FORM 10-K/A

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(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, 1994

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 Number)

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

Registrant's telephone number, including area code: (805) 327-8481

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock	American Stock Exchange

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

None

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 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]

The aggregate market value of Registrant's Common Stock, $.50 par value per share, held by persons other than those who may be deemed to be affiliates of Registrant on March 7, 1995 was $80,785,894 based on the closing price on that date on the American Stock Exchange.

The number of Registrant's outstanding shares of Common Stock on March 7, 1995 was 12,682,244 shares.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held on May 8, 1995, relating to the directors and executive officers of Registrant are incorporated by reference into Part III.

SIGNATURES

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

TEJON RANCH CO.

DATED: March , 1995

BY
Jack Hunt, President

DATED: March , 1995

BY
Allen E. Lyda
Vice President, Finance & Treasurer
(Principal Financial and Accounting Officer)

RECORDING REQUESTED BY

WHEELER RIDGE-MARICOPA
WATER STORAGE DISTRICT
Post Office Box 9429
Bakersfield, CA 93389

WHEN RECORDED MAIL TO

WHEELER RIDGE-MARICOPA
WATER STORAGE DISTRICT
Post Office Box 9429
Bakersfield, CA 93389

WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT

CONTRACT AMENDMENT
CHANGE IN DESIGN CRITERIA,
CLASS OF SERVICE AND DATE OF INITIATION OF SERVICE
CONTRACT NO. 124

THIS AGREEMENT is entered into on the date hereafter set forth by and between WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT, a California Water Storage District, hereafter called "District" and TEJON RANCH COMPANY, a California Corporation, hereafter called "Tejon."

R E C I T A L S

1. Tejon and District have executed a Water Service Contract entitled "Contract Between Weeler Ridge-Maricopa Water Storage District and Tejon Ranch Company for Agricultural Water Service dated January 12, 1970, and recorded January 20, 1970, in Book 4358, Page 858 of Official Records of Kern County.

2. Said Contract provides among other things, for the construction of Distribution System facilities by District to serve lands of Tejon as described therein, said facilities to be constructed in accordance with design criteria for the class of service set forth in the Contract.

3. Tejon has requested that for the lands designated in said contract as being in the S1982 category of service, the following changes be made:

   a. The design criteria with respect to location of turnouts, system capability for delivery of water, and delivery head be modified.

   b. Water Service be initiated to a portion of the above described area in 1980.

4. District has determined that the changes are consistent with the District's adopted project and that the cost of facilities to be constructed as a result of said request will be of no more cost than the facilities which would be required to provide service as set forth in the contract, and hence will have no detrimental effects on other landowners within the District's Surface Water Service Area provided the conditions hereinafter set forth in this Agreement prevail.

A G R E E M E N T

NOW THEREFORE, it is agreed by the parties hereto as follows:

1. The parties hereto hereby amend said Water Service Contract by substituting Exhibit "A" hereto, Sheets 1 through 5 for the following sheets of Exhibit "A" of said Contract: 198 through 201; 218 through 225; 238 through 241; 246 through 253; 258

through 261; 278 through 281. The purpose of this amendment is to define the class of service of said lands, identify the locations of the turnouts, set forth the maximum rate of deliveries, provide for change in time of initiation of service and for special conditions for prorate in time of shortage. The lands described on Exhibit "A" hereto are in accordance with the Parcel Map No. 3338 Recorded January 17, 1977, in Book 17 of Maps at Page 78.

2. Design criteria to be used for the system to be constructed will be in accordance with the District's adopted design criteria except as the same is mended in the following particulars:

a. Turnouts will be located at other than the high point of the parcel of land served thereby and at the approximate location described in Exhibit "A" hereto.

b. The design will provide for a system capable of delivering seven (7) gallons per minute per acre to all lands described in Exhibit "A" hereto.

c. There will be no minimum delivery head established at the turnouts.

d. Standard District metering assemblies will be utilized. Ten (10) inch meters will be installed at Turnouts 13B-1, 13B-2, 13B-3, 13B-4, 13B-5, 13B-6, 13B-7 and 13B-8. Eight (8) inch meters will be installed at Turnouts 13B-10 and 13B-ll. Six (6) inch meters will be installed at Turnouts 13B-9, 13B-12 and 13B-13.

3. For the purposes of computing Contract Water Charges, all lands described on Sheet 1 of Exhibit "A" attached hereto and all lands described on Sheet 4 of Exhibit "A" hereto will each be considered in separate categories of service from other lands within the Surface Water Service area of the District.

