SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ___________ to ___________

Commission file number: 1-10153

HOMEFED CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware	**33-0304982**
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1903 Wright Place, Suite 220
Carlsbad, California 92008
(760) 918-8200

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)
Securities registered pursuant to Section 12(b) of the Act: **None.**

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, par value $.01 per share
(Title of Class)

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

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

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

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

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

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

Large accelerated filer	[ ]	Accelerated filer	[x]
Non-accelerated filer	[ ]	Smaller reporting company	[ ]

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

Based on the average bid and asked prices of the Registrant's Common Stock as published by the OTC Bulletin Board Service as of June 30, 2013, the aggregate market value of the Registrant's Common Stock held by non-affiliates was approximately $131,276,500 on that date.

As of February 6, 2014, there were 7,879,500 outstanding shares of the Registrant's Common Stock, par value $.01 per share.

DOCUMENTS INCORPORATED BY REFERENCE

The information required to be included in Part III of this Annual Report on Form 10-K will be provided in accordance with Instruction (G) to Form 10-K no later than April 30, 2014.

PART I

Item 1. Business.

THE COMPANY

Introduction

HomeFed Corporation ("HomeFed") was incorporated in Delaware in 1988. As used herein, the term "Company" refers to HomeFed and its subsidiaries, except as the context may otherwise require. The Company is currently engaged, directly and through subsidiaries, in the investment in and development of residential real estate projects in California and Virginia. The Company also investigates the acquisition of new real estate projects, both residential and commercial. However, no assurance can be given that the Company will find new investments providing a satisfactory return or, if found, that the Company will have access to the capital necessary to make new real estate investments. The executive office of the Company is located at 1903 Wright Place, Suite 220, Carlsbad, California 92008.

The Company's current development projects consist of three master-planned communities: San Elijo Hills and a portion of the larger Otay Ranch planning area, both located in San Diego County, California, and Ashville Park located in Virginia Beach, Virginia. The Company also owns the Rampage property, a 1,544 acre grape vineyard located in southern Madera County, California, which is not currently entitled for commercial or residential development, and the Fanita Ranch property, a 2,600 acre parcel of vacant land located in Santee, California.

As the owner of development projects, the Company is responsible for the completion of a wide range of activities, including design engineering, grading raw land, constructing public infrastructure such as streets, utilities and public facilities, and finishing individual lots for home sites or other facilities. Prior to commencement of development, the Company may engage in incidental activities to maintain the value of the project; such activities are not treated as a separate operating segment. The Company develops and markets its communities in phases to allow itself the flexibility to sell finished lots to suit market conditions and to enable it to create stable and attractive neighborhoods. Consequently, at any particular time, the various phases of a project will be in different stages of land development and construction. In addition, from time to time the Company has received expressions of interest from buyers for multiple phases of a project, or the remaining undeveloped land of an entire project. The Company evaluates these proposals when it receives them, but no assurance can be given that the Company will sell all or any portion of its development projects in such a manner.

For any master-planned community, plans must be prepared that provide for infrastructure, neighborhoods, commercial and industrial areas, educational and other institutional or public facilities, adequate water supply, as well as open space, in compliance with regulations regarding reduction in emissions of greenhouse gasses. Once preliminary plans have been prepared, numerous governmental approvals, licenses, permits and agreements, referred to as "entitlements," must be obtained before development and construction may commence. These often involve a number of different governmental jurisdictions and agencies, challenges through litigation, considerable risk and expense, and substantial delays. Unless and until the requisite entitlements are received and substantial work has been commenced in reliance upon such entitlements, a developer generally does not have full "vested rights" to develop a project, and as a result, allocation of acreage between developable and non-developable land may change. In addition, as a precondition to receipt of building-related permits, master-planned communities are typically required to pay impact and capacity fees, or to otherwise satisfy mitigation requirements.

Current Development Projects

San Elijo Hills

In 2002, the Company purchased from Leucadia National Corporation ("Leucadia") all of the issued and outstanding shares of capital stock of CDS Holding Corporation ("CDS"), which through its subsidiaries is the owner of the San Elijo Hills project (title is owned in fee simple). The San Elijo Hills project, a master-planned community located in the City of San Marcos in San Diego County, California, will be a community of approximately 3,500 homes and apartments, as well as a commercial and residential Towncenter. Since August 1998, the Company has been the development manager for this project, with responsibility for the overall management of the project, including, among other things, preserving existing entitlements and obtaining any additional entitlements required for the project, arranging financing for the project, coordinating marketing and sales activity, and acting as the construction manager. The development management agreement provides that the Company receive fees for the field overhead, management and marketing services it provides ("development management fees"), based on the revenues of the project.

When acquired in 2002, the Company had an effective 68% indirect equity interest in the San Elijo Hills project, after considering noncontrolling interests held by former owners of the project. In December 2012, the Company purchased one of the noncontrolling interests; as a result the Company's interest in the San Elijo Hills project is now 85%. Before amounts are distributed to the remaining noncontrolling shareholders, the Company has the right to receive repayment of any amounts advanced by it to the project and to receive a preferred return on any advances. For more information on the noncontrolling interests, see Note 5 of Notes to Consolidated Financial Statements.

Current Market Developments: Throughout much of the period that the Company has been developing the San Elijo Hills project, the Company's sales efforts greatly benefited from a strong regional and national residential housing market. However, beginning in 2006, residential property sales volume, prices and new building starts declined significantly in many U.S. markets, including California and the greater San Diego region, which negatively affected sales and profits. The slowdown in residential sales was exacerbated by the turmoil in the mortgage lending and credit markets, which resulted in stricter lending standards and reduced liquidity for prospective home buyers. Sales of new homes and re-sales of existing homes declined substantially from the early years of the project's development; based on information obtained from homebuilders and other public sources, the Company estimates that total home sales (both new and re-sales) at the San Elijo Hills project were approximately 376 in 2013 as compared to 860 in 2004. As of December 31, 2013, the San Elijo Hills project has sold 2,204 of its 2,382 single family lots and 1,071 of its 1,081 multi-family units. The single family lots sold do not include 52 previously sold lots that were repurchased in 2012 and are currently available for sale.

Interest from homebuilders concerning the San Elijo Hills project's remaining single family lots and multi-family units has increased since late 2009, and the Company has been able to sell some single family lots and multi-family units at acceptable prices. Although recent homebuilder interest and sales activity in the project are encouraging, it is uncertain if the Company will be able to sell its remaining inventory at prices it finds acceptable. The Company has substantially completed development of all of its remaining residential single family lots at the San Elijo Hills project, many of which are "premium" lots which are expected to command premium prices if, and when, the market fully recovers. The Company believes that by exercising patience and waiting for market conditions to improve it can best maximize shareholder value with its remaining residential lot inventory. However, on an ongoing basis the Company evaluates the local real estate market and economic conditions in general, and updates its expectations of future market conditions as it continues to assess the best time to market its remaining residential lot inventory for sale.

Estimates of future property available for sale, the timing of the sales, selling prices and future development costs are based upon current development plans for the project and will change based on the strength of the real estate market or other factors that are not within the control of the Company.

Sales Activity: The table below summarizes sales activity at the San Elijo Hills project during the last three years. Since the Company is obligated to complete certain improvements to the lots sold, a portion of the revenue from sales of real estate is deferred, and is recognized as revenues upon the completion of the required improvements to the property, including costs related to common areas, under the percentage of completion method of accounting. As of December 31, 2013, $1,200,000 of revenue has been deferred pending completion of the required improvements.

	For the Year Ended December 31,		
	2013	2012	2011
		(Dollars in thousands)	
Number of residential units sold (1)	87	72	93
Aggregate sales proceeds from sales of residential units, net of closing costs	$ 33,200	$ 20,900	$ 25,600
Aggregate proceeds from the sales of non-residential sites, net of closing costs (2)	$ 5,800	$ -	$ 1,950
Development management fees earned (3)	$ 2,250	$ 1,200	$ 1,550

(1) Units are comprised of single family lots, multi-family units and residential condominium units.
(2) Reflects the sales of a school site in 2013, and a daycare center and bank site in 2011.
(3) Development management fees are intercompany payments, which are eliminated in consolidation and therefore not reflected in the Company's consolidated statements of operations, but which are a source of liquidity for the parent company.

As of December 31, 2013, the remaining land at the San Elijo Hills project to be sold or leased consists of the following (including real estate under contract for sale):

Single family lots	178
Multi-family units	10
Square footage of commercial space	37,800

The Towncenter includes multi-family residential units and commercial space, which are being constructed in phases. The Company has completed construction of the first phase of the Towncenter, which included 12 residential condominium units, all of which have been sold, and 11,000 square feet of commercial space, all of which has been leased. The plan for phase two of the Towncenter has not yet been developed.

Ashville Park

In February 2012, the Company acquired Ashville Park, a 450 acre master planned community located in Virginia Beach, Virginia, for cash consideration of $17,350,000 including closing costs. The Company acquired 451 entitled single family lots, of which 91 lots were finished lots that were available for sale and one lot was a visitor center. The project is being developed in phases, with the first phase (Village A) including the acquired finished lots and the second phase (Village B) a 164 lot development. The timing of the development and sale of the remaining 280 lots (as of February 6, 2014) and the visitor center is uncertain.

During 2013, the Company sold 90 lots from Village B for aggregate cash consideration of $9,000,000. During 2013 and 2012, the Company sold 22 and 54 lots from Village A for aggregate cash consideration of $3,900,000 and $8,200,000 (including one lot with a completed home), respectively. Since the Company is obligated to complete certain improvements to the lots sold, a portion of the revenue from sales of real estate is deferred, and is recognized as revenues upon the completion of the required improvements to the property, including costs related to common areas, under the percentage of completion method of accounting. As of December 31, 2013, $1,500,000 of revenue has been deferred pending completion of the required improvements.

Otay Ranch

In October 1998, our subsidiary Otay Land Company, LLC ("Otay Land Company") acquired approximately 4,850 non-adjoining acres of land located within the larger 22,900 acre Otay Ranch master-planned community south of San Diego, California (title is owned in fee simple). The City of Chula Vista and the County of San Diego approved a General Development Plan ("GDP") for the larger planning area in 1993.

Since acquisition, Otay Land Company has disposed of part of its land in several sales transactions and an eminent domain proceeding. After considering these dispositions, Otay Land Company owns approximately 2,800 acres, of which the total developable area is approximately 700 acres, including approximately 170 acres of land designated as "Limited Development Area and Common Use Area." The remaining approximately 2,100 acres are designated as various qualities of non-developable open space mitigation land. Under the GDP, 1.188 acres of open space mitigation land from within the Otay Ranch project must be dedicated to the government for each 1.0 acre of land that is developed, excluding land designated Limited Development Area and Common Use Area.

Although there is no specified time within which implementation of the GDP must be completed, it is expected that full development of the larger planning area will take many years. The GDP establishes land use goals, objectives and policies within the larger planning area. The GDP for the larger planning area contemplates home sites, a golf-oriented resort and residential community, commercial retail centers, a proposed university site and a network of infrastructure, including roads and highways, a public transportation system, park systems and schools. Any development within the larger Otay Ranch master-planned community must be consistent with the GDP. While the GDP can be amended, subject to approval by either or both the City of Chula Vista and the County of San Diego, Otay Land Company has certain vested and contractual rights, pursuant to a development agreement, that protect its development interests in Chula Vista, covering substantially all of its developable land. However, actual land development will require that further entitlements and approvals be obtained.

Some owners of development land have adequate or excess mitigation land, while other owners lack sufficient acreage of mitigation land to cover their inventory of development land. Otay Land Company currently has substantially more mitigation land than it would need to develop its property at this project. Based upon the GDP conditions, this land could have value to other developers within the larger Otay Ranch development area as their development progresses; however, this is partially dependent upon other parties with developable land fully developing their land. Should other owners choose not to develop their developable land, there will be an excess of mitigation land in

Otay Ranch. In that event, Otay Land Company will have to find buyers for its mitigation land outside the GDP area, which the Company believes it can do.

The Company continues to evaluate how to maximize the value of this investment while processing further entitlements on portions of its property. The Company has been working with the City of Chula Vista and other developers on a GDP amendment for the overall Otay Ranch area. In April 2008, the City of Chula Vista approved an agreement whereby the Company dedicated 50 acres of development land in the Otay Ranch project and 160 acres of open space land in the unincorporated area of San Diego County and committed to pay an endowment of $2,000,000 (of which $1,000,000 has been paid) to fund costs associated with establishing a higher education facility on the property. Subject to numerous public hearings and the discretionary action of the City Council, the City committed to allocate a maximum of 6,050 residential units and 1.8 million square feet of commercial development space to the Company's project, and agreed to process its development applications by August 2011. The Company's development applications have not as yet been fully approved. However, in December 2013, the entitlements for the Otay Ranch Village 8 were approved by the Chula Vista City Council, which includes approvals for the future development of up to 1,429 multi-family and 621 single family units. This flexible development plan also provides for up to 300,000 square feet of retail and office use. The Company continues to work with the City to obtain the remaining approvals while retaining its rights to seek a refund of the endowment funds and return of the land should the full project approvals ultimately not be received.

During 2007, the San Diego Expressway Limited Partnership ("SDELP") completed construction of a toll road designated as SR 125 through south San Diego County. This toll road runs along the western border of one of Otay Land Company's land parcels and is a quarter mile east of another. The toll road was designed with one or more interchanges, which have yet to be built, on or adjacent to land parcels owned by the Company. When complete, these interchanges will significantly improve access to this area in the southern portion of Otay Ranch, which could increase the value of the Company's land. Otay Land Company and other adjacent property owners will need to negotiate with the City of Chula Vista and SDELP regarding the construction timing and financing of interchanges that will provide access to SR 125.

Significant design and processing will be required to fully entitle the Company's property in Otay Ranch before development and sale of the finished neighborhoods to builders can begin, and there can be no assurance that the Company will be successful in receiving the entitlements necessary for any future development. If or when development does occur, it will likely be phased based on market conditions at the time of development and the progress of infrastructure improvements. As a result, the Company is unable to predict when revenues will be derived from this project. The ultimate development of projects of this type is subject to significant governmental and environmental regulation and approval and is likely to take many years. For additional information concerning governmental and environmental matters, see "Government Regulation" and "Environmental Compliance" below.

A map indicating the location of the Chula Vista General Plan area in San Diego County and a more detailed map showing general information about the Company's land within that General Plan area can be found on Otay Land Company's website at www.otaylandcompany.com.

Other Projects

Rampage Property

The Company owns a 1,544 acre grape vineyard located in southern Madera County, California (title is owned in fee simple) that was purchased in 2003. Although this property is not currently entitled for residential development, it is located in a growing residential area northwest of Fresno, California. The Company purchased this land with the intention of obtaining the necessary entitlements to develop the property as a master-planned community, including meeting requirements with respect to adequate water supply. In California, laws require that any large size residential community have sufficient water supplies to meet the water demands of the project for a period of 20 years. A preliminary site plan for development of the Rampage property showed that the land would support a master-planned community, but even if all entitlements are received, the build out and sale of homes will take many years. The entitlement process takes several years and no assurance can be given that such entitlements will be obtained, or that that future market conditions will support development of the Rampage property into a master-planned community. In the interim, the Company has been conducting farming activities at the vineyard and, starting in 2010, has been generating positive cash flows from selling grapes.

The Company continues to evaluate its plans for the Rampage property. During 2011, the Company engaged a real estate brokerage firm to sell the Rampage property but the Company did not receive any offers it found acceptable. While a sale of the property in the future is possible, the Company continues to conduct farming activities while it explores possible development as a master-planned community. For the years ended December 31, 2013, 2012 and

2011, farming revenues from the Rampage property were $4,900,000, $6,400,000 and $6,000,000, respectively, and farming expenses were $2,850,000 for each of the years ended December 31, 2013, 2012 and 2011.

Fanita Ranch

In January 2011, the Company acquired in a foreclosure sale the Fanita Ranch property, a 2,600 acre parcel of vacant land located in Santee, California, for aggregate consideration of $12,350,000. The City of Santee is located at the intersection of SR125 and SR52 in East San Diego County, about a 30 minute drive from downtown San Diego. Fanita Ranch is a master-planned community that is approved for approximately 1,400 residential units. The project's Environmental Impact Report ("EIR") and development agreement with the City of Santee were approved in 2007.

During 2013, the existing project entitlements for the Fanita Ranch property were successfully challenged under the California Environmental Quality Act ("CEQA") related to alleged defects in the EIR. As a result, the City of Santee has decertified the project's EIR and rescinded the project's discretionary approvals pending City compliance with the court order. The Company continues to evaluate its options, which could include addressing the defects in the existing entitlements or submitting an entirely new plan for the project.

If the Company is successful in obtaining a new EIR, the timing of which is uncertain, there are no assurances that real estate market conditions, or costs of construction, will allow the project to be profitably developed as currently planned. The Company acquired the property with the intention of completing the necessary entitlements to develop the property as a master-planned community, although there can be no assurance that the Company will be successful in these efforts. If successful, obtaining all the entitlements is expected to take years.

Competition

Real estate development is a highly competitive business. There are numerous residential real estate developers and development projects operating in the same geographic areas in which the Company operates. Competition among real estate developers and development projects is determined by the location of the real estate, the market appeal of the development plan, and the developer's ability to build, market and deliver project segments on a timely basis. Many of the Company's competitors may have greater financial resources and/or access to cheaper capital than the Company. Residential developers sell to homebuilders, who compete based on location, price, market segmentation, product design and reputation.

Government Regulation

The residential real estate development industry is subject to substantial environmental, building, construction, zoning and real estate regulations that are imposed by various federal, state and local authorities. In developing a community, the Company must obtain the approval of numerous government agencies regarding such matters as permitted land uses, housing density, the installation of utility services (such as water, sewer, gas, electric, telephone and cable television) and the dedication of acreage for open space, parks, schools and other community purposes. Regulations affect homebuilding by specifying, among other things, the type and quality of building materials that must be used, certain aspects of land use and building design and the manner in which homebuilders may conduct their sales, operations, and overall relationships with potential home buyers. Furthermore, changes in prevailing local circumstances or applicable laws may require additional approvals, or modifications of approvals previously obtained.

Timing of the initiation and completion of development projects depends upon receipt of necessary authorizations and approvals. Because of the provisional nature of these approvals and the concerns of various environmental and public interest groups, the approval process can be delayed by withdrawals or modifications of preliminary approvals and by litigation and appeals challenging development rights. The ability of the Company to develop projects could be delayed or prevented due to litigation challenging previously obtained governmental approvals. The Company may also be subject to periodic delays or may be precluded entirely from developing in certain communities due to building moratoriums or "slow-growth" or "no-growth" initiatives that could be implemented in the future. Such delays could adversely affect the Company's ability to complete its projects, significantly increase the costs of doing so or drive potential customers to purchase competitors' products.

Environmental Compliance

Environmental laws may cause the Company to incur substantial compliance, mitigation and other costs, may restrict or prohibit development in certain areas and may delay completion of the Company's development projects. Delays arising from compliance with environmental laws and regulations could adversely affect the Company's ability to complete its projects and significantly increase development costs.

Under various federal, state and local environmental laws, an owner or operator of real property may become liable for the costs of the investigation, removal and remediation of hazardous or toxic substances at that property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of the hazardous or toxic substances. In addition to remediation actions brought by federal, state and local agencies, the presence of hazardous substances on a property could result in personal injury, contribution or other claims by private parties. We have not received any claim or notification from any private party or governmental authority concerning environmental conditions at any of our properties other than as disclosed below.

The Company obtained a preliminary remediation study concerning approximately 30 acres of undeveloped land in the Otay Ranch master-planned community that is owned by a subsidiary of Otay Land Company, Flat Rock Land Company, LLC ("Flat Rock"). Flat Rock owns approximately 260 acres of the Company's total holdings in the Otay Ranch area, including 100 developable acres. The need for remediation results from activities conducted on the land prior to Otay Land Company's ownership. Based upon the preliminary findings of this study, in 2002 the Company estimated that the cost to implement the most likely remediation alternative would be approximately $11,150,000, and accrued that amount as an operating expense. The estimated liability was neither discounted nor reduced for claims for recovery from previous owners and users of the land who may be liable, and may increase or decrease based upon the actual extent and nature of the remediation required, the actual cost of the remediation, the expenses of the regulatory process, the costs of post-remediation monitoring requirements, inflation and other items.

