

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 5, 2006**

HOVNANIAN ENTERPRISES, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

1-8551
(Commission File Number)

22-1851059
(I.R.S. Employer
Identification No.)

110 West Front Street
Red Bank, New Jersey 07701

(Address of Principal Executive Offices) (Zip Code)

(732) 747-7800

(Registrant's telephone number, including area code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events.

On June 5, 2006, K. Hovnanian Enterprises, Inc. ("K. Hovnanian"), Hovnanian Enterprises, Inc. (the "Company") and the Company's subsidiary registrants (the "Subsidiary Registrants") filed a Registration Statement on Form S-3, File No. 333-134721, with the Securities and Exchange Commission (the "Commission") relating to the public offering, pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), of up to \$350,000,000 aggregate principal amount of Senior Notes. The Registration Statement became effective under the Securities Act automatically upon filing with the Commission

On June 5, 2006, K. Hovnanian, the Company and the Subsidiary Registrants entered into an Underwriting Agreement, dated such date (the "Underwriting Agreement"), with J.P. Morgan Securities Inc., Banc of America Securities LLC, Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC, as representatives of the other several underwriters named therein (collectively, the "Underwriters"), with respect to the offer and sale by K. Hovnanian and the purchase by the Underwriters of \$250 million aggregate principal amount of 8½% Senior Notes due 2017 of K. Hovnanian (the "Notes") guaranteed by the Company and the Subsidiary Registrants. The Underwriting Agreement is being filed as Exhibit 1.1 hereto.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 1.1 Underwriting Agreement, dated June 5, 2006, among K. Hovnanian Enterprises, Inc., Hovnanian Enterprises, Inc., the Subsidiary Registrants and J.P. Morgan Securities Inc., Banc of America Securities LLC, Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC, as representatives of the several Underwriters named therein.

1

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOVNANIAN ENTERPRISES, INC.
(Registrant)

By: /s/ Peter S. Reinhart
Name: Peter S. Reinhart
Title: Senior Vice President and General Counsel

Date: June 9, 2006

2

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit</u>
Exhibit 1.1	Underwriting Agreement, dated June 5, 2006, among K. Hovnanian Enterprises, Inc., Hovnanian Enterprises, Inc., the Subsidiary Registrants and J.P. Morgan Securities Inc., Banc of America Securities LLC, Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC, as representatives of the several Underwriters named therein.

3

K. HOVNIANIAN ENTERPRISES, INC.,
as Issuer
HOVNIANIAN ENTERPRISES, INC.
and Certain of its Subsidiaries,

as Guarantors

\$250,000,000 8.625% Senior Notes due 2017

UNDERWRITING AGREEMENT

June 5, 2006

J.P. MORGAN SECURITIES INC.
 BANC OF AMERICA SECURITIES LLC
 CITIGROUP GLOBAL MARKETS INC.
 CREDIT SUISSE SECURITIES (USA) LLC
 As Representatives of the Several Underwriters,

c/o J.P. MORGAN SECURITIES INC.
 270 Park Avenue
 New York, New York 10017

Ladies and Gentlemen:

1. *Introductory.* K. Hovnianian Enterprises, Inc., a California corporation (the “**Company**”), proposes to issue and sell \$250,000,000 principal amount of its 8.625% Senior Notes due 2017 (the “**Securities**”) to be guaranteed (collectively, the “**Guarantees**”) by Hovnianian Enterprises, Inc., a Delaware corporation (“**Hovnianian**”), and the subsidiary guarantors listed on Schedule A hereto (together with Hovnianian, the “**Guarantors**”), to be issued under an indenture, dated as of November 3, 2003 (as supplemented through the date hereof, the “**Base Indenture**”), among the Company, Hovnianian, the other guarantors named therein and U.S. Bank, National Association, as Trustee (the “**Trustee**”), as supplemented by that certain supplemental indenture, among the Company, Hovnianian, the other Guarantors and the Trustee, to be dated as of the Closing Date (the “**Supplemental Indenture**” and, together with the Base Indenture, the “**Indenture**”). The Company hereby agrees with the several Underwriters named in Schedule B hereto (the “**Underwriters**”), for whom you are acting as Representatives (the “**Representatives**,” which term, if the Underwriters are the same as the Representatives, shall be deemed to refer to the Underwriters), as follows:

2. *Representations and Warranties of the Company and Hovnianian.* Each of the Company and Hovnianian represent and warrant to, and agree with, the several Underwriters that:

