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BRUCE BURROWS, an individual, and 300 A 40 H, LLC, a
California Limited Liability Company

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES, NORTH DISTRICT**

BRUCE BURROWS, an individual, and
300 A 40 H, LLC, a California Limited
Liability Company,

Plaintiffs,

vs.

TEJON RANCHCORP, a California
Corporation; TEJON RANCH
COMPANY, a Delaware Corporation;
CENTENNIAL FOUNDERS, LLC, a
Delaware Limited Liability Company; and
Does 1 to 50, inclusive,

Defendants.

Case No. MC 021281

*Assigned for All Purposes to the
Honorable Randolph A. Rogers*

**SECOND AMENDED COMPLAINT FOR
DAMAGES, DECLARATORY RELIEF,
ESTOPPEL, AND SPECIFIC
PERFORMANCE**

GENERAL ALLEGATIONS

1. Plaintiff Bruce Burrows ("Burrows") is, and at all times relevant hereto was, an individual over the age of eighteen residing and doing business in the County of Los Angeles.

2. Plaintiff 300 A 40 H, LLC (the "Burrows LLC"), is a California limited liability company, with its principal place of business in the County of Los Angeles. Bruce Burrows is a

1 Manager and Member of the Burrows LLC. Burrows and Burrows LLC are sometimes referred to
2 herein collectively as "Plaintiffs."

3 3. Plaintiffs allege that defendant Tejon Ranchcorp ("Ranchcorp") is a California
4 corporation and that defendant Tejon Ranch Company ("TRC") is a Delaware corporation, both of
5 which corporations conduct business in various counties located in the State of California, including
6 the County of Los Angeles. Ranchcorp and TRC are sometimes referred to herein collectively as
7 "Tejon." Plaintiffs further allege that defendant Centennial Founders, LLC ("Centennial"), is a
8 Delaware limited liability company which conducts business in Los Angeles County, California,
9 and that one or both of the defendant Tejon corporate entities are Member(s) of Centennial.
10 Centennial, Ranchcorp and TRC are sometimes referred to herein collectively as "Defendants."

11 4. The real property involved in this dispute is located in the Antelope Valley area of
12 the County of Los Angeles, State of California, either within the boundaries or immediate vicinity
13 of the planned Centennial Development (as hereinafter defined).

14 5. Plaintiffs are informed and believe and, based thereon, allege that defendants Does 1
15 through 50 are, and at all times herein mentioned were, individuals, corporations, partnerships, or
16 other business entities, which were and are legally responsible and liable in some manner for the
17 acts and events referred to in this Complaint, and that Plaintiffs' injuries and damages were
18 proximately caused thereby.

19 6. Plaintiffs are ignorant of the true names and capacities of defendants sued herein as
20 Does 1 through 50, inclusive ("Does") and therefore sue said defendants under such fictitious
21 names. Plaintiffs will seek leave to amend this Complaint to allege their true names and capacities
22 when the same have been ascertained.

23 7. Plaintiffs are informed and believe and, based thereon, allege that Defendants and
24 the Does and each of them were the agents, employees, partners, joint venturers, co-conspirators,
25 owners, principals, employers and/or alter-ego of each other and/or of certain of the defendants and,
26 in doing the things hereafter alleged, were acting within the course and scope of that agency,
27 employment, partnership, conspiracy, ownership, joint venture or alter-ego relationship. Plaintiffs
28 are further informed and believe and, based thereon, allege that the acts and conduct herein alleged

1 of each of the Defendants and the Does were known to, authorized by, and/or ratified by each of the
2 other Defendants and the Does.

3 FACTUAL BACKGROUND

4 8. Plaintiffs allege that Defendants presently own, or have an interest in, hundreds of
5 thousands of acres of land spanning the Los Angeles/Kern County line ("Tejon Land").
6 Approximately 11,700 acres of the Tejon Land on the Los Angeles side of the Los Angeles/Kern
7 County line, is being developed by defendant Centennial as a master-planned new town, intended to
8 include approximately 23,000 homes (the "Centennial Development" or "Centennial Project").

9 9. For many years Burrows and/or Burrows LLC has been, and still is, the possessor
10 and holder of fee title to two parcels of land totaling approximately 416 acres, within the boundaries
11 of the Centennial Development ("NAP Parcels"). Plaintiffs are informed and believe that, at this
12 time, Defendants treat said parcels as if they were "Not a Part" ("NAP") of the Centennial
13 Development, and that they are virtually the only NAP or "white hole" properties in Centennial's
14 planned development.

15 10. For many years prior to 2005, Burrows was also the possessor and holder of fee title
16 to an approximately 170 acre parcel of real property located in the County of Los Angeles, just
17 outside the northeast boundary of the planned Centennial Development, on which peach orchards
18 were (and still are) maintained by Burrows (the "Orchard Parcel").

19 11. Among other lands, all or a material portion of the lands composing the Centennial
20 Project, the NAP Parcels, the Orchard Parcel, and the 160 Acre Parcel (defined below), overlie a
21 common groundwater basin ("Basin") from which Plaintiffs and Defendants do currently rely, and
22 may at any time in the future expand their reliance upon, to support commercial agricultural
23 irrigation on their respective properties.

24 12. Plaintiffs and Defendants also intend to rely on the Basin as a source of supply for all
25 or a portion of the water demands associated with development projects planned for all or portions
26 of their property described herein.

27 13. In late 2005, Tejon trespassed on the Orchard Parcel. Without permission or
28 permits, Tejon drilled 3 water test wells on, and trampled the northwest corner of, the Orchard

1 Parcel in preparation to lay a water pipeline from the California State Water Project aqueduct to a
2 large water recharge and water banking facility (the "Tejon Water Bank").

3 14. The Tejon Water Bank was intended to be used to divert water from the California
4 State Water Project aqueduct into large ponds, which would allow this water to infiltrate and
5 recharge the Basin.

6 15. Tejon had built its Tejon Water Bank without first obtaining required permits, on a
7 parcel of land that was directly adjacent to, and uphill from, the Orchard Parcel. The Tejon Water
8 Bank facilities jeopardized the use and integrity of the Orchard Parcel.

9 16. On January 25, 2006, Burrows filed a lawsuit against TRC in the Los Angeles
10 County Superior Court, North District (this Court) under Case No. MC017046 (the "2006
11 Litigation"). Burrows promptly obtained a Temporary Restraining Order enjoining Tejon from
12 continued construction, maintenance and use of the Tejon Water Bank.