The Company periodically examines, and when appropriate, adjusts its liability for environmental remediation to reflect its current best estimate. During 2004, the Company increased its estimate of remediation costs by approximately $1,300,000, primarily due to increases in site investigation and remediation costs, and during 2003 by approximately $250,000, primarily for consulting costs. During 2012, the Company revised its estimate of future remediation costs, including on-going monitoring expenses, which resulted in a reduction in the previously accrued estimate of $1,500,000. Such amount was reflected on the consolidated statement of operations as a reduction to expenses.

During the fourth quarter of 2012, upon receipt of required approvals, the Company commenced remediation activities, which were completed in February 2013. The Company received final approval from the County of San Diego Department of Environmental Health in June 2013; as a result, the Company reduced its liability for environmental remediation by $650,000.

Otay Land Company and Flat Rock have commenced a lawsuit in California Superior Court seeking compensation from the parties who Otay Land Company and Flat Rock believe are responsible for the contamination of the property. The trial in this matter is expected to conclude in 2014. The Company can give no assurances that this lawsuit will be successful, or that it will be able to recover any of the costs incurred in investigating and/or remediating the contamination.

Employees

At December 31, 2013, the Company and its consolidated subsidiaries had 16 full-time employees.

Investor Information

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 (the "Exchange Act"). Accordingly, the Company files periodic reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). Such reports, proxy statements and other information may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549 or by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding the Company and other issuers that file electronically.

The Company's website is http://www.homefedcorporation.com. The Company also makes available through its website without charge its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after such reports are filed with or furnished to the SEC.

Cautionary Statement for Forward-Looking Information

Statements included in this Report may contain forward-looking statements. Such statements may relate, but are not limited, to projections of revenues, income or loss, development expenditures, plans for growth and future operations, competition and regulation, as well as assumptions relating to the foregoing. Such forward-looking statements are made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted or quantified. When used in this Report, the words “will, ” “could,” “estimates,” “expects,” “anticipates,” “believes,” “plans,” “intends” and variations of such words and similar expressions are intended to identify forward-looking statements that involve risks and uncertainties. Future events and actual results could differ materially from those set forth in, contemplated by or underlying the forward-looking statements.

Factors that could cause actual results to differ materially from any results projected, forecasted, estimated or budgeted or may materially and adversely affect the Company’s actual results include, but are not limited to, those set forth in Item 1A. Risk Factors and elsewhere in this Report and in the Company’s other public filings with the SEC.

Undue reliance should not be placed on these forward-looking statements, which are applicable only as of the date hereof. The Company undertakes no obligation to revise or update these forward-looking statements to reflect events or circumstances that arise after the date of this Report or to reflect the occurrence of unanticipated events.

Item 1A. Risk Factors.

Our business is subject to a number of risks. You should carefully consider the following risk factors, together with all of the other information included or incorporated by reference in this Report, before you decide whether to purchase our common stock. The risks set out below are not the only risks we face. If any of the following risks occur, our business, financial condition and results of operations could be materially adversely affected. In such case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Our results of operations and financial condition are greatly affected by the performance of the real estate industry. The real estate development industry has historically been subject to up and down cycles driven by numerous market and economic factors, both national and local, beyond the control of the real estate developer. Because of the effect these factors have on real estate values, it is difficult to predict with certainty when future sales will occur or what the sales price will be.

Changes in mortgage interest rate levels could impact demand for housing. Our business is dependent upon the availability and cost of mortgage financing for potential homebuyers. Any significant increase in the prevailing low mortgage interest rate environment or decrease in available credit could reduce consumer demand for housing, and result in fewer home sales or lower sale prices.

Turmoil in the mortgage lending market has adversely affected our results in the past and could negatively impact our results in the future. The residential real estate development industry is dependent upon the availability of financing for both homebuilders and homebuyers. Turmoil in the credit markets that began in 2008 resulted in a tightening of credit standards for residential and commercial mortgages and significantly reduced liquidity, adversely affecting the ability of homebuilders and homebuyers to obtain financing, which in turn adversely impacted our ability to sell lots. Although available liquidity in the mortgage lending market has improved since 2008, significant reductions in mortgage lending liquidity in the future would adversely affect our business.

Our business is currently concentrated in Southern California, specifically in the San Diego area. As a result, our financial results are dependent on the economic strength of that region. Significant increases in local unemployment and cost of living, including increases in residential property taxes, or concerns about the financial condition of the municipalities in which the Company has properties, could adversely affect consumer demand for our housing projects and negatively impact our financial results.

Residential property sales volume, prices and new building starts have declined significantly in many U.S. markets, including California and the greater San Diego region, which have negatively affected sales and profits. A worsening of current economic conditions could cause a decline in estimated future cash flows expected to be generated from the Company’s real estate projects, potentially resulting in impairment charges for real estate assets. When reviewing real estate assets for impairment, the most significant assumption made to determine estimated future cash flows is the estimated future selling prices of the Company’s real estate assets. If current conditions worsen and/or if the Company lowers its estimate of future selling prices, impairment charges could be recorded.

Changes in domestic laws and government regulations or in the implementation and/or enforcement of government rules and regulations may delay our projects or increase our costs. Our plans for development projects require numerous government approvals, licenses, permits and agreements, which we must obtain before we can begin development and construction. Our negotiations with local authorities often result in requirements for us to incur development expenses related to improvements for roads, sewers or other common areas that are both inside and outside of our project area. The approval process can be delayed by withdrawals or modifications of preliminary approvals, by litigation and appeals challenging development rights and by changes in prevailing local circumstances or applicable laws that may require additional approvals. Regulatory requirements may delay the start or completion of our projects and/or increase our costs.

Demographic changes in the U.S. generally and California in particular could reduce the demand for housing. If the current trend of population increases in California were not to continue, or in the event of any significant reductions in employment, demand for real estate in California may decline from current levels.

Increases in real estate taxes and other local government fees could adversely affect our results. Increases in real estate taxes and other government fees may make it more expensive to own the properties that we are currently developing, which would increase our carrying costs of owning the properties.

Significant competition from other real estate developers and homebuilders could adversely affect our results. Many of our competitors may have advantages over us, such as more favorable locations which may provide better schools and easier access to roads and shopping, or amenities that we may not offer, as well as greater financial resources and/or access to cheaper capital. In addition, the downturn in the real estate markets nationwide could result in an influx of lower-priced lots and homes coming onto the market, as competitors need to address their individual liquidity needs. Lower-priced homes and lots would increase the competition the Company faces, and could adversely affect our ability to sell lots and/or pricing.

Delays in construction schedules and cost overruns could adversely affect us. Any material delays could adversely affect our ability to complete our projects, significantly increasing the costs of doing so, or drive potential customers to purchase competitors' products.

Increased costs for land, materials and for labor could adversely affect us. If these costs increase, it will increase the costs of completing our projects; if we are not able to recoup these increased costs, our results of operations would be adversely affected.

Imposition of limitations on our ability to develop our properties resulting from condemnations, environmental laws and regulations and developments in or new applications thereof could increase our costs and delay our projects. When we acquire our projects, our estimate of future profits and cash flows is derived from our estimates of future selling prices and development costs, less acquisition costs. Subsequent to acquisition, if environmental laws or other regulations change resulting in additional unanticipated costs, future profitability and cash flows could be reduced, and impairment charges might have to be recorded.

Property in California is at risk from earthquakes, fires and other natural disasters. Damage to any of our properties, whether by natural disasters, including earthquakes, and fires or otherwise, may either delay or preclude our ability to develop and sell our properties, or affect the price at which we may sell such properties.

Under California law we could be liable for some construction defects in structures we build or that are built on land that we develop. California law imposes some liabilities on developers of land on which homes are built as well as on builders. Future construction defect litigation could be based on a strict liability theory based on our involvement in the project or it could be related to infrastructure improvements or grading, even if we are not building homes ourselves.

We may not be able to insure certain risks economically. We may experience economic harm if any damage to our properties is not covered by insurance or that our insurance is insufficient or unavailable. We cannot be certain that we will be able to insure all risks that we desire to insure economically or that all of our insurers will be financially viable if we make a claim.

Shortages of adequate water resources and reliable energy sources in the areas where we own real estate projects could adversely affect the value of our properties or restrict us from commencing development. If we are unable to obtain adequate water resources and reliable energy sources for our development projects, development of the projects might be delayed, resulting in reduced profitability and cash flows.

The actual cost of environmental liabilities concerning land owned in San Diego County, California could exceed the amount we reserved for such matter. If the actual cost of the environmental remediation for land owned by Flat Rock is more than amounts reserved for additional expenses will have to be recorded.

Opposition from local community, political or environmental groups with respect to construction or development at a particular site could increase development costs. At acquisition, the Fanita Ranch property had an approved EIR and development agreement. However, the projects existing entitlements have been challenged, some of which have been successful, resulting in the Company incurring legal expenses to defend its entitlements and being required to reimburse legal and other costs incurred by the plaintiffs. Further challenges to the Company's entitlements at any of its projects are possible, which would result in increased legal fees, development costs and/or delays in development.

We may not be able to generate sufficient taxable income to fully realize our net deferred tax asset. If we are unable to generate sufficient taxable income to fully realize our net deferred tax asset the valuation allowance would have to be increased resulting in reduced profitability.

Significant influence over our affairs may be exercised by our principal stockholders. As of February 6, 2014, the significant stockholders of our Company are Leucadia (approximately 31.4% beneficial ownership), our Chairman, Joseph S. Steinberg (approximately 9.4% beneficial ownership, including ownership by trusts for the benefit of his respective family members, but excluding Mr. Steinberg's private charitable foundation) and one of our directors, Ian M. Cumming (approximately 7.7% beneficial ownership, including ownership by certain family members, but excluding Mr. Cumming's charitable foundation). Mr. Steinberg is also Chairman, a director and a significant stockholder of Leucadia. As a result of the merger between a subsidiary of Leucadia and Jefferies Group LLC (formerly, Jefferies Group, Inc.), Mr. Cumming is no longer a principal executive officer or a director of Leucadia, and Richard B. Handler and Brian P. Friedman have become Leucadia's Chief Executive Officer and President, respectively. Accordingly, changes in Leucadia's management could affect its influence over matters requiring approval by our stockholders, including the election or removal of directors and the approval of mergers or other business combination transactions.

Our common stock is subject to transfer restrictions. We and certain of our subsidiaries have certain tax attributes, the amount and availability of which are subject to certain qualifications, limitations and uncertainties. In order to reduce the possibility that certain changes in ownership could result in limitations on the use of the tax attributes, our certificate of incorporation contains provisions that generally restrict the ability of a person or entity from acquiring ownership (including through attribution under the tax law) of 5% or more of our common stock and the ability of persons or entities now owning 5% or more of our common stock from acquiring additional common stock. The restriction will remain until the earliest of (a) December 31, 2028, (b) the repeal of Section 382 of the Internal Revenue Code (or any comparable successor provision) and (c) the beginning of our taxable year to which these tax attributes may no longer be carried forward. The restriction may be waived by our board of directors. Stockholders are advised to carefully monitor their ownership of our common stock and consult their own legal advisors and/or us to determine whether their ownership of our common stock approaches the proscribed level.

Our common stock is not traded on NASDAQ or listed on any securities exchange. Prices for our common stock are quoted on the Over-the-Counter (OTC) Bulletin Board. Securities whose prices are quoted on the OTC Bulletin Board do not enjoy the same liquidity as securities that trade on a recognized market or securities exchange. As a result, stockholders may find it more difficult to dispose of or obtain accurate quotations as to the market value of the securities.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

At December 31, 2013, the Company is the developer of four real estate properties, San Elijo Hills, Ashville Park, the Otay Land Company project and Fanita Ranch, and owns the Rampage property, all of which are described under Item 1. Business. Real estate had an aggregate book value of approximately $107,050,000 at December 31, 2013.

The Company leases 8,944 square feet for its corporate headquarters which is located at 1903 Wright Place, Suite 220, Carlsbad, California 92008. The Company rents office space at its corporate headquarters to Leucadia for an annual rent of $12,000, payable monthly.

Item 3. Legal Proceedings.

From time to time the Company and its subsidiaries may be parties to legal proceedings that are considered to be either ordinary, routine litigation, incidental to its business or not material to the Company's consolidated financial position or liquidity.

See Note 5 of Notes to Consolidated Financial Statements for a description of the recent settlement of a legal proceeding.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 10. Directors, Executive Officers and Corporate Governance.

As of February 6, 2014, the directors and executive officers of the Company, their ages, the positions with the Company held by each of them, the periods during which they have served in such positions and a summary of their recent business experience is set forth below. Each of the biographies of the current directors listed below also contains information regarding such person's service as a director, business experience, director positions with other public companies held currently or at anytime during the past five years, and the experience, qualifications, attributes and skills that the Board of Directors considered in selecting each of them to serve as a director of the Company.

Patrick D. Bienvenue, age 59. Mr. Bienvenue has served as a director since August 1998 and since August 2011 has been the Executive Vice President of The St. Joe Company, a publicly traded company engaged in real estate development, sales and other activities. From January 1996 until April 2011, Mr. Bienvenue served in a variety of executive capacities with real estate related subsidiaries of Leucadia and was responsible for the entitlement, development and management of these entities and their properties. Mr. Bienvenue has senior managerial and development experience in the real estate sector.

Paul J. Borden, age 65. Mr. Borden has served as a director and our President since May 1998. Mr. Borden was a Vice President of Leucadia from August 1988 through October 2000, responsible for overseeing many of Leucadia's real estate investments. Prior to working for Leucadia he had a 16 year career in commercial lending. Mr. Borden has managerial and development experience in the real estate sector.

Timothy M. Considine, age 73. Mr. Considine has served as a director since January 1992, serving as Chairman of the Board from 1992 to December 1999, and is employed on a part-time basis by Considine and Considine, an accounting firm in San Diego, California, where he was a partner from 1965 to 2002. Mr. Considine has accounting and managerial experience. Mr. Considine also has experience serving on the boards of private entities.

Mr. Cumming, 73, has served as a director since May 1999. Mr. Cumming also serves as Chairman of the Board of Crimson Wine Group, Ltd., Leucadia's former winery operations, which were spun off to Leucadia shareholders in February 2013. He previously served as Chairman of the Board of Leucadia from June 1978 until July 2013. Mr. Cumming also previously served as a director of Jefferies Group, Inc. (now known as Jefferies Group LLC) ("Jefferies"), Fortescue Metals Group Ltd. ("Fortescue"), AmeriCredit Corp., Mueller Industries, Inc. ("Mueller") and Skywest, Inc. Mr. Cumming has managerial and investing experience in a broad range of businesses through his almost 35 years as Chairman and Chief Executive Officer of Leucadia. He also has experience serving on the boards of directors and committees of both public and private entities.

Michael A. Lobatz, age 64. Dr. Lobatz has served as a director since February 1995 and has been a practicing physician in San Diego, California since 1981. Dr. Lobatz has managerial experience in both the real estate and healthcare sectors and has experience serving on the boards of private and not-for-profit entities.

Mr. Steinberg, 70, has served as a director since August 1998 and as Chairman of the Board since December 1999. Mr. Steinberg is Chairman of the Board of Directors of Leucadia, and from January 1979 until March 1, 2013 served as President of Leucadia. Mr. Steinberg is also a director of Jefferies, now a wholly-owned subsidiary of Leucadia. Mr. Steinberg also serves on the board of directors of Crimson Wine Group, Ltd. Mr. Steinberg had previously served as a director of Mueller and Fortescue. Mr. Steinberg has managerial and investing experience in a broad range of businesses through his more than 30 years as President and a director of Leucadia. He also has experience serving on the boards and committees of both public and private companies.

John K. Aden, Jr., age 56. Mr. Aden has served as Vice President of the Company since May 2012 and has been employed by the Company as Senior Project Development Manager since May 2012. Prior to joining the Company, Mr. Aden was an Executive Vice President from 1998 to April 2012 and Vice President from 1994 to 1997 for The Otay Ranch Company and JPB Development and Vice President of Community Development from 1989 to 1994 for The Eastlake Company, real estate development companies in San Diego, California. Mr. Aden is a licensed architect.

Christian E. Foulger, age 39. Mr. Foulger has served as Vice President of the Company since April 2011 and has been employed by the Company as a Special Projects Manager since November 2005. Prior to joining the Company, Mr. Foulger was a Financial Analyst from 1998 to 2000 and Vice President from 2001 to October 2005 for Cottonwood Partners Management, a real estate development and management company in Salt Lake City, Utah.

Erin N. Ruhe, age 48. Ms. Ruhe has served as Vice President of the Company since April 2000, Treasurer since March 2004 and has been employed by the Company as Controller since January 1999. Previously, Ms. Ruhe was Vice President since December 1995 and Controller since November 1994 of HSD Venture, a real estate subsidiary of Leucadia.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

The Company's common stock is traded in the over-the-counter market under the symbol "HOFD." The Company's common stock is not listed on any stock exchange, and price information for the common stock is not regularly quoted on any automated quotation system.

The following table sets forth, for the calendar periods indicated, the high and low bid price of the Company's common stock, as published by the National Association of Securities Dealers OTC Bulletin Board Service.

	High	Low
2012		
First Quarter	$ 23.00	$ 18.26
Second Quarter	28.50	22.00
Third Quarter	27.50	22.00
Fourth Quarter	28.00	22.00
2013		
First Quarter	$ 32.00	$ 25.50
Second Quarter	33.00	30.00
Third Quarter	38.50	31.25
Fourth Quarter	38.00	32.00
2014		
First quarter (through February 6, 2014)	$ 42.98	$ 36.00

The over-the-counter quotations reflect inter-dealer prices, without retail mark up, markdown or commission, and may not represent actual transactions. On February 6, 2014, the closing bid price for the Company's common stock was $36.25 per share. As of that date, there were 449 stockholders of record. No dividends were paid during 2013 or 2012.

The Company does not have a regular dividend policy and whether or not to pay dividends is subject to the discretion of our Board of Directors.

The Company does not currently meet certain requirements for listing on a national securities exchange or inclusion on the Nasdaq Stock Market.

