

AGREEMENT/LICENSE FOR ENTRY UPON LAND AND
RELEASE FOR USE OF PROPERTY AS A TRAINING SITE

This Agreement is made and entered into this 15th day of February 2005, by and between the City of Redlands, a municipal corporation ("City"), and Ryland Homes of California, Inc. ("Owner"), who together are sometimes referred to herein as the "Parties."

RECITALS

A. Owner is the fee owner of certain real property located in the City of Redlands, which is described as agricultural property, and located at 1205 E. San Bernardino Avenue, Redlands, California (APN 0168-061-02-0000) (the "Property").

B. City desires to conduct Fire Department Burn/Non-Burn Training on the Property.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the City of Redlands and Ryland Homes of California, Inc., agree as follows:

AGREEMENT

1. License. Owner grants to City, its employees and agents a license to enter upon the Property for the sole purpose of conducting the training set forth on Exhibit "A" attached hereto (collectively, the "Scope of Burn/Non-Burn Training"). City shall provide ten (10) days prior notice to Owner as to the specific dates its Fire Department desires to conduct the Burn/Non-Burn Training, and, following such notice to Owner, Owner and City shall use their good faith efforts to agree upon mutually acceptable dates for the Burn/Non-Burn Training.

2. Term. The term of this Agreement shall commence on February 15, 2005 and end on February 15, 2007.

3. Authorization. City shall secure all authorizations and permits required to conduct the Burn/Non-Burn Training and will comply with all applicable federal, state, regional and local laws, ordinances and regulations.

4. No Warranty. It is expressly understood and agreed that City enters the Property in its "as is" condition, and that Owner makes no representation, covenant, warranty or promise that the Property is fit for any particular use for which this Agreement was entered into, and City has not relied on any such representation, covenant, warranty or promise.

5. Fee. City shall not be required to pay any compensation, fee or money to Owner for this Agreement or to conduct Burn/Non-Burn Training.

6. Assignment. This Agreement is for the sole benefit of City and cannot be assigned or transferred. Any attempt to do so may cause this Agreement to be terminated at Owner's discretion.

7. Termination. This Agreement may be terminated immediately at the sole option and discretion of Owner, and City agrees to peaceably surrender its License under this Agreement upon demand by Owner or its authorized representative.

8. Restrictions.

A. City shall not engage in, or permit any other person or entity to engage in, any activity on the Property that violates any federal, state or local law, rule or regulation pertaining to hazardous, toxic or infectious materials and/or waste ("Hazardous Materials"). City hereby represents, warrants and covenants that City will not produce, use, store or generate any Hazardous Materials on, under or about the Property.

9. Indemnity.

A. City shall indemnify, defend and hold harmless Owner, its parent, subsidiaries affiliated entities, and their directors, officers, shareholders, consultants, agents, employees, successors and assigns and those for whom it is by law responsible (collectively, the "Owner Indemnified Parties"), from and against any and all liabilities, damages, costs, expenses, causes of action, claims, suits, proceedings and judgments (collectively "Claims") which the Owner Indemnified Parties may incur or suffer or be put to by reason of or in connection with or arising from any breach, violation or non-performance by City of any obligation contained in this Agreement to be observed or performed by City, or any wrongful act or negligence of City or its agents or employees which relates to this Agreement, howsoever arising. City acknowledges and agrees that this indemnity shall survive any termination of this Agreement.

B. Owner shall indemnify and hold harmless City, its successors and assigns, together with its elected officials, officers, employees, agents and those for whom it is by law responsible (collectively, the "City Indemnified Parties") from and against any and all Claims which they may incur or suffer or be put to by reason of or in connection with or arising from (i) any breach, violation or non-performance by Owner of any obligation contained in, or relating to, this Agreement to be observed or performed by Owner and (ii) any wrongful or negligent acts or omissions of Owner, its agents or employees which give rise to a Claim against City and, in such circumstances, owner shall defend the City Indemnified Parties from such Claim (in addition to providing its indemnity). Owner acknowledges and agrees that these indemnities shall survive any termination of this Agreement.

10. Release. Except as otherwise provided in this Agreement, it is the intention of the Parties hereto that the releases contained in this Agreement shall be effective as a bar to all unsuspected actions, causes of action, obligations, costs, expenses,

attorney's fees, damages, losses and claims that may arise relating to the subject matter of this Agreement. In furtherance of this intention the Parties expressly waive any and all rights and benefits conferred upon them by the provisions of Section 1542 of the California Civil code, which reads as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of execution of the release, which if known by him must have materially affected his settlement with the debtor.”

