

Lambda Alpha

March 19, 2007

Luncheon Speaker: Bob Stein, President of Tejon Ranch – Est. 1840

Topic: The Vision of Tejon Ranch

Bob Stein spoke about the vision of Tejon Ranch and how it will be developed over the next 25 years. They will not carve up and sell off to developers but to preserve as a whole with planned communities. Over 58% of the Ranch is designated as a National Preserve. The Ranch includes 270,000 acres stretching from L.A. County to South Bakersfield off Interstate 5. The Ranch still does ranching, orchards, game management, condor preserve and a 750 power plant providing electricity. In the game management preserve, they do not allow lead in bullets to protect the environment.

Development includes Tejon Ranch Industrial Complex, 23,000 homes in the Centennial Community with schools and parks with 100% of the homes meeting the star conservation, Tejon Mountain Village includes lakes and a resort. The developments will only represent 5% of the total Ranch with 95% to preserve, ranching and farming.

The Tejon Ranch Business Plan includes no debt with 80 million cash in the bank through private offerings. The Ranch is using partnerships for its venture. These partners put up the money and management. For example, Travel Plaza, which is actually a truck stop, has the highest volume Starbucks coffee store in California. The Ranch puts up the land and the developers put up the money. The Ranch doesn't leverage, has no debt and gets cash flow from the operations. The Ranch, is listed on the NY Stock Exchange.

Owning a lot of land used to be a good thing, however now it makes you a target. The challenge is how and where they can develop due to environmentalist. They will sell land to users like IKEA (1.8 million sq. ft. warehouse) but prefers partners.

For those Lambda Alpha members who could not attend the Tejon Ranch meeting and would like information about Tejon Ranch, please visit their website at www.tejonranch.com

Next meeting is Monday, April 16th.

Submitted by Joseph DeCarlo, Scribe