(a) A registration statement on Form S-3 (File No. 333-134721) relating to the Securities, including a form of prospectus, has been filed with the Securities and Exchange Commission (the “**Commission**”) under the Securities Act of 1933, as amended (the “**Act**”), has automatically become effective under the Act and is not proposed to be amended in connection with the issuance and sale of the Securities pursuant to this Agreement. For purposes of this Agreement, “**Effective Date**” means the “effective date of the registration statement” (within the meaning of Rule 158(c) under the Act) of the Registration Statement or the most recent post-effective amendment thereto (if any) filed prior to the execution and delivery of this Agreement. Such registration statement, as amended at the Effective Date, including the information, if any, deemed pursuant to Rule 430A, 430B or 430C under the Act to be part of the registration statement at the time of its effectiveness (“**Rule 430 Information**”), is hereinafter referred to as the “**Registration Statement**.” The term “**Preliminary Prospectus**” means each prospectus included in such registration statement (and any amendments thereto) before it becomes effective, any prospectus filed with the Commission pursuant to Rule 424(a) under the Act and the prospectus included in the Registration

Statement at the time of its effectiveness that omits Rule 430 Information, and the term “**Prospectus**” means the prospectus in the form first used (or made available upon request of purchasers pursuant to Rule 173 under the Act) in connection with confirmation of sales of the Securities. Any reference in this Agreement to the Registration Statement, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the effective date of the Registration Statement or the date of such Preliminary Prospectus or the Prospectus, as the case may be and any reference to “**amend**”, “**amendment**” or “**supplement**” with respect to the Registration Statement, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after such date under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the “**1934 Act**”) that are deemed to be incorporated by reference therein. As of the Effective Date, the Company was eligible to use Form S-3 under the Act. The Registration Statement is an “automatic shelf registration statement” as defined under Rule 405 of the Act that has been filed with the Commission not earlier than three years prior to the date hereof; and no notice of objection of the Commission to the use of such registration statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Act has been received by the Company. No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose or pursuant to Section 8A of the Act against the Company or related to the offering shall have been instituted or, to the knowledge of the Company or Hovnianian, shall be contemplated by the Commission.

(b) At or prior to the time when sales of the Securities were first made (the “**Time of Sale**”), the Company had prepared the following information (collectively, the “**Time of Sale Information**”): a Preliminary Prospectus dated June 5, 2006, and each “free-writing prospectus” (as defined pursuant to Rule 405 under the Act) listed on Annex A hereto.

(c) The Time of Sale Information, at the Time of Sale did not, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that the Company makes no representation and warranty with respect to any statements or omissions made in reliance upon

and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Time of Sale Information.

(d) Other than the Preliminary Prospectus and the Prospectus, the Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not made, used, prepared, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any “**written communication**” (as defined in Rule 405 under the Act) that constitutes an offer to sell or solicitation of an offer to buy the Securities (each such communication by the Company or its agents and representatives (other than a communication referred to in clause (i) below) an “**Issuer Free Writing Prospectus**”) other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Act or Rule 134 under the Act or (ii) the documents listed on Annex A hereto and other written communications approved in writing in advance by the Representatives. Each such Issuer Free Writing Prospectus complied in all material respects with the Act, has been filed in accordance with the Act (to the extent required thereby) and, when taken together with the Preliminary Prospectus accompanying, or delivered prior to delivery of, such Issuer Free Writing Prospectus, did not, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that the Company makes no representation and warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in any Issuer Free Writing Prospectus.

(e) (i) On the Effective Date, the Registration Statement conformed in all material respects to the requirements of the Act, the Trust Indenture Act of 1939 (the “**Trust Indenture Act**”) and the rules and regulations of the Commission under the Act (“**Rules and Regulations**”) and did not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to

2

make the statements therein not misleading and (ii) on the date of this Agreement, the Registration Statement conforms, and at the time of filing of the Prospectus pursuant to Rule 424(b), the Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act, the Trust Indenture Act and the Rules and Regulations, and neither of such documents includes, or will include, any untrue statement of a material fact or omits, or will omit, to state any material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading except that the foregoing does not apply to statements in or omissions from the Registration Statement or the Prospectus based upon written information furnished to the Company by any Underwriter through the Representatives, if any, specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 8(b) hereof.

(f) The documents incorporated by reference in the Time of Sale Information and the Prospectus, at the time they were or hereafter are filed with the Commission and except as otherwise subsequently disclosed therein, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder and, when read together and with the other information in the Time of Sale Information and the Prospectus, did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were or are made, not misleading.

(g) Each of the Company, Hovnanian and its subsidiaries has been duly incorporated or formed, as the case may be, is validly existing as a corporation, limited liability company or limited partnership, as the case may be, in good standing under the laws of its jurisdiction of incorporation or organization and has the corporate power, or its equivalent in the case of a limited partnership or limited liability company, and authority to carry on its business as described in the Time of Sale Information and the Prospectus and to own, lease and operate its properties, and each is duly qualified and is in good standing as a foreign corporation, limited liability company or limited partnership, as the case may be, authorized to do business in each jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the business, prospects, financial condition or results of operations of Hovnanian and its subsidiaries, taken as a whole (a “**Material Adverse Effect**”).