13 17. The 2006 Litigation was settled through an agreement dated March 1, 2006 (the
14 "2006 Agreement"). Among the most important features of the settlement and 2006 Agreement
15 were: (1) a stipulated dissolution of the TRO, which permitted the Tejon Water Bank to continue to
16 be built and operated; and, (2) an agreement by Tejon to "swap" certain property ownership
17 between Burrows LLC and Ranchcorp -- ownership of the Orchard Parcel was traded for a separate
18 160 acre parcel of land overlying the Basin (the "160 Acre Parcel").

19 18. The 160 Acre Parcel was then, and is currently, being used for farming and is just
20 outside the boundaries of the planned Centennial Development, but contiguous to one of Burrows'
21 NAP Parcels. A true and correct copy of the 2006 Agreement is attached hereto as Exhibit A, and
22 incorporated herein by reference.

23 19. The 2006 Agreement also provided that:

24 (a) Ranchcorp would lease back the Orchard Parcel to the Burrows LLC (the
25 "Burrows Lease"), and the Burrows LLC would lease back the 160 Acre Parcel to
26 Ranchcorp (the "Tejon Lease"), each for no less than five years; and,
27
28

(b) Ranchcorp would grant the Burrows LLC an easement across various parcels of property (the "Burrows Easement"), connecting all of Burrows' properties, for the transport of water.

20. On or about February 2, 2007, Grant Deeds were executed and thereafter recorded in accordance with the 2006 Agreement, pursuant to which: (1) Ranchcorp conveyed the 160 Acre Parcel to the Burrows LLC ("Tejon to Burrows Grant Deed"); and, (2) the Burrows LLC conveyed the Orchard Parcel to Ranchcorp ("Burrows to Tejon Grant Deed"). Attached hereto as Exhibits B and C, respectively, are true and correct copies of the Tejon to Burrows Grant Deed and the Burrows to Tejon Grant Deed, which are incorporated herein by reference (these two Grant Deeds are sometimes hereinafter collectively referred to as the "2007 Grant Deeds").

21. The Tejon to Burrows Grant Deed (Ex. B hereto) expressly provides that Tejon granted to the Burrows LLC, "all right, benefit and interest in any water rights associated with the [160 Acre Parcel] whether existing now through past activities of [Tejon], or as subsequently established by [the Burrows LLC]." Further, the Burrows to Tejon Grant Deed (Ex. C hereto) expressly provides that the Burrows LLC "shall retain from [the Orchard Parcel] all right, benefit and interest in and to the water rights associated with [the Orchard Parcel] either as they exist now or shall be determined to exist in the future, including the right to transfer said water rights away from [the Orchard Parcel]."

22. On or about February 5, 2007, Memoranda of Leases were executed and thereafter recorded in accordance with the 2006 Agreement. These recorded documents provide: (1) Ranchcorp leased the Orchard Parcel back to the Burrows LLC ("Burrows Lease Memorandum"); and, (2) the Burrows LLC leased the 160 Acre Parcel back to Ranchcorp ("Tejon Lease Memorandum"). Attached hereto as Exhibits D and E, respectively, are true and correct copies of the Burrows Lease Memorandum, and the Tejon Lease Memorandum, which are incorporated herein by reference.

23. On or about February 5, 2007, an Easement Deed and Agreement was also executed pursuant to which Ranchcorp granted the Burrows LLC the easement referenced in the 2006 Agreement for the transport of water to/from the Orchard Parcels and Plaintiffs' other parcels in the

1 vicinity, across property owned by Ranchcorp ("Burrows Easement Deed"). A true and correct
2 copy of the Burrows Easement Deed is attached hereto as Exhibit F and incorporated herein by
3 reference.

4 24. Attached hereto and marked as Exhibit G is a true and correct copy of a Centennial
5 Specific Plan map showing the boundaries of the Centennial Development (and reflecting Burrows'
6 NAP Parcels), as well as the Tejon Water Bank and the Orchard Parcel.

7 25. Ranchcorp is required during the term of the Tejon Lease, to continue farming the
8 160 Acre Parcel, which it has done, using groundwater underlying the 160 Acre Parcel. Ranchcorp
9 did not reserve for itself, any water rights in the 160 Acre Parcel. The Burrows LLC "obtain[ed] at
10 Closing the water, mineral, gas, oil and all other rights inherent in fee simple ownership of the [160
11 Acre] Parcel." [2006 Agreement, Ex. A at pp. 4-5; Burrows Lease Memorandum, Ex. D at ¶5.]

12 26. The Burrows LLC is allowed during the term of the Burrows Lease, to continue to
13 maintain the peach trees on the Orchard Parcel, which has been done, using the wells on that parcel
14 and "making any and all use of water and utilities necessary or incident to the transport of water,
15 and the preservation, establishment and determination of any water rights owned by Burrows ...
16 which rights shall belong in perpetuity to Burrows" [2006 Agreement, Ex. A at p. 4; Burrows
17 Lease Memorandum, Ex. D at ¶3.]

18 27. During the period in which the Tejon Water Bank was in place, Defendants
19 recharged into the Basin some quantity of imported, non-native water resources through the Tejon
20 Water Bank ("Banked Imported Water"). The Banked Imported Water may remain in storage in the
21 Basin for some indefinite period. Defendants may claim the Banked Imported Water may remain in
22 storage in the Basin for several decades or in perpetuity.

23 28. The Tejon Water Bank appears to have ceased operation, portions of the facilities
24 have been removed and the Tejon Water Bank appears no longer functional. However, Defendants
25 may attempt to store additional Banked Imported Water in the Basin for an indefinite period,
26 perhaps for decades or in perpetuity. It is not clear how Defendants intend to recharge the local
27 groundwater Basin and generate additional Banked Imported Water.

1 29. Defendants may attempt to recapture through groundwater pumping any or all
2 Banked Imported Water.

3 30. Defendants plan to use imported water directly for consumptive uses within the
4 Centennial Development and claim that some portion of the water used will recharge into the Basin
5 ("Banked Return Flows"). The Banked Return Flows will occur as a result of outdoor irrigation
6 using imported water within the Centennial Project area, and from recharge of treated wastewater
7 generated from the Centennial Development. Defendants may attempt to store the Banked Return
8 Flows in the Basin for an indefinite period; perhaps for decades or in perpetuity. Defendants may
9 also attempt, at any time, to recapture through groundwater pumping the Banked Return Flows.

10 31. During early summer 2009, Defendants and Burrows discussed the potential of
11 incorporating the NAP Parcels and the 160 Acre Parcel into the Centennial Project. Discussions
12 brought up various issues, including the issue of water rights in the Basin.

