GRANT DEED

The undersigned Grantor(s) declare(s): DOCUMENTARY TRANSFER TAX $0.00;

[ ] computed on the consideration or full value of property conveyed, OR

[ ] computed on the consideration or full value less of liens and/or encumbrances remaining at time of sale,

[ X ] for a valuable consideration, receipt of which is hereby acknowledged, Tejon Ranchcorp, a California corporation

hereby GRANTS to 300 A 40 H LLC, a California limited liability company

the following described property in the unincorporated area, County of Los Angeles, State of California:

PARCEL 2 OF THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED DECEMBER 4, 2006 AS INSTRUMENT NO. 06-2685783 OF OFFICIAL RECORDS AND BEING FURTHER DESCRIBED AS FOLLOWS:

THE SOUTHEAST QUARTER OF SECTION 10, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

TOGETHER WITH THE SOUTHWESTERLY QUARTER OF SECTION 11, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN.

TOGETHER WITH ALL RIGHT, BENEFIT AND INTEREST IN ANY WATER RIGHTS ASSOCIATED WITH THE ABOVE-DESCRIBED PROPERTY WHETHER EXISTING NOW THROUGH PAST ACTIVITIES OF GRANTOR, OR AS SUBSEQUENTLY ESTABLISHED BY GRANTEE.

EXCEPTING THE PIVOT IRRIGATION SYSTEM AND APPURTENANCES CURRENTLY EXISTING ON SAID SOUTHWEST QUARTER OF SECTION 11.

SUBJECT, HOWEVER, TO COVENANTS, CONDITIONS, RESTRICTIONS; EASEMENTS, RIGHTS AND RIGHTS OF WAY OF RECORD WHICH DO NOT INCLUDE ANY WATER RIGHTS.

PROVIDED, FURTHER, THAT NO WARRANTIES OF TITLE WHATSOEVER ARE MADE BY GRANTOR RESPECTING THE PORTION OF THE REAL PROPERTY DESCRIBED ABOVE LYING WITHIN SAID SECTION 10.

Dated: February 2, 2007

[Signature]

Mail Tax Statements To: SAME AS ABOVE
Tejon Ranchcorp,
a California Corporation

By: [Signature]

Its: Vice President

STATE OF California )SS
COUNTY OF Kern

On February 2, 2007, before me, Konnie Sue Williams-Roth,
Notary Public, personally appeared

[Signature] Dennis Atkinson

(personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

Konnie Sue Williams-Roth

My Commission Expires: March 28, 2008

Notary Name: Konnie Sue Williams-Roth
Notary Registration Number: 1479373
Notary Phone: 661-248-3000
County of Principal Place of Business: Kern

This area for official notarial seal

File No.: NGS-Z20347-1A2
Date: 02/02/2007
TITLE(S) : DEED
Exhibit C
GRANT DEED

The undersigned Grantor(s) declare(s) DOCUMENTARY TRANSFER $0.00; CITY TRANSFER $0.00;

[ X ] computed on the consideration or full value of property conveyed, OR

[ ] computed on the consideration or full value less value of items and/or encumbrances remaining at time of sale,

[ X ] unincorporated area; [ ] City of Los Angeles, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, 300 A 40 H LLC, a California limited liability company

hereby GRANTS to Tejon Ranchcorp, a California corporation

the following described property in the unincorporated area, County of Los Angeles, State of California:

PARCEL 1: (3275-002-001)

PARCEL A:

THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS OVER THE SOUTH 40 FEET, THE NORTH 32 FEET AND THE EAST 50 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL C:

AN EASEMENT FOR INGRESS AND EGRESS OVER THE EAST 50 FEET OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 2: (3275-002-012)
THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL 3: (3275-002-018)

THE WEST HALF OF THE NORTHEAST QUARTER OF NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 4: (3275-002-015)

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 5: (3275-002-016)

THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 6: (3275-002-017)

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 7: (3275-002-010)

THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 8: (3275-002-008)

THE WEST HALF (W½) OF THE NORTHWEST QUARTER (NW¼) OF THE NORTHEAST QUARTER (NE¼) OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO BASE AND MERIDIAN, CONTAINING 20 ACRES, MORE OR LESS.

