THE IRVINE COMPANY VISION

The Irvine Company has now existed for over 100 years having been born upon its' incorporation in 1898. Indeed, the Irvine Ranch has existed for over 130 years what with the first portion having been purchased in 1864. During those 100 plus years the Company had endured through four different ownership's and at least seven management's. Its surrounding environment has dramatically changed from rural agricultural to urban and commerce. Yet despite the changes in ownership, management and a dramatic shift from its agricultural roots to that of becoming one of the country’s leading developers of urban communities it has maintained its commitment to the land and the quality of that which continues to be produced from it and/or placed on it. The core value of quality in whatever the Company pursues is a legacy that has lasted over 100 years and by any measure will continue until the great Irvine Ranch has completed its transformation from the famed cattle ranch of its founder to the world-renowned communities it is evolving into.

It is that century long respect for the uniqueness of this great property and pursuit of longevity and quality that distinguishes it from its peers. That has allowed its succession of owners and managers to adjust to dramatically changing environments and businesses without diminishing the expectations of its customers, business partners, public agencies and any others who are directly or indirectly impacted by what the Company does.

For the first 60 plus years of the Company's existence its’ reason for existing was to produce the finest agricultural products possible on the properties it owned. Then in 1960 as the county in which its' land existed began to change from agricultural to urban development the Company began to transform its' basic business committing itself to building the finest residential and business communities possible.

During the latter part of the 1950's the Company increasingly felt the external pressures to open its' lands to real estate development as Orange County was becoming the fastest growing county in the United States. The question the Company faced was not whether to change but how to respond. At the same time the University of California was seeking a place to build a new campus to accommodate the anticipated student growth.

The Company's search for how best to urbanize its vast ranch and the University's search for a site came together in June of 1960 when the Company's shareholders made a two fold offer to the University. The Company proposed to build a "new town" on its land and to gift 1000 acres of some of its most prime land for the University's new campus.

The Company's vision of building a new town in concert with the development of a new university campus captured the imagination of University officials, public officials throughout the County and the public at large. It also provided the Company with the answer to how best transition from primarily an agricultural enterprise to a real estate land development company while preserving its’ reputation for ownership continuity and quality developments.

It provided an alternative to the less desirable option of subdividing the ranch into salable parcels and offering them to the highest bidders. By proposing to become a town and community builder it signaled it would retain control over the quality and character of the transformation of the ranch. Preserving the reputation its' owners and managers had carefully nurtured over the past 100 years.

Now 37 years later the Company is identified with the quality and consistency of its community planning. For developing a Master Plan for its properties and standing by that
plan for 37 years. But that often repeated accolade doesn't adequately explain how it is that the Irvine Company communities including its' world renowned City of Irvine have gained the reputation they have.

The decision to "plan" the property was not something the Company could have avoided. Planning involves deciding where different land uses such as housing, commerce, businesses, open space, parks, schools, etc. etc. are to be built and at what intensity. It involves deciding where major roads need to be built. The size of such essentials as sewer systems, water storage and distribution systems, electric and gas services, etc. Therefor, preparing a master plan for development of the ranch was an essential first step whether the Company opted to engage in an orderly liquidation of its vast Orange County property or oversee its ultimate long term development. But once the new town commitment was made the entire direction and purpose for that plan changed. And with it the role of the Company.

A master plan which provides for orderly and logical liquidation obviously takes a form that accommodates that objective. A master plan that allows the orderly development of an entire city must take an entirely different form. The former need only be detailed enough to allow for the orderly installation of basic infrastructures and allow for the parcelization of reasonable sizes parcels for sale. The detail and ultimate texture of the subsequent development are left to the many different developers who acquire the parcels over time.

A decision to build a town required the Company to engage in a planning process of infinitely greater detail than the liquidation alternative. Under this scenario the Company's development of a general master plan for its property became the first rather than the last step in the never ending planning and community design process that has become the hallmark of the Company's reputation and the essential discipline to the development of the City of Irvine and the many surrounding Irvine Company communities.

Early in the process the Company had to come to grips on the size, both in area and population, of its proposed city. Was there to be more than one new town or would the property outside the proposed boundaries of the new town become part of the existing cities that bordered on the Ranch? What was to be the character, governance and land use mix of the new town and surrounding developments? Who would provide the essential utilities such as electrical power, gas, water and sewer collection. Planning the location of school sites was one thing but which of the many existing school districts that pockmarked the rural ranch would now serve the new. What was to constitute an Irvine community? How might it become uniquely known as an Irvine community rather than another suburban neighborhood that characterized the greater Los Angeles and Orange County metropolitan area?

And precisely what role did it require the Company to play in the timely and orderly process of the evolution of these communities? As the Company’s visions of town and community expanded and became more detailed the long term commitment of The Irvine Company to manage the process became more obvious. More essential. The Company needed to become more than the master planner of its property it needed to become the master developer. Not the builder and owner of every building but the master chef of the entire process. In 1960 we didn't precisely know what role we would need to play in the long term process of building the town. But the promise to create such a community was the commitment that spawned the need to decide on the precise role of the Company.

The first five years of this process of planning, concept development, community design and sorting out the precise roles for the Company were without any doubt the most
important in the entire 37 year process. By 1965 a master plan for over 30,000 acres of
the Irvine Ranch had been adopted by the County of Orange. Management had organized
itselitself to oversee that which it envisioned and planned. The first two communities or
villages, as we called them (Eastbluff in Newport Beach and University Park in the future
new town), had their first residents. Newport Center in Newport Beach with its crown
jewel Fashion Island was soon to break ground. The Company's first of many future
business parks was established next to the Orange County airport. And in September of
1965 the new University of Irvine was to welcome its first freshman class.

In five short years the Company had taken the vague but exciting idea of building a
new town and built the internal management infrastructure and the first external realities of
what Irvine was to become. The strength of that early vision, the commitment to make it
happen and the century old heritage of quality development and respect for the land both
propelled the Company into the new era of urbanization and provided the subsequent
owners and managers something upon which they could improve and build on as their
contributions to what hopefully will be a never ending process.

Thirty seven years ago no one could have imagined the precise form and texture of
what has evolved on the Irvine Ranch. During those thirty seven years a rapid series of
economic, social and technological changes have transformed the United States and with it
Orange County into a microcosm of the world. Each year the owners and managers of
The Irvine Company have attempted to respond to those changes without forfeiting its
commitment to creating and then assisting in the preservation of the many residential,
commercial and business communities that have distinguished Irvine.

As dramatic as may be the transformation from rural to urban of this great ranch over
its 130 year history its identity as The Irvine Ranch remain. The cohesiveness of its urban
communities may have replaced the cohesiveness of its agricultural origins but the
Companies reputation for quality and respect for its past and planning for its future
remain.