13 32. On or about July 2, 2009, Centennial's counsel sent a letter to Burrows' counsel,
14 stating that it was Defendants' position that Plaintiffs held no groundwater rights in the Basin.

15 33. This statement was in contradiction of the 2006 Agreement and the 2007 Grant
16 Deeds, and raised significant concerns that Defendants were taking a position adverse to Plaintiffs'
17 water rights, and the contractual commitments embodied in the 2006 Agreement.

18 34. Also in the July 2, 2009 letter, Centennial's counsel informed Burrows that
19 Defendants had no interest in including the NAP Parcels and the 160 Acre Parcel in the Centennial
20 Project. Burrows then undertook more vigorous efforts to pursue independent development plans
21 for the NAP Parcels and the 160 Acre Parcel separately from the Centennial Project.

22 35. In further discussions culminating in January 2010, Burrows was informed that
23 Defendants considered the grant of water rights in the 2007 Grant Deeds ambiguous, and that the
24 water rights grants and reservations in 2007 Grant Deeds were superfluous, and therefore water
25 rights did not transfer to Burrows and/or the Burrows LLC with the land, as clearly stated in the
26 2007 Grant Deeds and the 2006 Agreement.

27 36. At that point, it was clear Defendants had abrogated any intention to abide by the
28 2006 Agreement, had rejected the express language of the 2007 Grant Deeds, and were asserting

1 and would continue to assert that Plaintiffs did not have the water rights assured to them through the
2 2006 Agreement and the 2007 Grant Deeds.

3 37. Defendants' abrogation and rejection of their obligations and commitments under the
4 2006 Agreement had and will continue to have a substantial negative or prohibitory impact on
5 Plaintiffs' ability to assert and protect Burrows' and Burrows LLC's water rights. The fact that said
6 water rights are in conflict, has and will have material negative impacts on Burrows' and the
7 Burrows LLC's ability to process development approvals for the NAP Parcels and 160 Acre Parcel.

8 **FIRST CAUSE OF ACTION**

9 (Breach of 2006 Agreement by Plaintiffs against Ranchcorp and Does)

10 38. Plaintiffs refer to, reallege and incorporate herein by this reference, each and every
11 allegation contained in paragraphs 1 through 37 inclusive, herein above, as though set forth in full.

12 39. Pursuant to the 2006 Agreement, Ranchcorp agreed to "not take any action to limit
13 or interfere with any development proposed for the [160 Acre] Parcel or the other parcels Burrows
14 owns in the vicinity of the Centennial planning area."

15 40. Plaintiffs allege Ranchcorp and Does have breached the above-referenced provision
16 of the 2006 Agreement by claiming that Plaintiffs hold no groundwater rights in the Basin, and/or
17 by claiming that Defendants have title to water rights which were transferred to the Burrows LLC
18 which, in turn, constitutes action that will limit Plaintiffs' rights to rely on the Basin groundwater,
19 expand their use of Basin groundwater and/or interfere with Plaintiffs' efforts to develop the 160
20 Acre Parcel and the NAP Parcels.

21 41. Plaintiffs further allege that the actions of Ranchcorp and Does in operating the
22 Tejon Water Bank and attempting to rely on rights to store and recapture Banked Imported Water
23 and Banked Return Flows has created a situation detrimental to Burrows and/or the Burrows LLC.
24 In particular, the local groundwater Basin has limited space within which it can hold naturally
25 recharged, native groundwater supplies. If not managed properly, use of the local groundwater
26 Basin to store Banked Imported Water and Banked Return Flows may displace or interfere with the
27 availability of the Basin's capacity to hold naturally recharged, native groundwater supplies.
28 Interference with the native groundwater supplies in this manner could severely impact the

1 availability and reliability of Basin water supplies for: a) Plaintiffs' current uses of Basin
2 groundwater for its overlying uses; b) Plaintiffs' expanded uses of Basin groundwater for its
3 overlying uses; and c) Plaintiffs' reliance on Basin groundwater to support development proposed
4 for the NAP Parcels and the 160 Acre Parcel.

5 42. Plaintiffs have performed any obligations owed to defendants pursuant to the 2006
6 Agreement except those obligations (if any) that they were prevented or excused from performing.

7 43. As a direct, natural, and proximate result of the aforementioned conduct and
8 Ranchcorp's and Does' breach of the obligations created by the 2006 Agreement, Plaintiffs have
9 been damaged in an amount not yet presently ascertainable. In addition, Plaintiffs have sustained
10 and will continue to sustain damages. The precise sum of damages suffered will be proven at the
11 time of trial. Further, Plaintiffs have suffered an injury that has no plain, speedy or adequate
12 remedy in the ordinary course of law.

13 SECOND CAUSE OF ACTION

14 (Anticipatory Breach of 2006 Agreement by the Burrows LLC, against Ranchcorp and Does)

15 44. Plaintiffs refer to, reallege and incorporate herein by this reference, each and every
16 allegation contained in paragraphs 1 through 43 inclusive, herein above, as though set forth in full.

17 45. Pursuant to the 2006 Agreement and 2007 Grant Deeds, Ranchcorp agreed to
18 transfer to the Burrows LLC, the right to use, otherwise exercise dominion and control over, and put
19 to beneficial use all water rights associated with the Orchard Parcel and the 160 Acre Parcel.

20 46. By its actions, Ranchcorp has demonstrated that it will not abide by express
21 requirements of the 2006 Agreement and 2007 Grant Deeds by, *inter alia*, stating that it did not, in
22 fact, transfer to the Burrows LLC, the right to use, and otherwise exercise dominion and control
23 over those quantities of groundwater that have historically been put, and are continuing to be put, to
24 beneficial use on the 160 Acre Parcel, and that the Burrows LLC does not have the water rights
25 transferred or reserved in the 2006 Agreement and the 2007 Grant Deeds.

26 47. Plaintiffs have performed any obligations owed to defendants pursuant to the 2006
27 Agreement except those obligations (if any) that they were prevented or excused from performing.

48. As a direct, natural, and proximate result of the aforementioned conduct and Ranchcorp's and Does' breach of the obligations created by the 2006 Agreement, Plaintiffs have been damaged in an amount not yet presently ascertainable. In addition, plaintiffs have sustained and will continue to sustain damages. The precise sum of damages suffered will be proven at the time of trial. Further, Plaintiffs have suffered an injury that has no plain, speedy or adequate remedy in the ordinary course of law.

THIRD CAUSE OF ACTION

(For Declaratory Relief by Burrows LLC against Defendants and Does)

49. Plaintiffs refer to, reallege and incorporate herein by this reference, each and every allegation contained in paragraphs 1 through 48 inclusive, herein above, as though set forth in full.