PARCEL 9: (3275-002-019 & 3275-002-020)

THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL 10: (3275-002-007)
THE EAST HALF (E½) OF THE NORTHWEST QUARTER (NW¼) OF THE NORTHEAST QUARTER (NE¼) OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO BASE AND MERIDIAN, CONTAINING 20 ACRES, MORE OR LESS.

EXCEPTING THEREFROM, GRANTOR SHALL RETAIN FROM ALL OF THE PARCELS SET FORTH ABOVE ALL RIGHT, BENEFIT AND INTEREST IN AND TO THE WATER RIGHTS ASSOCIATED WITH THE ABOVE-DESCRIBED PROPERTY EITHER AS THEY EXIST NOW OR SHALL BE DETERMINED TO EXIST IN THE FUTURE, INCLUDING THE RIGHT TO TRANSFER SAID WATER RIGHTS AWAY FROM THE ABOVE-DESCRIBED PROPERTY, WITHOUT LIMITATION.

THE FOREGOING GRANT OF PARCELS 1 THROUGH 10 IS SUBJECT, HOWEVER, TO COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, RIGHTS AND RIGHTS OF WAY OF RECORD.

Dated: February 2, 2007

300 A 40 H LLC,
A California limited liability company

By: 

Bruce Burrows
Its: Manager and Member

STATE OF California
COUNTY OF Los Angeles

On February 2, 2007, before me, Nava Jusino,
Notary Public, personally appeared

Bruce Burrows, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

My Commission Expires: December 5, 2007

Notary Name: Nava Jusino
Notary Registration Number: 144999
County of Principal Place of Business: Los Angeles
Exhibit D
MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "Memorandum") is entered into as of the 5th day of February, 2007 (the "Effective Date"), by and between Tejon Ranchcorp, a California corporation ("Tejon"), and 300 A 40 H, LLC, a California limited liability company ("Burrows").

1. Terms and Leased Premises. As of the Effective Date and concurrent with the closing of that certain parcel exchange as further defined in that certain letter agreement between Tejon and Burrows dated as of March 1, 2006 (the "Letter Agreement"), Tejon leases the Leased Premises (as further described in Exhibit A, attached hereto and incorporated herein) to Burrows for a term of five (5) years, with the option to extend the term of the lease for ten (10) additional terms of one (1) year each, which options shall be deemed exercised unless on or before March 1st of a year in which the lease would expire, Burrows delivers notice to Tejon electing not to extend the term-of-the-lease (the "Burrows Lease"). The Burrows Lease shall expire on the April 30th following delivery of such notice. The provisions of the Burrows Lease as set forth in the Letter Agreement are incorporated herein.

2. Burrows Right to Terminate. Notwithstanding anything to the contrary, Burrows may terminate the Burrows Lease prior to the end of the initial five (5) year term or prior to the end of any additional option period by delivery to Tejon of a thirty (30) day written notice of such termination.

3. Permitted Use. The permitted use of the Leased Premises is farming as currently conducted, and making any and all use of water and any utilities necessary or incident to the transport of water, and the preservation, establishment and determination of any water rights owned by Burrows (which rights shall belong in perpetuity to Burrows at no charge to Burrows), and any other use is prohibited.

4. Rent. No rent or other charges shall be due or owing for the Burrows Lease. The parties acknowledge that as sufficient consideration for the Burrows Lease, Burrows has agreed to enter into the "Tejon Lease", as such term is defined in the Letter Agreement.