(h) All outstanding shares of capital stock of the Company and Hovnanian have been duly authorized and validly issued and are fully paid, non-assessable and not subject to any preemptive or similar rights.

(i) All of the outstanding shares of capital stock of each of Hovnanian’s direct and indirect subsidiaries have been duly authorized and validly issued and are fully paid and non-assessable, and are owned by Hovnanian, directly or indirectly through one or more subsidiaries, free and clear of any security interest, claim, lien, encumbrance or adverse interest of any nature (each, a “**Lien**”).

(j) This Agreement has been duly authorized, executed and delivered by the Company, Hovnanian and each other Guarantor.

(k) Each of the Base Indenture and the Supplemental Indenture has been duly authorized by the Company and each of the Guarantors that is a party thereto, the Base Indenture has been validly executed and delivered by the Company and each of the Guarantors that is a party thereto, and as of the Closing Date, the Supplemental Indenture will have been validly executed and delivered by the Company and each of the Guarantors that is a party thereto. When the Supplemental Indenture has been duly executed and delivered by the Company and each of the Guarantors that is a party thereto, and, assuming that each of the Base Indenture and the Supplemental Indenture is a valid and binding obligation of the Trustee, the Base Indenture is and the Supplemental Indenture will be, a valid and binding agreement of the Company and each Guarantor that is a party thereto, enforceable against the Company and each Guarantor in accordance with its terms except as the enforceability thereof may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors’ rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

3

(l) The Indenture has been duly qualified under the Trust Indenture Act with respect to the Securities; the Securities have been duly authorized and, on the Closing Date, will have been validly executed and delivered by the Company. When the Securities have been issued, executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters in accordance with the terms of this Agreement, the Securities will be entitled to the benefits of the Indenture, and will be valid and binding obligations of the Company, enforceable in accordance with their terms except as the enforceability thereof may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing. At the Time of Sale and on the Closing Date, the Securities will conform as to legal matters to the descriptions thereof contained in the Time of Sale Information or Prospectus, as applicable.

(m) The Guarantee to be endorsed on the Securities by each Guarantor has been duly authorized by such Guarantor and, on the Closing Date, will have been duly executed and delivered by each such Guarantor. When the Securities have been issued, executed and authenticated in accordance with the Indenture and delivered to and paid for by the Underwriters in accordance with the terms of this Agreement, the Guarantee of each Guarantor endorsed thereon will be entitled to the benefits of the Indenture and will be the valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms, except as the enforceability thereof may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing. At the Time of Sale and on the Closing Date, the Guarantees to be endorsed on the Securities will conform as to legal matters to the description thereof contained in the Time of Sale Information or Prospectus, as applicable.

(n) None of the Company, Hovnanian or any of their direct or indirect subsidiaries is in violation of its respective charter or by-laws or applicable organizational documents, as the case may be, or in default in the performance of any obligation, agreement, covenant or condition contained in any indenture, loan agreement, mortgage, lease or other agreement or instrument that is material to the Company, or Hovnanian and its subsidiaries, taken as a whole, to which the Company, Hovnanian or any of its subsidiaries is a party or by which the Company, Hovnanian or any of its subsidiaries or their respective property is bound.

(o) The execution, delivery and performance of this Agreement, the Securities, the Guaranties and the Indenture by the Company and each of the Guarantors, as applicable, compliance by the Company and each of the Guarantors with all provisions hereof and thereof and the consummation of the transactions contemplated hereby and thereby will not (i) require any consent, approval, authorization or other order of, or qualification with, any court or governmental body or agency (except such consents as have been obtained under the Act, and the Trust Indenture Act and except as may be required under securities or Blue Sky laws of the various states), (ii) conflict with or constitute a breach of any of the terms or provisions of, or a default under, the charter, by-laws or applicable organizational documents of the Company or any Guarantor or any indenture, loan agreement, mortgage, lease or other agreement or instrument that is material to the Company or Hovnanian and its subsidiaries, taken as a whole, to which the Company or the Guarantors is a party or by which the Company or the Guarantors or their respective property is bound, (iii) violate or conflict with any applicable law or any rule, regulation, judgment, order or decree of any court or any governmental body or agency having jurisdiction over the Company, Hovnanian or any of its subsidiaries or their respective property, (iv) result in the imposition or creation of (or the obligation to create or impose) a Lien under, any agreement or instrument to which the Company, Hovnanian or any of its subsidiaries is a party or by which the Company, Hovnanian or any of its subsidiaries or their respective property is bound, or (v) result in the termination, suspension or revocation of any Authorization (as defined below) of the Company, Hovnanian or any of its subsidiaries or result in any other impairment of the rights of the holder of any such Authorization.

