

Lease of Space Exception

Payments for the use of office space made by a lessee to a lessor will not constitute a financial relationship if the rental or lease agreement meets all the elements of the exception.

Elements of the Exception	Check if Applicable to the Arrangement
The rental or lease agreement is set out in writing, specifies the premises the agreement covers, and is signed by both parties to the agreement	
The term of the agreement is for at least one (1) year	
The rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties	
The space rented or leased does not exceed that which is reasonable and necessary for the legitimate business purposes of the lease or rental, and is used exclusively by the lessee when being leased by the lessee. During the term of the agreement, the space leased may not be shared with or used by the lessor or any person or entity related to the lessor. The lessee may make payments for the use of space consisting of common areas if the payments do not exceed the lessee's pro rata share of expenses for space based upon the ratio of the space used exclusively by the lessee to the total amount of space, other than common areas, occupied by all persons using the common areas	
The lease would be commercially reasonable even if there were no referrals between the parties	
The lease meets any other requirements that the Secretary of DHHS may impose	