5. Burrows Water Rights. Notwithstanding anything to the contrary in the Burrows Lease or in the Tejon Lease, prior to and following the "Closing Date", as such term is defined in the Letter Agreement, Burrows shall continue to possess and retain all right, benefit and interest in and to the water rights and transferable water rights on the Leased Premises (the "Burrows Water Rights") and shall additionally obtain as of the Closing Date the water, mineral,
gas, oil and all other rights inherent in fee simple ownership on the "Tejon Parcel" (as defined in the Letter Agreement). Both prior to and following the Closing Date, Tejon agrees to reasonably cooperate with and to not interfere with Burrows in the determination of the Burrows Water Rights, to take any actions necessary to preserve or maintain the Burrows Water Rights, and to refrain from taking any actions which would in any manner materially interfere with the existence or maintenance of the Burrows Water Rights, at no cost or expense to Tejon. Tejon further agrees that Burrows possesses and will continue to possess full right, title and interest in and to the Burrows Water Rights (irrespective of the existence or subsequent termination of the Burrows Lease) including, without limitation, the right to transfer the Burrows Water Rights away from the Leased Premises, shall reasonably cooperate with Burrows in any such transfer and shall execute such documents as may reasonably be required in connection therewith, at no cost or expense to Tejon.

6. **Surrender of the Leased Premises.** Prior to the expiration of the Burrows Lease as it may be extended, Burrows shall, at its sole expense, remove all fruit trees and their stumps from the Leased Premises, and shall plow the parcel so it does not contain craters where the fruit tree stumps were removed. Burrows shall deliver the Leased Premises to Tejon in clean condition with all trash removed.

7. **Provisions Binding on Parties.** The provisions of the Burrows' Lease to be performed by Tejon or Burrows are intended to and shall bind or benefit the respective parties and their assigns or successors, as applicable, at all times.

8. **Purpose of Memorandum of Lease.** The above terms are provided for notice purposes only. Reference is hereby made to the Burrows Lease, as set forth in the Letter Agreement, for full and complete terms with respect to the leasing of the Leased Premises.

9. **Counterparts.** This Memorandum may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

**TEJON:**

**TEJON RANCHCORP,**
a California corporation

By: [Signature]

its: Vice President

**BURROWS:**

300 A 40 H, LLC,
a California limited liability company

By: [Signature]

Bruce Burrows,
Manager and Member
gas, oil and all other rights inherent in fee simple ownership on the "Tejon Parcel" (as defined in the Letter Agreement). Both prior to and following the Closing Date, Tejon agrees to reasonably cooperate with and to not interfere with Burrows in the determination of the Burrows Water Rights, to take any actions necessary to preserve or maintain the Burrows Water Rights, and to refrain from taking any actions which would in any manner materially interfere with the existence or maintenance of the Burrows Water Rights, at no cost or expense to Tejon. Tejon further agrees that Burrows possesses and will continue to possess full right, title and interest in and to the Burrows Water Rights (irrespective of the existence or subsequent termination of the Burrows Lease) including, without limitation, the right to transfer the Burrows Water Rights away from the Leased Premises, shall reasonably cooperate with Burrows in any such transfer and shall execute such documents as may reasonably be required in connection therewith, at no cost or expense to Tejon.

6. **Surrender of the Leased Premises.** Prior to the expiration of the Burrows Lease as it may be extended, Burrows shall, at its sole expense, remove all fruit trees and their stumps from the Leased Premises, and shall plow the parcel so it does not contain craters where the fruit tree stumps were removed. Burrows shall deliver the Leased Premises to Tejon in clean condition with all trash removed.

7. **Provisions Binding on Parties.** The provisions of the Burrows Lease to be performed by Tejon or Burrows are intended to and shall bind or benefit the respective parties and their assigns or successors, as applicable, at all times.

8. **Purpose of Memorandum of Lease.** The above terms are provided for notice purposes only. Reference is hereby made to the Burrows Lease, as set forth in the Letter Agreement, for full and complete terms with respect to the leasing of the Leased Premises.

9. **Countersignatures.** This Memorandum may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

**TEJON:**

**TEJON RANCHCORP,**

a California corporation

By: __________________________

Its: ________________________

**BURROWS:**

**300 A 40 H, LLC,**

a California limited liability company

By: [Signature]

Bruce Burrows,
Manager and Member
NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA )

)ss.

COUNTY OF Kern )

On February 2, 2007 before me, Koonie Sue Williams-Roth, Notary Public in and for said County and State, personally appeared

Dennis Atkinson

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Koonie Sue Williams-Roth

[Notary Seal]

Signature of Notary

STATE OF )

)ss.