(p) Except as disclosed in the Time of Sale Information and the Prospectus, there are no legal or governmental proceedings pending or threatened to which the Company, Hovnanian or any of its

subsidiaries is or could be a party or to which any of their respective property is or could be subject, which might result, singly or in the aggregate, in a Material Adverse Effect.

(q) Except as disclosed in the Time of Sale Information and the Prospectus, neither the Company, Hovnanian nor any of its subsidiaries has violated any foreign, federal, state or local law or regulation relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), any provisions of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or any provisions of the Foreign Corrupt Practices Act or the rules and regulations promulgated thereunder, except for such violations which, singly or in the aggregate, would not have a Material Adverse Effect.

(r) Except as disclosed in the Time of Sale Information and the Prospectus, each of the Company, Hovnanian and its subsidiaries has such permits, licenses, consents, exemptions, franchises, authorizations and other approvals (each, an "**Authorization**") of, and has made all filings with and notices to, all governmental or regulatory authorities and self-regulatory organizations and all courts and other tribunals, including without limitation, under any applicable Environmental Laws, as are necessary to own, lease, license and operate its respective properties and to conduct its business, except where the failure to have any such Authorization or to make any such filing or notice would not, singly or in the aggregate, have a Material Adverse Effect. Each such Authorization is valid and in full force and effect and each of the Company, Hovnanian and its subsidiaries is in compliance with all the terms and conditions thereof and with the rules and regulations of the authorities and governing bodies having jurisdiction with respect thereto; and no event has occurred (including, without limitation, the receipt of any notice from any authority or governing body) which allows or, after notice or lapse of time or both, would allow, revocation, suspension or termination of any such Authorization or results or, after notice or lapse of time or both, would result in any other impairment of the rights of the holder of any such Authorization; except where such failure to be valid and in full force and effect or to be in compliance, the occurrence of any such event or the presence of any such restriction would not, singly or in the aggregate, have a Material Adverse Effect.

(s) Ernst & Young LLP, which has certified the financial statements incorporated by reference in the Prospectus, is an independent registered public accounting firm with respect to the Company and the Guarantors, as required by the Act and the 1934 Act.

(t) The historical financial statements, together with related notes, incorporated by reference in the Prospectus, Time of Sale Information and the Registration Statement (and any amendment or supplement thereto) present fairly the consolidated financial position, results of operations and changes in financial position of Hovnanian and its subsidiaries on the basis stated in the documents incorporated by reference in the Prospectus,

Time of Sale Information and the Registration Statement at the respective dates or for the respective periods to which they apply; such statements and related notes have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except as disclosed therein; and the other financial and statistical information and data set forth or incorporated by reference in the Prospectus, Time of Sale Information and Registration Statement (and any amendment or supplement thereto) are, in all material respects, accurately presented and prepared on a basis consistent with such financial statements and the books and records of Hovnanian; and the historical financial statements, together with related notes incorporated by reference in the Prospectus, Time of Sale Information and Registration Statement (and any amendment or supplement thereto) meet the requirements of the Rules and Regulations promulgated under the Act and the 1934 Act.

(u) The Company and Hovnanian are not and, after giving effect to the offering and sale of the Securities and the application of the net proceeds thereof as described in the Time of Sale Information and the Prospectus, will not be, an “investment company,” as such term is defined in the Investment Company Act of 1940, as amended.

(v) No “nationally recognized statistical rating organization” as such term is defined for purposes of Rule 436(g)(2) under the Act has indicated to the Company or Hovnanian that it is considering (i) the downgrading, suspension, or withdrawal of, or any review for a possible change that does not indicate the

5

direction of the possible change in, any rating so assigned or (ii) any change in the outlook (other than a positive change) for any rating of the Company, any Guarantor or any securities of the Company or Hovnanian.

(w) No debt of any subsidiary of Hovnanian (other than the Company) is rated by a nationally recognized statistical organization.

(x) Since the respective dates as of which information is given in the Prospectus and Time of Sale Information other than as set forth in the Prospectus and Time of Sale Information (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), (i) there has not occurred any material adverse change or any development involving a prospective material adverse change in the condition, financial or otherwise, or the earnings, business, management or operations of the Company, or Hovnanian and its subsidiaries, taken as a whole, (ii) there has not been any material adverse change or any development involving a prospective material adverse change in the capital stock or in the long-term debt of the Company, Hovnanian or any of its subsidiaries and (iii) neither the Company, Hovnanian nor any of its subsidiaries has incurred any material liability or obligation, direct or contingent.

(y) The Company is not an ineligible issuer and is a well-known seasoned issuer, in each case as defined under the Act, in each case at the times specified in the Act in connection with the offering of the Securities. The Company has paid the registration fee for this offering as required under the Act.

3. *Purchase, Sale and Delivery of the Securities.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, the Guarantors agree to guarantee the Securities and the Underwriters agree, severally and not jointly, to purchase from the Company, at a purchase price of 99.075% of the principal amount thereof, the respective principal amounts of Securities set forth opposite the names of the Underwriters in Schedule B hereto.

