How To Use the Lease Amendment Toolkit

Seattle, WA
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Disclaimer

This presentation and all of the document templates created for this Lease Amendment Toolkit is intended for educational purposes only. This presentation provides information about laws impacting small businesses. Legal information is not the same as legal advice (which involves applying laws to particular organizations and their circumstances).

This presentation is not intended to provide legal or financial advice or create an attorney-client relationship. It is always a good idea to consult with a lawyer to obtain advice about how the law should be interpreted based on your particular situation. It’s also a good idea to consult an accountant on the financial questions.

Also, you should be aware that the rules and laws created to respond to Covid-19 are changing quickly, and information in this presentation may become out of date. This presentation was created on May 5, 2020.
Thank you to our Partners!

• We are grateful to Perkins Coie who partnered with us to create the Lease Amendment Toolkit and to the City of Seattle, Office of Economic Development who sponsored this project.

• Special thanks to attorneys Nathan Fahrer, Aaron Holloway and Jessica Cohen at Perkins Coie for their work on developing this video and the Toolkit materials.
Why a Lease Amendment Toolkit?

As consequence of COVID-19 and subsequent “Stay Healthy, Stay Safe” Order issued by Governor Jay Inslee, many tenants are struggling to pay rent due to reduced revenue and operating income.

The Lease Amendment Toolkit was created to help small businesses and nonprofits navigate the process of either re-negotiating their leases or potentially ending their leases.
The Lease Amendment Toolkit

The Toolkit has sample documents that will help tenants to:

• Figure out what your options are with respect to paying your rent and continuing your lease or getting out of your lease.

• Communicate with your landlord

• Create a Lease Amendment or Termination document
Before we get into the Sample Documents...

The main point we think is really important:

**Communicate. Communicate. Communicate.**

- Communicate with your Landlord now.
- Work with your Landlord to come to an agreement before the moratorium is lifted, so you have an agreed upon plan.
The Lease Amendment Toolkit

• Sample Documents
  ▪ Cover Letters
  ▪ Lease Amendment Agreement
  ▪ Lease Termination Agreement

• Webinar
  ▪ Instructional video that explains the law and legal issues to help you use the Toolkit

• Summary of Washington State and City of Seattle Moratoriums on Evictions and Council Bill 119756/Ordinance 126066
Cover Letters

We recommend contacting your landlord to discuss your situation including how you plan on paying the back rent you owe.

The sample cover letters help you explain to your landlord the impact that COVID-19, shelter-in-place orders, and social distancing guidelines have had on your business and discuss certain potential next steps.
Sample Cover Letters

The Toolkit has two versions of the cover letter. Use the sample cover letters as a guide to help you put down in writing what you want to say to the Landlord.

• Short Form Cover Letter: The short form cover letter just says your business has suffered due to Covid-19 and you would like to propose a Lease Addendum.

• Long Form Cover Letter: The long form cover letter that explains your business has suffered and explains what your proposed plan is to catch up on rent payments.
Lease Amendment

A Lease Amendment is a new contract that changes your original lease to include the new agreement. Both parties have to sign the Lease Amendment to execute it and make it your new agreement. By signing the Lease Amendment, you are legally agreeing to everything that is written in the Amendment. It will exist as thought it was part of the original lease.

In the next slide we will explain the different options that you could propose to your landlord.
Amendment Options:

Option 1 - Rent Deferral: Tenant does not pay rent during a set period of time, but must repay the rent, sometimes with accrued interest, at a future date.

Option 2 – Rent Reduction: Tenant continues to pay monthly rent at a reduced amount for a set period of time.

Option 3 – Rent Abatement: Tenant will not be required to pay rent for a certain period of time and is not required to repay the rent amount at the end of the lease term.
Lease Termination Agreement

If your business is being forced to suspend operations, and you want to get out of your lease, we have provided a template Lease Termination Agreement that proposes to end your lease early in exchange for either allowing the landlord to retain the security deposit or the payment of an early termination fee.
Thank you!

For more information and resources see our website:
Communities-rise.org

For legal services email us at covidsupport@communities-rise.org

For more information on general small business resources in the city of Seattle, please visit the City of Seattle Office of Economic Development website: http://www.seattle.gov/office-of-economic-development