COUNTY OF )

On __________, 2007 before me, ___________________________, Notary Public in and for said County and State, personally appeared ___________________________.

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

___________________________

Signature of Notary

[Notary Seal]
NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF Los Angeles

On __2/3____, 2007 before me, Nino Jusin, Notary Public in and for said County and State, personally appeared Bruce Purdum.

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary

STATE OF _______________ )
COUNTY OF _______________ )

On _______________ 2007 before me, ______________________, Notary Public in and for said County and State, personally appeared ______________________

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary
EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of , County of Los Angeles, State of California, described as follows:

PARCEL 1: (3275-002-001)

PARCEL A:

THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS OVER THE SOUTH 40 FEET, THE NORTH 32 FEET AND THE EAST 50 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL C:

AN EASEMENT FOR INGRESS AND EGRESS OVER THE EAST 50 FEET OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 2: (3275-002-012)

THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL 3: (3275-002-016)

THE WEST HALF OF THE NORTHEAST QUARTER OF NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 4: (3275-002-015)

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 5: (3275-002-016)

THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF
SAID LAND.

PARCEL 6: (3275-002-017)

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 7: (3275-002-019)

THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 8: (3275-002-008)

THE WEST HALF (W1/2) OF THE NORTHWEST QUARTER (NW1/4) OF THE NORTHEAST QUARTER (NE1/4) OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO BASE AND MERIDIAN, CONTAINING 20 ACRES, MORE OR LESS.

PARCEL 9: (3275-002-019 & 3275-002-020)

THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL 10: (3275-002-007)

THE EAST HALF (E1/2) OF THE NORTHWEST QUARTER (NW1/4) OF THE NORTHEAST QUARTER (NE1/4) OF SECTION 2, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO BASE AND MERIDIAN, CONTAINING 20 ACRES, MORE OR LESS.
RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Tejon Ranchcorp
4436 Lebec Road
Lebec, California 93243
Attn: Robert Peterson

(Space Above for Recorder's Use Only)

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "Memorandum") is entered into as of the 5th day of February, 2007 (the "Effective Date"), by and between 360 A 40 H, LLC, a California limited liability company ("Burrows") and Tejon Ranchcorp, a California corporation ("Tejon").

1. Terms and Leased Premises. As of the Effective Date and concurrent with the Closing of that certain parcel exchange as further defined in that certain letter agreement between Tejon and Burrows dated as of March 1, 2006 (the "Letter Agreement"). Burrows hereby leases the Leased Premises (as further described in Exhibit A attached hereto and incorporated herein) to Tejon for a term of five (5) years, with the option to extend the term of the lease for five (5) additional terms of one (1) year each, which options shall be deemed exercised unless on or before March 1st of a year in which the lease would expire, either (a) Tejon delivers notice to Burrows electing not to extend the term of the lease, or (b) Burrows delivers notice to Tejon electing to cancel the lease (the "Tejon Lease"). The Tejon Lease shall expire on the April 30th following delivery of either notice. The provisions of the Tejon Lease as set forth in the Letter Agreement are incorporated herein.

2. Burrows Right to Terminate. Notwithstanding anything to the contrary, Burrows may elect to cancel the Tejon Lease at any time during its five (5) year initial term or any extension thereof if substantially the entire Leased Premises has been general planned and zoned for residential or commercial development and Burrows is ready to commence construction, upon no less than sixty (60) days' prior notice to Tejon, provided that Burrows will grant to Tejon sufficient time to harvest its crops prior to vacating (in no event to exceed ninety (90) days following delivery of such notice to terminate).

3. Permitted Use. The sole permitted use of the Leased Premises is farming as currently conducted with the existing pivot currently located on the Leased Premises, and any other use is prohibited.

4. Rent. No rent or other charges shall be due or owing for the Tejon Lease. The parties acknowledge that as sufficient consideration for the Tejon Lease, Tejon has agreed to enter into the "Burrows Lease", as such term is defined in the Letter Agreement.