4. Nothing in this agreement is intended to increase or decrease either the total number of acres included in said contract or the total contract amount of water included therein except for a deduction in area totaling 2.26 acres and 7 acre-feet caused by minor variations in land area between those shown in the contract and those set forth in the Parcel Map.

5. Tejon Ranch Company accepts all risks of timing of construction. The District has the right to abandon the project if it is determined unreasonable from a timing standpoint for reasons including State's refusal to approve siphon turn-outs or unavailability of equipment.

6. The Construction works to serve the lands described its Exhibit "A" hereto are to be funded through a combination of remaining bond funds and District's general fund at an interest rate based on earnings of the District's general fund for the portion so funded, and with full power of the District Board to refund the project at any time to repay the general fund advance up to the whole thereof.

7. The lands described in Exhibit "A" hereof prior to 1982 shall not be included in any prorate of water for contract lands during periods of shortage; provided, in such event the District shall relieve said lands of charges arising under the Water Service Contract except for bond debt service which shall be deterred prorata for not to exceed five (5) years for any year the system is not utilized; the operating reserve fund which shall be paid during years of system use; and the special service charges which shall be paid on a current basis. In 1982 and thereafter, said lands shall have the same priority for water service as any other lands in the Surface Water Service area of the District.

Date of Execution:

March 14, 1979

APPROVED AS TO FORM:

YOUNG, WOOLDRIDGE, PAULDEN
AND SELF

By:
A.C. PAULDEN

Date:

WHEELER RIDGE-MARICOPA WATER
STORAGE DISTRICT

By:
JERRY L. CAPPELLO, President

By:
WILLIAM E. MOORE, JR., SECRETARY

WATER USER:

TEJON RANCH COMPANY

By:

By:

RECORDING REQUESTED BY

WHEELER RIDGE-MARICOPA
WATER STORAGE DISTRICT
Post Office Box 9429
Bakersfield, CA 93389

WHEN RECORDED MAIL TO

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Post Office Box 9429
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WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT

CONTRACT AMENDMENT
CHANGE IN DESIGN CRITERIA,
CLASS OF SERVICE AND DATE OF INITIATION OF SERVICE
CONTRACT NO. 124

THIS AGREEMENT is entered into on the date hereinafter set forth by and between WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT, a California water storage district, hereinafter called "District", and TEJON RANCH COMPANY, a California corporation, hereinafter called "Tejon".

1. Tejon and District have executed a Water Service Contract entitled "Contract between Wheeler Ridge-Maricopa Water Storage District and Tejon Ranch Company for Agricultural Water Service" dated January 12, 1970, and recorded January 20, 1970, in Book 4358, Page 858 of Official Records of Kern County.

2. Said Contract provides among other things, for the construction of Distribution System facilities by District to serve lands of Tejon as described therein, said facilities to be constructed in accordance with design criteria for the class of service set forth in the Contract.

3. Tejon had requested that for the lands designated in said contract as being in the S1982 category of service, the following changes be made:

   a. The design criteria with respect to location of turnouts, system capability for delivery of water and delivery head be modified.

b. Water service be initiated to a portion of the above described area in 1980.

4. Said Contract was amended to reflect those items mentioned above by Contract amendment entitled "Change in Design Criteria, Class of Service and Date of Initiation of Service" dated March 14, 1979, and recorded March 20, 1979, in Book 5183, Page 1742 of Official Records of Kern County.

5. Tejon has now requested that water service to the remaining portion of the lands included in the above-mentioned contract amendment be initiated in 1981, and has requested certain additional changes with respect to location of turnouts and turnout service areas.

6. District has determined that the changes are consistent with the District's adopted project and that the cost of facilities to be constructed as a result of said request will be of no more cost than the facilities which would be required to provide srvice as set forth in the contract, and hence will have no detrimental effects on other landowners within the District's Surface Water Service Area provided the conditions hereinafter set forth in this agreement prevail.

A G R E E M E N T

1. The parties hereto hereby further amend said Water Service Contract by substituting Exhibit "A" hereto, Sheets 1 through 6, for Exhibit "A" of Amendment dated March 14, 1979. The purpose of this amendment is to futher define the class of service of said lands, identify the locations of the turnouts, set forth the maximum rate of deliveries, provide for change in time of initiation of service, and for special conditions for prorate in time of shortage. The lands described on Exhibit "A" hereto are in accordance with the Parcel Map No. 3338 recorded January

2. Design criteria to be used for the system to be constructed will be in accordance with the District's adopted design criteria except as the same is amended in the following particulars:

a. Turnouts will be located at other than the high point of the parcel of land served thereby and at the approximate locations described in Exhibit "A" hereto.

b. The design will provide for a system capable of deliveries seven (7) gallons per minute per acre to all lands described in Exhibit "A" hereto.

c. There will be no minimum delivery head established at the turnouts.

d. Standard District metering assemblies will be utilized. Meter sizes will be as shown on Exhibit "A" hereto.

