99
Eviictions for Nonpayment of a Water Bill.....	99
Measurement of Water Bill Rates	99
EVICTIONS FOR CRIMINAL ACTIVITY	101

CHAPTER 3 : Summary Ejectment.....103

WHEN CAN YOU EVICT A RESIDENT?..... 103
TERMINATION NOTICE..... 104
FORFEITURE PROVISIONS & THE TENDER RULE..... 106
FILING THE SUMMARY EJECTMENT ACTION 107
NEW SERVICE REQUIREMENTS FOR EVICTIONS 108
SMALL CLAIMS COURT 109
JUDGMENTS FOR POSSESSION & MONEY 111
IS AN ATTORNEY NECESSARY? 112
ENFORCEMENT OF JUDGMENTS..... 114
EVICTION..... 114
DEALING WITH ABANDONED PROPERTY 115
DEALING WITH THE DEATH OF A RESIDENT 120
ENFORCING MONEY JUDGMENTS 121
APPEALS..... 121
LANDLORD WHAT-IFS REGARDING ACCEPTANCE OF RENT 126
FAQ'S ON SUMMARY EJECTMENT 128

CHAPTER 4: Fair Housing/ADA.....129

THE FEDERAL FAIR HOUSING ACT 129
THE STATE FAIR HOUSING ACT 130
LOCAL FAIR HOUSING ORDINANCES & REGULATIONS 131
DOMESTIC VIOLENCE VICTIMS..... 131
PROHIBITED DISCRIMINATORY PRACTICES 132
 Discrimination Against Families – Occupancy Standards 132
 Discrimination Against Affordable Housing Development 134
 Treatment of International Applicants and Resident Aliens..... 135
 FHA Enforcement Testers..... 136
 Disabled Persons..... 137
 Reasonable Accommodations 138
 Existing Housing – Reasonable Modifications 139
MULTIFAMILY HOUSING DESIGN & CONSTRUCTION REQUIREMENTS 140
HOUSING EXEMPTIONS FOR OLDER PERSONS 143
FAIR ADVERTISING 144
 Selective Placement of Advertising..... 144
 Human Model Advertising 144
 The Fair Housing Logo, Statement & Slogan..... 145
CASE NOTES..... 146
FAIR HOUSING RESOURCES 147
SUGGESTED COMPANY POLICIES/PRACTICES..... 147
EMERGING FAIR HOUSING ISSUES 148
RELATED ARTICLE: Fair Housing Focus - Could This Possibly Mean...?..... 149
FAQ'S – FAIR HOUSING 152

THE AMERICANS WITH DISABILITIES ACT	155
Definition of Disability	155
Employment Discrimination	155
Public Accommodations	156
FAQ'S on ADA	157
CHAPTER 5: Key Statutes	159
REAL ESTATE LICENSE LAW	159
Referral Fees.....	161
Deposit All Rent Receipts Into A Trust Account!	162
Rental Referral Agencies	163
THE FAIR CREDIT REPORTING ACT	163
NORTH CAROLINA FAIR DEBT COLLECTION PRACTICES ACT	167
Threats and Coercion.....	167
Harassment	168
Unreasonable publication	168
Deceptive representation	169
Unconscionable means	170
Penalties for Violation of the FDCPA.....	171
FEDERAL PRIVACY LAWS	172
Information You Can Release Without a Warrant or Similar Document.....	173
Leases Are Not Designed To Be Private Documents.....	176
IDENTITY THEFT PROTECTION STATUTES.....	177
Overview	177
Social Security Number Protection	177
Notifying Residents of Security Breaches	179
Destruction/Shredding of Personal Information.....	180
BANKRUPTCY LAW	181
The Automatic Stay	181
Chapter 7	181
Chapter 13.....	181
UNFAIR & DECEPTIVE TRADE PRACTICES.....	183
MEGAN'S LAW.....	185
DIGITAL SATELLITE DISHES	186
CHAPTER 6: Landlord Liability	189
THE COMMON AREAS.....	190
MAINTENANCE OF SMOKE AND CARBON MONOXIDE DETECTORS	191
Penalties for non-repair of smoke detectors and carbon monoxide detectors.....	193
Installation and Maintenance of Carbon Monoxide Detectors	193
ICE & SNOW.....	193
INSPECTING YOUR PROPERTY FOR SAFETY HAZARDS	194
REAL CASE SCENARIOS	195