5. Surrender of the Leased Premises. Prior to the expiration of the Tejon Lease, Tejon shall remove the existing irrigation pivot and all related equipment from the Leased Premises, and shall deliver it to Burrows in clean and current condition with all trash removed.
6. Provisions Binding on Parties. The provisions of the Tejon Lease to be performed by Tejon or Burrows are intended to and shall bind or benefit the respective parties and their assigns or successors, as applicable, at all times.

7. Purpose of Memorandum of Lease. The above terms are provided for notice purposes only. Reference is hereby made to the Tejon Lease, as set forth in the Letter Agreement, for full and complete terms with respect to the leasing of the Leased Premises.

8. Counterparts. This Memorandum may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

BURROWS:

300 A 40 H, LLC,
a California limited liability company

By: ____________________________
Bruce Burrows,
Manager and Member

TEJON:

TEJON RANCHCORP,
a California corporation

By: ____________________________

Its: ____________________________
6. **Provisions Binding on Parties.** The provisions of the Tejon Lease to be performed by Tejon or Burrows are intended to and shall bind or benefit the respective parties and their assigns or successors, as applicable, at all times.

7. **Purpose of Memorandum of Lease.** The above terms are provided for notice purposes only. Reference is hereby made to the Tejon Lease, as set forth in the Letter Agreement, for full and complete terms with respect to the leasing of the Leased Premises.

8. **Counterparts.** This Memorandum may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

**BURROWS:**

300 A 40 H., LLC,
a California limited liability company

By: __________________________
   Bruce Burrows,
   Manager and Member

**TEJON:**

TEJON RANCHCORP,
a California corporation

By: __________________________
   its: Vice President
NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA  
COUNTY OF Los Angeles  

On 2/28/2007 before me, NKO JUARINO Notary Public in and for said County and State, personally appeared Bruce Burrows.

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary

STATE OF  
COUNTY OF  

On 2/28/2007 before me, ___________________________ Notary Public in and for said County and State, personally appeared ___________________________.

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary
NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF ______________________

On ______________, 2007 before me, ____________________________, Notary Public in and for said County and State, personally appeared ____________________________

__________________________________________________________

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

______________________________
Signature of Notary

[Notary Seal]

STATE OF California

COUNTY OF Kern

On ______________, 2007 before me, ____________________________, Notary Public in and for said County and State, personally appeared ____________________________

__________________________________________________________

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary

[Notary Seal]
EXHIBIT A

Legal Description of Leased Premises

THE SOUTHWESTERLY QUARTER OF SECTION 11, TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN.
Exhibit F
EASEMENT DEED AND AGREEMENT

THIS EASEMENT DEED AND AGREEMENT (the “Agreement”) is entered into this 5th day of February, 2007, by and between Tejon Ranchcorp, a California corporation (“Grantor”), whose address is 4436 Lebec Road, Lebec, California 93243, and 300 A 40 H, LLC, a California limited liability company (“Grantee”), whose address is c/o Morgan Adams, Inc., 915 Wilshire Boulevard, Suite 1760, Los Angeles, California 90017, Attn: Kevin Kirkpatrick.

RECITALS

A. WHEREAS, Grantor is the owner of that certain real property located in the County of Los Angeles, State of California, more fully described on Exhibit A, attached hereto and incorporated herein by this reference (hereinafter the “Property”);

B. WHEREAS, Grantee desires to acquire certain rights in the Property located in the area more fully described on Exhibit B, attached hereto and incorporated herein by this reference (hereinafter, the “Burrows Easement”) and Grantor desires to grant such desired rights in the Property to Grantee.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and promises hereinafter set forth, the parties agree as follows:

AGREEMENT

1. Grant of Burrows Easement. For valuable consideration, the receipt of which is hereby acknowledged, Grantor grants to Grantee the Burrows Easement, subject to the terms of this Agreement.

2. Character of Burrows Easement. The Burrows Easement granted by this Agreement shall run in perpetuity with the land described as Parcel 2 of Lot Line Adjustment RLLA 2006-00030 as contained in that certain Certificate of Compliance recorded December 4, 2005 as Instrument No. 06-2683783 of Official Records of Los Angeles County and being further described as follows: The Southeast Quarter of Section 10, Township 8 North, Range 17 West, San Bernardino Meridian, in the unincorporated territory of the County of Los Angeles, State of California, as shown on the official plat thereof, together with the
Southwesterly Quarter of Section 11, Township 8 North, Range 17 West, San Bernardino Meridian.