50. Defendants and Does have contended and do contend that the Burrows LLC's water rights as set forth in the 2006 Agreement and the 2007 Grant Deeds do not transfer ownership of the water rights in the manner expressly provided for therein. Plaintiffs contend that the express and clear provisions of the 2006 Agreement and the 2007 Grant Deeds provide the Burrows LLC with such rights as are being denied to exist by Defendants and Does. Accordingly, a current controversy exists as to the identity of the owner of these groundwater rights.

51. Plaintiffs desire a judicial determination and declaration that the Burrows LLC holds all rights as expressly provided in the 2007 Grant Deeds.

52. Such declaration is necessary and appropriate at this time under the circumstances so that Plaintiffs, as well as Defendants, may ascertain their rights and duties.

FOURTH CAUSE OF ACTION

(For Declaratory Relief by Plaintiffs, against Defendants and Does)

53. Plaintiffs refer to, reallege and incorporate herein by this reference, each and every allegation contained in paragraphs 1 through 52 inclusive, herein above, as though set forth in full.

54. Defendants intend to develop a new water right in the Basin upon which they will rely in perpetuity to support a public water system, and thus pump a material quantity of groundwater from the Basin to support the water demands associated with the Centennial Development. Such actions put in jeopardy all or some of the groundwater rights that were

1 transferred to the Burrows LLC through the 2006 Agreement and 2007 Grant Deeds. Neither
2 Defendants, nor any of the Does, have any right to claim use of these groundwater rights.
3 Accordingly, a current controversy exists as to the identity of the owner of these groundwater rights.

4 55. In addition, by virtue of their overlying property rights, Plaintiffs claim a priority
5 right to rely on the Basin groundwater resources in contrast to Defendants, future, unperfected
6 rights to rely on the Basin in developing a public water supply to meet the water demands of the
7 future residents and businesses in Centennial Project.

8 56. Plaintiffs desire a judicial determination and declaration that the Burrows LLC, not
9 Defendants, are entitled to any and all groundwater rights: a) transferred or reserved to Burrows
10 LLC through the 2006 Agreement and the 2007 Grant Deeds; b) and that Plaintiffs overlying rights
11 are senior in priority to those rights that Defendants rely upon to support the public water supply
12 needs of the future residents and businesses in Centennial Project .

13 57. Plaintiffs are informed and believe and, based thereon, allege that such a declaration
14 is a necessary and appropriate determination of the water rights among the parties.

15 FIFTH CAUSE OF ACTION

16 (For Declaratory Relief by Plaintiffs against Defendants and Does)

17 58. Plaintiffs refer to, reallege and incorporate herein by this reference, each and every
18 allegation contained in paragraphs 1 through 57 inclusive, herein above, as though set forth in full.

19 59. By virtue of their ownership of real property overlying the Basin and other real
20 property water rights granted via the 2006 Agreement and the 2007 Grant Deeds, Plaintiffs have the
21 right to obtain native groundwater from within the Basin to support its reasonable and beneficial use
22 of water, both present and future, on its overlying properties, and for use with respect to Plaintiffs'
23 proposed development of the NAP Parcels and the 160 Acre Parcel. Pursuant to the 2006
24 Agreement, Tejon "shall not take any action to limit or interfere with any development proposed for
25 the [160 Acre] Parcel or the other parcels Burrows owns in the vicinity of the Centennial planning
26 area..." (2006 Agreement, page 7.)

27 60. Because of the actions of Defendants and Does each of them, an actual controversy
28 has arisen and now exists between Plaintiffs and Defendants and each of them relating to the

1 relative priority of rights to use storage space within the Basin. Plaintiffs contend that their right to
2 use the storage space within the Basin to support their reasonable and beneficial use of water on
3 overlying properties is paramount to the right of each of the Defendants to use storage space within
4 the Basin for storage of Banked Imported Water and Banked Return Flows. Plaintiffs further
5 contend that the current quantity of Banked Imported Water which Tejon claims it can recapture
6 and reuse is grossly inaccurate and overstated.

7 61. Defendants dispute these contentions and contend that: a) their rights to use storage
8 space within the Basin to store and recapture Banked Imported Water and Banked Return Flows are
9 paramount to these rights of Plaintiffs; and b) the current quantity of Banked Imported Water
10 allegedly stored in the Basin is accurately quantified, and will remain available for recapture by
11 Defendants in perpetuity.

12 62. Plaintiffs desire a declaration of their rights with respect to the use of storage space
13 within the Basin. Such declaration is necessary and appropriate at this time under the circumstances
14 so that Plaintiffs, as well as Defendants, may: a) ascertain their rights and duties with respect to one
15 another; b) whether Defendants have or will transgress the restrictions in the 2006 Agreement by
16 virtue of their claimed rights to store and recapture Banked Imported Water and Banked Return
17 Flows; and c) proceed to prove up the reliability of the water supplies associated with Defendants'
18 and Plaintiffs' respective development projects with relative certainty.

19 SIXTH CAUSE OF ACTION

20 (For Estoppel by Plaintiffs against Tejon and Does)

21 63. Plaintiffs refer to, reallege and incorporate herein by this reference, each and every
22 allegation contained in paragraphs 1 through 62 inclusive, herein above, as though set forth in full.

23 64. In or about 2006 or early 2007, during the negotiations of the 2006 Settlement
24 Agreement, Defendants made what reasonably appeared to Plaintiffs to be a good faith assertion
25 that Defendants would transfer to Plaintiffs the right to use, convert to domestic use, and otherwise
26 exercise dominion and control over those quantities of groundwater that have historically been put,
27 and are continuing to be put, to beneficial use for agricultural irrigation on the 160 Acre Parcel and
28 the Orchard Parcel, and would properly acknowledge said transfer (the "Representation"). As such,

1 Plaintiffs had the right to believe, and did so believe, that the Representation was truthful and could
2 be relied upon. Further, Plaintiffs had no reason to not believe that the Representation was made
3 falsely or deceitfully or mistakenly.

4 65. Mr. Joseph E. Drew, then Senior Vice President, Real Estate, of Tejon Ranchcorp
5 and Tejon's counsel, Mr. Dennis Mullens, were involved in the settlement negotiations and were
6 held out by Tejon to be persons in charge of the negotiations, or by nature of ongoing discussions
7 fulfilled that position. Tejon, Mr. Drew, and Mr. Mullins were told specifically of Plaintiffs'
8 reliance on the Representation in Plaintiffs deciding whether to accept the Settlement Agreement.
9 During the course of the negotiations Tejon, Mr. Drew and Mr. Mullin continued to indicate that
10 Burrows or the Burrows LLC would receive the rights as set forth in the Representation.
11 Nevertheless, at the time they made the Representation, Tejon, Mr. Drew and Mr. Mullins knew
12 that Tejon's true intention was to deny that such rights exist or otherwise not honor or perform as
13 necessary based on the Representation. Defendants wanted to claim the rights set forth in the
14 Representation for the benefit of their own development and enrichment, at the expense of the
15 Plaintiffs.

