

Long Term Lease Announcement

The Board of Trustees and the College of Teachers of Waldorf School of Orange County have unanimously approved and executed a 15 year firm lease with the Newport Mesa Unified School District (NMUSD) effective September 1, 2009. The new lease is for just over ten acres of property, including our current school site plus the addition of the recently vacated Head Start property and the use of the playing fields during school hours. Every child currently enrolled in the school now has the opportunity to graduate from our high school at this location.

We feel fortunate, particularly during this time of economic downturn, to have been given the gift of a long term lease on our current campus, adjacent to the beautiful Talbert Nature Preserve. The financial security and stability of our school has been significantly improved by this opportunity. The new lease will allow us to literally put down roots on our campus as NMUSD will permit development of additional structures on the expanded campus.

The Board of Trustees would like to acknowledge the instrumental efforts of the Hayden, Sherburne & Boyd team at Cushman & Wakefield for their donation of time and expertise, along with the many other community members who have so generously contributed their time and finances to help our school secure a permanent home. It is not without some disappointment that we postpone our goal of purchasing our own property but we feel confident this is the best decision for our school at this time. The decision was made with due consideration given to all that was asked of the community over the past year and a half.

We understand this news will raise a lot of excitement and many of the parent community will have questions, concerns and ideas. We will be exploring many options to accommodate our growing school. The Board of Trustees will be hosting morning coffee chats and a Town Hall meeting this fall to hold open dialogue and answer the questions of our community. There will be regular updates and announcements in the newsletter and on the website. For additional information, please read the **Questions and Answers** below.

Thank you again for all your support. We hope you share in our excitement as we enter this new phase of our school's growth and development.

Sincerely,



Paul Conolly

Chair, Board of Trustees

Questions and Answers

Q. What happened to the Great Park property?

A. As you may recall, last year we signed a letter of intent with Heritage Fields to begin negotiations on purchasing land adjacent to the proposed Great Park in Irvine. After the collapse of the economy earlier in the year, discussions came to a standstill and development of Heritage Fields has been suspended and the property is not currently available. The letter of intent has since expired and there are no plans to renew interest regarding this property at this time. The collective effort of our community to try and acquire this property was impressive and inspiring. We continue to hold the dream of one day owning property but celebrate having achieved our overarching goal of securing a long term home for our school.

Q. What happens to the Capital Campaign and Permanent Site funds now?

- A. The property exploration at Heritage Fields encouraged us last year to complete the final phase of a multi-year capital campaign to raise funds to purchase property. This final push, the *Celebrate the Future* Campaign, generated \$1,176,654 in pledges. These pledges, combined with a generous matching gift of \$800,000 from the Meadows and Sun families, brought the total amount pledged to almost \$2 million. Donations and payments made against these pledges, when combined with the funds collected during the earlier phase of the campaign, brought the capital campaign's cash position to approximately \$722,000.

The Board acknowledges that the capital campaign was conducted with the intent of purchasing property for a permanent site. Therefore, we will be contacting all donors about the opportunity to use their capital campaign gift for the purpose of making improvements to our existing campus. We hope parents and others who have pledged will desire to honor their multi-year capital campaign pledges so we can raise the total amount donated.

Q. Now that we have a long term lease, will we be making improvements to the site?

- A. Yes! The Board and College will begin the process of evaluating the current site and prioritizing the development needs. Once this process is complete, plans will be made to make improvements on campus, including utilizing the additional space previously occupied by Head Start and accommodating our growing high school.

Q. What happened to Head Start?

- A. The lease between Head Start and NMUSD expired, and NMUSD elected not to renew the contract. Head Start has since successfully relocated to an alternative site that better fits their target demographic. This new development allowed us to include the property in our lease negotiations with NMUSD.

Q. Can we buy the existing school site from NMUSD?

- A. It is still unlikely that NMUSD will ever sell the existing property. The property is adjacent to another piece of NMUSD property, and earmarked as a school location in the event that Banning Ranch is ever developed for residential use. We do not anticipate being able to purchase the site but are now in a better position to do so if it is ever made available.

Q. What if an opportunity to purchase property comes up before the end of our lease?

- A. We do not anticipate exiting our lease early, but if necessary, the option to sublease is permissible. The low rent we pay makes this a viable option, should it be required.

Q. Are we still saving to purchase property? What happens after 15 years?

- A. Although the need to purchase a permanent site is no longer pressing, it is still the dream of the school to one day own property. As stewards of the school, we will work towards building a strong financial foundation from which to grow a healthy capital reserve and endowment to ensure the future of our school.