3. **Purpose of Burrows Easement.** The Burrows Easement is granted for the purpose of constructing new, repairing, maintaining, adding to and removing underground water lines and any utilities necessary or incidental to the transport of water, and access to and use of Grantor's aqueduct water turnout/tap (the "Tap"), to the extent such access and use is within Grantor's control to grant. Grantor shall assist Grantee in obtaining consents from any and all controlling authorities. Grantor represents that such access is a proper access for Grantee's use of the Tap as described in this paragraph, and grants access and connection from the Burrows Easement to the water pipes located on the Leased Premises (as that term is defined in that certain Memorandum of Lease for the Burrows Lease recorded concurrently herewith).

4. **Grantee's Obligations.** Grantee shall not permit any liens, including without limitation, mechanic's or materialmen's liens resulting from the acts of Grantee or its agents or contractors to attach or be recorded against the Property.

5. **Nonexclusive Easement.** The Burrows Easement granted in this Agreement is nonexclusive. Grantor retains the right to make any use of the Property, including the right to grant concurrent easements in the Property to third parties, provided such other grants shall not interfere with Grantee's free use and enjoyment of the Burrows Easement.

6. **Indemnity.** Grantee agrees to indemnify, hold harmless and defend Grantor, its shareholders, officers, directors, employees, agents, contractors, guests, invitees, and licensees, from and against any and all claims, damages, liabilities, losses, costs and expenses arising from or relating to use of the Burrows Easement by Grantee, its shareholders, officers, directors, members, managers, employees, agents, contractors, guests, invitees, and licensees.

7. **Remedies.** If either party to this Agreement defaults in any of its obligations or agreements hereunder, or breaches any provision of this Agreement, the non-defaulting party may give written notice to the defaulting party specifying such default or breach and allowing the defaulting party not less than thirty (30) days to cure such default or breach for the account of and at the expense of the defaulting party. All cost and expense incurred by the non-defaulting party arising from or relating to any such default or breach by the defaulting party shall be immediately payable by the defaulting party to the non-defaulting party, together with interest thereon at the lesser of twelve percent (12%) per annum or the maximum rate permitted by law.

8. **Entire Agreement.** This Agreement is fully integrated and represents the entire understanding of the parties with respect to the subject matter hereof. With respect to that subject matter, there are no additional agreements, representations, promises, or negotiations that have not been expressly embodied herein. In signing this Agreement, none of the parties is relying on any representation, promise, negotiation, or agreement other than those which are expressly set forth herein.
9. Good Faith. The parties hereto, and their respective legal representatives, will exercise good faith in performing the terms, duties, and conditions of this Agreement, and will execute any and all documents necessary to effectuate the terms of this Agreement, including any required adjustment to the exact location of the Burrows Easement as may be required to allow Grantee to physically connect to the Tap and freely use and enjoy the Burrows Easement.

10. Acknowledgment. This Agreement is executed voluntarily and without any duress or undue influence placed upon or exerted by any of the parties hereto. The parties acknowledge: (i) that each has had the opportunity to retain legal counsel to advise and represent them in the negotiation and drafting of this Agreement; (ii) that, to the extent they have chosen to retain counsel, they have each had this Agreement fully explained to them by such counsel; (iii) that if they have chosen not to seek legal counsel they have done so knowingly and against the express advice of the other party; and (iv) they are fully aware of the contents of this Agreement and of its legal effect.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12. Construction. This Agreement is the product of arms-length negotiations among the parties and shall not be subject to the legal presumption that an agreement is to be construed against its drafter.

13. Amendment. This Agreement cannot be modified or amended, except by written agreement signed by each of the parties whose rights and/or obligations are implicated by such modification or amendment.

14. Successors and Assigns. This Agreement shall be binding on the parties, their assigns, successors in interest, and others claiming through or under them.