16 66. Plaintiffs, unaware as to Tejon's true intention, decided to enter into the 2006
17 Agreement relying on the Representation. Plaintiffs, relying on the Representation, stipulated to the
18 dissolution of the temporary restraining order restricting Tejon's use of and access to the Tejon
19 Water Bank, and so relinquished their claims from the 2006 Litigation, and participated in the
20 transfer and delivery of the 2007 Grant Deeds and related documentation.

21 67. Plaintiffs, further relying on the Representation's promise of transfer, moved forward
22 with plans to develop the 160 Acre Parcel and the NAP Parcels, and furthered relationships it was
23 maintaining with certain possible partners and/or investors. When the information concerning the
24 misrepresentation came to light, the possible partners and/or investors withdrew their plans to invest
25 or partner with Plaintiffs.

26 68. As a direct, natural, and proximate result of the aforementioned conduct, Plaintiffs
27 have been damaged and will continue to be damaged in an amount not yet presently ascertainable
28 and further, Defendants are estopped from denying the Representation.

PRAYER

WHEREFORE, plaintiffs pray for Judgment against Defendants and Does, and each of them, as follows:

1. For general and special damages according to proof at trial, together with interest thereon at the legal rate from the date said damages were suffered;
2. For a declaration of rights as set forth herein;
3. For specific performance pursuant to the 2006 Agreement;
4. For an injunction prohibiting Defendants and their agents, representatives and others from taking any action which: a) uses groundwater from the Basin, or b) relies on storage space in the Basin; that may infringe upon or negatively impact Plaintiffs' ability to exercise their senior or priority rights to rely on the Basin, whether such rights of Plaintiffs were granted through the 2006 Settlement Agreement, the 2007 Grant Deeds, or otherwise established and maintained.
5. For costs of suit incurred herein; and,
6. For such other and further relief as the Court deems just and proper.

Dated: August 27, 2010

HARRISON LAW AND MEDIATION
AND
BROWNSTEIN HYATT FARBER SCHRECK,
LLP

By: 

STEVEN L. HOCH
SUSAN L. HARRISON
Attorneys for Plaintiffs
BRUCE BURROWS, AN INDIVIDUAL,
AND 300 A 40 H, LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY

PROOF OF SERVICE

I am over the age of eighteen years and not a party to this action. My business address is 2029 Century Park East, Suite 2100, Los Angeles, California 90067. On August 27, 2010, I served the within document(s):

**SECOND AMENDED COMPLAINT FOR DAMAGES,
DECLARATORY RELIEF, ESTOPPEL, AND SPECIFIC
PERFORMANCE**

- ☐ by transmitting via facsimile the document(s) listed above to the fax number(s) set forth below on this date before 5:00 p.m.
- ☒ by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, the United States mail at Los Angeles, California addressed as set forth below.
- ☐ by placing the document(s) listed above in a sealed August 27, 2010 envelope and affixing a pre-paid air bill, and causing the envelope to be delivered to a August 27, 2010 agent for delivery.
- ☐ by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.

Bob H. Joyce, Esq.
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Thomas J. Ward, Esq.
MICHELIZZI, SCHWABACHER, ET AL
767 W. Lancaster Boulevard
Lancaster, CA 93534

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on August 27, 2010, at Los Angeles, California.



Ivy B. Capili

Exhibit A

March 1, 2006

Mr. Joseph E. Drew
Senior Vice President
Tejon Ranchcorp
4436 Lebec Road
Lebec, CA 93243

Re: Exchange of Burrows Parcel for Tejon Parcel

Dear Mr. Drew:

When fully executed and delivered, this letter constitutes a binding agreement for the exchange of real property between Tejon Ranchcorp, a California corporation ("Tejon") and Bruce Burrows, a married man as his sole and separate property, and 300'A 40 H, LLC, a California limited liability company (collectively, "Burrows"). Tejon and Burrows are collectively referred to in this letter as the "Parties".

Burrows Parcel:	Fee simple title to (a) the approximately 170 acres of land described on <u>Exhibit A</u> , attached hereto and incorporated herein including but not limited to all easements, rights of way, appurtenances, permits, entitlements and other interests, rights and benefits belonging thereto, and (b) all improvements, existing wells and equipment related to existing wells located on such land in their current condition as of the date of this letter, (the "Burrows Parcel"). Notwithstanding the foregoing, all farming equipment on the Burrows Parcel are not conveyed to Tejon.
Tejon Parcel:	Fee simple title to (a) the approximately 160 acres of land described on <u>Exhibit B</u> , attached hereto and incorporated herein including but not limited to all easements, rights of way, appurtenances, permits, entitlements and other interests, rights and benefits belonging thereto, and (b) all improvements located on such land in their current condition as of the date of this letter, (the "Tejon Parcel"). Notwithstanding the foregoing, the irrigation pivots and associated equipment located on the Tejon Parcel are not conveyed to Burrows. The Burrows Parcel and the Tejon Parcel are each collectively referred to in this letter as the "Parcels".
Agreement:	Tejon shall convey the Tejon Parcel to Burrows on the Closing Date (defined below), in exchange for the simultaneous conveyance by Burrows of the Burrows Parcel to Tejon.
Escrow; Title:	First American Title Company ("Escrow") shall serve as escrow holder for the Closing (defined below) and shall issue title policies for each Parcel.

(58)

Inspections:

Within 5 business days after the date first above written, Burrows, with respect to the Burrows Parcel, and Tejon, with respect to the Tejon Parcel, shall provide to the other Party for such Party's review, original or true copies of the following documents:

1. Property tax bills for the current and prior two (2) years;
2. A current title report issued by Escrow, together with all underlying title documents.
3. A certificate signed by such Party providing the following information with respect to the Parcel owned by it: (A) A summary of any pending or threatened litigation, administrative proceeding or arbitration concerning such Parcel, including but not limited to matters related to the presence of hazardous materials or chemicals on, in or under such Parcel; (B) Any management, leasing or service contracts not cancelable without penalty upon notice of 30 days or less; and (C) Warranties and agreements that will affect the Parcel after Closing.
4. Any existing surveys, plat or boundary maps of the Parcel in the possession of either Party.
5. Copies of all studies, reviews and communications concerning regulatory, zoning and insurance matters, including without limitation, any communications and studies regarding compliance with laws in the possession of either Party.
6. Any environmental reports in the possession of either Party.
7. Any documents dealing only with the Parcel conveyed relating to water rights attributable to each Parcel and water rights that may be portable from one Parcel to the other Parcel in the possession of either Party; and
8. Copies of entitlement documents, zoning, licenses, permits, utilities, variances, regulatory actions and correspondence from or directed to any such regulatory or government agencies or bodies, and any other documents as either Party may reasonably request.