3. For the purposes of computing Contract Water Charges, all lands described on Sheets 1 and 4 of Exhibit "A" attached hereto will be considered as a single category of service but as a separate category of service from other lands within the Surface Water Service Area of the District.

4. Nothing in this agreement is intended to increase or decrease either the total number of acres included in said contract or the total contract amount of water included therein.

5. Tejon Ranch Company accepts all risks of timing of construction. The District has the right to abandon the project, either in whole or in part, if it is determined unreasonable from a timing standpoint for reasons including State's refusal to approve siphon turnouts or unavailability of equipment.

6. The construction works to serve the lands described in Exhibit "A" hereto are to be funded through a combination of remaining bond funds and District's general fund at an interest rate based on earnings of the District's general fund for the portion so funded, and with full power of the District Board to refund the project at any time to repay the general fund advance up to the whole thereof.

7. The lands described in Exhibit A" hereof prior to 1982 shall not be included in any prorate of water for contract lands during periods of shortage; provided, in such event the District shall relieve said lands of charges arising under the Water Service Contract except for bond debt service which shall be deferred prorata for not to exceed five (5) years for any year the system is not utilized; the operating reserve fund which shall be paid during years of system use; and the special service charges which shall be paid on a current basis. In 1982 and thereafter, said lands shall have the same priority for water service as any other lands in the Surface Water Service Area of the District.

8. This contract amendment supersedes the contract amendment dated March 14, 1979, recorded March 20, 1979, in Book 5183 at Page 1742 of Official Records of Kern County mentioned in the fourth recital hereto. The terms conditions of the contract mentioned in recital one hereof shall remain in full force and effect except as the same may be expressly amended by Paragraphs one through seven of this Agreement.

Date of Execution:

March 14, 1979

APPROVED AS TO FORM:

YOUNG, WOOLDRIDGE, PAULDEN
AND SELF

By:
A.C. PAULDEN

Date:

WHEELER RIDGE-MARICOPA WATER
STORAGE DISTRICT

By:
JERRY L. CAPPELLO, President

By:
WILLIAM E. MOORE, JR., SECRETARY

WATER USER:

TEJON RANCH COMPANY

By:

By:

Recording Requested by:

WHEELER RIDGE-MARICOPA
WATER STORAGE DISTRICT, a California
water storage district, as
Official Business

When Recorded Mail to:

WHEELER RIDGE-MARICOPA
WATER STORAGE DISTRICT
Post Office Box 9429
Bakersfield, CA 93389

RECORD AS A LIEN ON REAL PROPERTY

WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT ASSUMPTION AGREEMENT AND CONSENT TO TRANSFER OF INTEREST OF WATER USER RESULTING FROM TRANSFER OF REAL PROPERTY SUBJECT TO A CONTRACT FOR AGRICULTURAL WATER SERVICE (CONTRACT NO. 124D)

THIS AGREEMENT is entered into on the date hereinafter set forth, between WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT, a California water storage district, hereinafter called "District", and TEJON RANCH COMPANY, a California Corporation, hereinafter called "Water User".

R E C I T A L S

1. Description: The real property mentioned herein is that certain real property located in the unincorporated area of Kern County, California, described in Exhibit "A" hereto, which exhibit is incorporated herein by this reference.

2. Water Service Contract: The Contract affected hereby and incorporated herein by this reference is identified by the following particulars: Dated January 20, 1970, recorded January 20, 1970, in Book 4358, Pages 858 et seq., of Official Records of Kern County, California; as modified by Agreement dated January 12, 1971 and recorded February 16, 1971, in Book 4487, Page 426, et seq., as amended by Contract Amendment dated May 12, 1976, and recorded in Book 4955, Page 1964, et seq., by and between District and Tejon Ranch Company, a California corporation.

3. Interest Acquired Subject to Water Service Contract: By instrument dated January 11, 1980, recorded January 14, 1980 , at

the Office of the County Recorder of Kern County, California, in Book 5257, Page 2356 , Water User acquired an interest in the real property described herein which is subject to the terms and provisions of said Water Service Contract and amendments.

4. Representations: Each party hereto is fully informed as to all the terms and provisions of said Contract and amendments; to the extent and nature of the obligations presently due and to become due by reason thereof; all current Rules and Regulations of the District to which said Contract and amendments are subject and all things and matters on file with the District and/or of public record regarding the performance of said Contract.

