



## Environmental Groups Make Last Minute Attempt to Correct Major Error in a Defective Lawsuit Regarding the Tejon Ranch Conservation and Land Use Agreement

January 27, 2021

*Failure to include the Tejon Ranch Conservancy as a plaintiff in original lawsuit was a material defect and subject of a pending court hearing*

TEJON RANCH, Calif.--(BUSINESS WIRE)--Jan. 26, 2021-- Following the filing of a Motion to Dismiss by Tejon Ranch Co. based on the fact that the environmental groups who are party to the Tejon Ranch Conservation and Land Use Agreement (RWA) previously filed a lawsuit containing several fatal defects, those plaintiffs, Audubon California, Endangered Habitats League, Natural Resources Defense Council, Planning and Conservation League, and Sierra Club (Resource Groups)—at the last minute--have attempted to correct the errors in the defective complaint by adding the Tejon Ranch Conservancy to the complaint as a named plaintiff. This eleventh-hour effort to correct such a sloppy and glaring error relates to only one of the numerous defects in the complaint that Tejon Ranch Co. has raised in its motion to dismiss. They attempted to salvage their misguided accusations only when a hearing by the court on their defective approach was imminent.

This suit is an improper attempt by the Resource Groups (and presumably the Conservancy)—**who are all in material and incurable breach under the RWA**—to pressure Tejon into abandoning its right to escrow payments under the RWA as a consequence of that breach and, further, is an attempt to evade the consequences of Plaintiffs' years of mismanagement of the Conservancy, and the squandering of **over \$11,000,000 in payments** contributed by Tejon to date. The Complaint continues to be materially defective and should be rightfully dismissed.

### Background

Tejon Ranch Company has an ethic of stewardship and a legacy of protecting ranch lands spanning more than 175 years. In 2008, it voluntarily entered into the Tejon Ranch Conservation and Land Use Agreement with major environmental organizations to ensure this legacy would continue on a massive scale—90% of the ranch, 240,000 acres of open space permanently conserved for future generations. To ensure the conservation easements on these lands would be managed, the Tejon Ranch Conservancy was created. Since 2008, Tejon Ranch has contributed \$11 million to the Conservancy as called for in the RWA, fulfilling our obligation year after year.

In short, all Tejon's obligations to date in the RWA have been performed; and Tejon intends to continue to perform its obligations under the RWA. But it also must ensure the Plaintiffs perform their obligations.

Unfortunately, the Conservancy (which has a governing board of 12 which is controlled by Board Chairman Joel Reynolds and other appointees of the Resource Groups) has largely squandered this original funding, and has failed to take appropriate steps for self-preservation (including failing to establish adequate reserves or to undertake any effort to ensure long term funding for the Conservancy's obligations).

Not only has the Conservancy been derelict in its fundamental charge to become self-sustaining, but several of its Board members, in particular the Resource Groups' representatives, have utterly ignored the primary (if not singular) benefit Tejon receives in the RWA: Their obligation to not oppose or hinder the development of the ten percent (10%) of the Ranch reserved for development. More specifically, Plaintiffs breached the RWA by, among other things, creating, organizing, orchestrating, leading and participating in the publication of a regional biological conservation strategy that included a portion of the Ranch within the strategy's study area and which is presently being used against Tejon by the Center for Biological Diversity (and the California Native Plant Society) to challenge the very development projects the RWA was intended to permit.

Inclusion of a portion of the Ranch in this strategy document occurred despite express assurance by the designated representative of the Resource Groups (who is also a Conservancy board member and representative of the Planning and Conservation League) that the Ranch would not be included. Therefore, as permitted by the RWA, Tejon has reluctantly, but properly after the Resource Groups' refusal to cure this breach, deposited the October 1, 2020 and January 1, 2021 advance payments into a third-party escrow account where the funds will be held until Plaintiffs meet their non-opposition obligations under the RWA. In accordance with the terms of the RWA, until such time as breaches by Plaintiffs are remedied, if at all possible, Tejon intends to deposit into escrow the remaining advance payments to the Conservancy as we are entitled to do under the RWA.

After all, in the words of Conservancy Board Chairman Joel Reynolds, "a deal is a deal."

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Source: Tejon Ranch Co.