The Company will cause to be delivered against payment of the purchase price by the Underwriters the Securities in the form of one or more permanent Global Securities in definitive form (“**Global Securities**”) deposited with the Trustee as custodian for The Depository Trust Company (“**DTC**”) and registered in the name of Cede & Co., as nominee for DTC. Interests in any permanent Global Securities will be held only in book-entry form through DTC, except in the limited circumstances described in the Prospectus. Payment for the Securities shall be made by the Underwriters in Federal (same day) funds by wire transfer to an account at a bank acceptable to the Representatives drawn to the order of K. Hovnanian Enterprises, Inc. or as the Company specifies at the office of Davis Polk & Wardwell at 10:00 A.M., (New York time), on June 12, 2006, or at such other time not later than seven full business days thereafter as the Representatives and the Company determine, such time being herein referred to as the “**Closing Date**,” against delivery to the Trustee as custodian for DTC of the Global Securities representing all of the Securities. The Global Securities will be made available for checking at the above office of Davis Polk & Wardwell at least 24 hours prior to the Closing Date.

4. *Offering by Underwriters.* (a) It is understood that the several Underwriters propose to offer the Securities for sale to the public as set forth in the Prospectus.

(b) Each Underwriter, severally and not jointly, represents and warrants to the Company and the Guarantors that, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State at any time: (A) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities; (B) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total

6

balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or (C) in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an “offer of Securities to the public” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure

implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

(c) Each Underwriter, severally and not jointly, represents and warrants to the Company and the Guarantors that: (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Company or any Guarantor; (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and (iii) the offer in The Netherlands of the Notes included in this offering is exclusively limited to persons who trade or invest in securities in the conduct of a profession or business (which include banks, stockbrokers, insurance companies, pension funds, other institutional investors and finance companies and treasury departments of large enterprises).

5. *Certain Agreements of the Company and Hovnanian.* The Company and Hovnanian agree with the several Underwriters that:

(a) Hovnanian will file the Prospectus with the Commission pursuant to and in accordance with subparagraph (2) of Rule 424(b) not later than the second business day following the execution and delivery of this Agreement) (or, if applicable, subparagraph (5)) and will file any Free Writing Prospectus pursuant to and in accordance with Rule 433 within the required time period. The Company or Hovnanian will advise the Representatives promptly of any such filing pursuant to Rule 424(b) or Rule 433. The Company will pay the registration fees for this offering within the time period required by Rule 456(b)(i) under the Act prior to the Closing Date.

(b) The Company or Hovnanian will advise the Representatives promptly of any proposal to amend or supplement the Registration Statement, Time of Sale Information or the Prospectus and will not effect such amendment or supplement without the Representatives’ consent (such consent not to be unreasonably withheld); and the Company or Hovnanian will also advise the Representatives promptly of the effectiveness of any amendment or supplement of the Registration Statement, Time of Sale Information or the Prospectus and of the institution by the Commission of any stop order proceedings in respect of the Registration Statement, as it may be amended or supplemented, proceeding under Section 8A of the Act, or of the receipt by the Company of any notice of objection of the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Act, and will use its reasonable best efforts to prevent the issuance of any such stop order or objection and to obtain as soon as possible its lifting or withdrawal, if issued.

(c) Before preparing, using, authorizing, approving, referring to or filing any Issuer Free Writing Prospectus, and before filing any amendment or supplement to the Registration Statement or the Prospectus, whether before or after the time that the Registration Statement becomes effective, the Company will furnish to the Representatives and counsel for the Underwriters a copy of the proposed Issuer Free Writing Prospectus, amendment or supplement for review and will not prepare, use, authorize, approve, refer to or file any such Issuer Free Writing Prospectus or file any such proposed amendment or supplement to which the Representatives reasonably object.

(d) If, at any time when a prospectus relating to the Securities is required to be (or but for the exemption in Rule 172 would be required to be) delivered under the Act in connection with sales by any Underwriter or dealer, any event occurs as a result of which the Time of Sale Information, Prospectus or any Free Writing Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Time of Sale Information, Prospectus or

any Free Writing Prospectus to comply with the Act, the Company or Hovnanian will promptly notify the Representatives of such event and will promptly prepare and file with the Commission, at the Company’s or Hovnanian’s own expense, an amendment or supplement that will correct such statement or omission or an amendment that will effect such compliance. Neither the Representatives’ consent to, nor the Underwriters’ delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 7 hereof.

(e) As soon as practicable, but not later than the Availability Date (as defined below), the Company will make generally available to its securityholders an earnings statement (which need not be audited) covering a period of at least 12 months beginning after the Effective Date that will satisfy the provisions of Section 11(a) of the Act. For the purpose of the preceding sentence, “**Availability Date**” means the 40th day after the end of the fourth fiscal quarter following the fiscal quarter that includes such Effective Date, except that, if such fourth fiscal quarter is the last quarter of the Hovnanian’s fiscal year, “**Availability Date**” means the 75th day after the end of such fourth fiscal quarter.