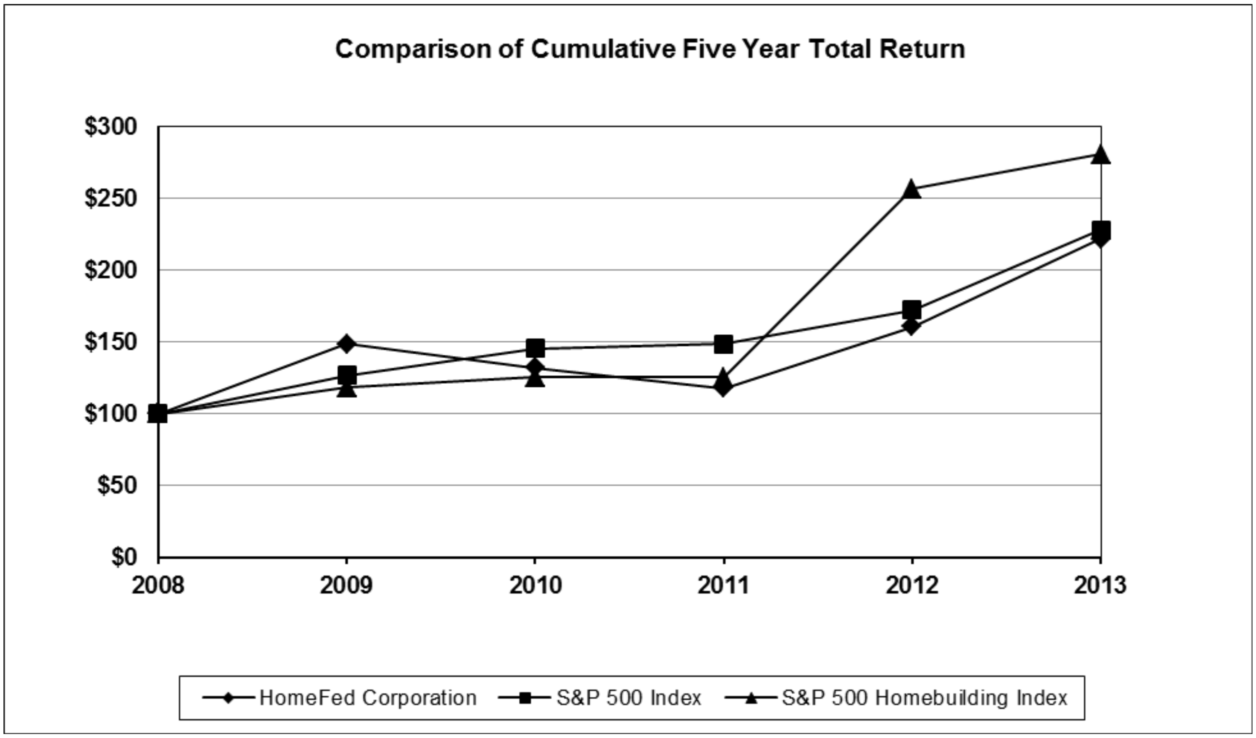
The Company and certain of its subsidiaries have tax attributes, and the amount and availability of which are subject to certain qualifications, limitations and uncertainties. In order to reduce the possibility that certain changes in ownership could result in limitations on the use of its tax attributes, the Company's certificate of incorporation contains provisions which generally restrict the ability of a person or entity from acquiring ownership (including through attribution under the tax law) of five percent or more of the common stock and the ability of persons or entities now owning five percent or more of the common stock from acquiring additional common stock. The restrictions will remain in effect until the earliest of (a) December 31, 2028, (b) the repeal of Section 382 of the Internal Revenue Code (or any comparable successor provision) and (c) the beginning of a taxable year of the Company to which certain tax benefits may no longer be carried forward.

The transfer agent for the Company's common stock is American Stock Transfer & Trust Company, 59 Maiden Lane, New York, New York 10038.

In July 2004, the Board of Directors approved the repurchase of up to 500,000 shares of the Company's common stock; 104,591 common shares remain available for, among other things, use in connection with the Company's stock option plan. The shares may be purchased from time to time, subject to prevailing market conditions, in the open market, in privately negotiated transactions or otherwise. Any such purchases may be commenced or suspended at any time without prior notice.

Stockholder Return Performance Graph

Set forth below is a graph comparing the cumulative total stockholder return on the Company's common stock against the cumulative total return of the Standard & Poor's 500 Stock Index and the Standard & Poor's Homebuilding-500 Index for the period commencing December 31, 2008 to December 31, 2013. Index data was furnished by Standard & Poor's Capital IQ. The graph assumes that $100 was invested on December 31, 2008 in each of our common stock, the S&P 500 Index and the S&P 500 Homebuilding Index and that all dividends were reinvested.



	Base Period	INDEXED RETURNS Years Ending				
Company / Index	**Dec08**	**Dec09**	**Dec10**	**Dec11**	**Dec12**	**Dec13**
HomeFed Corporation	**100**	148.48	132.12	117.58	160.61	221.82
S&P 500 Index	**100**	126.46	145.51	148.59	172.37	228.19
S&P 500 Homebuilding Index	**100**	118.32	125.52	125.55	256.62	280.74

Item 6. Selected Financial Data.

The following selected financial data have been summarized from the Company's consolidated financial statements and are qualified in their entirety by reference to, and should be read in conjunction with, such consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations, contained in Item 7 of this Report.

	Year Ended December 31,				
	2013	2012	2011	2010	2009
	(In thousands, except per share amounts)				
SELECTED INCOME STATEMENT DATA:					
Revenues	$ 56,632	$ 35,681	$ 34,141	$ 40,367	$ 16,933
Expenses	38,319	24,276	24,058	33,450	14,569
Net income (a) (b)	12,704	7,432	6,097	4,420	2,794
Net income attributable to HomeFed Corporation common shareholders (a) (b)	11,268	6,022	4,491	3,529	2,807
Basic earnings per share (a) (b)	$1.43	$0.76	$0.57	$0.45	$0.36
Diluted earnings per share (a) (b)	$1.43	$0.76	$0.57	$0.45	$0.36

	At December 31,				
	2013	2012	2011	2010	2009
	(In thousands, except per share amounts)				
SELECTED BALANCE SHEET DATA:					
Cash and cash equivalents	$ 57,306	$ 22,987	$ 40,820	$ 43,788	$ 9,127
Investments	31,896	36,390	43,297	38,287	57,038
Real estate	107,072	120,245	92,626	87,909	104,273
Total assets	204,402	189,409	188,753	184,510	185,704
Notes payable	–	–	–	–	7,834
HomeFed Corporation shareholders' equity	179,835	168,380	157,706	152,995	149,313
Shares outstanding	7,880	7,880	7,880	7,880	7,880
Book value per share (c)	$22.82	$21.37	$20.01	$19.42	$18.95

(a) For the years ended December 31, 2013 and 2012, the Company decreased its deferred tax valuation allowance by recording a decrease to its income tax provision of $1,350,000 and $750,000, respectively.
(b) For the year ended December 31, 2010, the Company recorded provisions for impairment losses on real estate of $5,400,000.
(c) Excludes noncontrolling interest.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The purpose of this section is to discuss and analyze the Company's consolidated financial condition, liquidity and capital resources and results of operations. This analysis should be read in conjunction with the consolidated financial statements, related footnote disclosures and "Cautionary Statements for Forward-Looking Information," which appear elsewhere in this Report.

Liquidity and Capital Resources

Net cash of $30,300,000, $12,400,000 and $13,000,000 was provided by operating activities during 2013, 2012 and 2011, respectively, principally from the proceeds from the sale of real estate at the San Elijo Hills project and sales of bulk grapes and, in 2013 and 2012, from the proceeds from the sale of real estate at the Ashville Park project. Information about the remaining real estate to be sold at the San Elijo Hills and Ashville Park projects is provided below. Because of the nature of its real estate projects, the Company does not expect operating cash flows will be consistent from year to year.

HomeFed's principal sources of funds are cash and cash equivalents and investments, proceeds from the sale of real estate, proceeds from sales of bulk grapes, rental income primarily from the San Elijo Hills Towncenter, fee income from the San Elijo Hills project, dividends and tax sharing payments from its subsidiaries and borrowings from or repayment of advances by its subsidiaries. As of December 31, 2013, the Company had consolidated cash and cash equivalents and marketable securities aggregating $89,200,000, substantially all of which was held by the parent company and available to be used without restriction.

The Company expects that its cash and cash equivalents and marketable securities classified as available for sale, together with the other sources described above, will be sufficient for both its short and long term liquidity needs. Residential sales at the San Elijo Hills and Ashville Park projects are expected to be a source of funds to the Company in the future; however, except as otherwise disclosed the amount and timing is uncertain. The Company is not relying on receipt of funds from Otay Land Company or the Fanita Ranch project for the foreseeable future, since the timing of sales of undeveloped property, development activity and sales of developable and undevelopable property cannot be predicted with any certainty. However, these projects are not expected to require material funds in the short term, and long term needs will not be determined until a development plan is established. Property development expenditures at the Rampage project, if any, are not expected to be significant for the next few years. In the interim, the Company has been conducting farming activities at the vineyard and has been generating positive cash flows from selling grapes since 2010. Except as disclosed herein, the Company is not committed to acquire any new real estate projects, but it believes it has sufficient liquidity to take advantage of appropriate acquisition opportunities if they are presented.

Throughout much of the period that the Company has been developing the San Elijo Hills project, the Company's sales efforts greatly benefited from a strong regional and national residential housing market. However, beginning in 2006, residential property sales volume, prices and new building starts declined significantly in many U.S. markets, including California and the greater San Diego region, which negatively affected sales and profits. The slowdown in residential sales was exacerbated by the turmoil in the mortgage lending and credit markets, which resulted in stricter lending standards and reduced liquidity for prospective home buyers. Sales of new homes and re-sales of existing homes declined substantially from the early years of the project's development; based on information obtained from homebuilders and other public sources, the Company estimates that total home sales (both new and re-sales) at the San Elijo Hills project were approximately 376 in 2013 as compared to 860 in 2004.

Interest from homebuilders concerning the San Elijo project's remaining single family lots and multi-family units has increased since late 2009, and the Company has been able to sell some single family lots and multi-family units at acceptable prices. Although recent homebuilder interest and sales activity in the project are encouraging, it is uncertain if the Company will be able to sell its remaining inventory at prices it finds acceptable. The Company has substantially completed development of all of its remaining residential single family lots at the San Elijo Hills project, many of which are "premium" lots which are expected to command premium prices if, and when, the market fully recovers. The Company believes that by exercising patience and waiting for market conditions to improve it can best maximize shareholder value with its remaining residential lot inventory. However, on an ongoing basis the Company evaluates the local real estate market and economic conditions in general, and updates its expectations of future market conditions as it continues to assess the best time to market its remaining residential lot inventory for sale.

During 2013, the Company closed on the sale of 86 single family residential lots at the San Elijo Hills project for aggregate cash proceeds of $32,500,000, a school site for aggregate cash proceeds of $5,800,000 and one multi-family unit for aggregate cash proceeds of $700,000. As of February 6, 2014, the Company has entered into an agreement to sell an aggregate of 23 single family residential lots at the San Elijo Hills project to a homebuilder for aggregate cash proceeds of $9,200,000, for which it has received a non-refundable option deposit of $900,000 as of December 31, 2013.

As of December 31, 2013, the remaining land at the San Elijo Hills project to be sold or leased consists of the following (including real estate under contract for sale):

Single family lots	178
Multi-family units	10
Square footage of commercial space	37,800

The Towncenter includes multi-family residential units and commercial space, which are being constructed in phases. The Company has completed construction of the first phase of the Towncenter, which included 12 residential condominium units, all of which have been sold, and 11,000 square feet of commercial space, all of which has been leased. The plan for phase two of the Towncenter has not yet been developed.

During 2013, the Company sold 90 lots from Village B for aggregate cash consideration of $9,000,000, and 22 lots from Village A for aggregate cash consideration of $3,900,000. The Company has entered into agreements to sell the remaining 15 lots from Village A at the Ashville Park project to homebuilders for aggregate cash proceeds of $2,500,000, for which it received non-refundable option deposits of $100,000. Sales of 5 lots closed during the first quarter of 2014 for aggregate cash consideration of $800,000. The option payments are non-refundable if the Company fulfills its obligations under the agreements, and will be applied to reduce the amount due from the purchasers at closing. Although these agreements are binding on the purchasers, should the Company fulfill its obligations under the agreements within the specified timeframes and the purchaser decides not to close, the Company's recourse will be primarily limited to retaining the option payment.

Since the Company is obligated to complete certain improvements to the San Elijo Hills and Ashville Park lots sold, a portion of the revenue from sales of real estate is deferred, and is recognized as revenues upon the completion of the required improvements to the property, including costs related to common areas, under the percentage of completion method of accounting. As of December 31, 2013, $2,750,000 of revenue has been deferred pending completion of the required improvements. Estimates of future property available for sale, the timing of the sales, selling prices and future development costs are based upon current development plans for the projects and will change based on the strength of the real estate market or other factors that are not within the control of the Company.

In July 2004, the Board of Directors approved the repurchase of up to 500,000 shares of the Company's common stock, representing approximately 6% of the Company's outstanding stock. Repurchased shares are available for, among other things, use in connection with the Company's stock option plan. The shares may be purchased from time to time, subject to prevailing market conditions, in the open market, in privately negotiated transactions or otherwise. Any such purchases may be commenced or suspended at any time without prior notice. The Company has purchased 395,409 shares to date, principally in 2008.

As indicated in the table below, at December 31, 2013, the Company's contractual cash obligations consisted solely of its operating lease, which net of sublease income totaled $1,135,000.

	Payments Due by Period (in thousands)				
Contractual Obligations	Total Amounts Committed	Less Than 1 Year	1-3 Years	4-5 Years	After 5 Years
Operating lease, net of sublease income	$ 1,135	$ 221	$ 463	$ 451	$ -

As of December 31, 2013, the Company had $35,350,000 of alternative minimum tax credit carryovers to reduce its future federal income tax liabilities. As a result, the Company expects to pay federal income tax at a rate of 20% during future periods. For more information, see Note 9 of Notes to Consolidated Financial Statements.

Off-Balance Sheet Arrangements

The Company is required to obtain infrastructure improvement bonds primarily for the benefit of the City of San Marcos prior to the beginning of lot construction work and warranty bonds upon completion of such improvements at the San Elijo Hills project. These bonds provide funds primarily to the City in the event the Company is unable or unwilling to complete certain infrastructure improvements in the San Elijo Hills project. Leucadia is contractually obligated to obtain these bonds on behalf of CDS and its subsidiaries pursuant to the terms of agreements entered into when CDS was acquired by the Company. CDS is responsible for paying all third party fees related to obtaining the bonds. Should the City or others draw on the bonds for any reason, certain of the Company's subsidiaries would be obligated to reimburse Leucadia for the amount drawn. As of December 31, 2013, the outstanding amount of these bonds was approximately $2,600,000, none of which has been drawn upon.

The Company is also required to obtain infrastructure improvement bonds for the benefit of the City of Virginia Beach in connection with the Ashville Park project. As of December 31, 2013, the outstanding amount of these bonds was approximately $1,800,000, none of which has been drawn upon.

Results of Operations

Critical Accounting Estimates

The Company's discussion and analysis of its financial condition and results of operations are based upon its consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of these financial statements requires the Company to make estimates and assumptions that affect the reported amounts in the financial statements and disclosures of contingent assets and liabilities. On an on-going basis, the Company evaluates all of these estimates and assumptions. Actual results could differ from those estimates.

Profit Recognition on Sales of Real Estate – When the Company has an obligation to complete improvements on property subsequent to the date of sale, it utilizes the percentage of completion method of accounting to record revenues and cost of sales. Under percentage of completion accounting, the Company recognizes revenues and cost of sales based upon the ratio of development costs completed as of the date of sale to an estimate of total development costs which will ultimately be incurred, including an estimate for common areas. Revenues which cannot be recognized as of the date of sale are reported as deferred revenue on the consolidated balance sheets.

The Company believes it can reasonably estimate its future costs and profit allocation in order to determine how much revenue should be deferred. However, such estimates are based on numerous assumptions and require management's judgment. For example, the estimate of future development costs includes an assumption about the cost of construction services for which the Company has no current contractual arrangement. If the estimate of these future costs proves to be too low, then the Company will have recognized too much profit as of the date of sale resulting in less profit to be reported as the improvements are completed. However, to date the Company's estimates of future development costs that have been used to determine the amount of revenue to be deferred at the date of sale have subsequently been proven to be reasonably accurate.

Prior to 2010, the percentage of completion method of accounting was applied for sold properties; however, during the fourth quarter of 2009, the Company completed all the required improvements for sold properties and all of the remaining deferred revenue was recognized in income. During 2011 and 2010, since all required improvements to sold properties had been completed as of the closing date, the Company applied the full accrual method for those sales. Accordingly, the Company recognized total sales proceeds, net of closing costs, in revenues and all costs in cost of sales on the closing date. Commencing in 2012, revenue is again being deferred until the Company completes required improvements to properties sold.

Income Taxes – The Company records a valuation allowance to reduce its net deferred tax asset to an amount that the Company expects is more likely than not to be realized. If the Company's estimate of the realizability of its deferred tax asset changes in the future, an adjustment to the valuation allowance would be recorded which would either increase or decrease income tax expense in such period. The valuation allowance is determined after considering all relevant facts and circumstances, and is based, in significant part, on the Company's projection of taxable income in the future. The Company's estimate does not include any real estate development profit at the Otay Ranch, Rampage and Fanita Ranch properties, since the Company's plans for development of these properties are uncertain.

During 2013, the Company generated profits from lot sales at the San Elijo Hills and Ashville Park projects that were greater than projected as of December 31, 2012. Also, as discussed above, the Company has entered into agreements to sell additional lots at both projects which are expected to close during 2014. The Company considered its recent results and pending lot sale agreements to be positive evidence to be considered when estimating its future taxable income. As a result, the Company was able to conclude that it is more likely than not that it will be able to realize an additional portion of the Company's net deferred tax asset; accordingly, approximately $1,350,000 of the deferred tax valuation allowance was released as a credit to income tax expense during 2013.

During 2012 the Company acquired the Ashville Park project, profitably sold finished lots during 2012 and entered into an agreement to sell additional lots in 2013, some of which closed during the first quarter of 2013. The Company believed that these sales represented positive evidence to be considered when estimating future taxable income that may be generated at the Ashville Park project. The Company also lowered its estimated liability for environmental remediation costs during 2012 (discussed below), and updated its consolidated projection of future taxable income for this activity and for recent developments at its other projects. As a result, the Company was able to conclude that it is more likely than not that it will be able to realize an additional portion of the Company's net deferred tax asset; accordingly, approximately $750,000 of the deferred tax valuation allowance was released as a credit to income tax expense during 2012.

The valuation allowance reserves for a substantial portion of the Company's alternative minimum tax credit carryovers. At December 31, 2013, the Company had approximately $35,350,000 of alternative minimum tax credit carryovers which have no expiration date. Minimum tax credit carryovers do not offset alternative minimum tax; however, they are able to reduce the Company's federal income tax rate to 20% in any given year. In order to fully utilize its alternative minimum tax credit carryovers, the Company would have to generate an additional $215,000,000 of taxable income above its current estimate to fully utilize all of the credits. The Company has reserved for this benefit in its valuation allowance.

The projection of future taxable income is based upon numerous assumptions about the future, including future market conditions where the Company's projects are located, regulatory requirements, estimates of future real estate revenues and development costs, future interest expense, operating and overhead costs and other factors. To the extent the Company's actual taxable income in the future exceeds its estimate, the Company will recognize additional tax benefits and reduce its valuation allowance; conversely, if the actual taxable income is less than the amounts projected, an addition to the valuation allowance would be recorded that would increase tax expense in the future. Adjustments to the valuation allowance in the future should be expected.

Provision for Environmental Remediation – The Company records environmental liabilities when it is probable that a liability has been incurred and the amount or range of the liability is reasonably estimable. During 2002, the

Company recorded a charge of $11,150,000 representing its estimate of the cost (including legal fees) to implement the most likely remediation alternative with respect to approximately 30 acres of undeveloped land owned by the Company's subsidiary, Flat Rock. The estimated liability was neither discounted nor reduced for claims for recovery from previous owners and users of the land who may be liable, and may increase or decrease based upon the actual extent and nature of the remediation required, the actual cost of the remediation, the expenses of the regulatory process, the costs of post-remediation monitoring requirements, inflation and other items.

The Company has periodically examined, and when appropriate, adjusted its liability for environmental remediation to reflect its current best estimate. A change to the current estimate could result from, among other things, that the cost to implement the remediation is different than the Company's current estimate, that the cost of future on-going monitoring efforts is different than the Company's current estimate, and/or requirements imposed by regulatory authorities that the Company did not anticipate but is nevertheless required to implement. During 2004, the Company increased its estimate of remediation costs by approximately $1,300,000, primarily due to increases in site investigation and remediation costs, and during 2003 by approximately $250,000, primarily for consulting costs. During 2012, the Company's revised its estimate of future remediation costs, including on-going monitoring expenses, which resulted in a reduction in the previously accrued estimate of $1,500,000. Such amount was reflected on the consolidated statement of operations as a reduction to expenses.

During the fourth quarter of 2012, upon receipt of required approvals, the Company commenced remediation activities, which were completed in February 2013. The Company received final approval from the County of San Diego Department of Environmental Health in June 2013; as a result, the Company reduced its liability for environmental remediation by $650,000.