15. Dispute Resolution. In the event of any dispute, controversy, claim, lawsuit, or arbitration concerning this Agreement, its validity, interpretation, enforcement, or breach, the prevailing party, in addition to all other legal or equitable remedies possessed, shall recover his attorney's fees, expert's fees and court costs incurred in connection with any such dispute, controversy, claim, lawsuit, or arbitration.

16. Severability. Should any Section of this Agreement, or part thereof, be deemed to be invalid or unenforceable for any reason, it shall nevertheless be enforced to the fullest extent of applicable law, or if entirely unenforceable, severed from the Agreement, in which case the balance of the Agreement shall remain in full force and effect.

17. Notices. Any notices to be given hereunder by either party to the other shall be in writing and may be transmitted by facsimile, personal delivery or by mail, registered or
certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses set forth above, but each party may change that address by written notice in accordance with this section. Mailed notices shall be deemed delivered on the third day after posting. Notices delivered personally or by facsimile shall be deemed communicated as of the date of service or transmission.

18. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

19. **Time of the Essence.** Time is of the essence of each and every provision of this Agreement of which time is an element.

20. **Grantor Representation.** Grantor owns fee title interest in the Property. The execution, delivery and performance of this Agreement by Grantor has been duly authorized and approved by all requisite action on the part of Grantor, and neither the execution nor the delivery of this Agreement nor the consummation of the transactions contemplated hereby, nor compliance with the terms hereof by Grantor, will conflict with or result in a material breach of the terms of or constitute a default under the organizational documents of Grantor or under any contract, judgment, or other restriction of any kind to which Grantor is a party or by which Grantor is bound. Grantor has full power and authority to do and perform all acts and things required to be done by it under this Agreement.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

GRANTOR:
Tejon Ranchcorp, a California corporation
By: [Signature]
Its: Vice President

GRANTEE:
300 A 40 H LLC, a California limited liability company
By: Bruce Burrows
Its: Manager and Member
IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

GRANTOR:

Tejon Ranchcorp,
a California corporation

By: ________________

Its: ________________

GRANTEE:

300 A 40 H LLC,
a California limited liability company

By: ________________

Bruce Burrows

Its: Manager and Member
Exhibit A

THE NORTH HALF OF SECTION 11, THE NORTH 20 FEET OF THE EAST 20 FEET OF SECTION 10, AND THE EAST 1/8 OF SECTION 3, ALL OF TOWNSHIP 8 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.
Exhibit B

LEGAL DESCRIPTION

TUHON TO BURROWS - WATERLINE EASEMENT

PARCEL A

PARCEL B

PARCEL C
THE EASTERLY 20 FEET OF THE WESTERLY 80 FEET OF THE NORTHWEST ONE QUARTER OF SECTION 11, TOWNSHIP 8 NORTH, RANGE 17 WEST, S.B.M. IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

PARCEL D
THE EASTERLY 20 FEET EXCEPT THE NORTHERLY 100 FEET OF SECTION 3 AND THE EASTERLY 20 FEET OF THE NORTHERLY 20 FEET OF SECTION 10, TOWNSHIP 8 NORTH, RANGE 17 WEST IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, S.B.M.
NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA      )
COUNTY OF  Kern )

On February 2, 2007 before me, Koonie Sue Williams-Roth, Notary Public in and for said County and State, personally appeared

Dennis Ackerson

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary

[Notary Seal]

STATE OF:                )
COUNTY OF:               )

On , 2007 before me, Notary Public in and for said County and State, personally appeared

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary                [Notary Seal]
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Los Angeles

On 2/3/07 before me, NIKO JUSTIN, Notary Public
personally appeared Bruce Gurnow

Name(s) of signer(s)
☐ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s), is/are, subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: ___________________________
Document Date: ___________________________ Number of Pages ______
Signer(s) Other Than Named Above: ___________________________
Capacity(ies) Claimed by Signer
Signer's Name ___________________________
☐ Individual
☐ Corporate Officer — Title(s) ___________________________
☐ Partner — Limited General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other

Signer is Representing: ___________________________

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Exhibit G