UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 1-7183

TEJON RANCH CO.

(Exact name of Registrant as specified in its charter)

Delaware	**77-0196136**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

P.O. Box 1000, Lebec, California 93243
(Address of principal executive offices)

Registrant's telephone number, including area code: (661) 248-3000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Exchange of Which Registered**
Common Stock	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web Site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T ((§232.405of this chapter) during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files). Yes x No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	□	Accelerated filer	x
Non-accelerated filer	□	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

The aggregate market value of registrant's Common Stock, par value $.50 per share, held by persons other than those who may be deemed to be affiliates of registrant on June 28, 2013 was $477,145,905 based on the last reported sale price on the New York Stock Exchange as of the close of business on that date.

The number of the Company's outstanding shares of Common Stock on February 28, 2014 was 20,568,058.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held on May 7, 2014 relating to the directors and executive officers of the Company are incorporated by reference into Part III.

EXPLANATORY NOTE

Tejon Ranch Co. (the "Company") is filing this Amendment No. 1 on Form 10-K/A solely to amend and restate Item 1 of Part I, Item 9A of Part II, Item 15 in Part IV of the Form 10-K filed on March 17, 2014 (the "Form 10-K"), and to furnish Exhibit 99.1 to that report. No other changes to the Form 10-K are included in this Amendment. This Amendment does not modify or update the disclosures presented in the Form 10-K other than as noted above, and does not reflect events occurring after the filing of the Form 10-K. Accordingly, this Amendment should be read in conjunction with the Form 10-K, which provides information as of the date thereof.

PART I

Forward Looking Statements

This annual report on Form 10-K contains forward-looking statements, including statements regarding strategic alliances, the almond, pistachio and grape industries, the future plantings of permanent crops, future yields and prices, water availability for our crops and real estate operations, future prices, production and demand for oil and other minerals, future development of our property, future revenue and income of our jointly-owned travel plaza and other joint venture operations, potential losses to the Company as a result of pending environmental proceedings, the adequacy of future cash flows to fund our operations, market value risks associated with investment and risk management activities and with respect to inventory, accounts receivable and our own outstanding indebtedness and other future events and conditions. In some cases these statements are identifiable through the use of words such as "anticipate", "believe", "estimate", "expect", "intend", "plan", "project", "target", "can", "could", "may", "will", "should", "would", and similar expressions. We caution you not to place undue reliance on these forward-looking statements. These forward-looking statements are not a guarantee of future performances and are subject to assumptions and involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company, or industry results, to differ materially from any future results, performance, or achievement implied by such forward-looking statements. These risks, uncertainties and important factors include, but are not limited to, market and economic forces, availability of financing for land development activities, competition and success in obtaining various governmental approvals and entitlements for land development activities. No assurance can be given that the actual future results will not differ materially from the forward-looking statements that we make for a number of reasons including those described above and in Part I, Item 1A of the Form 10-K,"Risk Factors" of this report.

ITEM 1. BUSINESS

Tejon Ranch Co. (the Company, Tejon, we, us and our) is a diversified real estate development and agribusiness company committed to responsibly using our land and resources to meet the housing, employment, and lifestyle needs of Californians and create value for our shareholders. Current operations consist of land planning and entitlement, land development, commercial sales and leasing, leasing of land for mineral royalties, grazing leases, income portfolio management, and farming.

These activities are performed through our four major segments:

- Real Estate - Commercial/Industrial development
- Real Estate - Resort/Residential development
- Mineral Resources
- Farming

Our prime asset is approximately 270,000 acres of contiguous, largely undeveloped land that, at its most southerly border, is 60 miles north of Los Angeles and, at its most northerly border, is 15 miles east of Bakersfield. We create value by securing entitlements for our land, facilitating infrastructure development, strategic land planning, development, and conservation, in order to maximize the highest and best use for our land.

We are involved in several joint ventures, which facilitate the development of portions of our land. We are also actively engaged in land planning, land entitlement, and conservation projects.

The following table shows the revenues from continuing operations, segment profits and identifiable assets of each of our continuing industry segments for the last three years:

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

(Amounts in thousands of dollars)

	2013	2012	2011
Revenues			
Real estate—commercial/industrial	$ 11,148	$ 9,941	$ 13,746
Real estate—resort/residential	1,266	583	16,134
Mineral Resources (1)	10,242	14,012	12,206
Farming	22,682	22,553	21,012
Segment revenues	45,338	47,089	63,098
Investment income	941	1,242	1,260
Other income	66	113	98
Total revenues and other income	$ 46,345	$ 48,444	$ 64,456
Segment Profits and Net Income			
Real estate—commercial/industrial	$ (1,754)	$ (2,330)	$ 525
Real estate—resort/residential	(2,085)	(4,178)	12,192
Mineral Resources (1)	9,780	13,678	11,997
Farming	7,876	9,230	8,437
Segment profits (2)	13,817	16,400	33,151
Investment income	941	1,242	1,260
Other income	66	113	98
Interest expense	—	(12)	—
Corporate expenses	(12,641)	(13,272)	(12,277)
Operating income before equity in earnings of unconsolidated joint ventures	2,183	4,471	22,232
Equity in earnings of unconsolidated joint ventures	4,006	2,535	916
Income before income taxes	6,189	7,006	23,148
Income tax provision	2,086	2,723	7,367
Net income	4,103	4,283	15,781
Net loss attributable to noncontrolling interest	(62)	(158)	(113)
Net income attributable to common stockholders	$ 4,165	$ 4,441	$ 15,894
Identifiable Assets by Segment (3)			
Real estate—commercial/industrial	$ 58,390	$ 57,151	$ 56,552
Real estate—resort/residential	124,568	118,627	110,147
Mineral Resources (1)	1,063	1,449	1,193
Farming	31,925	29,538	24,326
Corporate	126,933	121,091	129,758
Total assets	$ 342,879	$ 327,856	$ 321,976

(1) During the fourth quarter of 2012, the Company evaluated its operations and determined that an additional segment should be reported, Mineral Resources. Mineral Resources collects royalty income from oil and gas leases, rock and aggregate leases, and from a cement company.

(2) Segment profits are revenues from operations less operating expenses, excluding investment income and expense, corporate expenses, equity in earnings of unconsolidated joint ventures, and income taxes.

(3) Identifiable Assets by Segment include both assets directly identified with those operations and an allocable share of jointly used assets. Corporate assets consist of cash and cash equivalents, refundable and deferred income taxes, land, buildings and improvements.

Real Estate Operations

Our real estate operations consist of the following activities: land planning and entitlement, real estate development, commercial sales and leasing, income portfolio management and conservation.

Interstate 5, one of the nation's most heavily traveled freeways, brings approximately 100,000 vehicles per day through our land, which includes 16 miles of Interstate 5 frontage on each side of the freeway and the commercial land surrounding four interchanges. The strategic plan for real estate focuses on development opportunities along the Interstate 5 corridor, which includes the Tejon Ranch Commerce Center, or TRCC, the Centennial master planned community on our land in Los Angeles County, or Centennial, our resort and residential community called Tejon Mountain Village, or TMV, and a master planned community within the Grapevine Development Area, or Grapevine. TRCC includes development west of Interstate 5, TRCC-West, and development east of Interstate 5, TRCC-East.

Our real estate activities within our commercial/industrial segment include: entitling, planning, and permitting of land for development; construction of infrastructure; the construction of pre-leased buildings; the construction of buildings to be leased or sold; and the sale of land to third parties for their own development. The commercial/industrial segment also includes activities related to communications leases, and ancillary land uses such as grazing leases, landscape maintenance fees, and game management revenues. Our real estate operations within our resort/residential segment at this time include land entitlement, land planning and pre-construction engineering, land stewardship and conservation activities.

Commercial/Industrial

Construction:

During early 2013 we completed road, water, and utility infrastructure in support of the Caterpillar distribution center that was completed in 2012. We also began road and utility relocation, water infrastructure development, and construction at TRCC-East at the beginning of 2013 to open up commercial development south of the TravelCenters of America travel plaza site. This infrastructure development is supporting increased retail development, including the development of the Outlets at Tejon.

Leasing:

Within our commercial/industrial segment, we lease land to various types of tenants. We currently lease land to three auto service stations with convenience stores, seven fast-food operations, two full-service restaurants, one motel, an antique shop, and a United States Postal Service facility.

In addition, the Company leases several microwave repeater locations, radio and cellular transmitter sites, and fiber optic cable routes; 32 acres of land to Calpine Generating Company, or Calpine, for an electric power plant; and one office building in Rancho Santa Fe, California.

The sale and leasing of commercial/industrial real estate is very competitive, with competition coming from numerous and varied sources around California. Our most direct regional competitors are in the Inland Empire region of Southern California and areas north of us in the San Joaquin Valley of California. The principal methods of competition in this industry are price, availability of labor, proximity to the port complex of Los Angeles/Long Beach and customer base. A potential disadvantage to our development strategy is our distance from the ports of Los Angeles and Long Beach in comparison to the warehouse/distribution centers located in the Inland Empire, a large industrial area located east of Los Angeles which continues its expansion eastward beyond Riverside and San Bernardino to include Perris, Moreno Valley, and Beaumont. Strong demand for large distribution facilities is driving development farther east in a search for large entitled parcels. During 2013, vacancy rates in the Inland Empire continued to decline despite significant construction activity. The decline in vacancy rates has also led to an improvement in lease rates within the Inland Empire. The decline in vacancy rates and improved pricing led developers to increase inventory within the Inland Empire through aggressive spec building programs which continued into late 2013. As lease rates increase in the Inland Empire, we may begin to have greater pricing advantages due to our lower land basis.

Please refer to Item 7 of the Form 10-K, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for information regarding our 2013 commercial/industrial activity.

Joint Ventures:

We are also involved in multiple joint ventures with several partners. Our joint venture with TravelCenters of America, or TA/Petro, owns and operates two travel and truck stop facilities, and also operates three separate gas stations with convenience stores within TRCC-West and TRCC-East. We are involved in three joint ventures with Rockefeller Development Group, the Five West Parcel LLC, which owns a 606,000 square foot building in TRCC-West, that is fully leased, the 18-19 West LLC,

which owns 61.5 acres of land for future development within TRCC-West, and the TRCC/Rock Outlet Center LLC that is currently in the process of constructing an outlet center that is scheduled to be open during August 2014.

Resort/Residential

Our resort/residential segment activities include land entitlement, land planning and pre-construction engineering and land stewardship and conservation activities. We have three major resort/residential communities within this segment: TMV, which has litigation free entitlement approvals; the Centennial community, which is still progressing through the entitlement process in Los Angeles County; and the new Grapevine community project, which began in 2013 on land owned within Kern County. The entitlement process precedes the regulatory approvals necessary for land development and routinely takes several years to complete. The Conservation Agreement we entered into with five major environmental organizations in 2008 is designed to minimize the opposition from environmental groups to these projects and eliminate or reduce the time spent in litigation once governmental approvals are received. Litigation by environmental groups has been a primary cause of delay and loss of financial value for real estate development projects in California.

Centennial:

The Centennial development is a large master-planned community development encompassing approximately 11,000 acres of our land within Los Angeles County. Upon completion of Centennial, it is estimated that the community will include approximately 23,000 homes. The community will also incorporate business districts, schools, retail and entertainment centers, medical facilities and other commercial office and light industrial businesses that, when complete, would create a substantial number of jobs. Centennial is being developed by Centennial Founders, LLC, a consolidated joint venture in which we have a 72.83% ownership interest as of December 31, 2013. Our partners in this joint venture are Tri Pointe Homes, formerly Pardee Homes, Lewis Investment Company and Standard Pacific Corp.

Since the initial submittal of our administrative-level environmental impact report, or EIR, with respect to the Centennial community to Los Angeles County, we have continued to receive feedback from the Los Angeles Planning Department and have submitted several revisions of our administrative EIR as we work towards the public filing of our EIR and final approval. We are currently working with Los Angeles County to be included in the Antelope Valley Area Plan and the Los Angeles County General Plan in order to gain zoning for our project. We cannot estimate when this process will be completed or if approvals will be granted. Centennial is envisioned to be an ecologically friendly and commercially viable development. Our plan is for a sustainable program that provides for the needs of the community while protecting the environment and will be achieved through our continuing focus on responsible use of limited resources and progressive construction design. We recognize the need to balance expensive “Green Program” certifications with the practicality of investing those same funds in environmentally sound building elements.