(f) The Company or Hovnanian will furnish to the Representatives copies of the Registration Statement (two of which will be signed and will include all exhibits), each related preliminary prospectus, and, so long as a prospectus relating to the Securities is required to be delivered under the Act in connection with sales by any Underwriter or dealer, the Prospectus and all amendments and supplements to such documents and each Free Writing Prospectus, in each case in such quantities as the Representatives reasonably request. The Prospectus shall be so furnished as soon as practicable but in no event later than the second business day following the execution and delivery of this Agreement. All other documents shall be so furnished as soon as available. The Company will pay the expenses of printing and distributing to the Underwriters all such documents.

(g) The Company will cooperate with the Underwriters and counsel to the Underwriters in connection with the qualification of the Securities for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Representatives designate and will continue such qualifications in effect so long as required for the distribution; *provided, however*, that neither the Company nor any Guarantor shall be required in connection therewith to qualify as a foreign corporation in any jurisdiction in which it is not now so qualified or to take any action that would subject it to general consent to service of process or taxation other than as to matters and transactions relating to the Registration Statement and the Prospectus, in any jurisdiction in which it is not now so subject.

(h) So long as any Securities remain outstanding, the Company or Hovnanian will furnish to the Representatives and, upon request, to each of the other Underwriters, if any, as soon as practicable after the end of each fiscal year, a copy of the annual report to stockholders for such year; and so long as any Securities remain outstanding, the Company or Hovnanian will furnish to the Representatives (i) during any period in which the Company and the Guarantors are not subject to Section 13 or 15(d) of the 1934 Act, as soon as practicable, a copy of each report and any definitive proxy statement of Hovnanian filed with the Commission under the 1934 Act or mailed to stockholders, and (ii) from time to time, such other information concerning the Company or Hovnanian as the Representatives may reasonably request.

(i) The Company or Hovnanian will pay or cause to be paid all expenses incident to the performance of the obligations of the Company and the Guarantors under this Agreement, including any filing fees and other expenses (including fees and disbursements of counsel to the Company and the Guarantors) incurred in connection with qualification of the Securities for sale under the securities or blue sky laws of the various states, any fees charged by investment rating agencies for the rating of the Securities, any travel expenses of the Company's or any Guarantor's officers and employees and any other expenses of the Company or the Guarantors in connection with attending or hosting meetings with prospective purchasers of the Securities and expenses incurred in distributing the Prospectus, any Free Writing Prospectus and any Time of Sale Information (including any amendments and supplements thereto) to the Underwriters.

8

(j) During the period beginning on the date hereof and continuing to and including the date 10 days following the Closing Date, the Company and the Guarantors will not to offer, sell, contract to sell or otherwise transfer or dispose of any debt securities of the Company or any Guarantor or any warrants, rights or options to purchase or otherwise acquire debt securities of the Company or any Guarantor substantially similar to the Securities and the Guarantees (other than (A) the Securities and the Guarantees, (B) commercial paper issued in the ordinary course of business or (C) borrowings under the Company's \$1,500,000,000 revolving credit facility or any term bank loan agreements), without the prior written consent of the Representatives.

(k) The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Act.

6. *Certain Agreements of the Underwriters.* Each Underwriter hereby represents and agrees that:

(a) Unless it has obtained the prior written consent of the Company, it has not made and unless it will obtain the prior written consent of the Company, it will not make any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a "free writing prospectus" (as defined in Rule 405 of the Act) required to be filed by the Company with the Commission or retained by the Company under Rule 433, provided that the prior written consent of the parties hereto shall be deemed to have been given in respect of the information contained in the Free Writing Prospectus referred to in Annex A hereto.

(b) It has not and will not distribute any Underwriter Free Writing Prospectus in a manner reasonably designed to lead to its broad unrestricted dissemination. For purposes of this Section 6(b), "Underwriter Free Writing Prospectus" shall mean a "free writing prospectus" that contains no "issuer information" (as defined in Rule 433(h)(2) under the Act) that was not included (including through incorporation by reference) in the Preliminary Prospectus or a previously filed Issuer Free Writing Prospectus.

(c) It is not subject to any pending proceeding under Section 8A of the Act with respect to the offering (and will promptly notify the Company if any such proceeding against it is initiated during the Prospectus Delivery Period).