5. Purpose: The parties wish to declare the effect or such transfer of interest and to provide written consent of the District to the assignment of the rights and obligations resulting therefrom

6. As used herein slngular includes plural and masculine gender includes the feminine.

ASSUMPTION AGREEMMENT AND CONSENT TO ASSIGNMENT

1. Water User herein acknowledges that his interest in the real property described in Exhibit "A" hereto is subject to a lien created by said Contract and amendments, in accordance with the particulars mentioned in Exhibit A hereto and does expressly grant to District a lien against said real property to the same extent and effect as though Water User owned said real property at the time of execution of said Contract and amendments and had executed said Con-tract and amendments as a Water User at the outset.

2. Water User herein does hereby assume and agrees to perform all the obligations of Water User as set forth in said Contract and amendments to the same extent and effect as though Water User had executed said Contract and amendments as a Water User on the effective date thereof in accordance with the par ticulars mentioned in Exhibit "A" hereto.

3. District accepts said assignment resulting from the transfer of interest in the real property herein referred to and does acknowledge that it is obligated to said real property and Water User hereby to the same extent and manner as it was under sard Contract and amendments prior to the date hereof. The parties hereto acknowledge that nothing in this instrument is to be interpreted as waiving any of the rights of the District under said Water Service Contract or any interest it now has under its existing lien rights in said real property and further

acknowledge that District is not to be bound by any understanding, representation or agreement, other than a written agreement to which the District has given its written consent, between Water User herein and any of its predecessors in interest in the real property affected hereby regarding the performance of the obligations under said Water Service Con-tract and amendments, including but not limited to, any such matters regarding payment for current obligations arising from said Contract and amendments.

4. It is expressly understood that by the execution hereof District makes no representation that the obligations due District by reason of said Contract are current and/or any other representation, either express or implied, other than those which are expressly set forth herein.

DATED:

WHEELER RIDGE-MARICOPA
WATER STORAGE DISTRICT

By
President

By
Secretary

Approved as to form on

YOUNG, WOOLDRIDGE, PAULDEN AND SELF

By
Attorneys for District

WATER USER:

TEJON RANCH CO.

By:

EXHIBIT 10.2

TEJON RANCH CO.

STOCK OPTION AGREEMENT

Pursuant to the

1992 EMPLOYEE STOCK INCENTIVE PLAN

This Incentive Stock Option Agreement ("Agreement") is made and entered into as of the Date of Grant indicated below by and between Tejon Ranch Co., a Delaware corporation (the "Company"), and the person named below as Optionee.

WHEREAS, Optionee is an employee, officer or director of the Company and/or one or more of its subsidiaries; and

WHEREAS, pursuant to the Company's 1992 Employee Stock Incentive Plan (the "1992 Plan"), the Compensation Committee of the Board of Directors of the Company administering the 1992 Plan (the "Committee") has approved the grant to Optionee of an option to purchase shares of the Common Stock, par value $.50 per share, of the Company (the "Common Stock"), on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants set forth herein, the parties hereto hereby agree as follows:

1. Grant of Option; Certain Terms and Conditions. The Company hereby grants to Optionee, and Optionee hereby accepts, as of the Date of Grant indicated below, an option (the "Option") to purchase the number of shares of Common Stock indicated below (the "Option Shares") at the Exercise Price per share indicated below, which Exercise Price shall not be less than the Fair Market Value (as defined below) of the Option Shares on the Date of Grant. The Option shall not be exercisable until on or after the Vesting Date indicated below, except as otherwise provided in Section 3. The Option shall expire at 5:00 p.m., Los Angeles, California time, on the Expiration Date indicated below and shall be subject to all of the terms and conditions set forth in this Agreement.

Optionee:

Date of Grant:

Number of shares purchasable:

Exercise Price per share:

Expiration Date:

Vesting Date:

2. Incentive Stock Option; Internal Revenue Code Requirements. The Option is intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code (the "Code") except to the extent that the aggregate Fair Market Value (determined as of the Date of Grant) of the shares of Common Stock with respect to which the Option is exercisable for the first time by Optionee during any calendar year (under the 1992 Plan and all other stock option plans of the Company and its subsidiaries) exceeds $100,000. Such excess shares are intended to be treated as shares issued pursuant to an Option that is not an incentive stock option described in Section 422 of the Code, in accordance with Section 422(d) of the Code. The number of such excess shares as to which this option is not intended to be treated as an incentive option is -0-.

