



October 8, 2003

Mr. William L. Gates, President
Top Grade Construction, Inc. (TGC)
50 Contractors Street
Livermore, CA 94550

Re: Project: Tract 1396 – Seaside Highlands, Seaside, Monterey County, CA
Subject: Letter of Compliment

Dear Bill:

This is a letter of compliment written to TGC and every member of TGC Seaside Highlands Team for achieving one of the very important milestones of KBB at Seaside Highlands – Complete paving of Coe Avenue ahead of schedule in order for KBB to obtain Certificate of House Occupancies.

TGC's excellent performance and demonstration of **'Whatever it takes'** to achieve the above milestone is highly appreciated.

Congratulation! Great work!

Yours sincerely,
KB HOME SOUTH BAY INC.

A handwritten signature in black ink, appearing to read 'Tuah-Seng' or 'Henryk Tay', written in a cursive style.

Tuah-Seng (Henryk) Tay
Senior Project Manager

cc: Mr. Robert Freed, Regional General Manager, KB HOME/ Northern California
Mr. Drew Kusnick, President, KBHSB
Mr. Chris Reder, Divisional Senior Vice President, KBHSB
Mr. Paul Medeiros, Vice President Land Development, KBHSB
Mr. Augie Dent, Business Unit Manager – Monterey Bay, KBHSB
Mr. Danny Bakewell, Jr., Vice President, KBB