Tejon Mountain Village Community:

TMV is planned to be an exclusive, very low-density, resort-based community that will provide owners and guests with a wide variety of recreational opportunities, lodging and spa facilities, golf facilities, a range of housing options, and other exclusive services and amenities that are designed to distinguish TMV as the resort of choice for the Southern California market. TMV is being developed by Tejon Mountain Village LLC, an unconsolidated joint venture in which we have a 50% ownership interest. Our partner in this joint venture is DMB Pacific LLC, or DMB, which is a leading resort/recreational planned community developer. Under the joint venture agreement, the parties have agreed to secure all entitlements and all necessary regulatory approvals, to master plan, develop and sell parcels and homes to end users, and to develop and own, sell or joint venture commercial properties, hotels, and golf course sites in TMV.

Upon execution of the joint venture agreement, Tejon contributed its right, title and interest in all studies, research and other materials related to obtaining entitlements for the TMV project, for which it received a credit of $13.5 million (net of an initial cash distribution) in its capital account. DMB provided an initial contribution of $13.5 million and contributions up to an additional $30.0 million. In total DMB has contributed $43.5 million of initial entitlement contribution capital. Any further amounts needed to fund the entitlement and development of TMV are to be paid 50% by each of DMB and Tejon.

TMV is fully entitled and all necessary permits have been issued to begin development. Timing of TMV development in the coming years will be dependent on the continued improvement of the economy and an improvement in the second home real estate market. Moving forward at TMV we will focus on the preparation of and analysis of market research studies, product and pricing studies, engineering estimates, and working with our partner regarding the preparation of a land development plan. As outlined in the joint venture agreement, upon the joint approval of a development business plan, the Company will be obligated to contribute our land to the joint venture through a grant deed. If the members do not agree on a development business plan there are a series of additional steps the members must go through to attempt to come to an agreement. If an agreement cannot be reached then Tejon at that point will have the right to acquire our partner's interest at a fair market value.

The joint venture agreement provides that cash distributions will be distributed quarterly to Tejon and DMB in an amount proportional to (1) Tejon's $13.5 million net initial contribution and (2) DMB's $43.5 million initial entitlement contribution as noted above. After both Tejon and DMB have recovered these contribution amounts plus a 20% return, compounded quarterly, further distributions are 50/50 until specific return goals have been achieved, after which Tejon will receive 60% of distributions and DMB will receive 40% of distributions.

Grapevine Development Area:

Grapevine is an approximately 15,315-acre potential development area located on the San Joaquin Valley floor area of our lands, adjacent to TRCC. We are currently focusing on approximately 8,800 acres for a mixed use development to include housing, retail, and commercial industrial components. The 2008 Conservation Agreement allows for the development of up to 12,400 acres in this area. California regulatory dynamics may impact the future ability to entitle new development so we began the land planning and entitlement process for Grapevine during 2013 to take advantage of the existing favorable pro-business and political climate in Kern County. We will be performing the necessary due diligence, documentation, and public process for what will ultimately be a new mixed-use community. This process will take several years and the investment of several million dollars to successfully complete.

The greatest competition for the Centennial and Grapevine communities will come from California developments in the Santa Clarita Valley, Lancaster, Palmdale, and Bakersfield. The developments in these areas will be providing similar housing product as our developments. We will attempt to differentiate our developments through land planning and product offerings. TMV will compete generally for discretionary dollars that consumers will allocate to recreation and second homes, so its competition will range over a greater area and range of projects.

Mineral Resources

As mineral resource revenues have grown management has increased its focus on this segment as an area of future growth. This focus and interest in mineral resources has resulted from the growth in revenues and from the potential of future growth through new leases and drilling. The overall improvement in revenues over the last few years has come from increased oil exploration, new production, and an overall higher price for oil in Kern County. Our goal is to continue to market our mineral assets for leasing and encourage new exploration to potentially increase revenues due to the high margins created from these activities.

We lease certain portions of our land to oil companies for the exploration and production of oil and gas, but do not ourselves engage in any such exploratory or extractive activities. As of December 31, 2013, approximately 7,317 acres were committed to producing oil and gas leases from which the operators produced and sold approximately 539,000 barrels of oil and 423,000 MCF (each MCF being 1,000 cubic feet) of dry gas during 2013. Our share of production, based upon average royalty rates during the last three years, has been 196, 286, and 258, barrels of oil per day for 2013, 2012, and 2011, respectively. Approximately 317 active oil wells were located on the leased land as of December 31, 2013. Royalty rates on our leases averaged 13% in 2013. We also have a significant development and exploration lease with Sojitz Energy Venture, Inc. covering approximately 50,000 acres in the San Joaquin Valley portion of the Company's land.

Estimates of oil and gas reserves on our properties are unknown to us. We do not make such estimates, and our lessees do not make information concerning reserves available to us.

We have approximately 2,000 acres under lease to National Cement Company of California, Inc., or National, for the purpose of manufacturing Portland cement from limestone deposits found on the leased acreage. National owns and operates a cement manufacturing plant on our property with a capacity of approximately 1,000,000 tons of cement per year. The amount of payment that we receive under the lease is based upon shipments from the cement plant, which increased during 2013 compared to 2012. The improvement in shipments is due to an increase in road construction activity as compared to the last two years. The term of this lease expires in 2026, but National has options to extend the term for successive periods of 20 and 19 years. Proceedings under environmental laws relating to the cement plant are in process. The Company is indemnified by the current and former tenants and at this time we have no cost related to the issues at the cement plant. See Item 3 of the Form 10-K, "Legal Proceedings," for a further discussion.

We also lease 521 acres to Granite Construction and Griffith Construction for the mining of rock and aggregate product that is used in construction of roads and bridges. The royalty revenues we receive under these leases are based upon the amount of product produced from the many sites.

Our royalty interests are contractually defined and based on a percentage of production and are received in cash. Our royalty revenues fluctuate based on changes in the market prices for oil, natural gas, and rock and aggregate product, the inevitable

decline in production of existing wells and quarries, and other factors affecting the third-party oil and natural gas exploration and production companies that operate on our lands including the cost of development and production.

Farming Operations

In the San Joaquin Valley, we farm permanent crops including the following acreage: wine grapes—1,608 almonds—1,683; and pistachios—1,053. We manage the farming of alfalfa and forage mix on 775 acres in the Antelope Valley and we periodically lease 810 acres of land that is used for the growing of vegetables.

We sell our farm commodities to several commercial buyers. As a producer of these commodities, we are in direct competition with other producers within the United States and throughout the world. Prices we receive for our commodities are determined by total industry production and demand levels. We attempt to improve price margins by producing high quality crops through proven cultural practices and by obtaining better prices through marketing arrangements with handlers.

Sales of our grape crop typically occurs in the third and fourth quarter of the calendar year, while sales of our pistachio and almond crops also typically occur in the third and fourth quarter of the calendar year, but can occur up to a year or more after each crop is harvested.

In 2013, we sold 63% of our grape crop to one winery, 25% to a second winery and the remainder to one other customer. These sales are under long-term contracts ranging from one to thirteen years. In 2013, our almonds were sold to various commercial buyers, with the largest buyer accounting for 34% of our almond revenues. In 2013, the majority of our pistachios were sold to two customers, purchasing approximately 66% and 19% of the crop, respectively. We do not believe that we would be adversely affected by the loss of any or all of these large buyers because of the markets for these commodities, the large number of buyers that would be available to us, and the fact that the prices for these commodities do not vary based on the identity of the buyer or the size of the contract.

Nut and grape crop markets are particularly sensitive to the size of each year’s world crop and the demand for those crops. Large crops in California and abroad can rapidly depress prices. Crop prices, especially almonds, are also adversely affected by a strong U.S. dollar which makes U.S. exports more expensive and decreases demand for the products we produce. The value of the dollar over the last few years has helped to maintain strong almond prices in the U.S. and in overseas markets.

Our water entitlement for 2013, available from the California State Water Project, or SWP, when combined with supplemental water, was adequate for our farming needs. The State Department of Water Resources, or DWR, has announced its early 2014 estimated water supply delivery at 0% of full entitlement. We expect 2014 to be a difficult water year due to the continuing drought in California. The current 0% allocation of state SWP water is not enough for us to farm our crops, but our additional water resources, such as groundwater and surface sources, and those of the water districts we are in, should allow us to have sufficient water for our farming needs. It is too early in the year to determine the impact of low water supplies and the drought on 2014 California crop production for almonds, pistachios, and wine grapes, but it could be detrimental to statewide production. See discussion of water contract entitlement and long-term outlook for water supply under Item 2 of the Form 10-K, “Properties.” Also see Note 6, Long Term Water Assets, to our Consolidated Financial Statements in the form 10-K for additional information regarding our water assets.

General Environmental Regulation

Our operations are subject to federal, state and local environmental laws and regulations including laws relating to water, air, solid waste and hazardous substances. Although we believe that we are in material compliance with these requirements, there can be no assurance that we will not incur costs, penalties, and liabilities, including those relating to claims for damages to property or natural resources, resulting from our operations.

We also expect continued legislation and regulatory development in the area of climate change and greenhouse gases. It is unclear as of this date how any such developments will affect our business. Enactment of new environmental laws or regulations, or changes in existing laws or regulations or the interpretation of these laws or regulations, might require expenditures in the future.

Customers

In 2013 and 2012, Stockdale Oil and Gas, a subsidiary of Occidental Petroleum Corporation, an oil and gas leaseholder, accounted for 10% and 15%, respectively, of our revenues from continuing operations.

Organization

Tejon Ranch Co. is a Delaware corporation incorporated in 1987 to succeed the business operated as a California corporation since 1936.

Employees

At December 31, 2013, we had 144 full-time employees. None of our employees are covered by a collective bargaining agreement.

Reports

We make available free of charge through our Internet website, www.tejonranch.com, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or to be furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with or furnish it to the SEC. We also make available on our website our corporate governance guidelines, charters of our key Board of Directors' Committees (audit, compensation, nominating and corporate governance, and real estate), and our Code of Business Conduct and Ethics for Directors, Officers, and Employees. These items are also available in printed copy upon request. We intend to disclose future amendments to certain provisions of our Code of Business Conduct and Ethics for Directors, Officers, and Employees, or waivers of such provisions granted to executive officers and directors, on the web site within four business days following the date of such amendment or waiver. Any document we file with the Securities and Exchange Commission, or SEC, may be inspected, without charge, at the SEC's public reference room at 100 F Street, N.E. Washington, D.C. 20549 or at the SEC's internet site address at http://www.sec.gov. Information related to the operation of the SEC's public reference room may be obtained by calling the SEC at 1-800-SEC-0330.

Executive Officers of the Registrant

The following table shows each of our executive officers and the offices held as of February 28, 2014, the period the offices have been held, and the age of the executive officer. All of such officers serve at the pleasure of the Board of Directors.

Name	Office	Held since	Age
Gregory S. Bielli	President and Chief Executive Officer, Director	2013	53
Dennis J. Atkinson	Senior Vice President, Agriculture	2008	63
Joseph E. Drew	Senior Vice President, Real Estate	2003	71
Allen E. Lyda	Executive Vice President, Chief Financial Officer	2012	56
Greg Tobias	Vice President, General Counsel	2011	49

A description of present and prior positions with us, and business experience for the past five years is given below.

Mr. Bielli has been employed by the Company since September 2013. Mr. Bielli joined the Company as President and Chief Operating Officer and became President and Chief Executive Officer on December 17, 2013. Prior to joining the Company Mr. Bielli was President of Newland Communities' Western Region and was responsible for overseeing management of all operational aspects of Newland's real estate projects in the region. Mr. Bielli worked with Newland Communities from 2006 through August 2013.

Mr. Atkinson has been employed by us since July 1998, serving as Vice President, Agriculture, until 2008 when he was promoted to Senior Vice President, Agriculture.

Mr. Drew has been employed by us since March 2001, serving until December 2003 as Vice President, Commercial and Industrial Development, when he was promoted to his current position, Senior Vice President, Real Estate.

Mr. Lyda has been employed by us since 1990, serving as Vice President, Finance and Treasurer. He was elected Assistant Secretary in 1995 and Chief Financial Officer in 1999. Mr. Lyda was promoted to Senior Vice President in 2008, and Executive Vice President in 2012.

Mr. Tobias has been employed by the Company since November 2011, serving as Vice President and General Counsel. For the five years prior to joining the Company, Mr. Tobias acted as Associate General Counsel for Olympia Land Corporation in Las Vegas, Nevada, where he was responsible for a wide variety of corporate and legal matters. Olympia is a privately held development company whose assets include retail, office, resort and gaming properties. Olympia is best known for developing the master planned golf course community of Southern Highlands.

PART II

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Financial Officer and Controller, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, due to the issue described below, our disclosure controls and procedures were not effective as of December 31, 2013 in ensuring that all information required in the reports we file or submit under the Exchange Act was accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure and was recorded, processed, summarized and reported within the time period required by the rules and regulations of the SEC. At various times, the Company and its joint venture partner, DMB, amended the TMV joint venture agreement. The Company did not describe the terms of the amended agreement in its SEC reports or file the amendment as an exhibit to these reports. The Company has implemented an improved quarter-end checklist, under which it will perform a more formal review of Company activities with management and of the exhibit index for its quarterly and annual reports.

