

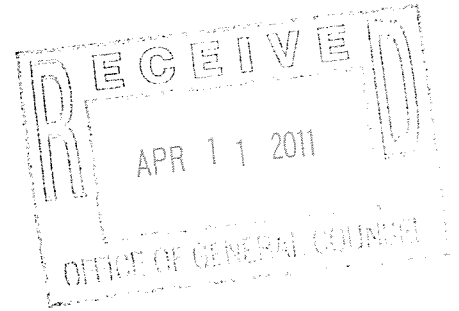


TEJON RANCH COMPANY

Robert A. Stine
President and Chief Executive Officer

April 5, 2011

Mr. Alfred M. Pollard, General Counsel
Federal Housing Finance Agency, Fourth Floor
1700 G Street, NW.
Washington, DC 20552



RE: Rule on Private Transfer Fee Covenants: RIN 2590-AA41

Dear Mr. Pollard:

We at Tejon Ranch Company urge you to reject proposed Rule No. 2590-AA41 relating to private transfer fees as it is currently written. There are legitimate uses for private transfer fees that must be maintained. Specifically, we support their use for significant land conservation efforts, such as the historic agreement we signed with the nation's most noted environmental groups in 2008.

The Tejon Ranch Conservation and Land Use Agreement, signed by Tejon Ranch Company, Audubon California, the Endangered Habitats League, Natural Resources Defense Council, Planning and Conservation League and the Sierra Club, calls for permanently protecting 240,000 acres of prime real estate in California. That is approximately ninety-percent of our 270,000-acre landholding. As we wrote to you on October 5, 2010, the Agreement created the independent, non-profit Tejon Ranch Conservancy, which will ultimately be funded with "private transfer fees" generated from our planned developments.

The abusive practice of using transfer fees for purely private gain should be stopped, but this must not be done at the expense of legitimate conservation efforts that provide communitywide benefits for homeowners. With such a high percentage of mortgages being insured or backed by Freddie Mac or Fannie Mae, the proposed rule would effectively preclude people from qualifying to buy homes at Tejon Ranch, even with full disclosure and the desire to enjoy such vast open space as a result of the fee.

In our case, the private transfer fee is a win-win for the environment, for the future residents of our communities and for the State of California. Please don't preclude our ability to implement the historic Tejon Ranch Conservation and Land Use Agreement by approving proposed Rule No. 2590-AA41. If the FHFA must adopt a rule, it should be limited to abusive fees that are used solely for private gain.

Sincerely,