Commencing upon full execution of this letter and continuing through the



Closing Date, Burrows and Tejon will each provide the other Party's representatives and consultants with reasonable access to each of their respective Parcels and the right to conduct surveys and inspections including a Phase I report of environmental conditions as Burrows or Tejon may reasonably require.

- Closing Date:** The Closing Date for this exchange, when the Closing Documents shall be recorded or delivered by Escrow, as applicable (the "Closing"), shall be June 1, 2005, unless both Parties agree to an earlier date, and subject to a one-time delay of up to 90 days if reasonably required to complete a Phase II environmental report or to complete cleanup or remediation of hazardous materials, as provided below.
- Title Condition:** Each Party shall convey fee simple title to its Parcel to the other Party free and clear of all leases, liens other than non-delinquent real property taxes and assessments, and other encumbrances placed of record on or after July 1, 2005, except as provided below. This condition of title shall be evidenced at Closing by the issuance by Escrow of a CLTA policy of title insurance insuring title to the Burrows Parcel in Tejon and insuring title to the Tejon Parcel in Burrows in the foregoing condition.
- Environmental:** Each Party shall have full access to the other's Parcel for the purpose of conducting a Phase I environmental assessment, paid for by the Party conducting the assessment. In the event that the Phase I assessment for either Parcel reveals a condition which reasonably requires physical testing according to customary standards of real estate purchase and financing transactions, then the Party who will acquire such Parcel may order a Phase II environmental assessment of such portions of the Parcel and within the scope of investigation as are recommended in the Phase I assessment, at the cost of the Party who owns the Parcel. If the Phase II assessment identifies any soil conditions which require cleanup or remediation according to customary standards of real estate purchase and financing transactions, then the Party owning the Parcel shall do so by a date 20 days before the Closing Date. If such Party needs additional time to complete the cleanup or remediation, then either Party may elect to extend the Closing Date for up to 90 days. If the cleanup work is not performed by the end of the 90 day period, then the Party acquiring the Parcel may resort to specific performance against the non-performing Party to complete its cleanup or remediation duties.
- Burrows Lease:** Effective on the Closing Date, Tejon hereby leases the Burrows Parcel to Burrows for a term of 5 years, with the option to extend the term of the lease for 10 additional terms of one year each, which options shall be deemed exercised unless on or before March 1 of a year in which the lease would

expire, Burrows delivers notice to Tejon electing not to extend the term of the lease (the "Burrows Lease"). The Burrows Lease shall expire on the April 30 following delivery of such notice. Notwithstanding anything to the contrary, Burrows may terminate the Burrows Lease prior to the end of the initial 5-year term or prior to the end of any additional option period by delivery to Tejon of a 30-day written notice of such termination. The sole permitted use of the leased premises is farming as currently conducted, including making any and all use of the existing water wells thereon for irrigation purposes and for the preservation, establishment and determination of any water rights with respect to the Burrows Parcel (which rights shall belong to Burrows at no charge to Burrows, to the extent determined), and any other use is prohibited. No rent or other charges shall be owing for the Burrows Lease; the consideration is the lease of the Tejon Parcel by Tejon as provided in the next paragraph of this agreement. The Burrows Lease is subject to the standard Tejon Ranch farm lease general conditions, attached hereto as Exhibit C and incorporated herein. In the event of a conflict between Exhibit C and this letter, this letter shall prevail. Notwithstanding anything to the contrary in the Burrows Lease or in the Tejon Lease (defined below), following the Closing Date, Burrows shall retain all right, benefit and interest in and to the water rights on the Burrows Parcel and shall obtain at Closing the water, mineral, gas, oil and all other rights inherent in fee simple ownership on the Tejon Parcel. The Parties acknowledge that the sole purpose of Burrows agreeing to enter into the Burrows Lease is that Burrows may wish to confirm the existence of certain transferable water rights attributable to the Burrows Parcel (the "Burrows Water Rights"). Both prior to and following the Closing Date, Tejon agrees to reasonably cooperate with and to not interfere with Burrows in the determination of the Burrows Water Rights, to take any actions necessary to preserve or maintain the Burrows Water Rights, and to refrain from taking any actions which would in any manner materially interfere with the existence or maintenance of the Burrows Water Rights, at no cost or expense to Tejon. Tejon further agrees that Burrows will have full right, title and interest in and to the Burrows Water Rights including, without limitation, the right to transfer the Burrows Water Rights away from the Burrows Parcel to the extent transferable, shall reasonably cooperate with Burrows in any such transfer and shall execute such documents as may reasonably be required in connection therewith, at no cost or expense to Tejon. Prior to the expiration of the Burrows Lease as it may be extended, Burrows shall, at his sole expense, remove all fruit trees and their stumps from the Burrows Parcel, and shall plow the parcel so it does not contain craters where the fruit tree stumps were removed. Burrows shall deliver the Burrows Parcel to Tejon in clean condition with all trash removed.

Tejon Lease:

Effective on the Closing Date, Burrows hereby leases the Tejon Parcel to

Tejon for a term of 5 years, with the option to extend the term of the lease for 5 additional terms of one year each, which options shall be deemed exercised unless on or before March 1 of a year in which the lease would expire, either (a) Tejon delivers notice to Burrows electing not to extend the term of the lease, or (b) Burrows delivers notice to Tejon electing to cancel the lease (the "Tejon Lease"). The Tejon Lease shall expire on the April 30 following delivery of either notice. In addition, Burrows may elect to cancel the Tejon Lease at any time during its 5-year initial term or any extension thereof if substantially the entire Tejon Parcel has been general planned and zoned for residential or commercial development and Burrows is ready to commence construction, upon no less than 60 days prior notice to Tejon, provided that Burrows will grant to Tejon sufficient time to harvest its crops prior to vacating (in no event to exceed 90 days following delivery of such notice to terminate). The sole permitted use of the leased premises is farming as currently conducted with the pivot now on the Tejon Parcel, and any other use is prohibited. No rent shall be owing for the Tejon Lease; the consideration is the Burrows Lease. The Tejon Lease is subject to the standard Tejon Ranch farm lease general conditions, attached hereto as Exhibit C. In the event of any conflict between Exhibit C and this letter, this letter shall prevail. Prior to the expiration of the Tejon Lease, Tejon shall remove the existing irrigation pivot and all related equipment from the Tejon Parcel, shall deliver it to Burrows in clean and current condition with all trash removed.