APARTMENT SECURITY.....	197
Crime Prevention Tips:	199
Ask Your Residents To:	199
SWIMMING POOLS.....	199
N.C. Swimming Pool Changes for 2010	199
Precautionary Steps.....	200
Swimming Pool Regulations.....	201
Serious Violations	202
CHARCOAL AND GAS GRILLS	203
EXAMPLE OF FIRE REGULATIONS.....	204

CHAPTER 7: Fire Safety in Apartment Communities205

MOST COMMON HAZARDS.....	205
CHARCOAL AND GAS GRILLS	207
FIRE REGULATION EXAMPLES.....	207
MAINTENANCE OF SMOKE AND CARBON MONOXIDE DETECTORS	209
Installation and Maintenance of Carbon Monoxide Detectors	209
MAINTENANCE OF FIRE SPRINKLER SYSTEMS	210
APARTMENT HOME FIRE SAFETY & PREVENTION.....	212
This is Fire: A Factsheet on the Nature of Fire	212
Facts on Fire	212
Causes of Fires and Fire Deaths.....	213
How Fire Safe Is Your Apartment Home?.....	214
Fire Safety for People with Special Needs	215
General Fire Safety and Prevention Issues.....	216
Planning Your Escape	219
Safety Measures.....	220
Carbon Monoxide	221
Test Your Knowledge	223
Natural Disasters and Fire	225
Fire Safety Concerns That May Be Present During or After Any Natural Disaster	226

CHAPTER 8: Environmental Issues.....229

MOLD CONSIDERATIONS.....	229
Defining Mold.....	229
Mold Exposure	231
Response to Water Intrusions.....	232
Response to Mold	234
Investigating Resident Complaints	236
Remediation Work	237
Prevention and Protection	240
Employee Training	242
ENVIRONMENTAL REGULATIONS	244
Lead-Based Paint Disclosure Requirements.....	244

New Renovation Rules at Lead-Based Paint Properties	245
Asbestos General Work Rules	253
Reporting the Storage of Hazardous Materials	254
Pesticides / Heating & Air / Underground Fuel Tanks	254
METHAMPHETAMINE LABS.....	254
The Importance of Being A Responsible Party.....	255
The Decontamination Process	255
POSSIBLE REMEDIES AGAINST RESIDENTS FOR METH LABS ON THE PREMISES	259
Civil Remedies.....	259
Possible Alternatives to Lawsuits.....	260
Addressing the Issue via Contract	261
BED BUGS	261
What Are Bed Bugs	261
Bed Bug Treatments	262
What advice can you give to your residents?	262
What is the Landlord's duty?	263
Liability Concerns and Possible Responses	265
Related AANC Lease Provisions.....	266
GLOSSARY OF LEGAL TERMS.....	269

INDEX OF APPENDICES

1.A	AANC Standard Lease
1.B	AANC Resident Application for Occupancy
1.C	Sample Storage/Garage Unit Lease Agreement
1.D	AANC Day-to-Day Addendum
1.E	AANC Pet Addendum
1.F	AANC Early Release Accord and Satisfaction Agreement
1.G	AANC Apartment Condition Checklist
1.H	Sample Affidavit Regarding Military Service
2.A	N.C.G.S. Chapter 42
2.B	Summary Ejectment Flowchart
2.C	Summary Ejectment Forms
3.A	State Fair Housing Act
3.B	Fair Housing Checklist
4.A	Real Estate License Law
4.B	Rental Referral Agency Law
4.C	Fair Credit Reporting Act
4.D	Prohibited Acts by Debt Collectors
5.A	Water Submetering
6.A	EPA Lead Disclosure Pamphlet
6.B	EPA Lead Disclosure Forms
6.C	Mold