The "Fair Market Value" of a share of Common Stock or other security on any day shall be equal to the last sale price, regular way, per share or unit of such other security on such day or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the American Stock Exchange or, if the shares of Common Stock or such other

security are not listed or admitted to trading on the American Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the shares of Common Stock or such other security are listed or admitted to trading or, if the shares of Common Stock or such other securities are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market as reported by the National Association of Securities Dealers, Inc. Automated Quotations System or such other system then in use or, if on any such date the shares of Common Stock or such other security are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in shares of Common Stock or such other security selected by the Board of Directors.

3. Acceleration and Termination of Option.

(a) Termination of Employment.

(i) Definition of Termination. In the event that Optionee shall cease to be an employee of the Company or any of its subsidiaries voluntarily or involuntarily or for any reason whatever, such event is referred to in this Agreement as a "Termination" of Optionee's "Employment."

(ii) Normal Termination. If Optionee's Employment is Terminated for any reason other than those enumerated in Section 3(a)(iii), then the Option shall terminate three

(3) months from the date of such Termination of Employment but in no event later than the Expiration Date. During such three month period, the Option shall be exercisable only if the date of Termination of Employment is after the ninth anniversary of the Date of Grant.

(iii) Death or Permanent Disability. In the event of a Termination of Optionee's Employment by reason of the death of Permanent Disability (as hereinafter defined) of Optionee, then:

(1) the Option shall terminate on the first anniversary of the date of such Termination of Employment or the Expiration Date, whichever is earlier, and

(2) if the Option has not become exercisable the Option shall be exercisable during the one-year or shorter period referred to in (1) above by Optionee or, in the event of death or a Permanent Disability involving the appointment of a guardian, custodian or other similar personal representative, the person or persons to whom Optionee's rights under the Option shall have passed by will or by the applicable laws of descent or distribution or as a result of any such appointment, but

(A) only if the Optionee had completed one full year of employment with the Company after the Date of Grant and prior to the date of Termination of Employment, and

(B) only as to that portion of the number of shares subject to the Option equal to the number of full years of employment completed during the period referred to in (A) above divided by 10.

"Permanent Disability" shall mean the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months. The Optionee shall not be deemed to have a Permanent Disability unless proof of the existence thereof shall have been furnished to the Committee in such form and manner, and at such times, as the Committee may require. Any determination by the Committee that Optionee does or does not have a Permanent Disability shall be final and binding upon the Company and Optionee.

(b) Death or Permanent Disability Following Termination of Employment. Notwithstanding anything to the contrary in this Agreement, if Optionee shall die or suffer a Permanent Disability at any time after the Termination of his or her Employment and prior to the Expiration Date, then to the extent that the Option was exercisable on the date of such death or Permanent Disability the Option shall terminate on the earlier of the Expiration Date or the first anniversary of the date of such death.

(c) Acceleration of Option Upon a Change of Control. The Option shall become fully exercisable with respect to all Option Shares in the event of a Change of Control. A "Change of Control" shall mean the first to occur of the following events:

(i) a reorganization, merger or consolidation of the Company, the issuance or transfer of securities of the Company in one transaction or series of related transactions or any other transaction or series of related transactions in each case if and only if as a result of the transaction or transactions persons other than the shareholders immediately prior to such transaction or transactions shall own 80% or more of the voting securities of the Company or its successor after the transaction;

(ii) the sale or transfer by the Company of all or substantially all of its property and assets in a single transaction or series of related transactions; or

(iii) the dissolution or liquidation of the Company.

(d) Discretionary Acceleration. The Committee, in its sole discretion, may accelerate the exercisability of the Option for any reason, including without limitation in the event of death or disablement of Optionee or termination of employment of Optionee by the Company other than for cause.

(e) Other Events Causing Termination of Option. Notwithstanding anything to the contrary in this Agreement, the Option shall terminate in the event of the occurrence of an event referred to in clause (ii) or (iii) of paragraph (c) above or a merger or consolidation referred to in clause (i) of paragraph (c) above (a "Terminating Event") (even if such Terminating Event occurs after an event referred to in clause (i) of said paragraph (c) above which is not a Terminating Event) unless the terms of any such transaction constituting the Terminating Event otherwise provide. Such termination shall occur on the 30th day following any such Terminating Event (or such later date as the Board of Directors or the Committee shall determine) unless the Board of Directors or the Committee (i) sets an earlier date which is at least ten days prior to the occurrence of the Terminating Event, (ii) notifies the Optionee in writing at least ten days before the occurrence of the Terminating Event of the setting of such date and (iii) accelerates the exercisability of the Option to the extent it would otherwise be exercisable for any part of the thirty day period after such event pursuant to Section 1 or pursuant to paragraph (c) above so that, to such extent, the Option could be exercised for a period of at least ten days prior to the occurrence of the Terminating Event. In such event where the requirements of clauses (i), (ii) and (iii) of the preceding sentence are met, the Option shall expire immediately upon the occurrence of the Terminating Event.

