

Surety Bond No. 1072425

FAITHFUL PERFORMANCE BOND
(CONSTRUCTION)

WHEREAS the City of Riverside, a municipal corporation of the State of California, and KB Home Coastal Inc., hereinafter referred to as "Principal", have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated October 2, 2018, 2018, and identified as Agreement for Construction of Improvements for project designated as **Tract 37219**, is hereby referred to and made a part hereof; and

WHEREAS, said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement;

NOW, THEREFORE, we, the Principal and The Hanover Insurance Company, a corporation organized and doing business under and by virtue of the laws of the State of New Hampshire, and duly licensed by the State of California for the purpose of making, guaranteeing or becoming sole surety upon bonds or undertakings required or authorized by the laws of the State of California, as Surety, are held and firmly bound unto the City of Riverside, in the penal sum of **Two Million Nine Hundred Seventy Three Thousand Six Hundred and 00/100 dollars (\$2,973,600.00)** lawful money of the United States, for the payment of which sum well and truly to 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 is the above bounded principal, his, her or its heirs, executors, administrators, successors, or assigns, shall in all things stand to or 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, her 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 Riverside, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

The Surety and Principal further agree that in the event the work and improvements are not completed within the time allowed by the said agreement or any extension or extensions thereof as may be granted by the City of Riverside, the City of Riverside may, at its option, and in addition to any other remedies available by law, complete or arrange for completion of said work and improvements, and all costs and expenses therefor shall become a debt due and owing said City of Riverside, as set forth in said agreement.

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

The Surety and Principal further agree that this bond may be reduced to ten percent of the face amount of this bond or \$300, whichever is greater, and continue, after completion and acceptance of the work and improvements in writing by the City of Riverside, for one year from the date of acceptance to guarantee said improvements against any defective work or labor done, or defective materials furnished, in performance of the contract with the City of Riverside.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named on October 2, 2018, 2018.

KB Home Coastal Inc.

Principal

By

JOHN HANSEN, VP of Forward Planning
36310 Inland Valley Drive
Wildomar, CA 92595

Approved as to Form:

By:

Anthony L. Beaumon
Deputy City Attorney

The Hanover Insurance Company

Surety

By

Attorney-in-fact Brenda Wong

440 Lincoln St

Address of Corporate Surety
Worcester, MA 01653

City (Zip Code)

508-855-1000

Phone

Marsh Risk & Insurance Services

Producer (Bond Issuing Agent)

633 W. Fifth Street, Suite 1400

Address

Los Angeles, CA 90071

City (Zip Code)

213-624-5555

Phone

Note: Signature of Attorney-in-fact to be acknowledged before a Notary Public. Attach Power of Attorney.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.


State of California

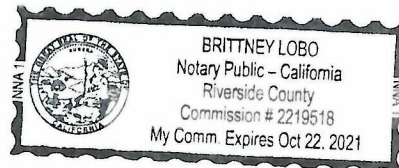
County of Riverside

On October 03, 2018 before me, Brittney Lobo, Notary Public, personally appeared Scott Hansen, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Brittney Lobo



(SEAL)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT CIVIL CODE §1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On OCT 02 2018 before me, M. Gonzales, Notary Public, personally appeared Brenda Wong who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

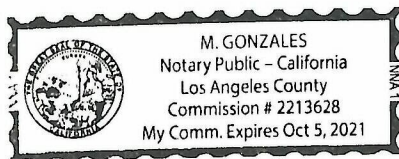
WITNESS my hand and official seal.

(seal)

Signature



M. Gonzales, Notary Public



THE HANOVER INSURANCE COMPANY
MASSACHUSETTS BAY INSURANCE COMPANY
CITIZENS INSURANCE COMPANY OF AMERICA

POWER OF ATTORNEY

THIS Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

KNOW ALL PERSONS BY THESE PRESENTS:

That THE HANOVER INSURANCE COMPANY and MASSACHUSETTS BAY INSURANCE COMPANY, both being corporations organized and existing under the laws of the State of New Hampshire, and CITIZENS INSURANCE COMPANY OF AMERICA, a corporation organized and existing under the laws of the State of Michigan, (hereinafter individually and collectively the "Company") does hereby constitute and appoint,

Kari Davis, Brenda Wong, Tenzer V. Cunningham, Martha Gonzales and/or Joaquin Perez

Of Marsh Risk & Insurance Services, Inc. of Los Angeles, CA each individually, if there be more than one named, as its true and lawful attorney(s)-in-fact to sign, execute, seal, acknowledge and deliver for, and on its behalf, and as its act and deed any place within the United States, any and all surety bonds, recognizances, undertakings, or other surety obligations. The execution of such surety bonds, recognizances, undertakings or surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company, in their own proper persons. Provided however, that this power of attorney limits the acts of those named herein; and they have no authority to bind the Company except in the manner stated and to the extent of any limitation stated below:

Any such obligations in the United States, in any amount


That this power is made and executed pursuant to the authority of the following Resolutions passed by the Board of Directors of said Company, and said Resolutions remain in full force and effect:

RESOLVED: That the President or any Vice President, in conjunction with any Vice President, be and they hereby are authorized and empowered to appoint Attorneys-in-fact of the Company, in its name and as it acts, to execute and acknowledge for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, waivers of citation and all other writings obligatory in the nature thereof, with power to attach thereto the seal of the Company. Any such writings so executed by such Attorneys-in-fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company in their own proper persons.

RESOLVED: That any and all Powers of Attorney and Certified Copies of such Powers of Attorney and certification in respect thereto, granted and executed by the President or Vice President in conjunction with any Vice President of the Company, shall be binding on the Company to the same extent as if all signatures therein were manually affixed, even though one or more of any such signatures thereon may be facsimile. (Adopted October 7, 1981 - The Hanover Insurance Company; Adopted April 14, 1982 - Massachusetts Bay Insurance Company; Adopted September 7, 2001 - Citizens Insurance Company of America)

IN WITNESS WHEREOF, THE HANOVER INSURANCE COMPANY, MASSACHUSETTS BAY INSURANCE COMPANY and CITIZENS INSURANCE COMPANY OF AMERICA have caused these presents to be sealed with their respective corporate seals, duly attested by two Vice Presidents, this 6th day of December, 2017.

The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America


John C. Roche, EVP and President

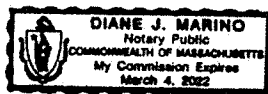


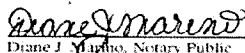
The Hanover Insurance Company
Massachusetts Bay Insurance Company
Citizens Insurance Company of America


James H. Kawiecki, Vice President

THE COMMONWEALTH OF MASSACHUSETTS)
COUNTY OF WORCESTER) ss.

On this 6th day of December, 2017 before me came the above named Vice Presidents of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, to me personally known to be the individuals and officers described herein, and acknowledged that the seals affixed to the preceding instrument are the corporate seals of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, respectively, and that the said corporate seals and their signatures as officers were duly affixed and subscribed to said instrument by the authority and direction of said Corporations.





Diane J. Marino, Notary Public
My Commission Expires March 4, 2022

I, the undersigned Vice President of The Hanover Insurance Company, Massachusetts Bay Insurance Company and Citizens Insurance Company of America, hereby certify that the above and foregoing is a full, true and correct copy of the Original Power of Attorney issued by said Companies, and do hereby further certify that the said Powers of Attorney are still in force and effect.

GIVEN under my hand and the seals of said Companies, at Worcester, Massachusetts, this

day of OCT 02 2018

CERTIFIED COPY


Theodore G. Martinez, Vice President