(b) Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or Rule 15d-15 under the Exchange Act that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

See Management’s report on Internal Control Over Financial Reporting and the Report of Independent Registered Public Accounting Firm On Internal Control over Financial Reporting on pages 43 and 44, respectively of the Form 10-K.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) Documents filed as a part of this report:

1 Consolidated Financial Statements:

None.

2 Supplemental Financial Statement Schedules:

None.

3 Exhibits:

3.1	Restated Certificate of Incorporation	FN 1
3.2	By-Laws	FN 1
4.1	Form of First Additional Investment Right	FN 2
4.2	Form of Second Additional Investment Right	FN 3
4.3	Registration and Reimbursement Agreement	FN 10
10.1	Water Service Contract with Wheeler Ridge-Maricopa Water Storage District	FN 4
10.5	Petro Travel Plaza Operating Agreement	FN 5
10.7	*Severance Agreement	FN 5
10.8	*Director Compensation Plan	FN 5
10.9	*Amended and Restated Non-Employee Director Stock Incentive Plan	FN 13
10.9(1)	*Stock Option Agreement Pursuant to the Non-Employee Director Stock Incentive Plan	FN 5
10.10	*Amended and Restated 1998 Stock Incentive Plan	FN 14
10.10(1)	*Stock Option Agreement Pursuant to the 1998 Stock Incentive Plan	FN 5
10.12	Lease Agreement with Calpine Corp.	FN 6
10.15	Form of Securities Purchase Agreement	FN 7
10.16	Form of Registration Rights Agreement	FN 8
10.17	*2004 Stock Incentive Program	FN 9
10.18	*Form of Restricted Stock Agreement for Directors	FN 9
10.19	*Form of Restricted Stock Unit Agreement	FN 9
10.23	Tejon Mountain Village LLC Operating Agreement	FN 11
10.24	Tejon Ranch Conservation and Land Use Agreement	FN 12
10.25	Second Amended and Restated Limited Liability Agreement of Centennial Founders, LLC	FN 15
10.26	*Executive Employment Agreement - Allen E. Lyda	FN 16
10.27	Limited Liability Company Agreement of TRCC/Rock Outlet Center LLC	FN 17

10.28	Warrant Agreement	FN 18
10.29	Amendments to Limited Liability Company Agreement of Tejon Mountain Village LLC	Filed herewith
21	List of Subsidiaries of Registrant	†
23.1	Consent of Ernst & Young LLP, independent registered public accounting firm	†
23.2	Consent of Ernst & Young LLP, independent registered public accounting firm regarding opinion in Exhibit 99.1	Filed herewith
31.1	Certification as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Financial Statements of Petro Travel Plaza Holdings LLC	Filed herewith
101.INS	XBRL Instance Document.	†
101.SCH	XBRL Taxonomy Extension Schema Document.	†
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	†
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	†
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	†
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	†

* Management contract, compensatory plan or arrangement.

† Incorporated by reference to the corresponding exhibit to the original Form 10-K filing.

FN 1 This document, filed with the Securities and Exchange Commission in Washington D.C. (file number 1-7183) under Item 14 to our Annual Report on Form 10-K for year ended December 31, 1987, is incorporated herein by reference.

FN 2 This document, filed with the Securities and Exchange Commission in Washington, D.C. (file number 1-7183) as Exhibit 4.3 to our Current Report on Form 8-K filed on May 7, 2004, is incorporated herein by reference.

FN 3 This document, filed with the Securities and Exchange Commission in Washington, D.C. (file number I-7183) as Exhibit 4.4 to our Current Report on Form 8-K filed on May 7, 2004, is incorporated herein by reference.

FN 4 This document, filed with the Securities and Exchange Commission in Washington D.C. (file number 1-7183) under Item 14 to our Annual Report on Form 10-K for year ended December 31, 1994, is incorporated herein by reference.

FN 5	This document, filed with the Securities and Exchange Commission in Washington D.C. (file number 1-7183) under Item 14 to our Annual Report on Form 10-K, for the period ending December 31, 1997, is incorporated herein by reference.
FN 6	This document filed with the Securities and Exchange Commission in Washington D.C. (file number 1-7183) under Item 14 to our Annual Report on Form 10-K for the year ended December 31, 2001, is incorporated herein by reference.
FN 7	This document, filed with the Securities and Exchange Commission in Washington, D.C. (file number 1-7183) as Exhibit 4.1 to our Current Report on Form 8-K filed on May 7, 2004, is incorporated herein by reference.
FN 8	This document, filed with the Securities and Exchange Commission in Washington, D.C. (file number 1-7183) as Exhibit 4.2 to our Current Report on Form 8-K filed on May 7, 2004, is incorporated herein by reference.
FN 9	This document, filed with the Securities and Exchange Commission in Washington D.C. (file number 1-7183) under Item 15 to our Annual Report on Form 10-K for the year ended December 31, 2004, is incorporated herein by reference.
FN 10	This document, filed with the Securities and Exchange Commission in Washington, D.C. (file number 1-7183) as Exhibit 4.1 to our Current Report on Form 8-K filed on December 20, 2005, is incorporated herein by reference.
FN 11	This document, filed with the Securities and Exchange Commission in Washington D.C. (file number 1-7183) as Exhibit 10.24 to our Current Report on Form 8-K filed on May 24, 2006, is incorporated herein by reference.
FN 12	This document, filed with the Securities and Exchange Commission in Washington, D.C. (file number 1-7183) as Exhibit 10.28 to our Current Report on Form 8-K filed on June 23, 2008, is incorporated herein by reference.
FN 13	This document, filed with the Securities and Exchange Commission in Washington, D.C. (file number 1-7183) as Exhibit 10.9 to our Annual Report on form 10-K for the year ended December 31, 2008, is incorporated herein by reference.
FN 14	This document, filed with the Securities and Exchange Commission in Washington, D.C. (file number 1-7183) as Exhibit 10.10 to our Annual Report on form 10-K for the year ended December 31, 2008, is incorporated herein by reference
FN 15	This document, filed with the Securities and Exchange Commission in Washington, D.C. (file number 1-7183) under Item 6 to our Quarterly Report on Form 10-Q for the period ending June 30, 2009, is incorporated herein by reference.
FN 16	This document, filed with the Securities and Exchange Commission in Washington, D.C. (file number 1-7183) under Item 6 to our Quarterly Report on Form 10-Q for the period ending March 31, 2013, is incorporated herein by reference.
FN 17	This document, filed with the Securities and Exchange Commission in Washington, D.C. (file number 1-7183) under Item 10.27 to our Current Report on Form 8-K filed on June 4, 2013, is incorporated herein by reference.
FN 18	This document, filed with the Securities and Exchange Commission in Washington, D.C. (file number 1-7183) under Item 10.1 to our Current Report on Form 8-K filed on August 8, 2013, is incorporated herein by reference.

(b) Exhibits. The exhibits for this report are listed and filed as set forth above.
(c) Financial Statement Schedules - Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEJON RANCH CO.

March 31, 2014 BY: /s/ Gregory S. Bielli

Gregory S. Bielli
President and Chief Executive Officer
(Principal Executive Officer)

March 31, 2014 BY: /s/ Allen E. Lyda

Allen E. Lyda
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 10.29

AMENDMENTS TO THE LIMITED LIABILITY COMPANY AGREEMENT OF TEJON MOUNTAIN VILLAGE LLC

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FIRST AMENDMENT TO

LIMITED LIABILITY COMPANY AGREEMENT

OF

TEJON MOUNTAIN VILLAGE LLC

THIS FIRST AMENDMENT TO LIMITED LIABILITY COMPANY AGREEMENT OF TEJON MOUNTAIN VILLAGE LLC (this "Amendment")**,** is made and entered into as of November 29, 2006 by and between TEJON RANCHCORP, a California corporation ("Tejon") and DMB TMV LLC, an Arizona limited liability company ("DMB"). Tejon and DMB are hereinafter referred to collectively as the "Members" and individually as each or any "Member".

RECITALS

A. The Members entered into that certain Limited Liability Company Agreement of Tejon Mountain Village LLC on May 19, 2006 (the "Original Agreement").

B. The Members now desire to amend the address with respect to Tejon set forth in Section 16.1 of the Original Agreement. Capitalized terms not defined herein shall have the meanings ascribed thereto in the Original Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto, being duly sworn, do hereby agree and certify as follows:

ARTICLE I
NOTICE PROVISION

1.1 Tejon's Address. The address set forth for notices to Tejon in Section 16.1 of the Original Agreement is hereby deleted in its entirety and replaced with the following address:

To Tejon: Tejon Ranchcorp
P.O. Box 1000
4436 Lebec Road
Lebec, California 93243
Facsimile: (661) 248-3100
Attention: General Counsel

The address for copies to Tejon's counsel and the addresses for DMB and its counsel set forth in Section 16.1 shall remain unchanged.

ARTICLE II MISCELLANEOUS

2.1 Continuing Effectiveness. Except to the extent specifically herein amended, the Original Agreement shall continue unmodified and in full force and effect. In the event of any conflict between the provisions of the Original Agreement and the provisions of this Amendment, the provisions of this Amendment shall control.

2.2 Counterparts. This Amendment may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

TEJON:

TEJON RANCHCORP, a California corporation

By: /s/ Robert A. Stine
Robert A. Stine, its President and CEO

By: /s/ Allen E. Lyda
Name: Allen E. Lyda
Title: CFO

DMB:

DMB TMV LLC,
an Arizona limited liability company

By: DMB ASSOCIATES, INC.,
an Arizona Corporation,
its Manager

By: /s/ Eneas A. Kane
Name: Eneas A. Kane
Title: COO

SECOND AMENDMENT TO LIMITED LIABILITY COMPANY AGREEMENT OF TEJON MOUNTAIN VILLAGE LLC

THIS SECOND AMENDMENT TO LIMITED LIABILITY COMPANY AGREEMENT OF TEJON MOUNTAIN VILLAGE LLC (this "Amendment"), is made and entered into as of August 13, 2008, by and between TEJON RANCHCORP, a California corporation ("Tejon"), and DMB TMV LLC, an Arizona limited liability company ("DMB").

RECITALS

A. WHEREAS, the Company was formed pursuant to a Certificate of Formation filed with the Secretary of State of Delaware on March 29, 2006 in accordance with the Act.

B. The Members entered into that certain Limited Liability Company Agreement of Tejon Mountain Village LLC on May 19, 2006 (the "Original Agreement"). Capitalized terms not defined herein shall have the meanings ascribed thereto in the Original Agreement.

C. The Original Agreement was modified pursuant to the terms of that certain First Amendment to Limited Liability Agreement of Tejon Mountain Village (the "First Amendment") dated as of November 29,2006. The Original Agreement and the First Amendment are hereinafter collectively referred to as the "Agreement".

D. The Members desire to modify certain terms of the Agreement as more particularly set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto, being duly sworn, do hereby agree to amend the Agreement as follows:

ARTICLE I CAPITAL CONTRIBUTIONS

1.1 Required Additional Capital Contributions of DMB. Section 4.2 of the Original Agreement is hereby amended and restated as Section 4.2A through 4.2E set forth on Exhibit "A" hereto, which is incorporated herein by reference as if fully set forth herein.

1.2 Required Additional Capital Contributions of Tejon.

A. Section 4.4L is hereby added to the Agreement as follows: "The parties agree that the value ascribed to the Existing Property upon contribution to the Company shall be Thirty Million Dollars ($30,000,000) (the "Property Contribution"). Upon Tejon's contribution of the Existing Property to the Company, Tejon shall receive credit to its Book Capital Account in an amount equal to the Property Contribution."

B. Section 4.4M is hereby added to the Agreement as set forth in Exhibit "B" hereto, which is incorporated herein by reference as if fully set forth herein.

1.3 Funding of Additional Company Expenses by DMB and Tejon. Section 4.5 of the Original Agreement is hereby amended and restated as follows:

> During the Development Stage, if additional Capital Contributions for the Company, over and above the Capital Contributions set forth in Sections 4.1, 4.2 and 4.4 above, are deemed necessary or advisable by the Executive Committee, at any time (and regardless of whether the Capital Contributions set forth in Sections 4.1, 4.2 and 4.4 have been exhausted), the Executive Committee may elect to arrange for third party financing. If such third party financing is unavailable to the Company and DMB and Tejon have funded their respective Capital Contributions required to be made under 4.1, 4.2 and 4.4, then the Executive Committee may call upon each Member to make additional Capital Contributions ("Shortfall Contributions"). DMB's Shortfall Contributions and Tejon's Shortfall Contributions shall be made in the form of cash unless otherwise determined by the Executive Committee. The Shortfall Contributions shall be made pro rata in accordance with the Members' Percentage Interests.