4. Adjustments. In the event that the outstanding securities of the class then subject to the Option are increased, decreased or exchanged for or converted into cash, property and/or a different number or kind of securities, or cash, property and/or securities are distributed in respect of such outstanding securities, in either case as a result of a reorganization, merger, consolidation, recapitalization, reclassification, dividend (other than a cash dividend paid out of earned surplus) or other distribution, stock split, reverse stock split or the like, or in the event that substantially all of the property and assets of the Company are sold, then, the Committee shall make appropriate and proportionate adjustments in the number and type of shares or other securities or cash or other property that may thereafter be acquired upon the exercise of the Option; provided, however, that any such adjustments in the Option shall be made without changing the aggregate Exercise Price of the then unexercised portion of the Option.

5. Exercise. The Option shall be exercisable during Optionee's lifetime only by Optionee or by his or her guardian or legal representative, and after Optionee's death only by the person or entity entitled to do so under Optionee's last will and testament or applicable intestate law. The Option may only be exercised by the delivery to the Company of a written notice of such exercise pursuant to the notice procedures set forth in Section 7 hereof, which notice shall specify the number of Option Shares to be purchased (the "Purchased Shares") and the aggregate Exercise Price for such shares (the "Exercise Notice"), together with payment in full of such aggregate Exercise Price as follows:

(a) by the delivery to the Company of a certificate or certificates representing shares of Common Stock, duly endorsed or accompanied by a duly executed stock power, which delivery effectively transfers to the Company good and valid title to such shares, free and clear of any pledge, commitment, lien, claim or other encumbrance (such shares to be valued on the basis of the aggregate Fair Market Value thereof on the date of such exercise), provided that the Company is not then prohibited from purchasing or acquiring such shares of Common Stock; and/or

(b) by reducing the number of shares of Common Stock to be issued and delivered to Optionee upon such exercise (such reduction to be valued on the basis of the aggregate Fair Market Value (determined on the date of such exercise) of the additional shares of Common Stock that would otherwise have been issued and delivered upon such exercise), provided that the Company is not then prohibited from purchasing or acquiring such shares of Common Stock.

The balance of the Exercise Price not paid by an exchange of shares pursuant to (a) or (b) above shall be paid in cash or by a cashier's or certified bank check payable to the Company.

The Optionee will be obligated to pay the Exercise Price

in the manner contemplated by (a) and/or (b) above and will be permitted to pay the Exercise Price in cash only to the extent that it cannot be paid in the manner provided in (a) and (b) above. Notwithstanding the foregoing, the Optionee shall be obligated to pay the Exercise Price in the manner contemplated by (a) above only to the extent that he or she owns shares of Common Stock beneficially, has the power to dispose of those shares and such disposition contemplated by (a) above would not constitute a "disqualifying disposition" of shares resulting in a loss of the special tax treatment afforded incentive stock options.

6. Payment of Withholding Taxes.

(a) If the Company is obligated to withhold an amount on account of any federal, state or local tax imposed as a result of the exercise of the Option, including, without limitation, any federal, state or other income tax, or any F.I.C.A., state disability insurance tax or other employment tax, then Optionee shall, concurrently with such exercise, pay such amount (the "Withholding Liability") to the Company in cash or by a cashier's or certified bank check payable to the Company; provided, however, that, in the discretion of the Committee, the Optionee may, pursuant to an irrevocable election of Optionee (a "Withholding Election") made on or prior to the date of such exercise, instead pay all or any part of the Withholding Liability in the following manner:

(i) by the delivery to the Company of a certificate or certificates representing shares of Common Stock, duly endorsed or accompanied by a duly executed stock powers, which delivery effectively transfers to the Company good and valid title to such shares, free and clear of any pledge, commitment, lien, claim or other encumbrance (such shares to be valued on the basis of the aggregate Fair Market Value thereof on the date of such exercise), provided that the Company is not then prohibited from purchasing or acquiring such shares of Common Stock; and/or

(ii) by reducing the number of shares of Common Stock to be issued and delivered to Optionee upon such exercise (such reduction to be valued on the basis of the aggregate Fair Market Value (determined on the date of such exercise) of the additional shares of Common Stock that would otherwise have been issued and delivered upon such exercise), provided that the Company is not then prohibited from purchasing or acquiring such shares of Common Stock.

