



# HOME BASED BUSINESS ADDENDUM

This Lease Addendum is hereby incorporated into the Lease between the undersigned Resident(s) and the Seattle Housing Authority, (LANDLORD).

# 1. Definition of Home Based Business.

A Home Based Business is any business or other commercial activity that operates out of the Resident's dwelling unit. Home Based Businesses must comply with the standards set forth in the Seattle Municipal Code (23.42.050). This definition includes "Family Home Child Care" which is regularly scheduled child care provided on an on-going basis subject to the requirements of the Washington Administrative Code (WAC 170-296).

#### 2. Prior Written Permission Required.

Prior to operating a Home Based Business, Resident must first receive LANDLORD's written approval to operate the Home Based Business and sign a Lease Addendum.

#### 3. Primary Purpose is Residential.

The unit shall be used primarily for a residential purpose and must be the principal dwelling of the Resident and all members of the household listed on the dwelling Lease. The Home Based Business shall be incidental to the primary use of the unit as a private residential dwelling.

#### 4. Quiet Enjoyment.

Resident shall operate the Home Based Business in a manner that is consistent with the dwelling Lease and does not interfere with the rights, possessions, and quiet enjoyment of other residents which includes, but is not limited to, impacts, such as noise, light, odor, parking, traffic and other activity or conduct that may disturb other residents in the building or neighbors in the community.

## 5. No Pets or Use of Common Areas.

Resident shall operate the Home Based Business solely within the unit and no pets are allowed. Use of any common areas, including, but not limited to, hallways, sidewalks and recreational rooms is strictly prohibited with exception of playgrounds and play structures.

# 6. Refundable Security Deposit.

Prior to operating any Home Based Business, Resident shall pay a security deposit of \$750, which shall be refunded when Resident returns the unit to LANDLORD in the condition it was when the Home Based Business started operation, less normal wear and tear. The security deposit may be paid by Resident in installments over time, not exceeding six months. This provision does not apply to Yesler Terrace, but it shall apply to Residents who occupy any new units at Yesler Terrace after redevelopment occurs.

#### 7. Insurance.

Residents, who operate a Home Based Business inviting the general public onto LANDLORD's property, shall have either a Renter's insurance policy with an endorsement for their business related activities, or carry a Commercial General Liability policy naming Seattle Housing Authority as an additional insured.

### 8. Valid Licenses to Operate Home Based Business.

Resident shall obtain all required licenses, accreditations, and certifications necessary to operate the Home Based Business, including a City of Seattle business license. Family Home Child Care businesses shall also receive and maintain a valid license from the Washington State Department of Early Learning and fully comply with the requirements of WAC 170-296. Upon request, Resident shall provide LANDLORD copies of any documents submitted to, or received from, any governmental agency that demonstrates compliance, or lack of compliance, with any applicable child care licensing, certification or other regulatory requirement.

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#### 9. Unit Inspection and Modification.

LANDLORD will inspect the unit prior to operation of the Home Based Business. No modifications to the unit of any kind are permitted without LANDLORD's prior written approval. Resident shall pay all costs incurred for any modification of the unit, including the cost of returning the unit to its original condition, less normal wear and tear. All modifications shall be made by LANDLORD and paid for by Resident.

### 10. Signage and Advertisement.

Resident shall not display any signage on the interior or exterior of the building or on LANDLORD's property. This includes, but is not limited to: interior and exterior walls, windows and doors; lobbies, hallways and other common areas; fences and gates, and yards and other open spaces. In addition, Resident shall not include the address of the unit in any advertisement.

### 11. Utility Usage.

Resident shall pay for all utilities related to operation of the Home Based Business, and LANDLORD shall not adjust the established utility allowance to cover any utility usage that results from operation of the business. This provision may not apply to Yesler Terrace, because those units are not sub-metered for billing of certain utilities.

### 12. Filing of Completed Annual Income Tax Return

At the annual review Resident shall provide LANDLORD a copy of his/her completed and filed IRS Form 1040 Tax Return, the Schedule C (Profit or Loss statement) and IRS Form 8829 (Expenses for Business use of your home). Resident shall report all income and if the total amount of deductions claimed exceed 30% of the gross income reported, then Resident shall provide documentation to verify the expenses are allowable business expenses. Any unreported income shall be subject to recapture at the next review of income for purposes of determining rent. Resident shall maintain reasonable records, including copies of income and expense receipts, which shall be made available to LANDLORD upon request.

## 13. Interim Review for Purposes of Adjusting Rent.

Resident may request an interim review if business income has increased or decreased and it remains that way for a consecutive period of three months. Resident may request no more than three (3) interim reviews for purposes of adjusting rent in a 12 month period.

## 14. Authorization for Release of Information.

Resident hereby authorizes the Internal Revenue Service to release to LANDLORD copies of Resident's annual tax returns and authorizes the Washington State Department of Social and Human Services and all other state government agencies to release information regarding income and subsidies received by Resident.

### 15. Compliance with all Applicable Laws.

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•	to operate a Home Base	•	,	*****
with the Lease Addendum	may result in corrective	d and agree to the terms of th action, which may include wit ease enforcement actions whi	hdrawal of LANDLORD's a	
Resident(s) (please print nam	e)	Community	Unit No.	
Resident(s) Signature		Date		

Date

Senior Property Manager or Property Manager Signature