ARTICLE II DISTRIBUTIONS

2.1 Distributions of Available Cash. Sections 6.1A through 6.1D of the Original Agreement are hereby amended and restated as Sections 6.1A through 6.1G set forth in Exhibit "C" hereto, which is incorporated herein by reference as if fully set forth herein.

2.2 Hypothetical Distributions in the Event of Condemnation. Levels (1) through (5) set forth in Section 4.4H of the Original Agreement are hereby amended and restated as Levels (1) through (5) set forth in Exhibit "D" hereto, which is incorporated herein by reference as if fully set forth herein.

ARTICLE III ADDITIONAL MODIFICATIONS

3.1 Deficit Capital Account. Section 12.6 is hereby added to the Agreement as follows: "No Member shall have any liability to the Company, to any other Member, or to the creditors of the Company on account of any deficit Capital Account balance."

3.2 Tax Appendix. The Tax Appendix (Appendix "A") to the Agreement is hereby amended and restated as set forth in Exhibit "E" hereto, which is incorporated herein by reference as if fully set forth herein.

ARTICLE IV MISCELLANEOUS

4.1 Continuing Effectiveness. Except to the extent specifically herein amended, the Agreement shall continue unmodified and in full force and effect. In the event of any conflict between the provisions of the Agreement and the provisions of this Amendment, the provisions of this Amendment shall control.

4.2 Counterparts. This Amendment may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

[signatures begin on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

TEJON:

TEJON RANCHCORP, a California corporation

By: /s/ Robert A. Stine
Robert A. Stine, its President and CEO

By: /s/ Allen E. Lyda
Name: Allen E. Lyda
Title: CFO

DMB:

DMB TMV LLC,
an Arizona limited liability company

By: DMB ASSOCIATES, INC.,
an Arizona Corporation,
its Manager

By: /s/ Eneas A. Kane
Name: Eneas A. Kane
Title: Executive Vice President

EXHIBIT "A"

REQUIRED ADDITIONAL CAPITAL CONTRIBUTIONS OF DMB (REPLACING SECTION 4.2 OF THE ORIGINAL AGREEMENT)

4.2 Required Additional Capital Contributions of DMB.

A. During the Entitlement Stage, DMB shall make additional Capital Contributions in an aggregate total amount of up to Thirty Million Dollars ($30,000,000) as and when necessary to fund the operations of the Company in accordance with the Entitlement Business Plan or as otherwise Approved by the Executive Committee (collectively, "DMB Threshold Entitlement Contributions"). DMB shall receive credit to its Book Capital Account at the time and in the amount that each Capital Contribution is so made.

B. Once DMB has funded the entire DMB Threshold Entitlement Contributions, DMB shall fund pari passu with Tejon pursuant to Section 4.4M fifty percent (50%) of all amounts necessary to fund the operations of the Company in accordance with the Entitlement Business Plan and the Development Business Plan or as otherwise Approved by the Executive Committee.

C. Amounts funded by DMB pursuant to Section 4.2B during the Entitlement Stage shall be referred to herein as DMB's "Shared Entitlement Contributions". Amounts funded by DMB pursuant to Section 4.2B during the Development Stage shall be referred to herein as DMB's "Shared Development Contributions".

D. All amounts funded pursuant to this Section 4.2 shall be referred to as "DMB Mandatory Additional Contributions").

E. The Executive Committee acting unanimously may determine in writing signed by all Representatives the amount and timing of contributions of particular portions of the DMB Mandatory Additional Contributions; provided, however DMB's obligation for its Mandatory Additional Contributions shall not cumulatively exceed One Hundred Million Dollars ($100,000,000). Any such determination(s) shall constitute binding obligations of the Members, shall not be subject to Progress Deadlock and may not be overruled or otherwise altered by mediation pursuant to Section 7.1C.

EXHIBIT "B"

REQUIRED ADDITIONAL CAPITAL CONTRIBUTIONS OF TEJON (ADDED AS SECTION 4.4M OF THE AGREEMENT)

M Additional Cash Contributions of Tejon.

(1) Once DMB has funded the entire DMB Threshold Entitlement Contributions, Tejon shall fund pari passu with DMB pursuant to Section 4.2B fifty percent (50%) of all amounts necessary to fund the operations of the Company in accordance with the Entitlement Business Plan and the Development Business Plan or as otherwise Approved by the Executive Committee.

(2) Amounts funded by Tejon pursuant to Section 4.4M(l) during the Entitlement Stage shall be referred to herein as Tejon's "Shared Entitlement Contributions". Amounts funded by Tejon pursuant to Section 4.4M(l) during the Development Stage shall be referred to herein as the Tejon's "Shared Development Contributions".

(3) The Executive Committee acting unanimously may determine in writing signed by all Representatives the amount and timing of contributions of particular portions of the Capital Contributions made pursuant to this Section 4.4M; provided, however Tejon's obligation for its Shared Entitlement Contributions and Shared Development Contributions shall not cumulatively exceed Seventy Million Dollars ($70,000,000). Any such determination(s) shall constitute binding obligations of the Members, shall not be subject to Progress Deadlock and may not be overruled or otherwise altered by mediation pursuant to Section 7.1C.

EXHIBIT "C"

DISTRIBUTIONS OF AVAILABLE CASH (REPLACING SECTION 6.1A THROUGH 6.1D OF THE ORIGINAL AGREEMENT)

6.1. Definitions and Distributions.

A. First Level. First, for the payment of any Member Loans (including any interest accrued thereon);

B. Second Level. Second, pari passu to Tejon and DMB in accordance with the ratio of(i) Tejon's Initial Capital Contribution of $27,000,000 less the $13,500,000 distributed to Tejon pursuant to Section 4.1 ("Tejon Second Level Contributions"), to (ii) the sum of DMB's Initial Capital Contribution and its DMB Threshold Entitlement Contributions (such sum, the "DMB Second Level Contributions"), until DMB has recovered the DMB Second Level Contributions and received a 20% return, compounded quarterly, on the DMB Second Level Contributions and Tejon has recovered the Tejon Second Level Contributions and received a 20% return, compounded quarterly on the Tejon Second Level Contributions;

C. Third Level. Third, 50% to Tejon and 50% to DMB until Tejon and DMB have recovered their respective Shared Entitlement Contributions and received a 20% return, compounded quarterly, on their respective Shared Entitlement Contributions;

D. Fourth Level. Fourth, 50% to Tejon and 50% to DMB until Tejon has recovered the amount of its Property Contribution and received a 20% return, compounded quarterly, on the amount of its Property Contribution;

E. Fifth Level. Fifth, 50% to Tejon and 50% to DMB until Tejon and DMB have recovered their respective Shared Development Contributions and received a 12% return, compounded quarterly, on their respective Shared Development Contributions;

F. Sixth Level. Sixth, 50% to Tejon and 50% to DMB until DMB has received under this Section 6.1F together with the distributions under (i) Sections 6.1B, 6.1C and 6.1E relating to return on capital (but not return of capital) and (ii) Section 6.1D, a cumulative return of 20%, compounded quarterly, on the sum of its Initial Capital Contributions and its DMB Mandatory Additional Contributions;

G. Seventh Level. Last, to the Members, pro rata 60% and 40% to DMB.

EXHIBIT "D"

HYPOTHETICAL DISTRIBUTIONS UPON CONDEMNATION (REPLACING SECTION 4.4H, LEVELS (1) THROUGH (5) OF THE ORIGINAL AGREEMENT)

(1) First Level. First, for the payment of any Member Loans (including any interest accrued thereon);

(2) Second Level. Second, pari passu to Tejon and DMB in accordance with the ratio of (i) Tejon's Initial Capital Contribution of$27,000,000 less the $13,500,000 distributed to Tejon pursuant to Section 4.1 ("Tejon Second Level Contributions"), to (ii) the sum of DMB's Initial Capital Contribution and its DMB Threshold Entitlement Contributions (such sum, the "DMB Second Level Contributions"), until DMB has recovered the DMB Second Level Contributions and received a 20% return, compounded quarterly, on the DMB Second Level Contributions and Tejon has recovered the Tejon Second Level Contributions and received a 20% return, compounded quarterly on the Tejon Second Level Contributions;

(3) Third Level. Third, 50% to Tejon and 50% to DMB until DMB has received under this Section 4.4H(3), an amount equal to all of its Shared Entitlement Contributions and Shared Development Contributions, and received a cumulative return of 20%, compounded quarterly, on its DMB Shared Entitlement Contributions and Shared Development Contributions;

(4) Fourth Level. Fourth, 100% to Tejon until Tejon has received distributions under this Section 4.4H(4) that, together with Sections 4.4H(2) and 4.4H(3), cumulatively total the Condemnation Threshold; and

(5) Fifth Level. Last, to the Members, pro rata 50% to Tejon and 50% to DMB,

EXHIBIT "E"

TAX APPENDIX A
ALLOCATION OF PROFITS AND LOSSES/REGULATORY ALLOCATIONS

1.1 Allocations of Profits and Losses.

(a) General. All allocations for each Fiscal Year shall be allocated among the Members as necessary to cause each Member's Capital Account balance as of the end of each fiscal year to equal as nearly as possible such Member's Target Capital Account Balance. The rules set forth in this Appendix A shall apply for purposes of determining each Member's allocable share of the items of income, gain, loss and expense of the Company comprising Profits or Losses of the Company for each fiscal year, determining special allocations of other items of income, gain, loss and expense, and adjusting the balance of each Member's Capital Account to reflect the aforementioned general and special allocations.

(b) Target Capital Account/Hypothetical Liquidation. Items of income, expense, gain and loss of the Company comprising Profits or Losses for a Fiscal Year shall be allocated among the persons who were Members during such Fiscal Year in a manner that will, as nearly as possible, cause the Capital Account balance of each Member at the end of such Fiscal Year to equal the Target Capital Account Balance of such Member ("Target Capital Account Balance"). The Target Capital Account Balance amount shall be the excess (which may be a negative amount) of:

(i) the amount of the hypothetical distribution (if any) that such Member would receive if, on the last day of the Fiscal Year, (x) all Company assets, including cash, were sold for cash equal to their Book Values (determined under Treasury Reg. § 1.704-1 as of the end of such fiscal year), taking into account any adjustments thereto for such fiscal year, (y) all Company liabilities were satisfied in cash according to their terms (limited, with respect to each Nonrecourse Liability, to the Book Values of the asset or assets securing such Nonrecourse liability determined under Treasury Reg. § 1.704-1 as of the end of such Fiscal Year), and (z) the net proceeds thereof of such hypothetical transactions and all remaining available cash of the Company (after the hypothetical satisfaction of such liabilities) were distributed in full to the Members pursuant to Section 6 of the Agreement, over

(ii) the sum of (x) the amount, if any, without duplication, that upon such hypothetical liquidation such Member would be treated as being obligated to restore for purposes of such Member's Minimum Gain Share, and (y) such Member's share of Member Nonrecourse Debt Minimum Gain determined pursuant to Treasury Reg. § 1.704-2(i)(5), all computed as of the hypothetical sale date described in Section 1.1(b)(i) above.

1.2 Special Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(£)(2)-(5), notwithstanding any other provision of this Appendix A if there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member shall be specially

allocated items of Company income and gain for such Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 1.2(a) is intended to comply with such Sections of the Regulations and shall be interpreted consistently therewith.

(b) Member-Related Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(i)(4), notwithstanding any other provisions of this Appendix A, if there is a net decrease in Member-Related Nonrecourse Debt Minimum Gain attributable to a Member Related Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(3), during any Fiscal Year, each Member who has a share of the Member-Related Nonrecourse Debt Minimum Gain attributable to such Member-Related Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Member-Related Nonrecourse Debt Minimum Gain attributable to such Member-Related Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 1.2(b) is intended to comply with Regulations Section 1.704-2(i) and shall be interpreted consistently therewith. The allocation required by this Section 1.2(b) will be made after any allocation required by Section 1.2(a) but before any other allocation for the Fiscal Year.

(c) Member-Related Nonrecourse Debt. Any item of Company loss, deduction or expenditure under Code Section 705(a)(2)(B) attributable to Member-Related Nonrecourse Debt shall be allocated in accordance with Regulations Section 1.704-2(i) to the Member who bears the economic risk of loss for such debt.

(d) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Regulations Sections 1.704- l(b)(2)(ii)(d)(4), (5) or (6) resulting in an Adjusted Capital Account Deficit for such Member, items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible. The items to be allocated will be determined in accordance with Regulations Section 1.704-1(b)(2)(ii)(d)(6). This Section 1.2(d) is intended to comply with Regulations Section 1.704-1(b)(2)(ii)(d) and will be applied and interpreted in accordance with such Regulation; provided, that an allocation pursuant to this Section 1.2(d) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Appendix A have been tentatively made as if this Section 1.2(d) were not in the Agreement.