7. *Conditions of the Obligations of the Underwriters.* The obligations of the several Underwriters to purchase and pay for the Securities on the Closing Date will be subject to the accuracy when made and on the Closing Date of the representations and warranties on the part of the Company and Hovnanian herein, to the accuracy of the statements of the Company and Guarantor officers made pursuant to the provisions hereof, to the performance by the Company and each Guarantor in all material respects of its respective obligations hereunder and to the following additional conditions precedent:

(a) The Representatives shall have received, on the date hereof and on the Closing Date, a letter dated such date, in form and substance satisfactory to you, from Ernst & Young LLP, an independent registered public accounting firm with respect to Hovnanian, containing the information and statements of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in or incorporated by reference into the Registration Statement, the Prospectus and the Time of Sale Information.

(b) The Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and Section 5(a) hereof. The Company shall not have received any notice of objection of the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Act, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose or pursuant to Section 8A under the Act shall have been instituted or, to the knowledge of the Company, Hovnanian or any Underwriter, shall be contemplated by the Commission. The Company shall have paid the registration fee for this offering pursuant to Rule 456(b)(1) under the Act.

9

(c) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of Hovnanian and its subsidiaries taken as one enterprise that, in the reasonable judgment of a majority in interest of the Underwriters including the Representatives, is material and adverse and makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Securities; (ii) any downgrading in the rating of any debt securities of Hovnanian or the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of Hovnanian or the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating) or any announcement that Hovnanian or the Company has been placed on negative outlook; (iii) any change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the reasonable judgment of a majority in interest of the Underwriters including the Representatives, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Securities, whether in the primary market or in respect of dealings in the secondary market; (iv) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of Hovnanian or the Company on any exchange or in the over-the-counter market; (v) any banking moratorium declared by U.S. Federal or New York authorities; (vi) any major disruption of settlements of securities or clearance services in the United States if, in the reasonable judgment of a majority in interest of the Underwriters including the Representatives, the

effect of such disruption makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Securities; or (vii) any attack on, outbreak or escalation of hostilities or act of terrorism involving, the United States, any declaration of war by Congress or any other national or international calamity or emergency if, in the reasonable judgment of a majority in interest of the Underwriters including the Representatives, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Securities.

(d) The Representatives shall have received an opinion of Peter S. Reinhart, Esq., Senior Vice President and General Counsel of the Company, dated the Closing Date, substantially to the effect as set forth in Exhibit A.

(e) The Representatives shall have received an opinion and a negative assurance statement, dated the Closing Date, of Simpson Thacher & Bartlett LLP, counsel for the Company, substantially to the effect as set forth in Exhibits B-1 and B-2, respectively.

(f) The Representatives shall have received from Davis Polk & Wardwell, counsel for the Underwriters, an opinion, dated the Closing Date, in form and substance reasonably satisfactory to the Underwriters.

(g) The Representatives shall have received a certificate, dated the Closing Date and signed by J. Larry Sorsby, in his capacity as Executive Vice President and Chief Financial Officer of Hovnanian, (i) confirming the matters set forth in Sections 2(v), 2(w) and 2(x), (ii) confirming that all the representations and warranties of the Company, Hovnanian and its subsidiaries herein contained are true and correct on the Closing Date with the same force and effect as if made on and as of the Closing Date (iii) that, in all material respects, the Company and Hovnanian have complied with all of the agreements and satisfied all of the conditions herein contained and required to be complied with or satisfied by the Company and Hovnanian on or prior to the Closing Date, (iv) to his knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose or pursuant to Section 8A under the Act have been instituted or are contemplated by the Commission.

(h) The Representatives shall have received a counterpart, conformed as executed, of the Indenture which shall have been entered into by the Company, the Guarantors and the Trustee.

10

The Company will furnish the Representatives with such conformed copies of such opinions, certificates, letters and documents as the Representatives reasonably request. The Representatives may in their sole discretion waive on behalf of the Underwriters compliance with any conditions to the obligations of the Underwriters hereunder.

8. Indemnification and Contribution. (a) The Company and each of the Guarantors will jointly and severally indemnify and hold harmless each Underwriter, its partners, directors and officers and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities, joint or several, to which any Underwriter may become subject, under the Act or the 1934 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus or any Time of Sale Information, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein (in the case of the Prospectus, any Issuer Free Writing Prospectus or any Time of Sale Information, in the light of the circumstances under which they were made) not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; *provided, however*, that the Company and the Guarantors will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents made in reliance upon and in conformity with written information furnished to the Company or Hovnanian by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter through the Representatives consists of the information described as such in Section 8(b) hereof.

(b) Each Underwriter will severally and not jointly indemnify and hold harmless the Company, each Guarantor, their respective directors and officers and each person, if any, who controls the Company or any Guarantor within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities to which the Company or the Guarantors may become subject, under the Act or the 1934 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus or any Time of Sale Information, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, any Issuer Free Writing Prospectus or any Time of Sale Information, in the light of the circumstances under which they were made) not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company or Hovnanian by such Underwriter through the Representatives specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by any Underwriter through the Representatives consists of the following information in the Prospectus: the third paragraph, the second and third sentences of the fifth paragraph, the tenth paragraph and the eleventh paragraph under the caption "Underwriting"; *provided, however*, that the Underwriters shall not be liable for any losses, claims, damages or liabilities arising out of or based upon the Company's or Hovnanian's failure to perform its obligations under Section 5(f) of this Agreement.