Burrows Easement: Tejon shall grant Burrows a nonexclusive easement, 20 feet wide, for the sole purpose of constructing, repairing, maintaining, replacing and removing an underground water line, any utilities necessary to facilitate the transport of water, and the right, to the extent it is in Tejon's control to grant, to connect to and draw water from Tejon's aqueduct water turnout/tap (the "Burrows Easement"). To the extent such connection right is not within Tejon's authority, Tejon agrees to assist Burrows at no cost to Tejon in obtaining such connection. The Burrows Easement shall commence on Tejon's land adjacent to and south of the California Aqueduct right of way at the location of the aqueduct overcrossing at the 294th Street turnout, and run westerly along the northern boundary of Section 11 south of the Aqueduct right of way to the west boundary of Section 11, and from there southerly along the west boundary of Section 11 adjacent to but not in the right of way of 300th Street to the northern boundary of the Tejon Parcel. Notwithstanding the foregoing, Burrows shall confirm and approve the precise location and configuration of the Burrows Easement following review of a survey and prior to the Closing Date.

Tejon Easement: [Burrows shall grant Tejon] or [Tejon shall reserve] a nonexclusive easement, 25 feet wide, for the purpose of constructing, repairing,

maintaining, replacing, permitting the general public to use and enjoy, and removing a pedestrian and equestrian trail (the "Tejon Easement"). Tejon represents and warrants that the Tejon Easement will not interfere in any manner with the development of, or access to, the balance of the Tejon Parcel or any parcels owned by Burrows in the vicinity of the Tejon Parcel. The Tejon Easement shall be, at Burrows' option, either the easterly 25 feet of Burrows' land in the south 1/2 of Section 10 or the westerly 25 feet of the Tejon Parcel adjacent to but not in the right of way of 300th Street. Tejon intends that this easement will become part of the Pacific Crest Trail and be conveyed to the U.S. Forest Service.

Further
Assurances:

Burrows represents and warrants that it owns fee title to the Burrows Parcel, that the Burrows Parcel is a legal parcel, and that Burrows will take such actions and execute such documents as may be reasonably required (in an economically feasible manner) to correct any defects in the foregoing with respect to the Burrows Parcel. Tejon represents and warrants that it owns fee title to the Tejon Parcel, that the Tejon Parcel is a legal parcel, and that Tejon will take such actions and execute such documents as may be reasonably required (in an economically feasible manner) to correct any defects in the foregoing with respect to the Tejon Parcel.

Tejon represents that it is a partner in the Centennial LLC development and not Tejon Ranch Co., a Delaware corporation.

Closing Documents: No later than 5 days prior to the Closing Date, Burrows and Tejon will execute, acknowledge if appropriate, and deliver to Escrow the following documents (the "Closing Documents"):

1. Grant deed to the Burrows Parcel, executed and acknowledged by Bruce Burrows and 300 A 40H, LLC with the water rights reserved as provided herein.
2. Waiver of Spousal Property Interest, on Escrow's form, executed and acknowledged by Mrs. Burrows.
3. Grant deed to the Tejon Parcel, executed and acknowledged by Tejon.
4. Grant deed for the Burrows Easement, executed and acknowledged by Tejon.
5. At Burrows' election -- [If on the west side of 300th Street] Grant deed for the Tejon Easement, executed and acknowledged by Burrows. [If on the east side of 300th Street, it will be reserved in the grant deed to the Tejon Parcel.]
6. Documents required by Escrow on Escrow forms, executed by each Party, including but not limited to escrow instructions, non-foreign seller tax certificates, and natural hazard certificates.

7. Documents, if any reasonably required for Burrow's and Tejon's simultaneous like-kind exchange.
8. The Dismissal, defined below.

Costs and Prorations: Real property taxes and assessments on the Parcels shall be prorated as of the Closing. Each Party will pay for one half of Escrow's escrow fee and the cost of a CLTA policy of title insurance for the Parcel it is conveying. Each Party shall pay for their own endorsements, if any. Documentary transfer taxes, closing costs and other charges will be allocated to the Parties in accordance with the custom in Los Angeles County.

Centennial EIR: Tejon shall provide Burrows with one accurate and complete copy of the EIR, general plan amendment and all related land use applications made public by Los Angeles County for the proposed Centennial development (collectively, the "Plans") within one (1) week of when such EIR and related documents are released to the public. Tejon shall provide Burrows with reasonable access to its Centennial-related outside planners and consultants whom Tejon shall instruct to be responsive and truthful to Burrows' reasonable requests for publicly available information about Centennial. Burrows may initiate this period of inquiry at any time after public release of the initial Plans or any subsequent or amended Plans and shall hold all meetings within 90 days thereafter. Burrows shall pay for the fees of the outside planners and consultants for the time they spend meeting with Burrows at the actual hourly rate such planners and consultants would charge to Centennial or Tejon.

Commentary: Burrows shall refrain from making or causing others to make negative comments about Centennial, and when requested during the public review period, shall make positive comments on Centennial as reasonably requested by Tejon, by letter or at a hearing. Likewise, Tejon agrees to refrain from making or causing others to make negative comments and shall not take any action to limit or interfere with any development proposed for the Tejon Parcel or the other parcels Burrows owns in the vicinity of the Centennial planning area, and when requested during the public review period, shall make positive comments on such development as reasonably requested by Burrows, by letter or at a hearing.

Brokers: Tejon and Burrows agree that there are no brokers, agents, finders or intermediaries with whom they have dealt in connection with this transaction, and agree to indemnify each other against all claims for fees, commissions or other compensation claimed to be due to any broker, finder or intermediary with whom the indemnifying Party may have dealt in connection with this transaction.

Binding Contract: This letter is intended by both Parties to be, and is, a binding agreement for the covenants and conveyances set forth herein. This agreement shall survive the delivery and recordation of the deeds called for herein, and upon the Closing this agreement shall constitute both the Burrows Lease and the Tejon Lease described above. Each person executing this agreement represents and warrants individually that he has all necessary corporate or LLC authority to bind the Party on behalf of which he is signing this agreement.