(b) The Committee shall have sole discretion to approve or disapprove any Withholding Election and may adopt such rules and regulations as are consistent with and necessary to implement the foregoing. The Committee may permit Optionee to make a Withholding Election to pay withholding taxes in excess of the minimum amount required by law, provided that the amount of withholding taxes so paid does not exceed the estimated total federal, state and local

tax liability of Optionee attributable to such exercise.

7. Notices. Any notice given to the Company shall be addressed to the Company at P.O. Box 1000, Lebec, California 93243, Attention: President, or at such other address as the Company may hereinafter designate in writing to Optionee. Any notice given to Optionee shall be sent to the address set forth below Optionee's signature hereto, or at such other address as Optionee may hereafter designate in writing to the Company. Any such notice shall be deemed duly given when delivered personally or five days after mailing by prepaid certified or registered mail return receipt requested.

8. Stock Exchange Requirements; Applicable Laws. Notwithstanding anything to the contrary in this Agreement, no shares of stock issuable upon exercise of the Option, and no certificate representing all or any part of such shares, shall be purchased, issued or delivered if (a) such shares have not been admitted to listing upon official notice of issuance on each stock exchange upon which shares of that class are then listed or (b) in the opinion of counsel to the Company, such issuance or delivery would cause the Company to be in violation of or to incur liability under any federal, state or other securities law, or any requirement of any stock exchange listing agreement to which the Company is a party, or any other requirement of law or of any administrative or regulatory body having jurisdiction over the Company.

9. Restrictions on Transferability.

(a) Neither the Option nor any interest therein may be sold, assigned, conveyed, gifted, pledged, hypothecated or otherwise transferred in any manner other than by will or the laws of descent and distribution.

(b) By accepting the Option, the Optionee for himself or herself and his or her transferees by will or the laws of descent and distribution, represent and agree that all shares of Common Stock purchased upon exercise of the Option will be acquired for investment and not with a view to the distribution thereof unless they have been registered under the Securities Act of 1933, and will otherwise be acquired, held and disposed of and held in accordance with the restrictions of said Act and the rules and regulations of the Securities and Exchange Commission thereunder, that the Company may instruct its transfer agent to restrict further transfer of said shares in its records except upon receipt of satisfactory evidence that such restrictions have been satisfied, that upon each exercise of any portion of the Option, the certificates evidencing the purchased shares shall bear an appropriate legend on the face thereof evidencing such restrictions, and that the person entitled to exercise the same shall furnish evidence satisfactory to the Company (including a written and signed representation) to the effect that the shares are being acquired subject to such restrictions.

10. 1992 Plan. The Option is granted pursuant to the 1992 Plan, as in effect on the Date of Grant, and is subject to all the terms and conditions of the 1992 Plan, as the same may be amended from time to time; provided, however, that no such amendment shall deprive Optionee, without his or her consent, of the Option or of any of Optionee's rights under this Agreement. The interpretation and construction by the Committee of the 1992 Plan, this Agreement, the Option and such rules and regulations as may be adopted by the Committee for the purpose of administering the 1992 Plan shall be final and binding upon Optionee. Until the Option shall expire, terminate or be exercised in full, the Company shall, upon written request therefor, send a copy of the 1992 Plan, in its then-current form, to Optionee or any other person or entity then entitled to exercise the Option.

11. Stockholder Rights. No person or entity shall be entitled to vote, receive dividends or be deemed for any purpose the holder of any Option Shares until the Option shall have been duly exercised to purchase such Option Shares in accordance with the provisions of this Agreement and the Option Shares have been issued.

12. Employment Rights. No provision of this Agreement or of the Option granted hereunder shall (a) confer upon Optionee any right to continue in the employ of the Company or any of its subsidiaries, (b) affect the right of the Company and each of its subsidiaries to terminate the employment of Optionee, with or without cause, or (c) confer upon Optionee any right to participate in any employee welfare or benefit plan or other program of the Company or any of its subsidiaries other than the 1992 Plan. The Optionee hereby acknowledges and agrees that the Company and each of its subsidiaries may terminate the employment of Optionee at any time and for any reason, or for no reason, unless Optionee and the Company or such subsidiary are parties to a written employment agreement that expressly provides otherwise.

13. Governing Law. This Agreement and the Option granted hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the Company and Optionee have duly executed this Agreement as of the Date of Grant.