Provision for Impairment Losses on Real Estate – The Company's real estate is carried at cost. Whenever events or changes in circumstances suggest that the carrying amount may not be recoverable, management assesses the recoverability of the carrying amount of its real estate in accordance with GAAP and, if impaired, reduces the carrying amount to its estimated fair value. The process involved in evaluating assets for impairment and determining fair value requires estimates as to future events and market conditions. This estimation process may assume that the Company has the ability to complete development and dispose of its real estate properties in the ordinary course of business based on management's present plans and intentions. If management determines that the carrying value of a specific real estate investment is impaired, a write-down is recorded as a charge to current period operations. The evaluation process is based on estimates and assumptions and the ultimate outcome may be different.

The Company did not record any provisions for impairment losses during the years ended December 31, 2013, 2012 and 2011.

Statement of Operations

The Company currently has four real estate development projects, San Elijo Hills, Ashville Park, the Otay Ranch project and Fanita Ranch. The San Elijo Hills project is a master-planned community that, when completed, will contain approximately 2,382 single family lots, 805 multi-family units, 276 very low income apartment units, three school sites and commercial space which will be sold or leased. As of February 6, 2014, the remaining land at the San Elijo Hills project to be developed and sold or leased consisted of 178 single family lots, 10 multi-family units and 37,800 square feet of commercial space. The Company has substantially completed the development of its remaining single family residential lots and has completed development of the first phase of the Towncenter; design options for phase two of the Towncenter are currently being evaluated. As discussed above, the timing of the sales of the remaining lot inventory at the San Elijo Hills project is uncertain. The Company believes that by exercising patience and waiting for market conditions to improve it can best maximize shareholder value with its remaining residential lot inventory. However, on an ongoing basis the Company evaluates the local real estate market and economic conditions in general, and updates its expectations of future market conditions as it continues to assess the best time to market its remaining residential lot inventory for sale.

The Company acquired the Ashville Park project during 2012, which upon completion is expected to have 451 single family homes. As of February 6, 2014, the remaining land at the Ashville Park project to be sold consists of 280 single family lots. Except as discussed above, the timing of the sales of the remaining lots is uncertain.

Sales at the Otay Ranch project have principally consisted of four individual transactions for relatively large amounts of land. Individual lot development at the Otay Ranch project has not yet begun, as the Company continues to evaluate how to maximize the value of this investment while processing further entitlements on portions of the property. If and when the Company determines to commence lot development at the Otay Ranch project, it is expected to last many years. Development of the Rampage and Fanita Ranch properties can only commence after approvals are obtained from multiple government agencies; as a result no sales activity is expected for several years.

Real Estate Sales Activity

San Elijo Hills Project:

For the three years ended December 31, 2013, the Company has closed on sales of real estate as follows:

	2013	2012	2011
		(Dollars in thousands)	
Single family units	86	72	91
Multi-family units	-	-	-
Residential condominium units	1	-	2
Commercial lot sales – planned square feet	-	-	11,200
Purchase price, net of closing costs:			
Single family units	$ 32,500	$ 20,900	$ 24,750
Multi-family units	$ -	$ -	$ -
Residential condominium units	$ 700	$ -	$ 850
Commercial lot sales	$ 5,800	$ -	$ 1,950

Revenues recognized on the closing date were $37,850,000, $20,650,000 and $27,500,000 for 2013, 2012 and 2011, respectively. As discussed above, a portion of the revenue from sales in prior years was deferred, and has been recognized as revenues upon the completion of the required improvements to the property, including costs related to common areas, under the percentage of completion method of accounting. Revenues include previously deferred amounts of $200,000 for 2013. During 2011, the full purchase price reflected in the table above, net of closing costs, was recognized as revenues on the closing date as all required improvements to the property had been completed.

During 2013, 2012 and 2011, cost of sales of real estate aggregated $15,200,000, $8,750,000 and $12,950,000, respectively. During 2013 and 2012, cost of sales was recognized in the same proportion to the amount of revenue recognized under the percentage of completion method of accounting. During 2011, since all required improvements to sold properties had been completed as of the closing date, the Company applied the full accrual method for those sales and recognized in full as cost of sales the cost of properties sold on the closing date.

Ashville Park:

During 2013, the Company sold 90 lots from Village B for net cash consideration of $9,000,000. During 2013 and 2012, the Company sold 22 and 54 lots from Village A for net cash consideration of $3,900,000 and $8,200,000, respectively. Cost of sales of real estate aggregated $8,000,000 and $4,900,000 for 2013 and 2012, respectively. Cost of sales was recognized in the same proportion to the amount of revenue recognized under the percentage of completion method of accounting.

Otay Ranch Project:

There were no sales of real estate at the Otay Ranch project during 2013, 2012 and 2011.

Rampage Property:

There were no sales of real estate at the Rampage property during 2013, 2012 and 2011.

Farming revenues at the Rampage property aggregated $4,900,000, $6,400,000 and $6,000,000 for the years ended December 31, 2013, 2012 and 2011, respectively. The reduction in farming revenues during 2013 as compared to 2012 principally results from a reduction in grape yields due to unfavorable weather conditions. The increase in farming revenues in 2012 as compared to 2011 was due to larger harvest yields and higher market prices for grapes.

Other Results of Operations Activity

The Company recorded co-op marketing and advertising fee revenue of approximately $1,150,000, $550,000 and $200,000 for the years ended December 31, 2013, 2012 and 2011, respectively. The Company records these fees pursuant to contractual agreements, which is generally when builders sell homes based upon a fixed percentage of the homes' selling price.

General and administrative expenses increased during 2013 as compared to 2012, primarily due to legal fees, salaries expenses and costs related to the investigation and evaluation of acquisition opportunities. Legal expenses increased by $2,100,000, principally due to Otay Land Company and Flat Rock Land Company's lawsuit related to the environmental contamination of the property. The increase in salaries expenses of $700,000 principally reflects higher general bonus expense and the addition of two employees at the Ashville Park project.

General and administrative expenses increased during 2012 as compared to 2011 primarily due to higher legal, marketing, professional and travel expenses. Legal expenses increased due to higher legal fees related to environmental litigation at the Fanita Ranch property that was in process at the date of acquisition. The Company lost certain challenges to its Fanita Ranch entitlements and was required to reimburse the plaintiffs for their costs. Legal fees also increased for the lawsuit seeking compensation from parties who Otay Land Company and Flat Rock believe are responsible for the environmental contamination of the property, as discussed above. The Company also incurred higher marketing, professional fees and travel expenses related to activity at the Ashville Park project during 2012.

Interest and other income increased by $800,000 during 2013 as compared to 2012. During 2013, Otay Land Company and Flat Rock were awarded an additional $750,000 relating to the lawsuit against multiple parties for environmental contamination of the property. Interest and other income also reflect a decline in interest income of $20,000 in 2013 as compared to 2012, due to lower interest rates. The change in interest and other income during 2012 as compared to 2011 reflects a decline in interest income due to lower interest rates and fewer invested assets. Other income in 2011 includes $150,000 of income relating to proceeds received from the settlement of a contract dispute.

The Company's effective income tax rate is higher than the federal statutory rate due to state income taxes. In addition, as discussed above, during 2013 and 2012 the Company was able to conclude that it is more likely than not that it will be able to realize an additional portion of the Company's net deferred tax asset. As a result, $1,350,000 and $750,000 of the deferred tax valuation allowance was released as a credit to income tax expense during 2013 and 2012, respectively.

Inflation

The Company, as well as the real estate development and homebuilding industry in general, may be adversely affected by inflation, primarily because of either reduced rates of savings by consumers during periods of low inflation or higher land and construction costs during periods of high inflation. Low inflation could adversely affect consumer demand by limiting growth of savings for down payments, ultimately adversely affecting demand for real estate and the Company's revenues. High inflation increases the Company's costs of labor and materials. The Company would attempt to pass through to its customers any increases in its costs through increased selling prices. To date, high or low rates of inflation have not had a material adverse effect on the Company's results of operations. However, there is no assurance that high or low rates of inflation will not have a material adverse impact on the Company's future results of operations.

Interest Rates

The Company's operations are interest-rate sensitive. The Company has indirectly benefited from the prevailing low mortgage interest rate environment, since low rates made housing more affordable for the home buyer, thereby increasing demand for homes. The Company can not predict whether interest rates will remain low and what impact an increase in interest rates and mortgage rates would have on the Company's operations, although any significant increase in these rates could have a chilling effect on the housing market, which could adversely affect the Company's results of operations.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk.

The Company's market risk arises principally from interest rate risk related to its investment portfolio and borrowing activities.

At December 31, 2013, the Company had investments of approximately $31,900,000 in securities issued by the U.S. Government. The Company's investment portfolio is classified as available for sale, and is reflected in the balance sheet at fair value with unrealized gains and losses reflected in equity. The U.S. Government securities in the portfolio are rated "AA+" and "Aaa" by Standard & Poor's and Moody's, respectively. All of these fixed income securities mature in 2014; the estimated weighted average remaining life of these fixed income securities was approximately 0.3 years at December 31, 2013. At December 31, 2012, the Company's investments consisted of fixed income securities with an estimated weighted average remaining life of approximately 0.3 years and a weighted average interest rate of .14%. The

Company’s fixed income securities, like all fixed income instruments, are subject to interest rate risk and will fall in value if market interest rates increase.

	Expected Maturity Date							
	2014	2015	2016	2017	2018	Thereafter	Total	Fair Value
	(Dollars in thousands)							
Rate Sensitive Assets:								
Available for Sale Fixed Income Securities								
U.S. Treasury Securities	$31,896	$ -	$ -	$ -	$ -	$ -	$ 31,896	$ 31,896
Weighted Average Interest Rate	0.07%	-	-	-	-	-		

Item 8. Financial Statements and Supplementary Data.

Financial Statements and supplementary data required by this Item 8 are set forth at the pages indicated in Item 15(a) below.

Item 9. Changes and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

The Company's management evaluated, with the participation of the Company's principal executive and principal financial officers, the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of December 31, 2013. Based on their evaluation, the Company's principal executive and principal financial officers concluded that the Company's disclosure controls and procedures were effective as of December 31, 2013.

There has been no change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the Company's fiscal quarter ended December 31, 2013, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management’s Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of the assets of the Company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2013. In making this assessment, the Company's management used the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based on our assessment and those criteria, management concluded that, as of December 31, 2013, the Company's internal control over financial reporting is effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2013, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears in Item 8.

Item 9B. Other Information.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information to be included under the caption "Election of Directors", "Information Concerning the Board of Directors and Board Committees", "Executive Compensation – Section 16(a) Beneficial Ownership Reporting Compliance" and "Audit Committee Report" in the Company's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A of the Exchange Act in connection with the 2013 annual meeting of shareholders of the Company (the "Proxy Statement") is incorporated herein by reference. In addition, reference is made to Item 10 in Part I of this Report.

Code of Practice. We have a code of Business Practices, which is applicable to all directors, officers and employees, and includes a Code of Practice applicable to our principal executive officer and senior financial officers. Both of the Code of Business Practice and Code of Practice are available on our website. We intend to post amendments to or waivers from our Code of Practice on our website as required by applicable law.

Item 11. Executive Compensation.

The information to be included under the caption "Executive Compensation" in the Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Equity Compensation Plan Information

The following table summarizes information regarding the Company's equity compensation plans as of December 31, 2013. All outstanding awards relate to the Company's Common Stock.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	94,500	$ 24.69	405,400
Equity compensation plans not approved			

by security holders	-	-	-
Total	94,500	$ 24.69	405,400

The information to be included under the caption "Information on Stock Ownership- Present Beneficial Ownership of Common Stock" in the Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence.

The information to be included under the captions "Director Independence" and "Certain Relationships and Related Person Transactions" under the heading "Information concerning the Board of Directors and Board Committees" in the Proxy Statement is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information to be included under the caption "Independent Accounting Firm Fees" in the Proxy Statement is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a)(1) Financial Statements.

(a)(2) Financial Statement Schedules.

Schedules are omitted because they are not required or are not applicable or the required information is shown in the financial statements or notes thereto.

(a)(3) See item 15(b) below for a complete list of Exhibits to this Report including Executive Compensation Plans and Arrangements.

(b) Exhibits.

We will furnish any exhibit upon request made to our Corporate Secretary, 1903 Wright Place, Suite 220, Carlsbad, CA 92008. We charge $.50 per page to cover expenses of copying and mailing.

All documents referenced below were filed pursuant to the Securities Exchange Act of 1934 by the Company, file number 1-10153, unless otherwise indicated.

3.1 Restated Certificate of Incorporation, as restated July 3, 1995 of the Company (incorporated by reference to Exhibit 3.1 to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 1995).

3.2 By-laws of the Company as amended through December 14, 1999 (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (the "1999 10-K")).

3.3 Amendment to Amended and Restated Bylaws of the Company, dated July 10, 2002 (incorporated by reference to Exhibit 3.3 to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2002 (the "Third Quarter 2002 10-Q")).

3.4 Certificate of Amendment of the Certificate of Incorporation of the Company, dated July 10, 2002 (incorporated by reference to Exhibit 3.4 to the Third Quarter 2002 10-Q.

3.5 Certificate of Amendment of the Certificate of Incorporation of the Company, dated July 10, 2003 (incorporated by reference to Exhibit 3.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 (the "2003 10-K")).

3.6 Certificate of Amendment of the Certificate of Incorporation of the Company, dated July 10, 2003 (incorporated by reference to Exhibit 3.6 to the Company's 2003 10-K).

3.7 Certificate of Amendment of the Certificate of Incorporation of the Company, dated August 2, 2010 (incorporated by reference to Exhibit 3.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010).

10.1 Development Management Agreement between the Company and Provence Hills Development Company, LLC, dated as of August 14, 1998 (incorporated by reference to Exhibit 10.3 to the Company's current report on Form 8-K dated August 14, 1998).

10.2 Administrative Services Agreement, dated as of March 1, 2000, between Leucadia Financial Corporation ("LFC"), the Company, HomeFed Resources Corporation and HomeFed Communities, Inc. (incorporated by reference to Exhibit 10.1 to the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2000).

10.3 Amendment No. 1 dated as of November 1, 2000 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (the "2000 10-K")).

10.4 Amendment No. 2 dated as of February 28, 2001 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.22 to the Company's 2000 10-K).

10.5 Amendment No. 3 dated as of December 31, 2001 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2001).

10.6 Registration Rights Agreement dated as of October 21, 2002, by and between HomeFed Corporation and Leucadia National Corporation (incorporated by reference to Exhibit 10.2 to the Company's current report on Form 8-K dated October 22, 2002).

10.7 Form of Grant Letter for the 1999 Stock Incentive Plan (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005).[+]

10.8 Amendment No. 4 dated as of May 28, 2002 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2002 (the "2002 10-K/A")).

10.9 Amendment No. 5 dated as of November 15, 2002 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.35 of the 2002 10-K/A).

10.10 Amendment dated as of October 21, 2002 to the Development Management Agreement dated as of August 14, 1998 (incorporated by reference to Exhibit 10.36 of the 2002 10-K/A).

10.11 Contribution Agreement between the Company and San Elijo Hills Development Company, LLC, dated as of October 21, 2002 (incorporated by reference to Exhibit 10.37 of the 2002 10-K/A).

10.12 Agreement and Guaranty, dated as of October 1, 2002, between Leucadia National Corporation and CDS Holding Corporation (incorporated by reference to Exhibit 10.38 of the 2002 10-K/A).

10.13 Obligation Agreement, dated as of October 1, 2002, between Leucadia National Corporation and San Elijo Ranch, Inc. (incorporated by reference to Exhibit 10.39 of the 2002 10-K/A).

10.14 Tax Allocation Agreement between the Company and its subsidiaries dated as of November 1, 2002 (incorporated by reference to Exhibit 10.21 to the Company's 2003 10-K).

10.15 Amendment No. 1 to the First Amended and Restated Development Agreement and Owner Participation Agreement between the City of San Marcos, the San Marcos Redevelopment Agency and the San Elijo Hills Development Company, LLC dated as of February 11, 2004 (incorporated by reference to Exhibit 10.22 to the Company's 2003 10-K).

10.16 Amendment No. 6 dated as of December 31, 2003 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.23 to the Company's 2003 10-K).

10.17 Amendment No. 7 dated as of December 31, 2004 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004).

10.18 Amended and Restated 1999 Stock Incentive Plan (incorporated by reference to Annex A to the Company's Proxy Statement dated June 18, 2009). +

10.19 Named Executive Officer Compensation (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed January 2, 2014).

21 Subsidiaries of the Company.

23 Consent of PricewaterhouseCoopers LLP with respect to the incorporation by reference into the Company's Registration Statement on Form S-8 (File No. 333-97079).

31.1 Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

32.2 Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

101 Financial statements from the Annual Report on Form 10-K of HomeFed Corporation for the year ended December 31, 2012, formatted in Extensible Business Reporting Language (XBRL); (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income (Loss), (iv) the Consolidated Statements of Changes in Shareholders Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements.

* Furnished herewith pursuant to Item 601(b)(32) of Regulation S-K.

+ Management Employment Contract or Compensatory Plan/Arrangement.

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.

HOMEFED CORPORATION

February 18, 2014	By /s/	Erin N. Ruhe Erin N. Ruhe, Vice President, Treasurer and Controller (Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date		Signature	Title
February 18, 2014	By /s/	Joseph S. Steinberg Joseph S. Steinberg	Chairman of the Board and Director
February 18, 2014	By /s/	Paul J. Borden Paul J. Borden	President and Director (Principal Executive Officer)
February 18, 2014	By /s/	Erin N. Ruhe Erin N. Ruhe	Vice President, Treasurer and Controller (Principal Financial and Accounting Officer)
February 18, 2014	By /s/	Patrick D. Bienvenue Patrick D. Bienvenue	Director
February 18, 2014	By /s/	Timothy M. Considine Timothy M. Considine	Director
February 18, 2014	By /s/	Ian M. Cumming Ian M. Cumming	Director
February 18, 2014	By /s/	Michael A. Lobatz Michael A. Lobatz	Director

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of HomeFed Corporation:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of HomeFed Corporation and its subsidiaries (the “Company”) at December 31, 2013 and 2012 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
February 18, 2014
Los Angeles, California

Part I -FINANCIAL INFORMATION

Item 1. Financial Statements.

