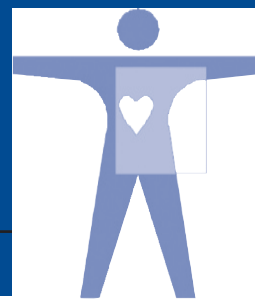


The Pulse

A Resource for Health Care Professionals



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Nine Traps in Medical Office Leases

Signing a lease for a new medical office isn't complicated – or so many inexperienced doctors believe. When you finally find that ideal office in a great location at a rent you can afford, you may be tempted to sign on the dotted line and not bother with bringing the lease offered by the landlord to your real estate attorney. That may be one of the biggest mistakes you ever make.

Landlords often present leases loaded with terms that favor them. Here are nine ways you can be tripped up by signing that lease without having your attorney review it.

1. Rent Commencement Date

It may seem obvious that the first rent is due on the date stated in the contract; however, it is one of the most frequently contested points between landlords and tenants. Usually an office requires some remodeling or improvements by the landlord before you take occupancy. You may expect that all work will be completed before the fixed date for rent commencement stipulated in the contract, but what if the landlord doesn't complete the improvements on time? If there is no provision for delaying that payment until the work is completed, you can

get stuck paying rent before you can move in.

2. Taxes and Operating Expenses

Some leases include a provision that the tenant will pay a portion of the taxes and/or operating expenses of the property in addition to the monthly rent. To best protect your interests, the lease should also spell out what form of documentation the landlord must provide to substantiate these expenses and require a detailed accounting. Copies of actual expense receipts and/or tax bills should be available to you either as part of the routine documentation or upon your request, and those contract terms also need to be spelled out in the lease before you sign it.

3. Services & Utilities

Services that you expect the landlord to provide must be very detailed in a lease for a medical practice. For example, you will want a written guarantee of HVAC services that will keep your office at a temperature that is comfortable for your staff and patients during business hours. The landlord's obligation to provide

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