(e) Preventive Allocation. In the event any Member has a deficit Capital Account at the end of any Company Fiscal Year which is in excess of the sum such Member is

obligated pursuant to this Agreement or pursuant to Regulations Section 1.704-1(b)(2)(ii)(c), or is deemed obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain (consisting of a pro rata portion of each item of Company income and gain) in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 1.2(e) shall be made if and only to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Appendix A have been tentatively made as if this Section 1.2(e) and Section 1.2(d) were not in this Agreement.

(f) Basis Adjustment to Company Assets. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be so adjusted.

1.3 Curative Allocations. The allocations set forth in Section 1.2 hereof (the "Regulatory Allocations") are intended to comply with certain requirements of Regulations Section 1.704-1(b) and 1.704-2. Notwithstanding any other provisions of this Appendix A (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of such other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member in each Company Fiscal Year if the Regulatory Allocations had not occurred. Notwithstanding the preceding sentence, Regulatory Allocations relating to Member-Related Nonrecourse Deductions shall not be taken into account except to the extent that there has been a decrease in Member-Related Nonrecourse Debt Minimum Gain. Allocations pursuant to this Section 1.3 shall be deferred with respect to allocations pursuant to Member-Related Nonrecourse Debt Minimum Gain above to the extent the Members reasonably determine that such allocations are likely to be offset by subsequent Regulatory Allocations.

1.4 Other Allocation Rules.

(a) In the event Members are admitted to the Company pursuant to this Agreement on different dates, Company items of income, gain, loss, deduction and credit allocated to the Members for each Company taxable year during which Members are so admitted shall be allocated among the Members in proportion to their respective interests in the Company during such Company taxable year using any convention permitted by Code Section 706 and selected by the Members.

(b) In the event a Member transfers its Interest during a Company taxable year, the allocation of Company items of income, gain, loss, deduction and credit allocated to such Member and its transferee for such Company taxable year shall be made between such

Member and its transferee in accordance with Code Section 706 using any convention permitted by Code Section 706 and selected by the Members.

(c) For purposes of Regulations Section 1.752-3(a)(3), the Members agree that Nonrecourse Liabilities of the Company in excess of the amount of Member-Related Nonrecourse Debt Minimum Gain, shall be allocated in each Company taxable year (i) to the extent of the total amount of built-in gain (as defined in Regulations Section 1.752-3(a)(2), taking into account how the Members would share taxable gain if the Company, in a taxable transaction, disposed of all of its property in full satisfaction of its Nonrecourse Liabilities and for no other consideration, and (ii) to the extent of any remaining Nonrecourse Liabilities, in accordance with how the Members reasonably expect that the deductions attributable to such remaining Nonrecourse Liabilities will be allocated among the Members.

(d) To the extent permitted by Regulations Sections 1.704-2(h)(3) and 1.704-2(i)(6), the Members shall endeavor to treat distributions as having been made from the proceeds of a Nonrecourse Liability or a Member-Related Nonrecourse Debt only to the extent that such distribution would not cause or increase an Adjusted Capital Account Deficit for any Member.

1.5 Tax Allocations and Tax Treatment of Contributions: Code Sections 704(c), 707.

(a) Except as otherwise provided in this Section 1.5, all items of Company income, gain, loss, deduction and credit for federal and applicable state and local income tax purposes shall be allocated among the Members in the same manner as they share correlative Profits, Losses or Company items of income, gain, loss or deduction, as the case may be, for the Company taxable year. Allocations pursuant to this Section 1.5 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses or other items or distributions pursuant to any provision of this Agreement.

(b) In accordance with Code Section 704(c) and the Regulations there under, but solely for income tax purposes, income, gain, loss and deduction with respect to any property contributed to the capital of the Company (including income, gain, loss and deduction determined with respect to the alternative minimum tax) shall be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes (including such adjusted basis for alternative minimum tax purposes) and its initial Gross Asset Value, including, but not limited to, special allocations to a contributing Member that are required under Code Section 704(c) to be made upon distribution of such property to any of the non-contributing Members. Further, in the event the Gross Asset Value of any Company asset is adjusted pursuant to paragraph (iii) of the definition of "Gross Asset Value" contained herein, such that "reverse section 704(c) allocations" are required under Regulations Section 1.704-3(a)(6), then solely for federal income tax purposes, subsequent allocations of income, gain, loss and deduction with respect to such asset (including income, gain, loss and deduction determined with respect to the alternative minimum tax) shall take account of any variation between the adjusted basis of such asset (including such adjusted basis for alternative minimum tax purposes) and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations there under.

(c) Allocations under Section 1.5(c) with respect to the Existing Property contributed to the Company by Tejon shall be made in accordance with the "remedial allocation method," as described in Regulations Section 1.704-3(d), and shall take into account all adjustments to the Gross Asset Value of the Existing Property under Section 1.6(e)(i) of this Appendix A. Subject to the immediately preceding sentence, any elections or other decisions relating to allocations under Section 1.5(b), including the selection of any allocation method permitted under Regulations Section 1.704-3, shall be made as approved by the Members in any manner that reasonably reflects the purpose and intention of this Agreement.

d) If any taxable item of income or gain is computed differently from the taxable item of income or gain which results for purposes of the alternative minimum tax, then to the extent possible, without changing the overall allocations of items for purposes of either the Members' Capital Accounts or the regular income tax (i) each Member shall be allocated items
of taxable income or gain for alternative minimum tax purposes taking into account the prior
allocations of originating tax preferences or alternative minimum tax adjustments to such Member (and its predecessors) and (ii) other Company items of income or gain for alternative minimum tax purposes of the same character that would have been recognized, but for the originating tax preferences or alternative minimum tax adjustments, shall be allocated away from those Members that are allocated amounts pursuant to clause (i) so that, to the extent possible,
the other Members are allocated the same amount, and type, of alternative minimum tax income and gain that would have been allocated to them had the originating tax preferences or alternative minimum tax adjustments not occurred.

(e) In the event that (i) the Code or any Regulations require allocations of items of income, gain, loss or deduction different from those set forth in this Tax Appendix A or (ii) the TMP reasonably determines that it is necessary or appropriate to modify the manner in which such allocations are to be made pursuant to this Tax Appendix A, the TMP based on the advice of the Company's tax advisors may make new allocations, subject to the requirements of the Code and the Regulations, and no such new allocation shall give rise to any claim or cause of action by any Member.

1.6 Definitions

(a) "Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant
taxable year of the Company, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(l) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Regulations Sections 1.704-l(b)(2)(ii)(d)(4), 1.704-l(b)(2)(ii)(d)(5) and 1.704-l(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-l(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) "Book Capital Account" means, with respect to each Member, the Capital Account maintained for such Member in accordance with this Appendix A and with any applicable provisions of the Agreement.

(c) "Capital Account" means, with respect to each Member, the single capital account of that Member determined in accordance with this definition and the rules set forth in Regulations Section 1.704-l(b)(2)(iv).

(i) Subject to the previous sentence, Capital Account means the amount of money contributed by such Member to the capital of the Company, increased by the Gross Asset Value of any property contributed by such Member to the capital of the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code) and the amount of any Profits allocated to such Member, and decreased by the amount of money distributed to such Member by the Company (exclusive of a guaranteed payment within the meaning of Section 707(c) of the Code), the Gross Asset Value of any property distributed to such Member (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Section 752 of the Code) and the amount of any Losses allocated to such Member.

(ii) In the event of a distribution to a Member that gives rise to the adjustment to the adjusted tax basis of Company property under Section 734 of the Code, the Capital Account of such Member in the event the distribution is in liquidation of such Member's Interest, or the Capital Accounts of the Members in the event the distribution is not in liquidation of such Member's Interest, shall be adjusted by the amount of such adjustment to the adjusted tax basis of Company property in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(m).

(iii) In the event the Gross Asset Values of Company assets are adjusted pursuant to the terms of this Agreement, the Capital Accounts of the Members shall be adjusted simultaneously to reflect the aggregate net adjustment as if the Company recognized gain or loss equal to the amount of such aggregate net adjustment and such gain or loss was allocated to the Members pursuant to the appropriate provisions of this Agreement.

(iv) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b) and the Regulatory Allocations, and shall be interpreted and applied in a manner consistent with such Regulations.

(v) Any Transferee Member shall succeed to the Capital Account, Preferred Return Amount and other economic attributes of the transferor Member to the extent related to the Interest transferred.

(d) "Company Minimum Gain" has the same meaning as "partnership minimum gain" set forth in Regulations Sections 1.704-2(b)(2) and shall be computed as provided in Regulations Section 1.704-2(d).

(e) "Gross Asset Value" means, with respect to any asset, such asset's adjusted basis for federal income tax purposes, as adjusted from time to time to reflect the adjustments that are required or permitted by, or are consistent with, Regulations Section 1.704-
1(b)(2)(iv)(d)-(g), (j)-(n), and (p)-(r); provided, however, that:

(i) The Members have agreed that the Gross Asset Value of the Existing Property shall equal $30,000,000. Upon Tejon's conveyance of the Existing Property to the Company pursuant to Section 4.4L of the Agreement (and not before), Tejon's Book Capital Account and shall be increased by the Gross Asset Value of the Existing Property. The Members' agreement with respect to the Gross Asset Value of the Existing Property reflects the difficulty of determining the value of the Existing Property and has been arrived at through arms'-length negotiations.

(ii) Subject to clause (i) immediately above, the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the initial fair market value of such asset as agreed to by the contributing Member and the other Members.

(iii) The adjustments permitted pursuant to an event described within Regulations Section 1.704-l(b)(2)(iv)(f)(5) (excluding the liquidation of the Company described therein) shall be made only if the Members reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company.

(f) "Member-Related Nonrecourse Debt" has the same meaning as "partner nonrecourse debt" set forth in Regulations Section 1.704-2(b)(4).

(g) "Member-Related Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member-Related Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member-Related Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

(h) "Member Nonrecourse Deductions" has the same meaning as "partner nonrecourse deductions" set forth in Regulations Sections 1.704-2(i)(l) and 1.704-2(i)(2). The amount of Member-Related Nonrecourse Deductions with respect to a Member-Related Nonrecourse Debt for any Company taxable year equals the excess, if any, of the net increase, if any, in the amount of Member-Related Nonrecourse Debt Minimum Gain attributable to such Member-Related Nonrecourse Debt during such Company taxable year over the aggregate amount of any distributions during such Company taxable year to the Member that bears the economic risk of loss for such Member-Related Nonrecourse Debt to the extent such distributions are from the proceeds of such Member-Related Nonrecourse Debt and are allocable to an increase in Member-Related Nonrecourse Debt Minimum Gain attributable to such Member-Related Nonrecourse Debt determined in accordance with Regulations Section 1.704-2(i).

(i) "Nonrecourse Liability" has the same meaning given such term inRegulations Section 1.704-2(b)(3).

(j) "Profits" and "Losses" and reference to any item of income, gain, loss or deduction thereof means, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such Fiscal Year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 702(a) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this Appendix A shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-l(b)(2)(iv)(i), and not otherwise taken into account in computing Profits and Losses pursuant to this Tax Appendix A, shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Company asset is adjusted pursuant to any provision of this Agreement other than Section 1.6(e)(i), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses; and the amount of such adjustment shall be taken into account in determining depreciation on such asset for purposes of computing Profits or Losses;

(iv) Notwithstanding any other provision of this Appendix A, any items which are specially allocated pursuant to Appendix A, Section 1.2 or Section 1.3 shall not be taken into account in computing Profits or Losses.

(k) "Regulatory Allocations" has the meaning set forth in Appendix A, Section 1.3.

THIRD AMENDMENT TO

LIMITED LIABILITY COMPANY AGREEMENT

OF

TEJON MOUNTAIN VILLAGE LLC

THIS THIRD AMENDMENT TO LIMITED LIABILITY COMPANY AGREEMENT OF TEJON MOUNTAIN VILLAGE LLC (this "Amendment") is made and entered into as of Nov. 18, 2009 by and between TEJON RANCHCORP, a California corporation **("Tejon"),** and DMB TMV LLC, an Arizona limited liability company **("DMB").** Tejon and DMB are hereinafter referred to collectively as the "Members" and individually as each or any "Member".

RECITALS

A. The Members entered into that certain Limited Liability Company Agreement of Tejon Mountain Village LLC on May 19, 2006, as amended by that certain First Amendment to Limited Liability Company Agreement of Tejon Mountain Village LLC made as of November 29, 2006 and that certain Second Amendment to Limited Liability Company Agreement of Tejon Mountain Village LLC made as of August 13, 2008 (collectively, the "Agreement"). Capitalized terms not defined herein shall have the meanings ascribed hereto in the Agreement.

