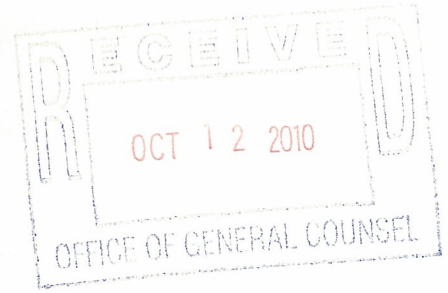




TEJON RANCH COMPANY

Robert A. Stine
President and Chief Executive Officer

October 5, 2010



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

RE: Guidance on Private Transfer Fee Covenants: 2010-N-11

Dear Mr. Pollard:

We at Tejon Ranch Company urge you to reject the proposed Guidance No. 2010-N-11 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. The Agreement created the independent, non-profit Tejon Ranch Conservancy, which has been operating for more than a year and will be overseeing the vast conservation lands at Tejon Ranch.

The independent Tejon Ranch Conservancy will be funded by "private transfer fees" associated with residential sales in two planned developments called Tejon Mountain Village and Centennial. Not only does the State of California win with the conservation of so much private land, but the future residents of these developments also will have 240,000 acres of pristine wilderness adjacent to their communities.

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. Please don't preclude our ability to implement the historic Tejon Ranch Conservation and Land Use Agreement by passing a one-size-fits-all prohibition on private transfer fees as contained in Guidance No. 2010-N-11. If the FHFA must adopt any guidance on this topic, it should adopt a guidance that protects community benefits such as those at Tejon Ranch.

Sincerely,