



FAITHFUL PERFORMANCE BOND
CITY OF MENIFEE, STATE OF CALIFORNIA
(Government Code Section 66499.1)

Evans Rd Channel-RCFC&WCD Maintained Improvements

FOR: Streets and Drainage	\$ 3,435,000.00	Tract/Parcel Map	30142-1
Water System	\$	Bond No.	0151421
Sewer System	\$	Premium	\$60,113.00

Surety Berkley Regional Insurance Company
Address 505 N. Brand Blvd., Suite 1040
City/State Glendale, CA
Zip code 91203
Phone 818-550-1403

Principal KB HOME Coastal Inc.
Address 36310 Inland Valley Drive
City/State Wildomar, CA
Zip 92595
Phone 951-691-5245

WHEREAS, the City of Menifee, State of California, and KB HOME Coastal Inc. (hereinafter designated as "principal") have entered into, or are about to enter into, the attached agreement(s) whereby principal agrees to install and complete the above designated public improvements relating to (Tract/Parcel) Tr 30142-1, which agreement(s) is/are hereby referred to and made a part hereof; and,

WHEREAS, said principal is required under the terms of said agreement(s) to furnish bond(s) for the faithful performance of said agreement(s);

NOW, THEREFORE, we the principal and Berkley Regional Insurance Company, as surety, are held and firmly bound unto the City of Menifee in the penal sum of Three Million Four Hundred Thirty Five Thousand and No/100-----Dollars (\$ 3,435,000.00) lawful money of the United States, for the payment of which sum will and truly be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bonded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of Menifee, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise, it shall remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

FAITHFUL PERFORMANCE BOND



The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of this agreement or to the work to be performed there under or the specifications accompanying the same shall in anywise affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition. Surety further stipulates and agrees that the provisions of Section 2845 of the Civil Code and commencement of construction are not conditions precedent to surety's obligations hereunder and are hereby waived by surety.

When the work covered by the agreement is complete, the City of Menifee will accept the work and thereupon, the amount of the obligation of this bond is reduced by 90% with the remaining 10% held as security for the one-year maintenance period provided for in the agreements(s).

IN WITNESS WHEREOF, this instrument has been duly executed by the principal and surety above named, on August 6, 2010.

NAME OF PRINCIPAL: KB HOME Coastal Inc.

AUTHORIZED SIGNATURE(S):

By: _____
Name:
Title:

(IF CORPORATION, AFFIX SEAL)

NAME OF SURETY: Berkley Regional Insurance Company

AUTHORIZED SIGNATURE: _____
Its Attorney-in-Fact Title
Brenda Wong, Attorney-in-Fact
(IF CORPORATION, AFFIX SEAL)

ATTACH NOTARIAL ACKNOWLEDGMENT OF SIGNATURES OF PRINCIPAL AND ATTORNEY-IN-FACT.



MATERIAL AND LABOR BOND
CITY OF MENIFEE, STATE OF CALIFORNIA
(Government Code Section 66499.1)

Evans Rd Channel - RCFC&WCD Maintained Improvements

FOR: Streets and Drainage	\$ <u>1,717,500.00</u>	Tract/Parcel Map	<u>30142-1</u>
Water System	\$ _____	Bond No.	<u>0151421</u>
Sewer System	\$ _____	Premium	<u>Included in the Faithful Performance Bond</u>

Surety Berkley Regional Insurance Company
Address 505 N. Brand Blvd., Suite 1040
City/State Glendale, CA
Zip 91203
Phone 818-550-1403

Principal KB HOME Coastal Insurance
Address 36310 Inland Valley Drive
City/State Wildomar, CA
Zip 92525
Phone 951-691-5245

WHEREAS, the City of Menifee, State of California, and KB HOME Coastal Inc.

(hereinafter designated as "principal") have entered into, or are about to enter into, the attached agreement(s) whereby principal agrees to install and complete the above designated public improvements relating to (Tract/Parcel) Tr 30142-1, which agreement(s) is/are hereby referred to and made a part hereof; and,

WHEREAS, under the terms of said agreement, principal is required, before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Menifee to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California;

NOW, THEREFORE, said principal and the undersigned, as corporate surety, are held firmly unto the City of Menifee and all contractors, subcontractors, laborers, material persons and other persons employed in the performance of said Civil Code in the sum of One Million Seven Hundred Seventeen Thousand Five Hundred and No/100 Dollars (\$ 1,717,500.00) for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgement therein rendered.

It is hereby expressly stipulated and agreed upon that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to full claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

MATERIAL AND LABOR BOND

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of this agreement or to the specifications accompanying the same shall in anywise affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition. Surety further stipulates and agrees that the provisions of Section 2845 of the Civil Code are not a condition precedent to surety's obligations hereunder and are hereby waived by surety.

IN WITNESS WHEREOF, this instrument has been duly executed by the principal and surety above named, on August 6, 2010.

NAME OF PRINCIPAL: KB HOME Coastal Inc.

AUTHORIZED SIGNATURE(S): _____

By: _____

Name: _____

Title: _____

(IF CORPORATION, AFFIX SEAL)

NAME OF SURETY: Berkley Regional Insurance Company

AUTHORIZED SIGNATURE: _____

Its Attorney-in-Fact

Title

Brenda Wong, Attorney-in-Fact

(IF CORPORATION, AFFIX SEAL)

ATTACH NOTARIAL ACKNOWLEDGMENT OF SIGNATURES OF PRINCIPAL AND ATTORNEY-IN-FACT.