The Parties hereby acknowledge that the foregoing waiver of the provisions of Section 1542 of the California Civil Code was bargained for separately. The Parties expressly agree that the release provisions herein contained shall be given full force and effect in accordance with each and all of their expressed terms and provisions, including but not limited to those terms and provisions relating to unknown or unsuspected claims, demands and causes of action herein above specified. The Parties assume the risk of the subsequent discovery or understanding of any matter, fact or law which if now known or understood would in any respect have affected this Agreement.

11. Entire Agreement. This Agreement represents the entire agreement and understanding between the Parties and supersedes any and all prior oral or written agreements between the Parties hereto relating to the subject matter hereof. No other agreement, statement, or promise made by the Parties or to any employee, officer, or agent of the Parties shall be binding, except a subsequent amendment to this Agreement, in writing, executed by the Parties. All obligations of Owner and City under this Agreement shall be joint and several.

12. Insurance: City agrees to insure against those liabilities which may arise from its activities hereunder by way of self-insured retention and excess liability coverage as follows:

A. Excess Liability Insurance with a Limit of not less than \$2,000,000. Such insurance shall: (i) name Owner, its parent, subsidiaries and affiliated entities; and their directors, officers, shareholders, consultants, agents, employees, successors and assigns as additional insureds, but only for City's acts or omissions; (ii) be primary for all purposes and (iii) contain standard cross-liability provisions.

B. Workers' Compensation with statutory limits, in accordance with the laws of the State of California and Employer's Liability with limits of not less than \$1,000,000.00. City shall require its insurer to waive all rights of subrogation against Owner, its parent, subsidiaries and affiliated entities; and their directors, officers, shareholders, consultants, agents, employees, successors and assigns, except for any liability resulting from the willful or gross negligent acts of Owner.

City shall request City's insurance broker provide certificates of liability insurance to Owner, evidencing all appropriate limits of coverage.

13. Attorneys' Fees and Costs. In the event any action is commenced to enforce or interpret the terms or conditions of this Agreement the prevailing party shall, in addition to any costs or other relief, be entitled to recover its reasonable attorneys' fees.

14. Amendment. Any amendment to this Agreement shall be in writing and executed by the Parties.

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

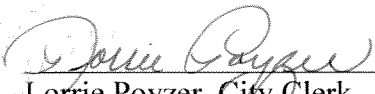
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first-above written.

CITY OF REDLANDS



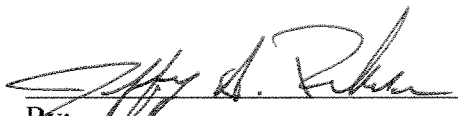
Susan Pepler, Mayor

ATTEST:



Lorrie Poyzer, City Clerk

RYLAND HOMES OF CALIFORNIA, INC.



By:

Title: FORREST PLANDER

EXHIBIT "A"
SCOPE OF "BURN/NON-BURN TRAINING"

City of Redlands



Fire Department Administration • 35 Cape Street • Suite 12

909-798-7600

January 19, 2005

Jeff Roberson
Ryland Homes
1285 Corona Point Court
Corona, CA 92879

Subject: Training Exercise at 1205 East San Bernardino Avenue,
City of Redlands

Dear Mr. Roberson:

Per our discussion and your request, the following information relates to the type of training the Redlands Fire Department will be conducting at the above location.

The Redlands Fire Department personnel will use each of the structures at this site for various types of training scenarios. The scenarios will include cut and rescue operations, such as, rescuing victims from a two-story residence. There will also be ventilation holes cut in the roofs of the structures and finally a live fire exercise, which will eventually bring the structures down to ground level. This training will be conducted over several days, concluding with the last exercise being the total burn down of the structures.

As stated in the hold harmless agreement, which you are reviewing at this time, neither your corporation or any of your employees will be held liable for any accidents or injuries incurred by the Redlands Fire Department. All of the Redlands City employees involved in any training exercise are covered under their own City injury policies.

I hope this letter covers any questions as to our training exercise to include the hold harmless agreement. If any further information is needed, please contact me immediately.

Respectfully Submitted,

Rich Lindner
Chief Investigator
Redlands Fire Department