B. Section 4.4.J of the Agreement provides that the Existing Property and the Mitigation Land shall be subject to the Condor HCP (referenced in Sections 4.4(A)(l) and (J) of the Agreement), and the Members now desire to amend the Agreement to reflect that the Condor HCP has been replaced and superseded by the Tehachapi Upland Multiple Species Habitat and Conservation Plan (the "TUMSHCP"), to describe a process for the sharing of duties and obligations under the TUMSHCP and to provide for the execution of a separate Cooperation and Indemnification Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto, being duly sworn, do hereby agree and certify as follows:

I. Defined Terms. Section 1.1 of the Agreement (Defined Terms) is hereby amended to add the following new definitions:

> "Annual Compliance Report" shall have the meaning given such term in Section 4.4.J(vi).

"Compliance Report Date" shall have the meaning given such term in Section 4.4.J(vi).

"Implementing Agreement" shall mean that certain Implementing Agreement by and between Tejon Ranchcorp and the U.S. Fish and Wildlife Service concerning the "Tehachapi Upland Multi Species Habitat Conservation Plan," released in draft on January 23, 2009.

"Incidental Take Permit" shall mean the permit granted by the U.S. Fish and Wildlife Service to Tejon pursuant to the TUMSHCP.

"TUMSHCP" shall mean that certain Tehachapi Upland Multiple Species Habitat and Conservation Plan, prepared for Tejon Ranchcorp by Dudek, with technical assistance from the U.S. Fish and Wildlife Service, released in draft on January 23,2009.

"TUMSHCP Duties" shall have the meaning given such term in Section 4.4.J(v) herein.

"Third Amendment Effective Date" shall mean [Nov. 18, 2009].

2. TUMSHCP. All references in the Agreement to the term "Condor HCP" are hereby deleted in their entirety and replaced with the term "TUMSHCP."

3. Additional Contributions of Tejon. Section 4.4.J of the Agreement is hereby amended and restated as set forth on Exhibit "A" hereto, which is incorporated by reference as if fully set forth herein.

4. Continuing Effectiveness. Except to the extent specifically herein amended, the Agreement shall continue unmodified and in full force and effect. In the event of any conflict between the provisions of the Agreement and the provisions of this Amendment, the provisions of this Amendment shall control.

5. Counterparts. This Amendment may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

TEJON:

TEJON RANCHCORP, a California corporation

By: /s/ Robert A. Stine
Name: Robert A. Stine
Its: President and Chief Executive Officer

By: /s/ Joseph E. Drew
Name: Joseph E. Drew
Its: Senior Vice President, Real Estate

DMB:

DMB TMV LLC, an Arizona limited liability company

By: DMB ASSOCIATES, INC., an Arizona Corporation, its Manager

By: /s/ Eneas A. Kane
Name: Eneas A. Kane
Its: President & CEO

EXHIBIT "A"

ADDITIONAL CONTRIBUTIONS OF TEJON
(REPLACING SECTION 4.4.J. OF THE AGREEMENT)

4.4. Additional Contributions of Members.

J. The Members acknowledge that the Existing Property and any Mitigation Land are subject to the terms of the TUMSHCP, which, as of the Third Amendment Effective Date, is in draft form. The Members shall cooperate in the process of finalizing the TUMSHCP, the Implementing Agreement and the Incidental Take Permit and agree that any changes to such documents that would materially and adversely affect the development of the Master Project shall be subject to the prior Approval of the Executive Committee, which Approval shall not unreasonably be withheld. During the Development Stage, the costs associated with the staff biologist required following the commencement of construction of the Master Project will be included in the Development Budget. Staff biologist costs should be limited to those relating only to the Master Project and the biologist's costs will be allocated accordingly. Tejon and DMB further agree as follows:

(i) The mitigation lands identified in the TUMSHCP that are Dedicated Conservation Easement Areas under Section 1.43 of the Tejon Ranch Conservation and Land Use Agreement shall not be considered "Mitigation Lands" subject to Section 9 of this Agreement.

(ii) Within five (5) days after issuance of the Incidental Take Permit to Tejon from the U.S. Fish and Wildlife Service, Tejon agrees to issue to the Company a Certificate of Inclusion (as defined in Section 3.6 of the Implementing Agreement and as contemplated by Section 2.2.4 of the TUMSHCP), and further agrees to promptly issue Certificate(s) of Inclusion to others identified by the Development Manager.

(iii) In the event the issuance of the TUMSHCP, the Implementing Agreement and/or the Incidental Take Permit is challenged, the Company shall have the right, but not the obligation, to participate in any associated litigation and to develop a joint strategy, mutually acceptable to the Company and Tejon, for defending or otherwise responding to such litigation. Tejon shall not voluntarily settle or abandon the defense of the litigation without the prior written consent of the Executive Committee of the Company.

(iv) The Members agree that maintaining the TUMSHCP, Implementing Agreement and Incidental Take Permit in full force and effect is in the mutual interest of each Member, and the Company. Neither the Company nor any Member shall perform, or authorize any employee, agent, lessee or contractor to perform, any act or omission which would violate the TUMSHCP, Implementing Agreement or Incidental Take Permit, or cause the Incidental Take Permit to be terminated, revoked, withdrawn or surrendered. The

Company and each Member shall promptly notify the Executive Committee of any receipt of any oral or written notice from, or oral or written correspondence or communication with, the U.S. Fish and Wildlife Service regarding any alleged or potential take, any failure or alleged failure of Tejon or any other party to comply with the TUMSHCP, or communication regarding the actual or threatened termination, revocation or suspension or prospective termination, revocation or suspension of Tejon's permit. Each Member, and the Company, shall have the right to participate in any discussions or proceedings with the U.S. Fish and Wildlife Service regarding the same (including any meet and confer obligations conducted pursuant to Section 4.7 of the TUMSHCP) or any discussions or proceedings conducted in order to implement, modify or affect any duties and obligations required by the TUMSHCP.

(v) Each of Tejon and the Company shall use its diligent and good faith efforts to perform those duties and obligations required by the TUMSHCP (the "TUMSHCP Duties"). Each of Tejon and the Company will reasonably cooperate with each other in the performance of the TUMSHCP Duties.

(vi) The Company shall deliver to Tejon information from its project biologists necessary for Tejon to prepare the annual monitoring and compliance reports required under Sections 4.5.2, 7.3.1 and 7.3.2 of the TUMSHCP (the "Annual Compliance Report"), no fewer than sixty (60) days prior to the date on which such reports are due to the U.S. Fish and Wildlife Service ("Compliance Report Date"). Tejon and the Company shall thereafter collaborate as appropriate to complete and submit the final Annual Compliance Report.

(vii) Tejon and the Company shall promptly exchange for review and comment a copy of each management plan that encompasses the Tejon Mountain Village Specific Planning Area (as defined under the TUMSHCP) and other area(s) of the Conserved Lands, and a copy of conservation easement(s) prepared to comply with the TUMSHCP, Implementing Agreement and/or Incidental Take Permit, and shall thereafter collaborate as appropriate in finalizing such documents.

(viii) If the U.S. Fish and Wildlife Service violates or breaches the TUMSHCP, the Implementing Agreement and/or the Incidental Take Permit, the Members agree to immediately meet and confer with the Executive Committee of the Company in order to develop with the Company a joint strategy to respond to such violations or breach by the U.S. Fish and Wildlife Service. Tejon shall have the sole and exclusive right to determine whether to take action at its sole expense against such violations or breach and to object to or take legal action against the U.S. Fish and Wildlife Service. If Tejon decides to take legal action, Tejon shall receive and retain all monetary awards, judgments, damages, and settlement proceeds received from any such actions it takes. If Tejon decides to not pursue such an action against the U.S. Fish and Wildlife Service, the Company shall have the right, but not the obligation, at its own expense, to pursue an enforcement action, and the Company shall retain all monetary awards, judgments, damages, and settlement proceeds. If the parties pursue an action collectively, the parties shall equally bear all costs, attorneys' fees, and expenses associated with the action, and any monetary awards, judgments, damages, or settlement proceeds shall be distributed to Tejon and the Company in

equal amounts. In no event shall any Member or the Company take any action that would adversely affect the Company's ability to continue developing the project pursuant to applicable provisions of the TUMSHCP, the Implementing Agreement and/or the Incidental Take Permit. If either Tejon or the Company pursues an action against the U.S. Fish and Wildlife Service pursuant to this section of the Agreement, it will keep the other party promptly informed of all developments in the action, and the Company shall have the right to approve overall litigation strategy and the settlement of any such actions, such approval not to be unreasonably withheld. Each party agrees, at the request of the other party, to reasonably cooperate and assist in the prosecution and/or defense of any such action against the U.S. Fish and Wildlife Service at its own expense. The Company may also participate in negotiations of, and enforce (either independently or on behalf of Tejon), contracts and leases with third parties as they relate to either the Master Project or to the terms, provisions, or continued validity of the TUMSCHP, Implementing Agreement, and/or the Incidental Take Permit in relation to the Master Project.

(ix) Each Member and the Company shall execute a Cooperation and Indemnification Agreement in a form to be negotiated in good faith between the Members.

(x) The Members each appoint their Executive Committee Representatives to act as their respective agents for the limited purpose of allocating among the Members and the Company the costs and expenses of establishing and implementing the TUMSHCP. Company management, or a Representative, may recommend to the full Executive Committee a proposed allocation of TUMSHCP costs by a copy of the proposed cost allocation to all of the Representatives on the Executive Committee for consideration at the next scheduled meeting of the Executive Committee. The Executive Committee shall take action on cost allocations at that or a later scheduled meeting. To the extent that a cost allocation requires separate payment directly from a Member, upon the unanimous approval of the Member's Executive Committee Representatives, the Member shall undertake such obligation as a direct, independent obligation of the Member, separate from the Company. A Member may veto the undertaking by its Executive Committee Representatives of its independent share of such cost allocation by providing written notice to the Executive Committee no later than thirty (30) days after the date the Member's Representatives unanimously approved the cost allocation. At the written request of a Member's Representative, the Members shall execute an amendment to this Agreement memorializing the cost allocation decisions previously approved by the action of the Executive Committee and/or the Member's Representatives.

FOURTH AMENDMENT TO

LIMITED LIABILITY COMPANY AGREEMENT

OF

TEJON MOUNTAIN VILLAGE LLC

THIS FOURTH AMENDMENT TO LIMITED LIABILITY COMPANY AGREEMENT OF TEJON MOUNTAIN VILLAGE LLC (this "Amendment"), is made and entered into as of July 19, 2011 and between TEJON RANCHCORP, a California corporation ("Tejon"), and DMB TMV LLC, an Arizona limited liability company ("DMB").

RECITALS

A. WHEREAS, the Company was formed pursuant to a Certificate of Formation filed with the Secretary of State of Delaware on March 29, 2006 in accordance with the Act.

B. The Members entered into that certain Limited Liability Company Agreement of Tejon Mountain Village LLC on May 19, 2006 (the "Original Agreement"). Capitalized terms not defined herein shall have the meanings ascribed thereto in the Original Agreement.

C. The Original Agreement was modified pursuant to the terms of that certain First Amendment to Limited Liability Agreement of Tejon Mountain Village LLC (the "First Amendment") dated as of November 29, 2006, that Second Amendment to Limited Liability Company Agreement of Tejon Mountain Village LLC dated as of August 13, 2008 (the "Second Amendment") and the Third Amendment to Limited Liability Company Agreement of Tejon Mountain Village LLC dated as of November 18, 2009 (the "Third Amendment"). The Original Agreement, First Amendment, Second Amendment and Third Amendment are hereinafter collectively referred to as the "Agreement".

D. The Members desire to modify certain terms of the Agreement as more particularly set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto, being duly sworn, do hereby agree to amend the Agreement as follows:

ARTICLE I

CAPITAL CONTRIBUTIONS

1.1 Required Additional Capital Contributions of Tejon. Section 4.41 of the Agreement is hereby amended and restated as follows: "The parties agree that the value ascribed to the Existing Property upon contribution to the Company shall be Thirty-Four Million Five Hundred

Thousand Dollars ($34,500,000) (the "Property Contribution"). Upon Tejon's contribution of the Existing Property to the Company, Tejon shall receive credit to its Book Capital Accow1t in an amount equal to the Property Contribution."

ARTICLE II MISCELLANEOUS

2.1 Continuing Effectiveness. Except to the extent specifically herein amended, the Agreement shall continue unmodified and in full force and effect. In the event of any conflict between the provisions of the Agreement and the provisions of this Amendment, the provisions of this Amendment shall control.

2.2 Counterparts. This Amendment may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpat1. Each counterpart may be delivered by facsimile or pdf with the same effect as delivery of the originals.