HOMEFED CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2013 and December 31, 2012
(Dollars in thousands, except par value)

	December 31, 2013	December 31, 2012
ASSETS		
Real estate	$ 107,072	$ 120,245
Cash and cash equivalents	57,306	22,987
Investments available for sale (amortized cost of $31,894 and $36,385)	31,896	36,390
Accounts receivable, deposits and other assets	1,715	1,030
Net deferred tax asset	6,413	8,757
TOTAL	$ 204,402	$ 189,409
LIABILITIES		
Accounts payable and accrued liabilities	$ 5,822	$ 5,097
Non-refundable option payments	1,015	-
Liability for environmental remediation	1,543	4,607
Deferred revenue	2,739	886
Income taxes payable	3,125	1,644
Other liabilities	228	136
Total liabilities	14,472	12,370
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Common stock, $.01 par value; 25,000,000 shares authorized; 7,879,500 shares outstanding after deducting 395,409 shares held in treasury	79	79
Additional paid-in capital	381,171	380,982
Accumulated other comprehensive income	1	3
Accumulated deficit	(201,416)	(212,684)
Total HomeFed Corporation common shareholders' equity	179,835	168,380
Noncontrolling interest	10,095	8,659
Total equity	189,930	177,039
TOTAL	$ 204,402	$ 189,409

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

HOMEFED CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations
For the years ended December 31, 2013, 2012 and 2011
(In thousands, except per share amounts)

	2013	2012	2011
REVENUES			
Sales of real estate	$ 50,097	$ 28,193	$ 27,522
Farming revenues	4,882	6,422	5,979
Rental income	511	509	448
Co-op marketing and advertising fees	1,142	557	192
	56,632	35,681	34,141
EXPENSES			
Cost of sales	23,198	13,659	12,939
Reduction in estimated liability for environmental remediation	(662)	(1,500)	-
General and administrative expenses	12,744	9,064	8,077
Farming expenses	2,859	2,873	2,862
Administrative services fees to Leucadia National Corporation	180	180	180
	38,319	24,276	24,058
Income from operations	18,313	11,405	10,083
Interest and other income	889	107	382
Income before income taxes and noncontrolling interest	19,202	11,512	10,465
Income tax provision	(6,498)	(4,080)	(4,368)
Net income	12,704	7,432	6,097
Net income attributable to the noncontrolling interest	1,436	1,410	1,606
Net income attributable to HomeFed Corporation common shareholders	$ 11,268	$ 6,022	$ 4,491
Basic and diluted earnings per common share attributable to HomeFed Corporation common shareholders	$ 1.43	$ 0.76	$ 0.57

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

HOMEFED CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income (Loss)

For the years ended December 31, 2013, 2012 and 2011

(In thousands)

	2013	2012	2011
Net income	$ 12,704	$ 7,432	$ 6,097
Other comprehensive income (loss):			
Net unrealized holding gains (losses) on investments arising during the period, net of taxes of $(1), $2 and $(2)	(2)	2	(2)
Net change in unrealized holding gains (losses) on investments, net of taxes of $(1), $2 and $(2)	(2)	2	(2)
Other comprehensive income (loss), net of income taxes	(2)	2	(2)
Comprehensive income	12,702	7,434	6,095
Comprehensive (income) loss attributable to the noncontrolling interest	(1,436)	(1,410)	(1,606)
Comprehensive income attributable to HomeFed Corporation common shareholders	$ 11,266	$ 6,024	$ 4,489

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

HOMEFED CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2013, 2012 and 2011

(In thousands, except par value)

	HomeFed Corporation Common Shareholders						
	Common Stock $.01 Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Subtotal	Noncontrolling Interest	Total
Balance, January 1, 2011	$ 79	$ 376,110	$ 3	$ (223,197)	$ 152,995	$ 15,117	$ 168,112
Net income				4,491	4,491	1,606	6,097
Other comprehensive loss, net of taxes			(2)		(2)		(2)
Share-based compensation expense		222			222		222
Balance, Dec. 31, 2011	$ 79	$ 376,332	$ 1	$ (218,706)	$ 157,706	$ 16,723	$ 174,429
Net income				6,022	6,022	1,410	7,432
Acquisition of noncontrolling interest		4,474			4,474	(9,474)	(5,000)
Other comprehensive income, net of taxes			2		2		2
Share-based compensation expense		176			176		176
Balance, Dec. 31, 2012	$ 79	$ 380,982	$ 3	$ (212,684)	$ 168,380	$ 8,659	$ 177,039
Net income				11,268	11,268	1,436	12,704
Other comprehensive loss, net of taxes			(2)		(2)		(2)
Share-based compensation expense		189			189		189
Balance, Dec. 31, 2013	$ 79	$ 381,171	$ 1	$ (201,416)	$ 179,835	$ 10,095	$ 189,930

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

HOMEFED CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2013, 2012 and 2011

(In thousands)

	2013	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 12,704	$ 7,432	$ 6,097
Adjustments to reconcile net income to net cash provided by operating activities:			
Reduction in estimated liability for environmental remediation	(662)	(1,500)	-
Provision for deferred income taxes	2,345	2,093	2,457
Share-based compensation expense	189	176	222
Depreciation and amortization of property, equipment and leasehold improvements	239	249	244
Accretion of discount on investments available for sale	(35)	(40)	(45)
Changes in operating assets and liabilities:			
Real estate	13,579	4,458	6,182
Accounts receivable, deposits and other assets	(823)	(20)	(389)
Deferred revenue	1,853	886	-
Accounts payable and accrued liabilities	725	1,977	(820)
Non-refundable option payments	1,015	(350)	(300)
Liability for environmental remediation	(2,402)	(2,865)	(680)
Income taxes receivable/payable	1,481	(83)	132
Other liabilities	92	(19)	(99)
Net cash provided by operating activities	30,300	12,394	13,001
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of real estate	(507)	(32,178)	(11,000)
Purchases of investments (other than short-term)	(68,374)	(90,549)	(92,569)
Proceeds from maturities of investments available for sale	72,900	94,900	87,600
Proceeds from sales of investments	-	2,600	-
Net cash provided by (used for) investing activities	4,019	(25,227)	(15,969)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Acquisition of noncontrolling interest	-	(5,000)	-
Net increase (decrease) in cash and cash equivalents	34,319	(17,833)	(2,968)
Cash and cash equivalents, beginning of period	22,987	40,820	43,788
Cash and cash equivalents, end of period	$ 57,306	$ 22,987	$ 40,820
Supplemental disclosures of cash flow information:			
Cash paid for income taxes	$ 2,672	$ 2,070	$ 2,200

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation – The accompanying consolidated financial statements include the accounts of HomeFed Corporation (the “Company”), Otay Land Company, LLC and its wholly-owned subsidiaries (“Otay Land Company”), HomeFed Resources Corporation, CDS Holding Corporation and its majority owned subsidiaries (“CDS”), HomeFed Fanita Rancho, LLC (“Fanita Ranch”), Rampage Vineyard, LLC (“Rampage”) and Ashville Park, LLC (“Ashville Park”). The Company is currently engaged, directly and through its subsidiaries, in the investment in and development of residential real estate properties in California and Virginia. Real estate development is the Company’s only business segment. All intercompany balances and transactions have been eliminated in consolidation.

The Company’s business, real estate development, is highly competitive, and there are numerous residential real estate developers and development projects operating in the same geographic area in which the Company operates. In addition, the residential real estate development industry is subject to increasing environmental, building, zoning and real estate regulations that are imposed by various federal, state and local authorities. Timing of the initiation and completion of development projects depends upon receipt of necessary authorizations and approvals. Furthermore, changes in prevailing local circumstances or applicable laws may require additional approvals, or modifications of approvals previously obtained. Delays could adversely affect the Company’s ability to complete its projects, significantly increase the costs of doing so or drive potential customers to purchase competitors’ products. Environmental laws may cause the Company to incur substantial compliance, mitigation and other costs, may restrict or prohibit development in certain areas and may delay completion of the Company’s development projects. Delays arising from compliance with environmental laws and regulations could adversely affect the Company’s ability to complete its projects and significantly increase development costs. The Company’s business may also be adversely affected by inflation and is interest-rate sensitive.

Critical Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires the Company to make estimates and assumptions that affect the reported amounts in the financial statements and disclosures of contingent assets and liabilities. On an on-going basis, the Company evaluates all of these estimates and assumptions. Actual results could differ from those estimates.

Profit Recognition on Sales of Real Estate **–** When the Company has an obligation to complete improvements on property subsequent to the date of sale, it utilizes the percentage of completion method of accounting to record revenues and cost of sales. Under percentage of completion accounting, the Company recognizes revenues and cost of sales based upon the ratio of development costs completed as of the date of sale to an estimate of total development costs which will ultimately be incurred, including an estimate for common areas. Revenues which cannot be recognized as of the date of sale are reported as deferred revenue on the consolidated balance sheets.

The Company believes it can reasonably estimate its future costs and profit allocation in order to determine how much revenue should be deferred. However, such estimates are based on numerous assumptions and require management’s judgment. For example, the estimate of future development costs includes an assumption about the cost of construction services for which the Company has no current contractual arrangement. If the estimate of these future costs proves to be too low, then the Company will have recognized too much profit as of the date of sale resulting in less profit to be reported as the improvements are completed. However, to date the Company’s estimates of future development costs that have been used to determine the amount of revenue to be deferred at the date of sale have subsequently been proven to be reasonably accurate.

Prior to 2010, the percentage of completion method of accounting was applied for sold properties at the San Elijo Hills project; however, during the fourth quarter of 2009, the Company completed all the required improvements for sold properties at the San Elijo Hills project and all of the remaining deferred revenue was recognized in income. During 2011 and 2010, since all required improvements to sold properties had been completed as of the closing date, the Company applied the full accrual method for those sales. Accordingly, the Company recognized total sales proceeds, net of closing costs, in revenues and all costs in cost of sales on the closing date. Commencing in 2012, revenue is again being deferred until the Company completes required improvements to properties sold.

Income Taxes – The Company provides for income taxes using the liability method. The Company records a valuation allowance to reduce its net deferred tax asset to an amount that the Company expects is more likely than not to be realized. If the Company's estimate of the realizability of its deferred tax asset changes in the future, an adjustment to the valuation allowance would be recorded which would either increase or decrease income tax expense in such period. The valuation allowance is determined after considering all relevant facts and circumstances, and is based, in significant part, on the Company's projection of taxable income in the future. Since any projection of future profitability is inherently unreliable, changes in the valuation allowance should be expected.

During 2013, the Company generated profits from lot sales at the San Elijo Hills and Ashville Park projects that were greater than projected as of December 31, 2012. Also, the Company has entered into agreements to sell additional lots at both projects which are expected to close during 2014. The Company considered its recent results and pending lot sale agreements to be positive evidence to be considered when estimating its future taxable income. As a result, the Company was able to conclude that it is more likely than not that it will be able to realize an additional portion of the Company's net deferred tax asset; accordingly, approximately $1,350,000 of the deferred tax valuation allowance was released as a credit to income tax expense during 2013.

During 2012 the Company acquired the Ashville Park project, profitably sold finished lots during 2012 and entered into an agreement to sell additional lots in 2013, some of which closed during the first quarter of 2013. The Company believed that these sales represented positive evidence to be considered when estimating future taxable income that may be generated at the Ashville Park project. The Company also lowered its estimated liability for environmental remediation costs during 2012, and updated its consolidated projection of future taxable income for this activity and for recent developments at its other projects. As a result, the Company was able to conclude that it is more likely than not that it will be able to realize an additional portion of the Company's net deferred tax asset; accordingly, approximately $750,000 of the deferred tax valuation allowance was released as a credit to income tax expense during 2012.

The projection of future taxable income is based upon numerous assumptions about the future, including future market conditions where the Company's projects are located, regulatory requirements, estimates of future real estate revenues and development costs, future interest expense, operating and overhead costs and other factors. To the extent the Company's actual taxable income in the future exceeds its estimate, the Company will recognize additional tax benefits and reduce its valuation allowance; conversely, if the actual taxable income is less than the amounts projected, an addition to the valuation allowance would be recorded that would increase tax expense in the future. Adjustments to the valuation allowance in the future should be expected.

The Company records interest and penalties, if any, with respect to uncertain tax positions as components of income tax expense. Based on the Company's evaluation of its tax filings at December 31, 2013, the Company did not record any amounts for uncertain tax positions. If any of the Company's tax filing positions are successfully challenged, payments could be required that might be material.

Provision for Environmental Remediation – The Company records environmental liabilities when it is probable that a liability has been incurred and the amount or range of the liability is reasonably estimable. During 2002, the Company recorded a charge of $11,150,000 representing its estimate of the cost (including legal fees) to implement the most likely remediation alternative with respect to approximately 30 acres of undeveloped land owned by a subsidiary of Otay Land Company. The estimated liability was neither discounted nor reduced for claims for recovery from previous owners and users of the land who may be liable, and may increase or decrease based upon the actual extent and nature of the remediation required, the actual cost of the remediation, the expenses of the regulatory process, the costs of post-remediation monitoring requirements, inflation and other items.

The Company has periodically examined, and when appropriate, adjusted its liability for environmental remediation to reflect its current best estimate. A change to the current estimate could result from, among other things, that the cost to implement the remediation is different than the Company's current estimate, that the cost of future on-going monitoring efforts is different than the Company's current estimate, and/or requirements imposed by regulatory authorities that the Company did not anticipate but is nevertheless required to implement. During 2004, the Company increased its estimate of remediation costs by approximately $1,300,000, primarily due to increases in site investigation and remediation costs, and during 2003 by approximately $250,000, primarily for consulting costs. During 2012, the Company's revised its estimate of future remediation costs, including on-going monitoring expenses, which resulted in a reduction in the previously accrued estimate of $1,500,000. Such amount was reflected on the consolidated statement of operations as a reduction to expenses.

During the fourth quarter of 2012, upon receipt of required approvals, the Company commenced remediation activities, which were completed in February 2013. The Company received final approval from the County of San Diego Department of Environmental Health in June 2013; as a result, the Company reduced its liability for environmental remediation by $650,000.

Provision for Impairment Losses on Real Estate – The Company's real estate is carried at cost. Whenever events or changes in circumstances suggest that the carrying amount may not be recoverable, management assesses the recoverability of the carrying amount of its real estate in accordance with GAAP and, if impaired, reduces the carrying amount to its estimated fair value. The process involved in evaluating assets for impairment and determining fair value requires estimates as to future events and market conditions. This estimation process may assume that the Company has the ability to complete development and dispose of its real estate properties in the ordinary course of business based on management's present plans and intentions. If management determines that the carrying value of a specific real estate investment is impaired, a write-down is recorded as a charge to current period operations. The evaluation process is based on estimates and assumptions and the ultimate outcome may be different.

The Company did not record any provisions for impairment losses during the years ended December 31, 2013, 2012 and 2011.

Real Estate – Real estate includes all expenditures incurred in connection with the acquisition, development and construction of the property, including interest and property taxes. At acquisition, land costs are allocated to individual parcels or lots based on relative fair values. Subsequent to acquisition, substantially all development costs are specifically identifiable to individual parcels or lots, or are considered allocated costs that are allocated principally based on acreage (principally property taxes, legal fees and consulting fees). Capitalized land costs are charged to cost of sales at the time that revenue is recognized.

Cash and Cash Equivalents – Cash equivalents are money market accounts and short-term, highly liquid investments that have maturities of less than three months at the time of acquisition.

Investments – Securities with maturities equal to or greater than three months at the time of acquisition are classified as investments available for sale, and are carried at fair value with unrealized gains and losses reflected as a separate component of shareholders' equity, net of taxes. The cost of securities sold is based on specific identification.

Recognition of Fee Income – The Company may be contractually entitled to receive co-op marketing and advertising fees that are due when builders sell homes. These fees are generally based upon a fixed percentage of the homes' selling price and are recorded as revenue when the home is sold.

Revenue and Profit Sharing Arrangements – Certain of the Company's lot purchase agreements with homebuilders include provisions that entitle the Company to a share of the revenues or profits realized by the homebuilders upon their sale of the homes, after certain thresholds are achieved. The actual amount which could be received by the Company is generally based on a formula and other specified criteria contained in the lot purchase agreements, and are generally not payable and cannot be determined with reasonable certainty until the builder has completed the sale of a substantial portion of the homes covered by the lot purchase agreement. The Company's policy is to accrue revenue earned pursuant to these agreements when amounts are fully earned and payable pursuant to the lot purchase agreements, which is classified as sales of real estate. Any amounts received from homebuilders prior to then are deferred.

The Company has not recognized any income from revenue or profit sharing arrangements during the last three years.

Option Deposits – Option payments received from prospective buyers are recognized as liabilities until the title of the real estate is transferred or the option is forfeited, or in the case of refundable deposits, the prospective buyer decides not to purchase the real estate and the deposit is returned.

Capitalization of Interest and Real Estate Taxes – If applicable, interest and real estate taxes attributable to land and property construction are capitalized and added to the cost of those properties while the properties are being actively developed.

Farming Revenues and Expenses – Income from farming related activities at the Rampage property are recognized when grapes are sold, and expenses from farming related activities are recognized when incurred.

Share-Based Compensation – The cost of all share-based payments to employees, including grants of employee stock options and warrants, are recognized in the financial statements based on their fair values. The cost is recognized as an expense over the vesting period of the award. The fair value of each award is estimated at the date of grant using the Black-Scholes option pricing model.

2. ACQUISITION OF CDS

In October 2002, the Company purchased from Leucadia National Corporation (together with its subsidiaries, “Leucadia”) all of the issued and outstanding shares of capital stock of CDS which, through its majority-owned indirect subsidiary, San Elijo Hills Development Company, LLC (“San Elijo”), is the owner of the San Elijo Hills project, a master-planned community located in the City of San Marcos, in San Diego County, California. The Company has been the development manager for the San Elijo Hills project since August 1998. The purchase price of $25,000,000 consisted of $1,000,000 in cash and 2,474,226 shares of the Company’s common stock, which represented approximately 30% of the Company’s outstanding common shares. Prior to the acquisition, Leucadia had also committed to obtain project improvement bonds for the San Elijo Hills project which is required prior to the commencement of any project development (see Note 11).

3. INVESTMENTS

At December 31, 2013 and 2012, the Company’s investments consisted of fixed income securities issued by the U.S. Government, which were classified as available for sale. All of the Company’s investments mature in one year or less. The par value, amortized cost, gross unrealized gains and losses and estimated fair value of these investments as of December 31, 2013 and 2012 are as follows (in thousands):

					Fair Value Measurements Using		
	Par Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value Measurements
December 31, 2013							
U.S. Treasury	$ 31,900	$ 31,894	$ 2	$ -	$ 31,896	$ -	$ 31,896
December 31, 2012							
U.S. Treasury	$ 36,400	$ 36,385	$ 5	$ -	$ 36,390	$ -	$ 36,390

There were no proceeds from sales of investments classified as available for sale during 2013 and 2011. Proceeds from sales of investments classified as available for sale were $2,600,000 during 2012. Realized gross gains were not significant for 2013, 2012 and 2011.

The difference between the par value and amortized cost of an individual investment is accreted to interest income over the remaining life of the investment using the effective interest rate method.

4. REAL ESTATE

A summary of real estate carrying values by project is as follows (in thousands):

	December 31, 2013	December 31, 2012
Held for development:		
San Elijo Hills	$ 35,915	$ 45,585
Otay Ranch	38,848	36,018
Ashville Park	9,469	16,335
Fanita Ranch	14,688	14,054
Rampage	4,545	4,545
Subtotal	103,465	116,537

Held for investment-- San Elijo Hills	3,607	3,708
Total	$ 107,072	$ 120,245

The San Elijo Hills, Otay Ranch, Ashville Park and Fanita Ranch projects are considered to be land under development while the Rampage property is not currently being developed.

In January 2011, the Company acquired in a foreclosure sale the Fanita Ranch property, a 2,600 acre parcel of vacant land located in Santee, California. The aggregate purchase price of $12,350,000 consisted of cash consideration of $11,000,000 and the assumption of certain payables. Fanita Ranch is partially entitled for approximately 1,400 residential units. The Company acquired the property with the intention of completing the necessary entitlements to develop the property as a master-planned community, although there can be no assurance that the Company will be successful in these efforts. If successful, obtaining all the entitlements is expected to take several years.

In February 2012, the Company acquired Ashville Park, a 450 acre master planned community located in Virginia Beach, Virginia, for cash consideration of $17,350,000 including closing costs. The Company acquired 451 entitled single family lots, of which 91 lots were finished lots that were available for sale and one lot was a visitor center.

In October 2012, the Company purchased 52 single family lots at the San Elijo Hills project that had been previously sold to a homebuilder in 2005 and 2006. The lots were purchased for cash consideration of $14,850,000. Included on six of the lots are finished model homes that will require some renovation prior to being sold.

5. NONCONTROLLING INTEREST

Through its ownership of CDS, the Company owns 85% of the common stock of San Elijo Ranch, Inc. ("SERI"). Pursuant to a stockholders' agreement with the holders of the noncontrolling interests in SERI, the Company loans funds to SERI and charges a 12% annual rate. Once this loan is fully repaid, the noncontrolling shareholders of SERI are entitled to 15% of future cash flows distributed to shareholders. As of December 31, 2013, approximately $10,100,000 has been recognized for the SERI noncontrolling interests. Amounts recorded for the noncontrolling interests have been reduced for income taxes calculated pursuant to tax sharing agreements.

In December 2012, the Company purchased an indirect 20% noncontrolling interest in SERI for $5,000,000, increasing its effective interest in SERI from 68% to 85%. The amount paid was $4,450,000 less than the amount recorded for the noncontrolling interest; such amount was credited to additional paid in capital. As part of the purchase, pending litigation commenced by the holder of the purchased noncontrolling interest against the Company was settled without any payment.

