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| --- | --- | --- | --- | --- |
|  | **Current Office Lease** | **MCCA: Option 1*** **41% of allocation**
* **Conf Rm – 90 days**
 | **MCCA: Option 2*** **74% of allocation**
* **Conf Rm – 180 days**
 | **MCCA: Option 3*** **100% of allocation**
* **Conf Rm – same as MCCA**
 |
| Year 1 | $30,600\* | $29,000 ($28,000)\*\* | $37,800 ($36,000)\*\* | $45,000 |
| Year 2 | $31,000\* | $29,200 | $38,200 | $45,250 |
| Year 3 | $31,450\* | $29,500 | $38,500 | $45,750 |
| Year 4 | $31,900\* | $29,650 | $38,900 | $46,250 |
| Year 5 | $32,300\* | $29,850 | $39,300 | $46,800 |
| Year 6 |  | $30,000 | $39,700 | $47,300 |
| Year 7 |  | $30,250 | $40,100 | $47,800 |

**\***Adding the approximate annual operating savings of $15,000 to the current lease amount would provide a comparable “total amount.”

**\*\***There is a slight discrepancy in MCCA and my calculations for options 2 and 3. Their ‘year one’ dollar amount is in parenthesis and you will note that it is less than my calculation. Since I am unable to get clarification on what is causing the discrepancy today, I hope that the dollars are close enough for the board to make a decision about moving forward (my numbers are higher).

* I believe that the cost of paying 100% allocation is approximately equal to the cost of remaining here. There will no longer be a financial benefit to office sharing so messaging will be extremely important.
* The new MCCA numbers are based on MHCA utilizing 7.7% of the office space ; thus paying 7.7% of common space allocation. The various options indicate how much of the allocation MHCA would be covering.
* Operating costs may vary by year for both leases; these are approximate costs.
* The final square footage of the MCCA build out may lead to slight variance in costs.
* MCCA is willing to provide a 3 year lease, with an option of extending it to 7 years. This would be the ‘out – clause.’ A shorter out-clause is not an option because they are adding to the size of their footprint to make room for MHCA.

Questions:

* Should MHCA move forward with a contract (signed by July 15th)?
* If so:
	+ Which Option are we agreeing to?
	+ How many reviewers (and who) do you want involved?
	+ Move-in date: should we try to negotiate for free rent to move late January/early Feb, if the space is available? Our lease expires Feb 29 and that is getting close to our gearing up for Annual Meeting.
	+ Other questions?