[*signatures begin on next page*]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

TEJON:

TEJON RANCHCORP, a California corporation

By: /s/ Robert A. Stine
Robert A. Stine, its President and CEO

By: /s/ Allen E. Lyda
Name: Allen E. Lyda
Title: CFO

DMB:

DMB TMV LLC,
an Arizona limited liability company

By: DMB ASSOCIATES, INC.,
an Arizona Corporation,
its Manager

By: /s/ Mark Kehke
Name: Mark Kehke
Title: EVP

CONSENT OF ERNST & YOUNG LLP

EXHIBIT 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-152804) pertaining to the Tejon Ranch Co. Amended and Restated 1998 Stock Incentive Plan,

(2) Registration Statement (Form S-8 No. 333-68869) pertaining to the Tejon Ranch Co. 1998 Stock Incentive Plan and Non-Employee Director Stock Incentive Plan,

(3) Registration Statement (Form S-8 No. 333-70128) pertaining to the Tejon Ranch Co. 1998 Stock Incentive Plan,

(4) Registration Statement (Form S-8 No. 333-113887) pertaining to the Tejon Ranch Nonqualified Deferred Compensation Plan,

(5) Registration Statement (Form S-3 No. 333-115946) and related Prospectus;

(6) Registration Statement (Form S-3 No. 333-130482) and related Prospectus;

(7) Registration Statement (Form S-3 No. 333-166167) and related Prospectus;

(8) Registration Statement (Form S-3 No. 333-184367) and related Prospectus; and

(9) Registration Statement (Form S-3 No. 333-192824) and related Prospectus;

of our report dated March 31, 2014, with respect to the Petro Travel Plaza Holdings, LLC included in this Annual Report on Form 10-K/A for the year ended December 31, 2013.

/s/ ERNST & YOUNG LLP

Boston, Massachusetts
March 31, 2014

EXHIBIT 31.1

Certification of Chief Executive Officer Pursuant to
Securities Exchange Act Rules 13a-14(a) and 15d-14(a)
as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Gregory S. Bielli, certify that:

1. I have reviewed this annual report on Form 10-K/A of Tejon Ranch Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 31, 2014

/s/ Gregory S. Bielli

Gregory S. Bielli
Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Executive Officer Pursuant to
Securities Exchange Act Rules 13a-14(a) and 15d-14(a)
as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Allen E. Lyda, certify that:

1. I have reviewed this annual report on Form 10-K/A of Tejon Ranch Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 31, 2014

/s/ Allen E. Lyda

Allen E. Lyda
Chief Financial Officer

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned hereby certifies, in his capacity as an officer of Tejon Ranch Co. (the "Company"), for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his own knowledge:

- The Annual Report of the Company on Form 10-K/A for the period ended December 31, 2013 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- The information contained in such report fairly presents, in all material respects, the financial condition and results of operation of the Company.

A signed original of this written statement required by Section 906 has been provided to Tejon Ranch Co. and will be retained by Tejon Ranch Co., and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: March 31, 2014

/s/ Gregory S. Bielli

Gregory S. Bielli
Chief Executive Officer

/s/ Allen E. Lyda

Allen E. Lyda
Chief Financial Officer

Exhibit 99.1

Petro Travel Plaza Holdings LLC

Consolidated Financial Statements

For the Years Ended
December 31, 2013, 2012 and 2011

Report of Independent Registered Public Accounting Firm

The Members
Petro Travel Plaza Holdings LLC

We have audited the accompanying consolidated balance sheets of Petro Travel Plaza Holdings LLC ("the Company") as of December 31, 2013 and 2012, and the related consolidated comprehensive income statements, and statements of cash flows and changes in members' capital for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Petro Travel Plaza Holdings LLC at December 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Boston, Massachusetts
March 31, 2014

PETRO TRAVEL PLAZA HOLDINGS LLC
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31,	
	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	$ 11,178	$ 6,416
Inventories	2,360	2,325
Due from affiliate	1,143	571
Other current assets	151	266
Total current assets	14,832	9,578
Property and equipment, net	43,950	44,196
Other noncurrent assets, net	208	246
Total assets	$ 58,990	$ 54,020
Liabilities and Members' Capital		
Current liabilities:		
Current portion of long-term debt	$ 755	$ 719
Accrued expenses and other current liabilities	1,628	2,104
Total current liabilities	2,383	2,823
Commitments and contingencies (Note 9)		
Long-term debt, excluding current portion	16,602	17,358
Other noncurrent liabilities	153	141
Total liabilities	19,138	20,322
Members' capital	39,852	33,698
Accumulated other comprehensive income (loss)	—	—
Total members' capital	39,852	33,698
Total liabilities and members' capital	$ 58,990	$ 54,020

The accompanying notes are an integral part of these consolidated financial statements.

PETRO TRAVEL PLAZA HOLDINGS LLC
CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
(in thousands)

	Years Ended December 31,		
	2013	**2012**	**2011**
Revenues:			
Fuel	$ 102,209	$ 111,342	$ 107,459
Nonfuel	23,595	22,620	20,885
Total revenues	125,804	133,962	128,344
Costs and expenses:			
Cost of sales:			
Fuel	92,705	102,206	99,400
Nonfuel	10,061	9,688	8,878
Total cost of sales (excluding depreciation)	102,766	111,894	108,278
Operating expenses	14,767	14,539	14,766
Depreciation and amortization expense	1,564	1,482	1,392
Total costs and expenses	119,097	127,915	124,436
Operating income	6,707	6,047	3,908
Interest income	2	7	8
Interest expense	(555)	(810)	(1,227)
Net income	$ 6,154	$ 5,244	$ 2,689
Other comprehensive income (loss):			
Change in accumulated unrealized loss on cash flow hedging derivative	—	254	364
Other comprehensive income (loss):	—	254	364
Comprehensive income	$ 6,154	$ 5,498	$ 3,053

The accompanying notes are an integral part of these consolidated financial statements.

PETRO TRAVEL PLAZA HOLDINGS LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31,		
	2013	**2012**	**2011**
Cash flows from operating activities:			
Net income	$ 6,154	$ 5,244	$ 2,689
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,564	1,482	1,392
Amortization of debt issuance costs	30	30	84
Increase (decrease) from changes in:			
Inventories	(35)	(167)	(240)
Other current assets	115	(7)	(16)
Due to/from affiliates	(572)	(16)	35
Accrued expenses and other current liabilities	(476)	97	652
Other, net	8	2	(24)
Net cash provided by operating activities	6,788	6,665	4,572
Cash flows from investing activities:			
Purchases of property and equipment	(1,306)	(1,577)	(832)
Net cash used in investing activities	(1,306)	(1,577)	(832)
Cash flow from financing activities:			
Repayments of term debt	(720)	(640)	(571)
Payments of debt issuance costs	—	—	(166)
Distribution to members	—	(12,000)	—
Net cash used in financing activities	(720)	(12,640)	(737)
Net increase (decrease) in cash and cash equivalents	4,762	(7,552)	3,003
Cash and cash equivalents, beginning of period	6,416	13,968	10,965
Cash and cash equivalents, end of period	$ 11,178	$ 6,416	$ 13,968
Supplemental cash flow information:			
Interest paid during the period	$ 557	$ 817	$ 1,252
Non-cash investing and financing activities:			
Net change in Accumulated unrealized gain (loss) on cash flow hedging derivative	$ —	$ 254	$ 364

The accompanying notes are an integral part of these consolidated financial statements.

PETRO TRAVEL PLAZA HOLDINGS LLC
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL
(in thousands)

	Members' Capital	Accumulated Other Comprehensive Income (Loss)	Total Members' Capital
Balances, December 31, 2010	$ 37,765	$ (618)	$ 37,147
Distribution to members	2,689	—	2,689
Other comprehensive loss	—	364	364
Balances, December 31, 2011	40,454	(254)	40,200
Distribution to members	(12,000)	—	(12,000)
Net income	5,244	—	5,244
Other comprehensive loss	—	254	254
Balances, December 31, 2012	33,698	—	33,698
Net income	6,154	—	6,154
Balances, December 31, 2013	$ 39,852	$ —	$ 39,852

The accompanying notes are an integral part of these consolidated financial statements.

PETRO TRAVEL PLAZA HOLDINGS LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012, 2011 and 2010
(in thousands)

(1) Company Formation and Description of Business

Company Formation

Petro Travel Plaza Holdings LLC (the "Company"), a Delaware limited liability company, was formed on October 8, 2008 by Tejon Development Corporation, a California corporation ("Tejon") and TA Operating LLC, a Delaware limited liability company ("TA") to develop and operate two travel centers and two convenience stores in Southern California. The Company has two wholly owned subsidiaries: Petro Travel Plaza LLC ("PTP") and East Travel Plaza LLC ("ETP"), each of which is a California limited liability company. ETP was formed on October 8, 2008, to develop a travel center, and had no operations until December 2009, when construction of that travel center was complete and it began operations. The Company's LLC agreement limits each members' liability to the fullest extent permitted by law.

PTP was formed on December 5, 1997, by Tejon and Petro Stopping Centers, L.P., a Delaware limited partnership ("Petro") to develop and operate a travel center in Southern California that began operations in 1999. Petro was acquired by TA's parent company in 2007 and was merged into TA in 2008. As a result, TA became the owner of Petro's interest in PTP. Hereinafter both TA and Petro are referred to as TA. Tejon and TA both contributed their ownership interest in PTP to the Company, and the results of PTP are included for all periods presented. The formation of the Company during 2008 was a change in legal entity structure, and did not represent a business combination.

Pursuant to the terms of the Company's Operating Agreement, TA manages the travel centers and convenience stores and is responsible for the administrative, accounting, and tax functions of the Company.

These consolidated financial statements include results for the Company and its subsidiaries for all periods presented.

Description of Business

The Company has two travel centers and two convenience stores with retail gasoline stations. One travel center and two convenience stores, owned by PTP, operate under the Petro brand and the other travel center, owned by ETP, operates under the TravelCenters of America brand. The travel centers offer a broad range of products, services and amenities, including diesel fuel, gasoline, full service and branded quick service restaurants, truck maintenance and repair facilities, travel stores and truck driver services such as showers, weigh scales, a truck wash and laundry facilities.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, PTP and ETP, after eliminating intercompany transactions, profits and balances.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. The carrying amount of cash equivalents is equal to their fair value.

Due from Affiliate

Pursuant to the terms of the Company's Limited Liability Company Operating Agreements (the "Operating Agreement"), as amended, TA provides cash management services to PTP, including the collection of accounts receivable. Accounts receivable are periodically transferred to TA for collection and any amounts for which PTP has not received payment from TA are reflected as due from affiliates in the accompanying balance sheets.

Inventories

Inventories are stated at the lower of cost or market value. The Company determines cost principally on the weighted average cost method.

Property and Equipment

Property and equipment are recorded at historical cost. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the respective assets. Repairs and maintenance are charged to expense as incurred, and amounted to $738, $711 and $706 for the years ended December 31, 2013, 2012 and 2011, respectively. Renewals and betterments are capitalized. The cost and related accumulated depreciation of property and equipment sold, replaced or otherwise disposed is removed from the related accounts. Gains or losses on disposal of property and equipment are credited or charged to depreciation and amortization in the accompanying consolidated comprehensive income statements.

Debt Issuance Costs

Costs incurred in obtaining long-term financing are capitalized and amortized over the life of the related debt using the effective interest method as a component of interest expense. The Company capitalized $142 of costs related to the Amended Credit Agreement it entered in December 2011. Debt issuance costs included in other assets on the balance sheets for both of the years ended December 31, 2013 and 2012, were $214, and accumulated amortization of debt issuance costs were $64 and $34, respectively.

Impairment of Long-Lived Assets

The Company recognizes impairment charges when (a) the carrying value of a long lived or indefinite lived asset group to be held and used in the business is not recoverable and exceeds its fair value and (b) when the carrying value of a long lived asset to be disposed of exceeds the estimated fair value of the asset less the estimated cost to sell the asset. The Company's estimates of fair value are based on its estimates of likely market participant assumptions including with respect to projected operating results and the discount rate used to measure the present value of projected future cash flows. If the business climate deteriorates the Company's actual results may not be consistent with these assumptions and estimates. The Company recognizes such impairment charges in the period during which the circumstances surrounding an asset to be held and used have changed such that the carrying value is no longer recoverable, or during which a commitment to a plan to dispose of the asset is made. The lowest level of asset groupings for which the cash flows are largely independent of the cash flows of other assets and liabilities is the individual location and, accordingly, it is at the individual location level that the Company performs its impairment analysis for substantially all of the Company's property and equipment. The Company includes impairment charges, when required, in depreciation and amortization expense in the accompanying consolidated comprehensive income statements.