Notices: Either Party may deliver notice to the other under this agreement by certified mail, return receipt requested, personal delivery, or overnight courier with record of delivery. Notices shall be deemed delivered upon actual receipt or refusal to accept such notice. Notices to Burrows shall be sent to Bruce Burrows, P.O. Box 802948, Santa Clarita, CA 91380, with a copy to Andrew H. Raines, Advisors LLP, 11911 San Vicente Boulevard, Suite 265, Los Angeles, CA 90049. Notices to Tejon shall be sent to Joseph B. Drew, Senior Vice President, Tejon Ranchcorp, 4436 Lebec Road, P.O. Box 1000, Lebec, CA 93243. Either Party may change the address for notices by delivering to the other a notice in accordance with this paragraph.

Specific Performance: IN THE EVENT EITHER PARTY FAILS TO CONSUMMATE THE TRANSACTIONS IN ACCORDANCE WITH THE TERMS OF THIS LETTER OF INTENT AFTER SATISFACTION OF ALL CONDITIONS PRECEDENT AND THE PERFORMANCE OR TENDER OF PERFORMANCE BY THE OTHER PARTY OF ALL OBLIGATIONS HEREUNDER, OR IN THE EVENT EITHER PARTY FAILS TO PERFORM OTHER DUTIES SET FORTH HEREIN FOLLOWING PROPER DEMAND FOR SUCH PERFORMANCE BY THE OTHER PARTY NOT IN DEFAULT HEREOF OR OTHERWISE BREACHES OR FAILS TO COMPLY WITH THIS AGREEMENT IN ANY MANNER WHATSOEVER, THE SOLE REMEDY AGAINST THE NON-PERFORMING PARTY SHALL BE TO MAINTAIN AN ACTION FOR SPECIFIC PERFORMANCE OF SUCH NON-PERFORMING PARTY'S OBLIGATIONS UNDER THIS AGREEMENT.

(66)
Burrows

Tejon

TRO:

The Parties agree that following full execution and delivery of this letter, counsel of record representing Tejon and Burrows are authorized and directed to appear (either in person or telephonically) in Los Angeles County Superior Court, in the matter of *Bruce Burrows v. Tejon Ranch Co., et. al*, MC 017046, in Department A.16, before the Honorable Judge Alan S. Rosenfield, on Thursday, March 2, 2006 at 8:30 a.m., at the continued

Binding Contract: This letter is intended by both Parties to be, and is, a binding agreement for the covenants and conveyances set forth herein. This agreement shall survive the delivery and recordation of the deeds called for herein, and upon the Closing this agreement shall constitute both the Burrows Lease and the Tejon Lease described above. Each person executing this agreement represents and warrants individually that he has all necessary corporate or LLC authority to bind the Party on behalf of which he is signing this agreement.

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Burrows

DM

Tejon

TRO: The Parties agree that following full execution and delivery of this letter, counsel of record representing Tejon and Burrows are authorized and directed to appear (either in person or telephonically) in Los Angeles County Superior Court, in the matter of *Bruce Burrows v. Tejon Ranch Co., et al*, MC 017046, in Department A16, before the Honorable Judge Alan S. Rosenfield, on Thursday, March 2, 2006 at 8:30 a.m., at the continued

hearing on the Order to Show Cause Re: Preliminary Injunction, for the purpose of advising the Court that the Parties have executed a written agreement providing for a global resolution of this entire litigation. Further, that pursuant to this Agreement, the Plaintiff, Bruce Burrows, and Defendant, Tejon Ranchcorp, stipulate and agree that the Temporary Restraining Order issued on January 25, 2006, currently in effect, shall be dissolved, in its entirety, effective immediately. Tejon is authorized and directed to prepare an Order for the Los Angeles County Superior Court dissolving the Temporary Restraining Order.

Dismissal:

The Parties agree that Bruce Burrows, by and through his legal counsel, shall execute and deliver to the Escrow Agent within 5 days prior to the Closing Date, a fully executed Dismissal, with prejudice, of the entire litigation styled *Bruce Burrows v. Tejon Ranch Co., et al*, MC 017046 as provided in the form attached hereto and incorporated herein as Exhibit D (the "Dismissal").

The Parties agree that all litigation costs, expenses and attorneys fees (including all expert and/or consulting fees in such litigation) incurred by either Party shall be the exclusive responsibility of the Party that incurred same, and no Party shall make claim for payment to the other Party for any such costs, expenses and fees. Upon the Closing, Escrow is authorized and directed to deliver the Dismissal to Tejon. Tejon is authorized to file the Dismissal with the Los Angeles County Superior Court, in the matter of *Bruce Burrows v. Tejon Ranch Co., et al*, MC 017046, following delivery from Escrow, and will promptly provide a conformed copy of the filed document to Burrows.

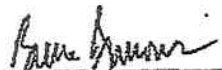
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IN WITNESS WHEREOF, the Parties have executed this agreement as of the date first above written.



BRUCE BURROWS

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

By: 

Bruce Burrows,
Manager and Member

ACCEPTED AND AGREED TO:

TEJON RANCHCORP,
a California corporation

By: _____
Its: Vice President

The undersigned executes this letter solely for the purpose of consenting to the dismissal of the case referenced above.

TEJON RANCH CO.,
a Delaware corporation

By: _____
Its: _____

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date first above written.

BRUCE BURROWS

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

By: Bruce Burrows,
Manager and Member

ACCEPTED AND AGREED TO:

TEJON RANCH CORP.,
a California corporation

By: [Signature]
Its: Vice President

The undersigned executes this letter solely for the purpose of consenting to the dismissal of the case referenced above.

TEJON RANCH CO.,
a Delaware corporation

By: [Signature]
Its: Vice President

EXHIBIT A

Legal Description of the Burrows Parcel

[To be confirmed by Escrow and the Parties]

That certain real property in unincorporated Los Angeles County described as follows:

- (1) The southwest quarter of the southwest quarter of the northwest quarter of the northwest quarter;
- (2) the northwest quarter of the northwest quarter of the northwest quarter of the northwest quarter;
- (3) the east half of the northwest quarter of the northwest quarter of the northwest quarter; (4) the northeast quarter of the northwest quarter of the northwest quarter; and (5) the west half of the northeast quarter of the northwest quarter; all of Section 2, Township 8 North, Range 17 West, S.B.B.&M.

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Bruce Burrows

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EXHIBIT B

Legal Description of the Tejon Parcel

[To be confirmed by Escrow and the Parties]

That certain real property in unincorporated Los Angeles County described as follows:

The southwest quarter of Section 11, Township 8 North, Range 17 West, S.B.B.&M.