6. STOCK INCENTIVE PLANS

Under the Company's Amended and Restated 1999 Stock Incentive Plan (the "Plan"), the Company may grant options, stock appreciation rights and restricted stock to non-employee directors, certain non-employees and employees up to a maximum grant of 30,000 shares to any individual in a given taxable year. Pursuant to the Plan, each director of the Company is automatically granted options to purchase 1,000 shares on the date on which the annual meeting of stockholders is held. In August 2004, following shareholder approval, the Plan was amended to, among other things, increase the number of shares of common stock available for issuance by 300,000 shares. The Plan provides for the issuance of options and rights at not less than 100% of the fair market value of the underlying stock at the date of grant. Options granted to employees and certain non-employees generally become exercisable in five equal instalments starting one year from the date of grant and must be exercised within six years from the date of grant. Options granted to directors generally become exercisable in four equal instalments starting one year from the date of grant and must be exercised within five years from the date of grant. No stock appreciation rights have been granted. As of December 31, 2013, 405,400 shares were available for grant under the Plan.

A summary of activity with respect to the Plan for 2013, 2012 and 2011 is as follows:

	Common Shares Subject to Option	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Balance at January 1, 2011	104,500	$ 30.02		

Granted	6,000	$	21.50			
Cancelled	(6,000)	$	65.50			
Balance at December 31, 2011	104,500	$	27.50			
Granted	6,000	$	22.35			
Cancelled	(14,000)	$	41.18			
Balance at December 31, 2012	96,500	$	25.19			
Granted	6,000	$	32.30			
Cancelled	(8,000)	$	36.44			
Balance at December 31, 2013	94,500	$	24.69	2.4 years	$	1,125,300
Exercisable at December 31, 2013	53,700	$	24.17	2.1 years	$	667,395

The Company recorded compensation cost related to stock incentive plans of $190,000, $180,000 and $220,000 for the years ended December 31, 2013, 2012 and 2011, respectively; such costs reduced net income by $110,000, $110,000 and $130,000 for the years ended December 31, 2013, 2012 and 2011, respectively. As of December 31, 2013, total unrecognized compensation cost related to nonvested share-based compensation plans was $300,000; this cost is expected to be recognized over a weighted-average period of 1.0 year.

The following summary presents the weighted-average assumptions used for the Black-Scholes option pricing model to determine the fair value for each of the stock option grants made during each of the three years in the period ended December 31, 2013:

	2013	2012	2011
Risk free rate	1.20%	0.56%	1.13%
Expected volatility	30.85%	46.90%	46.67%
Expected dividend yield	0.0%	0.0%	0.0%
Expected life	4.3 years	4.3 years	4.3 years
Fair value per grant	$ 8.70	$ 8.49	$ 8.30

The expected life assumptions were based on historical behavior for the awards identified. The expected volatility was based on the historical behavior of the Company's stock price.

In July 2004, the Board of Directors approved the repurchase of up to 500,000 shares of the Company's common stock. In 2008, the Company purchased 394,931 shares of the Company's common stock for approximately $5,900,000 in a private transaction with an unrelated party. During 2009, the Company purchased 478 shares of the Company's common stock in an open market transaction in accordance with the Company's repurchase plan. After considering these transactions, the Company can repurchase up to 104,591 common shares without board approval. Repurchased shares would be available for, among other things, use in connection with the Company's stock option plan. The shares may be purchased from time to time, subject to prevailing market conditions, in the open market, in privately negotiated transactions or otherwise. Any such purchases may be commenced or suspended at any time without prior notice.

7. SALES OF REAL ESTATE

Revenues from sales of real estate for each of the three years in the period ended December 31, 2013 is comprised of the following (in thousands):

	2013	2012	2011
Developed lots at San Elijo Hills	$ 37,370	$ 20,649	$ 26,697
Developed lots at Ashville Park	12,038	7,544	-
Residential condominium units at San Elijo Hills	689	-	825
Total	$ 50,097	$ 28,193	$ 27,522

At the time the Company closes on sales of real estate, a portion of the revenue is initially deferred if the Company is required to make significant improvements to the property. For the years ended December 31, 2013 and 2012, the activity in the deferred revenue account is as follows (in thousands):

	2013	2012
Deferred revenue balance at January 1,	$ 886	$ -
Revenue deferred on the date of sale	2,660	886
Deferred revenue recognized in operations	(807)	-
Deferred revenue balance at December 31,	$ 2,739	$ 886

As of December 31, 2013, the Company estimates that it will spend approximately $1,500,000 to complete the required improvements, including costs related to common areas. The Company estimates these improvements will be substantially complete by the end of 2014.

As of December 31, 2013, the Company had entered into agreements to sell 15 lots at the Ashville Park project to homebuilders for aggregate cash proceeds of $2,500,000, for which it received non-refundable option deposits of $100,000. Sales of 5 lots closed during the first quarter of 2014 for aggregate cash consideration of $800,000.

8. OTHER RESULTS OF OPERATIONS

Interest and other income for each of the three years in the period ended December 31, 2013 consists of the following (in thousands):

	2013	2012	2011
Interest income	$ 55	$ 79	$ 196
Gain on settlement of a lawsuit	764	-	-
Gain on settlement of a contract dispute	-	15	162
Other	70	13	24
Total	$ 889	$ 107	$ 382

Advertising costs included in general and administrative expenses were $650,000, $650,000 and $550,000 for 2013, 2012 and 2011, respectively. Expenses related to rental income at the San Elijo Hills project were $300,000 in each of 2013, 2012 and 2011.

9. INCOME TAXES

The benefit (provision) for income taxes for each of the three years in the period ended December 31, 2013 was as follows (in thousands):

	2013	2012	2011
State income taxes-- current	$ (1,212)	$ (642)	$ (549)
State income taxes-- deferred	(340)	(389)	(301)
Federal income taxes-- current	(2,905)	(1,337)	(1,363)
Federal income taxes-- deferred	(2,041)	(1,712)	(2,155)
	$ (6,498)	$ (4,080)	$ (4,368)

Current federal income taxes for all years principally relates to federal alternative minimum tax.

The table below reconciles the expected statutory federal income tax to the actual income tax provision (in thousands):

	2013	2012	2011
Expected federal income tax provision	$ (6,721)	$ (4,029)	$ (3,663)
State income taxes, net of federal income tax benefit	(1,009)	(670)	(621)
Decrease in deferred tax valuation allowance	1,360	742	-
Recognition of previously unrecognized tax benefits	-	-	160
Permanent differences	(77)	(61)	(73)
Other	(51)	(62)	(171)
Actual income tax provision	$ (6,498)	$ (4,080)	$ (4,368)

At December 31, 2013 and 2012, the net deferred tax asset consisted of the following (in thousands):

	2013	2012
Net operating loss carryforwards	$ -	$ 3,804
Land basis	3,503	4,520
Minimum tax credit carryovers	35,349	33,760
Other, net	1,860	2,332
	40,712	44,416
Valuation allowance	(34,299)	(35,659)
	$ 6,413	$ 8,757

As discussed above, during 2013 and 2012 the Company was able to conclude that it is more likely than not that it will be able to realize an additional portion of the Company's net deferred tax asset; accordingly, approximately $1,350,000 and $750,000 of the deferred tax valuation allowance was released as a credit to income tax expense during 2013 and 2012, respectively.

The valuation allowance reserves for a substantial portion of the Company's alternative minimum tax credit carryovers, which have no expiration date. Minimum tax credit carryovers do not offset alternative minimum tax; however, they are able to reduce the Company's federal income tax rate to 20% in any given year. In order to fully utilize its alternative minimum tax credit carryovers, the Company would have to generate an additional $215,000,000 of taxable income above its current estimate to fully utilize all of the credits. The Company has reserved for this benefit in its valuation allowance.

The following table reconciles the total amount of unrecognized tax benefits as of the beginning and end of the period presented (in thousands):

	Unrecognized Tax Benefits	Interest	Total
Balance, January 1, 2011	$ 90	$ 60	$ 150
Additional interest expense recognized	-	10	10
Reductions as a result of the lapse of the statute of limitations	(90)	(70)	(160)
Balance, December 31, 2011	-	-	-
Additional interest expense recognized	-	-	-
Reductions as a result of the lapse of the statute of limitations	-	-	-
Balance, December 31, 2012	-	-	-
Additional interest expense recognized	-	-	-
Reductions as a result of the lapse of the statute of limitations	-	-	-
Balance, December 31, 2013	$ -	$ -	$ -

The Company recognized previously unrecognized tax benefits during 2011 (reducing income tax expense) due to the expiration of the statute of limitations for the 2006 California state income tax return. The Company does not have any amounts in its consolidated balance sheet for unrecognized tax benefits related to uncertain tax positions at December 31, 2013 and 2012. The statute of limitations with respect to the Company's federal income tax returns has expired for all years through 2009 and with respect to California state income tax returns has expired for all years through 2008.

10. EARNINGS PER SHARE

Basic earnings per share of common stock was calculated by dividing net income by the sum of the weighted average number of common shares outstanding, and for diluted earnings per share, the incremental weighted average number of shares issuable upon exercise of outstanding options for the periods they were outstanding. The treasury stock method is used for these calculations. The numerators and denominators used to calculate basic and diluted earnings per share for 2013, 2012 and 2011 are as follows (in thousands):

	2013	2012	2011
Numerator – net income attributable to HomeFed Corporation common shareholders	$ 11,268	$ 6,022	$ 4,491
Denominator for basic earnings per share– weighted average shares	7,880	7,880	7,880
Stock options	13	1	-
Denominator for diluted earnings per share– weighted average shares	7,893	7,881	7,880

For 2011, there is no difference between basic and diluted per share weighted average amounts primarily because the exercise prices of stock options were greater than the average market price for the period.

11. COMMITMENTS AND CONTINGENCIES

Prior to its acquisition by the Company, a subsidiary of CDS entered into a non-cancelable operating lease for its office space, a portion of which was sublet to the Company and a portion of which was sublet to Leucadia. Effective October 2002, as a result of the acquisition of CDS, sublease payments from Leucadia reflected in other income were $12,000 in each of 2013, 2012 and 2011. Rental expense (net of sublease income) was $350,000 in 2013 and 2012, and $300,000 in 2011; the lease expires in October 2018. Future minimum annual rentals (exclusive of real estate, maintenance and other charges) are approximately $250,000 per year for the remainder of the lease term.

The Company is required to obtain infrastructure improvement bonds primarily for the benefit of the City of San Marcos (the "City") prior to the beginning of lot construction work and warranty bonds upon completion of such improvements in the San Elijo Hills project. These bonds provide funds primarily to the City in the event the Company is unable or unwilling to complete certain infrastructure improvements in the San Elijo Hills project. Leucadia is contractually obligated to obtain these bonds on behalf of CDS and its subsidiaries pursuant to the terms of agreements entered into when CDS was acquired by the Company. CDS is responsible for paying all third party fees related to obtaining the bonds. Should the City or others draw on the bonds for any reason, one of CDS's subsidiaries would be obligated to reimburse Leucadia for the amount drawn. As of December 31, 2013, the amount of outstanding bonds was approximately $2,600,000, none of which has been drawn upon.

The Company is also required to obtain infrastructure improvement bonds for the benefit of the City of Virginia Beach in connection with the Ashville Park project. As of December 31, 2013, the amount of outstanding bonds was approximately $1,800,000, none of which has been drawn upon.

The Company has purchased a $10,000,000 excess insurance policy that provides coverage for general liability claims relating to homes sold at the San Elijo Hills project through August 1, 2011. In 2012, the Company purchased a new $1,000,000 primary insurance policy and $10,000,000 excess insurance policy that provides coverage for general liability claims relating to unsold lots as of August 1, 2012. In 2013, the Company purchased a new $1,000,000 primary insurance policy that provides coverage for general liability claims relating to unsold lots as of August 1, 2013. In March 2012, the

Company purchased a $1,000,000 primary policy and $10,000,000 excess policy that provide coverage for general liability claims related to homes sold at the Ashville Park project that expires in March 2014. No claims have ever been made under these policies. In addition, the Company is indemnified by its homebuilders and is named an additional insured by any contractor who works on the property.

The Company is subject to litigation which arises in the course of its business. Except as otherwise disclosed herein, based on discussions with counsel, management is of the opinion that such litigation is not likely to have any significant adverse effect on the consolidated financial position of the Company, its consolidated results of operations or liquidity.

12. ADMINISTRATIVE SERVICES AGREEMENT

Pursuant to administrative services agreements, Leucadia provides administrative and accounting services to the Company, including providing the services of the Company's Secretary. Administrative fees paid to Leucadia were $180,000 in each of 2013, 2012 and 2011. The administrative services agreement automatically renews for successive annual periods unless terminated in accordance with its terms. Leucadia has the right to terminate the agreement by giving the Company not less than one year's prior notice, in which event the then monthly fee will remain in effect until the end of the notice period. The Company has the right to terminate the agreement, without restriction or penalty, upon 30 days prior written notice to Leucadia. The agreement has not been terminated by either party.

13. FAIR VALUE

The Company's material financial instruments include cash and cash equivalents and investments classified as available for sale. For cash and cash equivalents and investments available for sale, the carrying amounts of such financial instruments approximate their fair values.

No assets or liabilities were measured at fair value on a nonrecurring basis as of December 31, 2013 and 2012.

The Company does not invest in any derivatives or engage in any hedging activities.

14. SELECTED QUARTERLY FINANCIAL DATA (unaudited)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except per share amounts)			
2013:				
Sales of real estate	$ 8,271	$ 953	$ 803	$ 40,070
Farming revenues	$ -	$ -	$ 3,805	$ 1,077
Rental income	$ 121	$ 133	$ 126	$ 131
Co-op marketing and advertising fees	$ 236	$ 280	$ 356	$ 270
Cost of sales	$ 5,759	$ 561	$ 471	$ 16,407
Reduction in estimated liability for environmental remediation	$ -	$ (662)	$ -	$ -
Farming expenses	$ 876	$ 897	$ 881	$ 205
Income (loss) from operations	$ (1,305)	$ (2,345)	$ 1,126	$ 20,837
Net income (loss) attributable to HomeFed Corporation common shareholders	$ (769)	$ (1,131)	$ 902	$ 12,266
Basic earnings (loss) per common share attributable to HomeFed Corporation shareholders	$ (0.10)	$ (0.14)	$ 0.11	$ 1.56
Diluted earnings (loss) per common share attributable to HomeFed Corporation shareholders	$ (0.10)	$ (0.14)	$ 0.11	$ 1.56
2012:				
Sales of real estate	$ 3,350	$ -	$ 3,971	$ 20,872
Farming revenues	$ -	$ -	$ 4,962	$ 1,460
Rental income	$ 124	$ 130	$ 130	$ 125

Co-op marketing and advertising fees	$ 114	$ 104	$ 75	$ 264
Cost of sales	$ 632	$ -	$ 2,632	$ 10,395
Reduction in estimated liability for environmental remediation	$ -	$ -	$ -	$ 1,500
Farming expenses	$ 864	$ 763	$ 991	$ 255
Income (loss) from operations	$ 95	$ (2,473)	$ 3,412	$ 10,371
Net income (loss) attributable to HomeFed Corporation common shareholders	$ (367)	$ (1,423)	$ 2,028	$ 5,784
Basic earnings (loss) per common share attributable to HomeFed Corporation shareholders	$ (0.05)	$ (0.18)	$ 0.26	$ 0.73
Diluted earnings (loss) per common share attributable to HomeFed Corporation shareholders	$ (0.05)	$ (0.18)	$ 0.26	$ 0.73

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ___________ to ___________

Commission file number: 1-10153

HOMEFED CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware	**33-0304982**
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1903 Wright Place, Suite 220
Carlsbad, California 92008
(760) 918-8200

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)
Securities registered pursuant to Section 12(b) of the Act: **None.**

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, par value $.01 per share
(Title of Class)

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

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

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

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

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

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

Large accelerated filer	[ ]	Accelerated filer	[x]
Non-accelerated filer	[ ]	Smaller reporting company	[ ]

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

Based on the average bid and asked prices of the Registrant's Common Stock as published by the OTC Bulletin Board Service as of June 30, 2013, the aggregate market value of the Registrant's Common Stock held by non-affiliates was approximately $131,276,500 on that date.

As of February 6, 2014, there were 7,879,500 outstanding shares of the Registrant's Common Stock, par value $.01 per share.

DOCUMENTS INCORPORATED BY REFERENCE: None

EXPLANATORY NOTE

HomeFed Corporation ("HomeFed," and the "Company," "we," "us" as used herein, refers to HomeFed and its subsidiaries, except as the context may otherwise require), is filing this Amendment No. 1 on Form 10-K/A (the "Amendment") to amend its Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission (the "SEC") on February 18, 2014 (the "Original 10-K") to include information required by Part III of Form 10-K. Other than with respect to the inclusion of the Part III information contained herein and the filing of the related certifications, this Amendment makes no other changes to the Original 10-K and does not reflect events occurring after the filing of the Original 10-K or modify disclosures affected by subsequent events.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

As of February 6, 2014, the directors and executive officers of the Company, their ages, the positions with the Company held by each of them, the periods during which they have served in such positions and a summary of their recent business experience is set forth below. Each of the biographies of the current directors listed below also contains information regarding such person's service as a director, business experience, director positions with other public companies held currently or at anytime during the past five years, and the experience, qualifications, attributes and skills that the Board of Directors considered in selecting each of them to serve as a director of the Company.

Patrick D. Bienvenue, age 59. Mr. Bienvenue has served as a director since August 1998 and since August 2011 has been the Executive Vice President of The St. Joe Company, a publicly traded company engaged in real estate development, sales and other activities. From January 1996 until April 2011, Mr. Bienvenue served in a variety of executive capacities with real estate related subsidiaries of Leucadia and was responsible for the entitlement, development and management of these entities and their properties. Mr. Bienvenue has senior managerial and development experience in the real estate sector.

Paul J. Borden, age 65. Mr. Borden has served as a director and our President since May 1998. Mr. Borden was a Vice President of Leucadia from August 1988 through October 2000, responsible for overseeing many of Leucadia's real estate investments. Prior to working for Leucadia he had a 16 year career in commercial lending. Mr. Borden has managerial and development experience in the real estate sector.

Timothy M. Considine, age 73. Mr. Considine has served as a director since January 1992, serving as Chairman of the Board from 1992 to December 1999, and is employed on a part-time basis by Considine and Considine, an accounting firm in San Diego, California, where he was a partner from 1965 to 2002. Mr. Considine has accounting and managerial experience. Mr. Considine also has experience serving on the boards of private entities.

Ian M. Cumming, 73, has served as a director since May 1999. Mr. Cumming also serves as Chairman of the Board of Crimson Wine Group, Ltd., Leucadia's former winery operations, which were spun off to Leucadia shareholders in February 2013. He previously served as Chairman of the Board of Leucadia from June 1978 until July 2013. Mr. Cumming also previously served as a director of Jefferies Group, Inc. (now known as Jefferies Group LLC) ("Jefferies"), Fortescue Metals Group Ltd. ("Fortescue"), AmeriCredit Corp., Mueller Industries, Inc. ("Mueller") and Skywest, Inc. Mr. Cumming has managerial and investing experience in a broad range of businesses through his almost 35 years as Chairman and Chief Executive Officer of Leucadia. He also has experience serving on the boards of directors and committees of both public and private entities.

Michael A. Lobatz, age 64. Dr. Lobatz has served as a director since February 1995 and has been a practicing physician in San Diego, California since 1981. Dr. Lobatz has managerial experience in both the real estate and healthcare sectors and has experience serving on the boards of private and not-for-profit entities.

Joseph S. Steinberg, 70, has served as a director since August 1998 and as Chairman of the Board since December 1999. Mr. Steinberg is Chairman of the Board of Directors of Leucadia, and from January 1979 until March 1, 2013 served as President of Leucadia. Mr. Steinberg is also a director of Jefferies, now a wholly-owned subsidiary of Leucadia. Mr. Steinberg also serves on the board of directors of Crimson Wine Group, Ltd. Mr. Steinberg had previously served as a director of Mueller and Fortescue. Mr. Steinberg has managerial and investing experience in a broad range of businesses through his more than 30 years as President and a director of Leucadia. He also has experience serving on the boards and committees of both public and private companies.

John K. Aden, Jr., age 56. Mr. Aden has served as Vice President of the Company since May 2012 and has been employed by the Company as Senior Project Development Manager since May 2012. Prior to joining the Company, Mr.