Environmental Liabilities and Expenditures

The Company records the expense of remediation costs and penalties when the obligation to remediate is probable and the amount of associated costs is reasonably determinable. The Company includes remediation expenses within operating expenses in the accompanying consolidated comprehensive income statements. Generally, the timing of remediation accruals coincides with the completion of a feasibility study or the commitment to a formal plan of action. Accrued liabilities related to environmental matters are recorded on an undiscounted basis because of the uncertainty associated with the timing of the related future payments.

Asset Retirement Obligations

Asset retirement costs are capitalized as part of the cost of the related long-lived asset and such costs are allocated to expense using a systematic and rational method. To date these costs relate to the Company's obligation to remove underground storage tanks used to store fuel and motor oil. The Company records a liability for the fair value of an asset retirement obligation with a corresponding increase to the carrying value of the related long lived asset at the time an underground storage tank is installed. The Company amortizes the amount added to property and equipment and recognizes accretion expense in connection with the discounted liability over the remaining life of the respective underground storage tank. The Company bases the estimated liability on its historical experiences in removing these assets, estimated useful lives, external estimates as to the cost to remove the assets in the future and regulatory or contractual requirements. Revisions to the liability could occur due to changes in estimated removal costs, or asset useful lives or if new regulations regarding the removal of such tanks are enacted. An asset retirement obligation of $153 and $141 has been recorded as a noncurrent liability as of December 31, 2013 and 2012, respectively. The $12 increase between years is the result of accretion of the liability.

Derivative Instruments and Hedging Activities

The Company records derivative instruments on the balance sheet as either an asset or liability measured at its fair value. Changes in the fair value of derivative instruments are recorded in other comprehensive income to the extent that hedge accounting criteria are met and that the hedge is effective. Special accounting for qualifying hedges allows a derivative's gain or loss to offset related results on the hedged item in the comprehensive income statements at the time those gains or losses are realized and requires that a company formally document, designate, and assess the effectiveness of transactions that receive hedge accounting. If the

terms of the Company's derivative instrument do not match the terms of the hedged item, a portion of the derivative instrument would be ineffective and the Company would recognize gains or losses attributable to the ineffective portion in the comprehensive income statements immediately.

Revenue Recognition

The Company recognizes revenue from the sale of fuel and nonfuel products and services at the time delivery has occurred and services have been performed. The estimated cost to the Company of the redemption by customers of loyalty program points is recorded as a discount against gross sales in determining net sales presented in the consolidated comprehensive income statements.

Motor Fuel Taxes

The Company collects the cost of certain motor fuel taxes from consumers and remits those amounts to the supplier or the appropriate governmental agency. Such taxes were $11,686, $12,298 and $12,351, for the years ended December 31, 2013, 2012 and 2011, respectively, and are included in net revenues and cost of sales in the accompanying comprehensive income statements.

Advertising and Promotion

Costs incurred in connection with advertising and promotions are expensed as incurred. Advertising and promotion expenses, which are included in operating expenses in the accompanying comprehensive income statements, were $345, $315 and $279 for the years ended December 31, 2013, 2012 and 2011, respectively.

Income Taxes

The Company is not subject to federal or state income taxes. Results of operations are allocated to the members in accordance with the provisions of the Company's Operating Agreement and reported by each member on its federal and state income tax returns. The taxable income or loss allocated to the members in any one year generally varies substantially from income or loss for financial reporting purposes due to differences between the periods in which such items are reported for financial reporting and income tax purposes.

Recently Issued Accounting Pronouncements

In January 2013, the Company adopted FASB Accounting Standards Update, or ASU, No. 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income. This update requires companies to report, in one place, information about reclassifications out of accumulated other comprehensive income. Companies are also required to present details of reclassifications in the disclosure of changes in accumulated other comprehensive income balances. The update is effective for interim and annual reporting periods beginning after December 15, 2012. The implementation of this update caused no changes to the Company's consolidated financial statements.

Subsequent Events

The Company has evaluated subsequent events through March 31, 2014, which date represents the date the financial statements were available to be issued.

(3) Inventories

Inventories at December 31, 2013 and 2012, consisted of the following:

	2013	2012
Nonfuel products	$ 1,777	$ 1,762
Fuel products	583	563
Inventories	$ 2,360	$ 2,325

(4) Property and Equipment

Property and equipment, net, as of December 31, 2013 and 2012, consisted of the following:

	Estimated Useful Lives	2013	2012
	(years)		
Land		$ 17,717	$ 17,717
Building and improvements	10-40	34,794	34,526
Furniture and equipment	3-10	8,665	8,017
Construction in progress		390	—
		61,566	60,260
Less: accumulated depreciation		17,616	16,064
Property and equipment, net		$ 43,950	$ 44,196

Depreciation expense for the years ended December 31, 2013, 2012 and 2011 was $1,552, $1,473 and $1,383, respectively. The Company did not capitalize interest during any period presented.

(5) Accrued expenses and other current liabilities

Accrued expenses and other current liabilities as of December 31, 2013 and 2012, consisted of the following:

	2013	2012
Taxes payable, other than income taxes	$ 264	$ 608
Environmental reserve	599	750
Accrued wages and benefits	371	382
Other	394	364
Total other current liabilities	$ 1,628	$ 2,104

(6) Long-Term Debt

Long-term debt consisted of the following at December 31, 2013 and 2012:

	2013	2012
Note payable to a bank	$ 17,357	$ 18,077
Less current portion	755	719
Long-term debt, excluding current portion	$ 16,602	$ 17,358

The Company has a credit agreement with a bank that matures in December 2018. This debt carries certain financial covenants, with which the Company was in compliance at December 31, 2013. Scheduled principal payments are $61.6 per month until July 2014, $64.8 per month from August 2014 through July 2015, $68.1 from August 2015 through July 2016, $71.6 from August 2016 through July 2017, $75.3 from August 2017 through July 2018 and $79.1 from August 2018 through December 2018, with the final installment of $13,253 due at maturity. Until August 2012, the Company had an interest rate swap on this debt that is more fully described below. The interest rate on the debt is LIBOR plus 2.5%, payable monthly, or 2.67% at December 31, 2013. The debt is collateralized by the Company's real property.

The Company's weighted average interest rates were 2.69%, 4.18% and 5.93% during 2013, 2012 and 2011, respectively.

At December 31, 2013 and 2012, the Company had no involvement with derivative financial instruments. The Company has at times used derivatives to manage well-defined interest rate risks and during 2011 and part of 2012 the Company was party to an interest rate swap agreement to hedge the interest rate risk associated with the note payable. The swap expired during August 2012 and was not replaced. The swap that had been in place was not an exchange traded instrument. The Company does not use derivative financial instruments for trading or speculative purposes. The Company accounted for the swap as a cash flow hedge and, accordingly, changes in the fair value of the swap were recorded in other comprehensive income (loss) to the extent the hedge was effective. The Company's interest rate swap was measured at fair value on a recurring basis during 2012 and 2011.

Future minimum principal payments due on the note payable during the next five years as of December 31, 2013, were as follows:

Year ending December 31,	Total
2014	$ 719
2015	$ 755
2016	$ 795
2017	$ 835
2018	$ 878

(7) Related-Party Transactions

Amounts due from affiliates as of December 31, 2013 and 2012, were $1,143 and $571, respectively. Pursuant to the terms of the Company's Operating Agreement, TA manages the travel centers and is responsible for the administrative, accounting, and tax functions of the Company. TA receives a management fee for providing these services. The Company paid management fees to TA in the amount of $800 for each of the years ended December 31, 2013, 2012 and 2011, which fees are included in operating expenses in the accompanying consolidated comprehensive income statements.

The employees operating the Company's travel centers are TA employees. In addition to the management fees described above, the Company reimbursed TA for wages and benefits related to these employees that aggregated $7,232, $7,135, and $7,005 in 2013, 2012 and 2011, respectively. These reimbursements were recorded in operating expenses in the accompanying consolidated comprehensive income statements.

In addition to management services and staffing provided by TA, the Company's Operating Agreement grants the Company the right to use all of TA's names, trade names, trademarks and logos to the extent required in the operation of the Company's travel centers and convenience stores.

(8) Members' Capital

Ownership

Tejon and TA are the Members of the Company. The members and their interests in the Company are as follows:

Members	
Tejon Development Corporation	60%
TA Operating LLC	40%

Allocations of Income

In any fiscal year, the Company's profits or losses shall be allocated 60.0% to Tejon and 40.0% to TA pursuant to the terms of the Operating Agreement.

Allocations of Distributions

At any such time that there is a distribution from the Company, that distribution shall be allocated 60.0% to Tejon and 40.0% to TA pursuant to the terms of the Operating Agreement. Distributions totaling $5,000 and $7,000 were made in June 2012 and September 2012, respectively.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) related to the accumulated unrealized gain or loss on cash flow hedging derivatives, and the balances at December 31, 2012 and 2011, consisted of the following:

	Accumulated other comprehensive income (loss)
Balance at December 31, 2010	(618)
Change in accumulated unrealized loss on cash flow hedging derivative	364
Balance at December 31, 2011	(254)
Change in accumulated unrealized loss on cash flow hedging derivative	254
Balance at December 31, 2012	$ —

There was no activity in accumulated other comprehensive income during 2013.

(9) Commitments and Contingencies

The Company's operations and properties are subject to extensive federal and state legislation, regulations, and requirements relating to environmental matters. The Company uses underground storage tanks ("UST") to store petroleum products and motor oil. Statutory and regulatory requirements for UST systems include requirements for tank construction, integrity testing, leak detection and monitoring, overfill and spill control, and mandate corrective action in case of a release from a UST into the environment. The Company is also subject to regulation relating to vapor recovery and discharges into the water. Management believes that the Company's USTs are currently in compliance in all material respects with applicable environmental legislation, regulations, and requirements.

Accruals for environmental matters are recorded in operating expenses when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. From time to time the Company has received, and in the future likely will receive, notices of alleged violations of environmental laws or otherwise has become or will become aware of the need to undertake corrective actions to comply with environmental laws at its properties. Investigatory and remedial actions were, and regularly are, undertaken with respect to releases of hazardous substances. The Company had a reserve for environmental matters of $599 and $750, at December 31, 2013 and 2012, respectively. Accruals are periodically evaluated and updated as information regarding the nature of the clean up work is obtained. In light of the Company's business and the quantity of petroleum products that it handles, there can be no assurance that currently unidentified hazardous substance contamination does not exist or that liability will not be imposed in the future in materially different amounts than those the Company has recorded. See Note (2) for a discussion of its accounting policies relating to environmental matters.

In May 2010, the California Attorney General commenced litigation on behalf of the California State Water Resources Control Board, or the State Water Board, against various defendants, including the Company, TA and Tejon in the Superior Court of California for Alameda County seeking unspecified civil penalties and injunctive relief for alleged violations of underground storage tank laws and regulations at various facilities in Kern and Merced Counties, which alleged violations do not include release of contamination into the environment. On July 26, 2010, the California Attorney General voluntarily dismissed this litigation against the Company and the other named defendants, and on September 2, 2010, refiled its complaint against the same defendants in the Superior Court of California for Merced County, or the Superior Court, seeking unspecified civil penalties and injunctive relief. The defendants denied the material allegations in the complaint and asserted various affirmative defenses. In February 2014, the parties reached an agreement to settle these claims for a cash payment of $1,800, suspended penalties of $1,000 that may become payable by the defendants in the future if, prior to March 2019, they fail to comply with specified underground storage tank laws and regulations; and the defendants' agreement to invest prior to March 2018, up to $2,000 of verified costs that are directly related to the development and implementation of a comprehensive California Enhanced Environmental Compliance Program for the underground storage tank systems at all of the defendants' California facilities which is above and beyond minimum requirements of California law and regulations related to underground storage tank systems. PTP is responsible for its pro rata share of the expenses incurred related to this settlement agreement, and as of December 31, 2013, had a liability of $599 related to this matter. To the extent that the defendants do not incur the full $2,000 of eligible environmental compliance costs by March 2018, the difference between the amount incurred and $2,000 will be payable to the State Water Board. The parties submitted to the Superior Court for approval a form of Proposed Final Consent Judgment and Permanent Injunction, which also included injunctive relief provisions requiring compliance with certain California environmental laws and regulations applicable to underground storage tank systems and the Superior Court approved the related Proposed Final Consent Judgment and Permanent Injunction on February 20, 2014. The expense related to this matter was recognized in prior years. The Company believes that the probability of triggering any portion of the $1,000 of suspended penalties is remote and have not recognized a loss or a liability for that amount, but it is

possible that such events will occur and some portion or all of the $1,000 my become payable and would be charged to expense at the time of that future event.

In addition to the legal proceeding referenced above, the Company is involved from time to time in various other legal and administrative proceedings, including tax audits, and threatened legal and administrative proceedings incidental to the ordinary course of business, none of which is expected, individually or in the aggregate, to have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.