TEJON RANCH CO.
By:
Jack Hunt
President

OPTIONEE

Signature

Mailing Address

City, State and Zip Code

Social Security Number

EXHIBIT 10.3
LEASE AGREEMENT FOR MR. SAN OLEN

Donald Haskell ("Haskell") leases to Tejon Ranchcorp, a California corporation ("Tejon"), and Tejon leases from Haskell, the horse known as Mr. San Olen, on the terms stated below.

1. Lease Term. The initial term of this lease shall be from December 1, 1993, through December 31, 1995. Tejon is granted the option to extend the term of this lease for two (2) periods of three (3) years each. Tejon may exercise such options by delivering notice to Haskell by November 30 of the year in which the lease term would otherwise expire.

2. Rent. The rent during the initial and option terms shall be Five Thousand Dollars ($5,000) per year, payable on or before January 15 of each year. December 1993 shall be rent-free. If a succeeding lease is desired by the parties, the rental will be renegotiated at that time.

3. Insurance. Tejon shall purchase and maintain at all times during the lease term an insurance policy with terms standard in the horse breeding industry insuring against the death of or injury to Mr. San Olen. Haskell shall reimburse Tejon on demand for one-half of the cost of such policy. The initial policy amount shall be Thirty Five Thousand Dollars ($35,000); this amount shall be adjusted annually around December of each year, as the parties shall reasonably agree, to reflect any increase or decrease in the value of Mr. San Olen based on the performance of his foals. Haskell shall be named as loss payee of this policy and shall own all insurance proceeds. Haskell agrees that his sole remedy in the event of the death of or injury to Mr. San Olen is limited to recovery of the insurance proceeds from the policy described above, provided that such policy is currently paid and in conformance with this paragraph, and waives any right to recover any other or additional sums against Tejon.

4. Duty of Care. Tejon shall care for Mr. San Olen in the same manner as it would for any horse of his caliber. In particular, when stabled at Tejon Ranch, Tejon shall keep Mr. San Olen in a stall and exercise him regularly on a hot-walker and/or ride him.

5. Use. Tejon plans that Mr. San Olen will be used as follows: he will stand at stud at the Oswood Stallion Station from approximately February 1 to July 1 of each year and will return to Tejon Ranch on or about July 1 of each year, all commencing in 1994; he will idle from July through January while he is at Tejon Ranch; he will not be shown; Tejon will decide which of its mares and outside mares will breed with him and will pay all costs associated with doing so; and Tejon will pay any advertising and promotional costs and any incentive payments to horse shows that Tejon elects to incur. Tejon

may change this plan of using Mr. San Olen with Haskell's consent, which shall not be unreasonably withheld.

6. Governing Law. This lease shall be governed by and construed in accordance with the laws of the State of California.

This lease is executed as of November 15, 1993.

_____
Donald Haskell

Tejon Ranchcorp,
a California corporation

By:_____
Matt Echeverria,

Vice President

EXHIBIT 22

(22) Subsidiaries of Registrant

A. Registrant: Tejon Ranch Co.

B. Subsidiaries of Registrant

a. Tejon Ranchcorp (100% of whose Common Stock is owned by Registrant);

b. Laval Farms Corporation, formerly Tejon Agricultural Corporation (100% of whose Common Stock is owned by Tejon Ranchcorp);

c. Tejon Farming Company (100% of whose Common Stock is owned by Tejon Ranchcorp);

d. Tejon Marketing Company; (100% of whose Common Stock is owned by Tejon Ranchcorp);

e. Tejon Ranch Feedlot, In. (100% of whose Common Stock is owned by Tejon Ranchcorp);

f. White Wolf Corporation (100% of whose Common Stock is owned by Tejon Ranchcorp);

g. Tejon Development Company; (100% of whose Common Stock is owned by Tejon Ranchcorp).

C. Each of the aforesaid subsidiaries is included in Registrant's Consolidated Financial Statement set forth in answer to Item 14(a)(1) hereof.

D. Each of the aforesaid subsidiaries was organized and incorporated under the laws of the State of California.

E. Each of the aforesaid subsidiaries does business under its name, as shown. Tejon Ranchcorp also does business under the names Tejon Ranch, Fireside Oak Co. and Grapevine Center.

In addition to the foregoing, Laval Farms Limited Partnership, formerly Tejon Agricultural Partners, a California limited partnership, may be deemed to be a "subsidiary" of Registrant within the meaning of the Rules under the Securities Exchange Act of 1934 by reason of the fact that the sole general partner of said partnership is Laval Farms Corporation, a wholly-owned subsidiary of Registrant.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROMTHE BALANCE SHEET, INCOME STATEMENT, AND FOOTNOTES AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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DEC-31-1994
JAN-1-1994
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