Aden was an Executive Vice President from 1998 to April 2012 and Vice President from 1994 to 1997 for The Otay Ranch Company and JPB Development and Vice President of Community Development from 1989 to 1994 for The Eastlake Company, real estate development companies in San Diego, California. Mr. Aden is a licensed architect.

Christian E. Foulger, age 39. Mr. Foulger has served as Vice President of the Company since April 2011 and has been employed by the Company as a Special Projects Manager since November 2005. Prior to joining the Company, Mr. Foulger was a Financial Analyst from 1998 to 2000 and Vice President from 2001 to October 2005 for Cottonwood Partners Management, a real estate development and management company in Salt Lake City, Utah.

Erin N. Ruhe, age 48. Ms. Ruhe has served as Vice President of the Company since April 2000, Treasurer since March 2004 and has been employed by the Company as Controller since January 1999. Previously, Ms. Ruhe was Vice President since December 1995 and Controller since November 1994 of HSD Venture, a real estate subsidiary of Leucadia.

Audit Committee

The Board of Directors has a standing Audit Committee, established in accordance with the requirements of the SEC. The Board of Directors has adopted a charter for the Audit Committee, which is available on our website, www.homefedcorporation.com. The Audit Committee consists of Mr. Considine (Chairman) and Dr. Lobatz. The Board of Directors has determined that Mr. Considine is qualified as an audit committee financial expert within the meaning of regulations of the SEC and is independent applying the NASDAQ Stock Market's listing standards for independence.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who beneficially own more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC. Based solely upon a review of the copies of such forms furnished to us and written representations from our executive officers, directors and greater than 10% beneficial stockholders, we believe that during the year ended December 31, 2013, all persons subject to the reporting requirements of Section 16(a) filed the required reports on a timely basis.

Code of Business Practice

We have a Code of Business Practice, which is applicable to all of our directors, officers and employees, and includes a Code of Practice applicable to our principal executive officers and senior financial officers. Both the Code of Business Practice and the Code of Practice applicable to our principal executive officers and senior financial officers are available on our website. We intend to post amendments to or waivers from our Code of Practice on our website as required by applicable law.

Item 11. Executive Compensation.

Compensation Discussion and Analysis

Introduction

The Board of Directors has a Compensation Committee consisting of Joseph S. Steinberg that determines and approves the compensation of the executive officers of the Company, including those named in the Summary Compensation Table (the "Named Executive Officers").

Compensation Objectives and Philosophy

Our compensation philosophy is based upon rewarding current and past contributions, performance and dedication and providing incentives for superior long-term performance. We believe that there should be a strong link between pay and performance of both the Company and the individual. Accordingly, a large percentage of annual compensation consists of discretionary bonus compensation. This ensures that compensation paid to an executive reflects the individual's specific contributions to our success, the level and degree of complexity involved in his/her contributions to the Company and the Company's overall performance. We believe our compensation package aligns the interests of executive officers with those of our stockholders.

The Company believes that our current compensation program fits within our overall compensation philosophy of providing a straight-forward compensation package and strikes the appropriate balance between short and long-term performance objectives.

At the Company's 2013 Annual Meeting, the say-on-pay advisory vote received approval from approximately 99.9% of the shares voted on the matter and the Compensation Committee made no significant changes to the Company's executive compensation program during the year.

Setting Executive Compensation

In determining compensation for our Named Executive Officers, the Compensation Committee does not rely on any specific formula, benchmarking or pre-determined targets. The Compensation Committee focuses primarily on its subjective determination of the performance of the individual executive officer, as well as on the performance of the Company.

In considering executive compensation, the Compensation Committee takes into account an executive officer's responsibilities, as well as the services rendered by the executive officer to the Company.

Elements of Compensation

Our compensation package for executive officers consists of three basic elements: (1) base salary; (2) annual bonus compensation; and (3) long-term incentives in the form of stock options granted pursuant to our Amended and Restated 1999 Stock Incentive Plan (the "Option Plan").

Other elements of compensation include medical and life insurance benefits available to employees generally. Additionally, certain perquisites may be available to executive officers that are not available to other employees generally.

Each element of compensation serves a different purpose. Salary and bonus payments are designed mainly to reward current and past performance, while stock options are designed to provide incentive for strong long-term future performance and are directly linked to stockholders' interests because the value of the awards will increase or decrease based upon the future price of our common stock.

None of our executive officers is a party to an employment agreement with the Company.

Base Salary

Base salary is consistent with the executive's office and level of responsibility, with annual salary increases which generally amount to a small percentage of the executive's prior base salary, primarily reflecting cost of living increases.

Short-Term Incentives – Annual Bonus Compensation

Annual bonus compensation of executive officers is determined by the Compensation Committee based on its subjective assessment of an executive's and the Company's performance, given the cyclical nature of the real estate development industry. Bonuses are subjective and are not based upon any formula or the application of any mathematical criteria. While there is no agreement to pay annual bonuses, at the time each of the executive officers was employed by the Company there was a discussion that, in all but exceptional circumstances, annual subjective bonuses would be paid. The Compensation Committee considers the Company's actual and estimated results of operations for the year in question, as well as operating results and bonus compensation for prior years. The Committee also considers self-evaluations completed by each executive officer for the year, which provide the Compensation Committee with each executive's subjective assessment of his or her achievements for the year, as well as identify personal goals for the coming year, and bonus recommendations from the Company's President.

In evaluating each executive's performance, the Compensation Committee takes into account the incremental value to the Company of obtaining project approvals and entitlements as the Company's development projects progress, and places more emphasis on whether the executive's performance has increased the long term value of the Company, rather than on the Company's earnings for that year. The Compensation Committee also recognizes that, due to the extended length of time that it takes to obtain land entitlements, especially in California where the Company's business is centered, the current efforts of its executive officers may not result in operating profits for many years in the future.

Bonuses, which have varied from year to year, also reflect the Company's profitability and activities for the year in question. For example, in years in which the Company is actively selling real estate, the Compensation Committee is likely to subjectively consider the executive's contribution to the sales effort and in years in which the Company is actively engaged in land acquisition, entitlement and land development efforts, the Compensation Committee is likely to consider the executive's contribution to those efforts. The Compensation Committee also subjectively considers the executive's contribution to evaluation of new opportunities, and also places importance upon the executive's critical analysis that can result in avoiding making investments that do not meet the Company's investment criteria and are not consummated, as well as on those opportunities that are consummated.

For Mr. Borden, the Compensation Committee recognized his leadership role in providing effective managerial support and oversight of the Company business operations. This was evidenced by progress made in processing entitlements for the Otay Ranch properties, sales and project improvements at San Elijo Hills, progress in sales and development at Ashville Park and the planning of the Fanita Ranch property. The Compensation Committee also recognized that sales in San Elijo Hills and Ashville Park resulted in a profitable year at a time when the Company is continuing to make progress with all of its properties.

For Mr. Aden, the Compensation Committee recognized his contribution to the planning and improvements made at San Elijo Hills including an evolving plan for the repositioning of 52 lots with ten houses in Planning Area T, which the Company re-acquired in 2012. The Compensation Committee also recognized Mr. Aden's contribution to the progress made on lot sales at San Elijo Hills, the entitlements for the Otay Ranch properties which included the approval of a General Development Plan Amendment for Villages Eight West and Nine and the SPA plan and Tentative Map for Village Eight. In addition, Mr. Aden worked extensively on a number of potential acquisitions and a new plan for development of the Fanita Ranch property.

For Mr. Foulger, the Compensation Committee recognized his accomplishments which included oversight and extensive time committed to the progress made at Ashville Park with the sale of 90 lots in Village B, the sales of 22 lots in Village A, and progress in other areas of future development in this community. The Compensation Committee also recognized Mr. Foulger's efforts in working on several other new business projects and his increasing involvement in supporting Mr. Borden with his managerial responsibilities.

For Ms. Ruhe, the Compensation Committee recognized her continued excellence in service to the Company where she has responsibility for accounting and risk management, cash and investments, contract administration, internal controls, and the management of human resources and the Company's 401(k) Plan. The Compensation Committee also recognized that Ms. Ruhe has had 20 years of continued employment with HomeFed, and its affiliate, Leucadia National Corporation, where her high standards in the performance of her duties have resulted in much of the Company's success.

Based upon the foregoing, on December 30, 2013, the Compensation Committee approved annual salary increases (effective January 1, 2014) and discretionary 2013 cash bonuses for each of the Named Executive Officers reflected in the Summary Compensation Table below.

Additionally, all employees of the Company received a discretionary 2013 year-end bonus equal to approximately 3% of base salary.

Long-Term Incentives – Stock Options

By means of our Option Plan, we seek to retain the services of persons now holding key positions and to secure the services of persons capable of filling such positions.

Options Awarded to Executive Officers

Occasionally, stock options may be awarded which, under the terms of our Option Plan, permit the executive officer or other employee to purchase shares of our common stock at not less than the fair market value of the shares of common stock at the date of grant. The extent to which the employee realizes any gain is, therefore, directly related to increases in the price of our common stock and, therefore, stockholder value, during the period of the option. In certain circumstances, options having an exercise price below the fair market value of our common stock on the date of grant may be issued (although none have been granted to date). Options granted to executive officers become exercisable at the rate of 20% per year, commencing one year after the date of grant. As discussed above under "*Short-Term Incentives – Annual Bonus Compensation*," the number of stock options awarded to an executive officer is not based on any specific formula, but rather on a subjective assessment of the executive's performance and the Company's performance. Options are priced at the closing price on the date of grant and are not granted to precede the announcement of favorable information. The last time options were granted to executive officers was May 2010 (other than options granted to Paul J. Borden in his capacity as a director discussed below).

Options Awarded to Directors

Under the terms of our Option Plan, each director, including Paul J. Borden, is automatically granted options to purchase 1,000 shares on the date on which the annual meeting of our stockholders is held each year. As stated above, options are priced at the closing price on the date of grant.

In July 2013, pursuant to this automatic grant, each director, including Paul J. Borden, was granted options to purchase 1,000 shares of our common stock with an exercise price of $32.30 per share, which become exercisable at the rate of 25% per year, commencing one year after the date of grant.

Other Benefits; Executive Perquisites

Medical and life insurance benefits and matching contributions to our 401(k) plan are available to employees generally.

Mr. Borden maintains his primary residence in New Jersey. We reimburse him for costs of maintaining a temporary residence in California, airfare to and from his primary residence and transportation costs including the personal use of a Company car while in California. Such reimbursements are considered to be taxable compensation reportable by Mr. Borden under federal income tax rules, which results in a net cash cost to him, even though he does not gain any incremental financial benefit from these reimbursements. As a result, beginning in 2005, the Board of Directors (without Mr. Borden's participation) agreed to pay Mr. Borden additional compensation which, after taxes, will provide him with sufficient funds to pay the taxes due on the expense amounts reimbursed by us. In 2013, we paid Mr. Borden $56,443 with respect to additional taxable compensation reported by Mr. Borden for reimbursements made during 2013.

Mr. Foulger receives the use of a Company owned car and certain related benefits, and Mr. Aden receives a monthly car allowance.

No other Named Executive Officers receive perquisites.

Stock Ownership Requirements

We do not have a formal stock ownership requirement, although two of our directors, Mr. Steinberg and Mr. Cumming, respectively, beneficially own approximately 9.4% and 7.7% of our outstanding common stock.

Accounting and Tax Matters

The cost of all share-based payments to employees or directors is recognized in the financial statements based on their fair values. The cost is recognized as an expense over the vesting period of the award.

Under the provisions of Section 162(m) of the Internal Revenue Code of 1986, we would not be able to deduct compensation to our executive officers whose compensation is required to be disclosed for such year in excess of $1 million per year unless such compensation was within the definition of "performance-based compensation" or meets certain other criteria. To qualify as "performance-based compensation," in addition to certain other requirements, compensation generally must be based on achieving certain pre-established objective performance criteria. The Board of Directors believes that compensation at such levels is not likely to be a recurring event and that it is in our interest to retain maximum flexibility in our compensation programs to enable us to appropriately reward, retain and attract the executive talent necessary to the Company's success. The Board recognizes that in appropriate circumstances compensation that is not deductible under Section 162(m) may be warranted and could be paid in the Board of Directors' discretion.

Compensation Committee Report

I have reviewed and discussed with the Company's management the above Compensation Discussion and Analysis ("CD&A"). Based upon my review and discussions, I have recommended to the Board of Directors that the CD&A be included in this Form 10-K/A.

Compensation Committee

Joseph S. Steinberg

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Option Awards [1]	All Other Compensation [2]	Total
Paul J. Borden, President	2013	$ 292,172	$ 258,765	$ 8,701	$ 164,269 [3]	$ 723,907
	2012	$ 283,662	$ 233,510	$ 8,488	$ 151,245 [3]	$ 676,905
	2011	$ 276,743	$ 233,302	$ 8,298	$ 180,695	$ 699,038
John K. Aden, Jr. Vice President	2013	$ 231,750	$ 206,953	$ -	$ 16,200 [4]	$ 454,903
	2012	$ 138,462	$ 179,154	$ -	$ 3,750 [4]	$ 321,366
Christian E. Foulger, Vice President	2013	$152,974	$ 204,589	$ -	$ 18,702 [5]	$ 376,265
	2012	$148,518	$ 154,456	$ -	$ 17,320 [5]	$ 320,294
	2011	$144,896	$ 204,347	$ -	$ 17,387	$ 366,630
Erin N. Ruhe, Vice President, Treasurer and Controller	2013	$ 152,974	$ 179,589	$ -	$ 10,200 [6]	$ 342,763
	2012	$ 148,518	$ 129,456	$ -	$ 10,000 [6]	$ 287,974
	2011	$ 144,896	$ 129,347	$ -	$ 9,800	$ 284,043

(1) This column represents the fair value of stock options granted to the Named Executive Officer in accordance with GAAP. Information on the valuation assumptions made when calculating the amounts in this column is found in Note 6 to the Company's consolidated financial statements contained herein.

(2) Certain items included in this column (including personal use of company cars) are currently taxable to the Named Executive Officer. The amount of taxable income for the individual is determined pursuant to Internal Revenue Service rules which may differ from the amounts reflected in this column.

(3) For 2013, consists of non-cash compensation of $35,378 for maintaining a temporary residence in California and $31,493 for airfare to and from his primary residence in New Jersey, and director fees from the Company of $24,000. This column also includes transportation and the personal use of a Company car while in California and related expenses, as well as contributions made by the Company to a defined contribution 401(k) plan on behalf of Mr. Borden, none of which exceeded the greater of $25,000 or 10% of the total amount of these benefits for Mr. Borden. For 2013, also includes $56,443 in additional cash compensation which, after taxes, is intended to provide Mr. Borden with sufficient funds to pay the taxes due on the expense amounts reimbursed by us.

(4) Consists of a monthly car allowance and, for 2013, contributions made by the Company to a defined contribution 401(k) plan on behalf of Mr. Aden, none of which exceeded the greater of $25,000 or 10% of the total amount of these benefits for Mr. Aden.

(5) Consists of non-cash compensation for use of a Company car and related expenses and contributions made by the Company to a defined contribution 401(k) plan on behalf of Mr. Foulger, none of which exceeded the greater of $25,000 or 10% of the total amount of these benefits for Mr. Foulger.

(6) Consists of contributions made by the Company to a defined contribution 401(k) plan on behalf of Ms. Ruhe, none of which exceeded the greater of $25,000 or 10% of the total amount of these benefits for Ms. Ruhe.

Grants of Plan-Based Awards in 2013

This table provides information about equity awards granted to the Named Executive Officers in 2013 under our Option Plan. As discussed in the CD&A, in July 2013 Mr. Borden was granted 1,000 options pursuant to the automatic grant to directors under the Option Plan.

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#) (1)	Exercise or Base Price of Option Awards ($/sh) (2)	Grant Date Fair Value of Stock and Option Awards (3)
Paul J. Borden, President	7/11/13	1,000	$32.30	$8,701

(1) This column shows the number of common shares issuable under options granted in 2013. The options vest and become exercisable in four equal installments beginning one year after the grant date.

(2) This column shows the exercise price for the stock options granted, which was the closing price of the Company's common stock on the date of grant.

(3) This column shows the fair value of stock options granted to the Named Executive Officers in 2013. The fair value was determined in accordance with GAAP on the grant date, and is being recognized as an expense over the vesting period. For information on the valuation assumptions with respect to this grant refer to Note 6 to our consolidated financial statements contained herein.

Outstanding Equity Awards at Fiscal Year-End

This table provides information on the holdings of option awards by the Named Executive Officers at December 31, 2013. This table includes exercisable and unexercisable options. Employee options, which were granted on May 11, 2010, vest and become exercisable in five equal annual installments, commencing one year from the grant date. Options granted to Mr. Borden as a director vest and become exercisable in four equal annual installments, commencing one year from the grant date. For additional information about the option awards, see "*Long-Term Incentives – Stock Options –Options Awarded to Executive Officers*" in the CD&A.

		Option Awards			
		Number of Securities Underlying Unexercised Options		Option Exercise Price	Option Expiration Date
Name	Grant Date	Exercisable	Unexercisable		
Paul J. Borden, President	7/14/09	1,000	-	$ 23.00	7/14/14
	5/11/10	7,500	5,000	$ 25.00	5/11/16
	8/2/10	750	250	$ 21.00	8/2/15
	7/29/11	500	500	$ 21.50	7/29/16
	7/9/12	250	750	$ 22.35	7/9/17
	7/11/13	-	1,000	$ 32.30	7/11/18
Christian E. Foulger, Vice President	5/11/10	3,600	2,400	$ 25.00	5/11/16
Erin N. Ruhe, Vice President, Treasurer and Controller	5/11/10	6,000	4,000	$ 25.00	5/11/16

Option Exercises and Stock Vested in Fiscal 2013

No stock options were exercised by the Named Executive Officers during 2013.

Director Compensation

In 2013, each director received a retainer of $24,000 for serving on the Board of Directors. In addition, Mr. Considine was paid $26,000 for serving as Chairman of the Audit Committee and Dr. Lobatz was paid $17,000 for serving on the Audit Committee. Each of Messrs. Considine and Lobatz also received $62,500 for serving on the Independent Committee. See “Related Person Transactions,” below. Under the terms of our Option Plan, each director is automatically granted options to purchase 1,000 shares on the date on which the annual meeting of our stockholders is held each year. The purchase price of the shares covered by such options is the fair market value of such shares on the date of grant. These options become exercisable at the rate of 25% per year commencing one year after the date of grant. As a result, options to purchase 1,000 shares of Common Stock at an exercise price of $32.30 per share were awarded to each of Messrs. Borden, Bienvenue, Considine, Cumming, Lobatz and Steinberg on July 11, 2013. The Company reimburses directors for reasonable travel expenses incurred in attending board and committee meetings. This table sets forth compensation paid to the non-employee directors during 2013.

Name	Fees Earned or Paid in Cash [(1)]	Option Awards [(2)]	Total [(3)]
Patrick D. Bienvenue [(4)]	$ 24,000	$8,701	$ 32,701
Timothy M. Considine	$112,500	$8,701	$121,201
Ian M. Cumming	$ 24,000	$8,701	$ 32,701
Michael A. Lobatz	$103,500	$8,701	$112,201
Joseph S. Steinberg	$ 24,000	$8,701	$ 32,701

(1) This column reports the amount of cash compensation earned in 2013 for Board and committee service.

(2) This column represents the fair value of options granted to directors in 2013 calculated in accordance with GAAP. Information on the valuation assumptions made when calculating the amounts in this column is found in Note 6 to the Company’s consolidated financial statements contained herein.

(3) This table does not include disclosure for any perquisites or other personal benefits for any non-employee director because such amounts did not exceed $10,000 in the aggregate per director.

(4) Mr. Bienvenue and the Company have entered into a consulting agreement pursuant to which Mr. Bienvenue has agreed to provide, on a per-diem basis, certain advisory and consulting services to the Company in connection with the planning, development and design of certain of the Company’s real estate development projects. During 2013, no amounts were paid to Mr. Bienvenue pursuant to this agreement.

Potential Payment Upon Termination of Employment

None of the Named Executive Officers is a party to an employment agreement. However, under the terms of our current Option Plan, the time within which to exercise vested options may be extended in accordance with the Option Plan, but not beyond the expiration date of the option, for a period of either three months, one year or three years, depending on the triggering event (which are various forms of termination of employment); these triggering events do not result in any acceleration of any unvested options. For the number of options exercisable by each Named Executive Officer as of December 31, 2013 see the “Outstanding Equity Awards at Fiscal Year-End” table above.

Upon the occurrence of an Extraordinary Event of the Company (as defined in the Option Plan, including a change in control of the Company) all then-outstanding options that have not vested or become exercisable will immediately become exercisable. Had an Extraordinary Event occurred on December 31, 2013, Mr. Borden would have received $207,850, Ms. Ruhe would have received $116,000 and Mr. Foulger would have received $69,600 for their outstanding previously unvested stock options (determined by multiplying (A) the spread between the $36.60 closing price on December 31, 2013 and the per common share exercise price for each option by (B) the number of common shares covered by previously unvested options.

Compensation Policies and Risk Management

The Company does not have a formal compensation plan for any of its employees. Annually, the Compensation Committee will consider making incentive compensation awards that are purely discretionary, taking into account the employee’s individual performance as well as the Company’s performance for the particular year. Accordingly, the Company believes that its compensation policies do not reward employees for imprudent risk taking.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Equity Compensation Plan Information

The following table summarizes information regarding the Company's equity compensation plans as of December 31, 2013. All outstanding awards relate to the Company's Common Stock.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	94,500	$ 24.69	405,400
Equity compensation plans not approved by security holders	-	-	-
Total	94,500	$ 24.69	405,400

Present Beneficial Ownership

Set forth below is certain information as of February 28, 2014, with respect to the beneficial ownership determined in accordance with Rule 13d-3 under the Securities and Exchange Act of 1934, as amended, of our common stock by (1) each person, who, to our knowledge, is the beneficial owner of more than 5% of our outstanding common stock, which is our only class of voting securities, (2) each director and nominee for director, (3) each of our Named Executive Officers, (4) the trusts for the benefit of Mr. Steinberg's children and charitable foundations established by Mr. Cumming and Mr. Steinberg and (5) all of our executive officers and directors as a group. Unless otherwise stated, the business address of each person listed is c/o HomeFed Corporation, 1903 Wright Place, Suite 220, Carlsbad, California 92008.

Name and Address of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership		Percent of Class
Leucadia National Corporation (a)	2,474,226		31.4%
Beck, Mack & Oliver LLC (b)	1,205,770	(b)	15.3%
John K. Aden, Jr.	-		*
Patrick D. Bienvenue	3,900	(c)	*
Paul J. Borden	10,200	(d)	.1%
Timothy M. Considine	4,400	(e)	*
Ian M. Cumming	607,233	(f)(g)	7.7%
Christian E. Foulger	3,600	(h)	*
Michael A. Lobatz	3,900	(c)	*
Erin N. Ruhe	11,000	(i)	.1%
Joseph S. Steinberg	744,520	(j)	9.4%
The Steinberg 1989 Trust	27,532	(k)	.3%
Cumming Foundation	172,330	(l)	2.2%
The Joseph S. and Diane H. Steinberg 1992 Charitable Trust	42,381	(m)	.5%
All Directors and executive officers as a group (9 persons)	1,388,753	(n)	17.6%

* Less than .1%.

(a) The business address of this beneficial owner is 520 Madison Avenue, New York, New York 10022.

(b) The business address of the beneficial owner is 360 Madison Avenue, New York, New York 10017. Based upon a Schedule 13G filed with the SEC on January 29, 2014, by Beck, Mack & Oliver LLC ("BMO") and discussions with BMO, the securities reported in BMO's Schedule 13G are beneficially owned by separate managed account holders which, pursuant to individual advisory contracts, are advised by BMO. Such advisory contracts grant to BMO all investment and voting power over the securities owned by such advisory clients. Beneficial ownership of these common shares, including all rights to distributions in respect thereof and the proceeds of a sale or disposition, is held by the separate, unrelated account holders, and BMO disclaims beneficial ownership of such common shares.

(c) Includes 2,500 shares that may be acquired upon the exercise of currently exercisable stock options.

(d) Includes 10,000 shares that may be acquired upon the exercise of currently exercisable stock options.

(e) Includes 500 shares held by the Seeseeanoh Inc. Retirement Plan. Mr. Considine and his wife are the sole owners of Seeseeanoh, a real estate company in San Diego, California. Also includes (i) 1,400 shares held by The Considine Family 1981 Trust, of which Mr. Considine and his wife are trustees and (ii) 2,500 shares that may be acquired upon exercise of currently exercisable stock options.

(f) Includes (i) 5,704 shares (.1%) beneficially owned by Mr. Cumming's wife as to which Mr. Cumming may be deemed to be the beneficial owner, (ii) 60,000 shares (.8%) held by a corporation which is 50% owned by Mr. Cumming and 50% owned by Mr. Cumming's wife and (iii) 2,500 shares that may be acquired upon the exercise of currently exercisable stock options.

(g) The business address for Mr. Cumming is c/o American Investment Company 148 So. Redmond Street, PO Box 4902, Jackson, WY 83001.

(h) Includes 3,600 shares that may be acquired upon the exercise of currently exercisable stock options.

(i) Includes 6,000 shares that may be acquired upon the exercise of currently exercisable stock options.

(j) The business address for Mr. Steinberg is c/o Leucadia National Corporation, 520 Madison Avenue, New York, New York 10022. Includes (i) 3,676 shares (less than .1%) beneficially owned by Mr. Steinberg's wife and daughter as to which Mr. Steinberg may be deemed to be the beneficial owner, (ii) 61,793 shares (.8%) owned by trusts for the benefit of Mr. Steinberg's children and (iii) 2,500 shares that may be acquired upon the exercise of currently exercisable stock options.

(k) Mr. Steinberg disclaims beneficial ownership of all of our common stock held by this trust.

(l) Mr. Cumming is a trustee and President of the foundation and disclaims beneficial ownership of our common stock held by the foundation.

(m) Mr. Steinberg and his wife are trustees of the trust. Mr. Steinberg disclaims beneficial ownership of our common stock held by the trust.

(n) Includes 32,100 shares that may be acquired upon the exercise of currently exercisable stock options.

As of February 28, 2014, Cede & Co. held of record 4,544,426 shares of our common stock (approximately 57.7% of our total common stock outstanding). Cede & Co. held such shares as a nominee for broker-dealer members of The Depository Trust Company, which conducts clearing and settlement operations for securities transactions involving its members.

As described herein, our common stock is subject to transfer restrictions that are designed to reduce the possibility that certain changes in ownership could result in limitations on the use of our tax attributes. Our certificate of incorporation contains provisions that generally restrict the ability of a person or entity from acquiring ownership (including through attribution under the tax law) of 5% or more of our common shares and the ability of persons or entities now owning 5% or more of our common shares from acquiring additional common shares. Stockholders (and prospective stockholders) are advised that, under the tax law rules incorporated in these provisions, the acquisition of even a single share of common stock may be proscribed under our certificate of incorporation, given (among other things) the tax law ownership attribution rules as well as the tax law rules applicable to acquisitions made in coordination with or in concert with others. The restriction will remain until the earliest of (a) December 31, 2028, (b) the repeal of Section 382 of the Internal Revenue Code (or any comparable successor provision) and (c) the beginning of our taxable year to which these tax attributes may no longer be carried forward. The restriction may be waived by our Board of Directors.

Stockholders are advised to carefully monitor their ownership of our common stock and consult their own legal advisors and/or us to determine whether their ownership of our common shares approaches the proscribed level. Based upon discussions with BMO, we believe that the beneficial ownership (determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934) by BMO of our common stock as reflected in the table above is not in violation of the transfer restrictions contained in our certificate of incorporation.

Item 13. Certain Relationships and Related Transactions and Director Independence.

Policies and Procedures with Respect to Transactions with Related Persons

The Board has adopted a policy for the review, approval and ratification of transactions that involve "related persons" and potential conflicts of interest (the "Related Person Transaction Policy"). The Related Person Transaction Policy applies to each director and executive officer of the Company, any nominee for election as a director of the Company, any security holder who is known to own of record or beneficially more than five percent of any class of the Company's voting securities, any immediate family member of any of the foregoing persons, and any corporation, firm, association or other entity in which one or more directors of the Company are directors or officers, or have a substantial financial interest (each a "Related Person"). Under the Related Person Transaction Policy, a Related Person Transaction is defined as a transaction or arrangement involving a Related Person in which the Company is a participant or that would require disclosure in the Company's filings with the SEC.

Under the Related Person Transaction Policy, Related Persons must disclose to the Audit Committee any potential Related Person Transactions and must disclose all material facts with respect to such transaction. All Related Person Transactions will be reviewed by the Audit Committee and, in its discretion, approved or ratified. In determining whether to approve or ratify a Related Person Transaction the Audit Committee will consider the relevant facts and circumstances of the Related Person Transaction, which may include factors such as the relationship of the Related Person with the Company, the materiality or significance of the transaction to the Company and the Related Person, the business purpose and reasonableness of the transaction, whether the transaction is comparable to a transaction that could be available to the Company on an arms-length basis, and the impact of the transaction on the Company's business and operations.

Related Person Transactions

The Company is required to obtain infrastructure improvement bonds primarily for the benefit of the City of San Marcos prior to the beginning of lot construction work and warranty bonds upon completion of such improvements in the San Elijo Hills project. These bonds provide funds primarily to the City in the event the Company is unable or unwilling to complete certain infrastructure improvements in the San Elijo Hills project. Leucadia is contractually obligated to obtain these bonds on behalf of the subsidiaries through which the San Elijo Hills project is owned pursuant to the terms of agreements entered into when those subsidiaries were acquired by the Company. Those subsidiaries are responsible for paying all third party fees related to obtaining the bonds. Should the City or others draw on the bonds for any reason, certain of the Company's subsidiaries would be obligated to reimburse Leucadia for the amount drawn. As of December 31, 2013, the amount of outstanding bonds was approximately $2,600,000, none of which has been drawn upon.

Since 1995, Leucadia has been providing administrative and accounting services to the Company. Under the current administrative services agreement, Leucadia provides services to the Company for a monthly fee of $15,000 ($180,000 in the aggregate for all of 2013). Pursuant to this agreement, Leucadia provides the services of Ms. Corinne A. Maki, the Company's Secretary, in addition to various administrative functions. Ms. Maki is an officer of subsidiaries of Leucadia. The term of the administrative services agreement automatically renews for successive annual periods unless terminated in accordance with its terms. Leucadia has the right to terminate the agreement by giving the Company not less than one year's prior notice, in which event the then monthly fee will remain in effect until the end of the notice period. The Company has the right to terminate the agreement, without restriction or penalty, upon 30 days prior written notice to Leucadia. The agreement has not been terminated by either party.

As previously disclosed, on February 28, 2014, the Company entered into a Purchase Agreement (the "Purchase Agreement") with Leucadia and certain of its subsidiaries pursuant to which the Company agreed to purchase (collectively, the "Acquisition") (a) all of the equity interests of certain wholly-owned subsidiaries of Leucadia (the "Acquired Subsidiaries"), (b) certain of the equity interests of entities partially owned by Leucadia (the "Investment Subsidiaries") and (c) cash of approximately $18.4 million, subject to certain adjustments set forth in the Purchase Agreement (collectively the "Purchased Assets"). The Company, as consideration for the Purchased Assets, agreed to issue to Leucadia 7,500,000 unregistered shares of common stock of the Company (the "Acquisition Shares") upon the terms and subject to the conditions specified in the Purchase Agreement. The Acquisition Shares will be subject to certain demand and piggy-back registration rights pursuant to a Registration Rights Agreement, dated October 21, 2002, by and between the Company and Leucadia. The closing of the Acquisition, which is expected to occur in March of 2014, remains subject to customary closing conditions. The terms and conditions of the Acquisition, including the Purchase Agreement, were negotiated and approved by a special independent committee of the Company's Board (the "Independent Committee") and ratified by the Company's Board, the membership of which includes Joseph S. Steinberg, the Chairman of the board of directors of Leucadia, and Ian M. Cumming, a former member of the board of directors of Leucadia. Prior to February 28, 2014, Messrs. Steinberg and Cumming, together with Leucadia, constituted a group that held approximately 48.5% of the Company's common stock outstanding prior to the completion of the Acquisition. As reflected in Schedule 13Ds filed by each of Leucadia, Mr. Steinberg and Mr. Cumming, on February 28, 2014, the group has been disbanded. Mr. Steinberg abstained from the ratifying vote of the Company's Board. As part of its review and analysis of the Acquisition, the Independent Committee received a fairness opinion from Duff & Phelps LLC, as its financial advisor.

The Audit Committee, the Board or the Independent Committee, as applicable, has approved or ratified each of the foregoing.

Director Independence

The Board of Directors has determined that Mr. Considine and Dr. Lobatz are independent applying the NASDAQ Stock Market's listing standards for independence.

Item 14. Principal Accounting Fees and Services.

The Audit Committee has adopted policies and procedures for pre-approving all audit and non-audit work performed by the Company's independent auditor, PricewaterhouseCoopers LLP. The Audit Committee has pre-approved (i) certain general categories of work where no specific case-by-case approval is necessary ("general pre-approvals") and (ii) categories of work which require the specific pre-approval of the Audit Committee ("specific pre-approvals"). For additional services or services in an amount above the annual amount that has been pre-approved, additional authorization from the Audit Committee is required. The Audit Committee has delegated to the Committee chair the ability to pre-approve all of these services. Any pre-approval decisions made by the Committee chair under this delegated authority will be reported to the full Audit Committee. All requests for services to be provided by PricewaterhouseCoopers LLP that do not require specific approval by the Audit Committee must be submitted to the Controller of the Company, who determines whether such services are in fact within the scope of those services that have received the general pre-approval of the Audit Committee. The Controller reports to the Audit Committee periodically.

Audit Fees

In accordance with the SEC's definitions and rules, Audit Fees are fees paid to PricewaterhouseCoopers LLP for professional services for the audit of the Company's consolidated financial statements included in the Company's Form 10-K, the review of financial statements included in the Company's Form 10-Qs, services that are normally provided in connection with statutory and regulatory filings or engagements, assurance and related services that are reasonably related to the performance of the audit or review of our financial statements including compliance with regulatory matters, the Sarbanes-Oxley Act, and consulting with respect to technical accounting and disclosure rules. All such services were approved by the Audit Committee. Such amounts aggregated $269,000 and $239,000 for the years ended December 31, 2013 and 2012, respectively. Additionally in 2013, the Company incurred audit related fees of $70,000.

Item 15. Exhibits and Financial Statement Schedules.

(b) Exhibits.

We will furnish any exhibit upon request made to our Corporate Secretary, 1903 Wright Place, Suite 220, Carlsbad, CA 92008. We charge $.50 per page to cover expenses of copying and mailing.

All documents referenced below were filed pursuant to the Securities Exchange Act of 1934 by the Company, file number 1-10153, unless otherwise indicated.

3.1 Restated Certificate of Incorporation, as restated July 3, 1995 of the Company (incorporated by reference to Exhibit 3.1 to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 1995).

3.2 By-laws of the Company as amended through December 14, 1999 (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (the "1999 10-K")).

3.3 Amendment to Amended and Restated Bylaws of the Company, dated July 10, 2002 (incorporated by reference to Exhibit 3.3 to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2002 (the "Third Quarter 2002 10-Q")).

3.4 Certificate of Amendment of the Certificate of Incorporation of the Company, dated July 10, 2002 (incorporated by reference to Exhibit 3.4 to the Third Quarter 2002 10-Q).

3.5 Certificate of Amendment of the Certificate of Incorporation of the Company, dated July 10, 2003 (incorporated by reference to Exhibit 3.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 (the "2003 10-K")).

3.6 Certificate of Amendment of the Certificate of Incorporation of the Company, dated July 10, 2003 (incorporated by reference to Exhibit 3.6 to the Company's 2003 10-K).

3.7 Certificate of Amendment of the Certificate of Incorporation of the Company, dated August 2, 2010 (incorporated by reference to Exhibit 3.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010).

10.1 Development Management Agreement between the Company and Provence Hills Development Company, LLC, dated as of August 14, 1998 (incorporated by reference to Exhibit 10.3 to the Company's current report on Form 8-K dated August 14, 1998).

10.2 Administrative Services Agreement, dated as of March 1, 2000, between Leucadia Financial Corporation ("LFC"), the Company, HomeFed Resources Corporation and HomeFed Communities, Inc. (incorporated by reference to Exhibit 10.1 to the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2000).

10.3 Amendment No. 1 dated as of November 1, 2000 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (the "2000 10-K")).

10.4 Amendment No. 2 dated as of February 28, 2001 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.22 to the Company's 2000 10-K).

10.5 Amendment No. 3 dated as of December 31, 2001 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2001).

10.6 Registration Rights Agreement dated as of October 21, 2002, by and between HomeFed Corporation and Leucadia National Corporation (incorporated by reference to Exhibit 10.2 to the Company's current report on Form 8-K dated October 22, 2002).

10.7 Form of Grant Letter for the 1999 Stock Incentive Plan (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005).[+]

10.8 Amendment No. 4 dated as of May 28, 2002 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2002 (the "2002 10-K/A")).

10.9 Amendment No. 5 dated as of November 15, 2002 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.35 of the 2002 10-K/A).

10.10 Amendment dated as of October 21, 2002 to the Development Management Agreement dated as of August 14, 1998 (incorporated by reference to Exhibit 10.36 of the 2002 10-K/A).

10.11 Contribution Agreement between the Company and San Elijo Hills Development Company, LLC, dated as of October 21, 2002 (incorporated by reference to Exhibit 10.37 of the 2002 10-K/A).

10.12 Agreement and Guaranty, dated as of October 1, 2002, between Leucadia National Corporation and CDS Holding Corporation (incorporated by reference to Exhibit 10.38 of the 2002 10-K/A).

10.13 Obligation Agreement, dated as of October 1, 2002, between Leucadia National Corporation and San Elijo Ranch, Inc. (incorporated by reference to Exhibit 10.39 of the 2002 10-K/A).

10.14 Tax Allocation Agreement between the Company and its subsidiaries dated as of November 1, 2002 (incorporated by reference to Exhibit 10.21 to the Company's 2003 10-K).

10.15 Amendment No. 1 to the First Amended and Restated Development Agreement and Owner Participation Agreement between the City of San Marcos, the San Marcos Redevelopment Agency and the San Elijo Hills Development Company, LLC dated as of February 11, 2004 (incorporated by reference to Exhibit 10.22 to the Company's 2003 10-K).

10.16 Amendment No. 6 dated as of December 31, 2003 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.23 to the Company's 2003 10-K).

10.17 Amendment No. 7 dated as of December 31, 2004 to the Administrative Services Agreement dated as of March 1, 2000 (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004).

10.18 Amended and Restated 1999 Stock Incentive Plan (incorporated by reference to Annex A to the Company's Proxy Statement dated June 18, 2009). +

10.19 Named Executive Officer Compensation (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed January 2, 2014).

21 Subsidiaries of the Company (incorporated by reference to Exhibit 21 to the Original 10-K).

23 Consent of PricewaterhouseCoopers LLP with respect to the incorporation by reference into the Company's Registration Statement on Form S-8 (File No. 333-97079) (incorporated by reference to Exhibit 23 to the Original 10-K).

31.1 Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

32.2 Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

101 Financial statements from the Annual Report on Form 10-K of HomeFed Corporation for the year ended December 31, 2012, formatted in Extensible Business Reporting Language (XBRL); (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income (Loss), (iv) the Consolidated Statements of Changes in Shareholders Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements (incorporated by reference to Exhibit 101 to the Original 10-K).

*	Furnished herewith pursuant to Item 601(b)(32) of Regulation S-K.

+	Management Employment Contract or Compensatory Plan/Arrangement.

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.

HOMEFED CORPORATION

March 12, 2014	By /s/	Erin N. Ruhe Erin N. Ruhe, Vice President, Treasurer and Controller (Principal Financial and Accounting Officer)