(c) Promptly after receipt by an indemnified party under this Section or Section 10 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under Section 8(a) or 8(b) hereof or Section 10 hereof, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve it from any liability that it may have under Section 8(a) or 8(b) hereof except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided further* that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under Section 8(a) or 8(b) hereof or Section 10 hereof. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the

consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section or Section 10, as the case may be, for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable or insufficient to hold harmless an indemnified party under Section 8(a) or 8(b) hereof, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in Section 8(a) or 8(b) hereof (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors on the one hand and the Underwriters on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company and the Guarantors bear to the total underwriting discounts and commissions received by the Underwriters from the Company under this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Guarantors or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this Section 8(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim that is the subject of this Section 8(d). Notwithstanding the provisions of this Section 8(d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this Section 8(d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company and the Guarantors under this Section 8 or Section 10 shall be in addition to any liability that the Company and the Guarantors may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter or the QIU (as hereinafter defined) within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability that the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each director and officer of the Company and each Guarantor and to each person, if any, who controls the Company or any Guarantor within the meaning of the Act or the 1934 Act.

9. *Default of Underwriters.* If any Underwriter or Underwriters default(s) in its or their obligations to purchase Securities hereunder on the Closing Date and the aggregate principal amount of Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the aggregate principal amount of Securities that the Underwriters are obligated to purchase on the Closing Date, the Representatives may make arrangements satisfactory to the Company for the purchase of such Securities by other persons, including any of the Underwriters, but if no such arrangements are made by the Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Securities that such defaulting Underwriters agreed but failed to purchase on the Closing Date. If any Underwriter or Underwriters so default(s) and the aggregate principal amount of Securities with respect to which

such default or defaults occur exceeds 10% of the aggregate principal amount of Securities that the Underwriters are obligated to purchase on the Closing Date and arrangements satisfactory to the Representatives, the Company and Hovnanian for the purchase of such Securities by other persons are not made within 48 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter, Company and Hovnanian, except as provided in Section 11 hereof. As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

10. *Qualified Independent Underwriter.* The Company hereby confirms that at its request Credit Suisse Securities (USA) LLC has without compensation acted as "qualified independent underwriter" (in such capacity, the "QIU") within the meaning of Rule 2720 of the Conduct Rules of the National Association of Securities Dealers, Inc. in connection with the offering of the Securities. The Company will indemnify and hold harmless the QIU against any losses, claims, damages or liabilities, joint or several, to which the QIU may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon the QIU's acting (or alleged failing to act) as such "qualified independent underwriter" and will reimburse the QIU for any legal or other expenses reasonably incurred by the QIU in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred.

11. *Survival of Certain Representations and Obligations.* The respective indemnities, contribution agreements, representations, warranties and other statements of the Company, Hovnanian, the Guarantors and the several Underwriters set forth in or made pursuant to this Agreement shall remain operative and in full force and effect, and will survive delivery of and payment for the Securities, regardless of (i) any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the officers or directors of any Underwriter, any person controlling any Underwriter, the Company or Hovnanian, the officers or directors of the Company or Hovnanian or any person controlling the Company or Hovnanian, (ii) acceptance of and payment for the Securities hereunder and (iii) termination of this Agreement. If for any reason the Securities are not delivered by or on behalf of the Company as provided herein (other than as a result of any termination of this Agreement pursuant to Section 7(c)(iii)), (iv) (only to the extent there is a material suspension or material limitation of trading of securities generally on the New York Stock Exchange or any setting of minimum prices for trading on such exchange), (v), (vi) or (vii), the Company and Hovnanian, jointly and severally, agree to reimburse the several Underwriters for all out-of-pocket expenses (including the fees and disbursements of counsel) incurred by them. Notwithstanding any termination of this Agreement, the Company and Hovnanian, jointly and severally, shall be liable for all expenses which they have agreed to pay pursuant to Section 5(i) hereof. The Company and Hovnanian, jointly and severally, also agree to reimburse the several Underwriters, their directors and officers and any persons controlling any of the Underwriters for any and all fees and expenses (including, without limitation, the fees disbursements of counsel) incurred by them in connection with enforcing their rights hereunder (including, without limitation, their rights under Section 8 and Section 10 hereof).

12. *Arm's Length Relationship; No Fiduciary Duty.* The Company acknowledges and agrees that the Representatives are acting solely in the capacity of arm's length contractual counterparties to the Company with respect to the Securities (including in connection with determining the terms of the offering contemplated by this Agreement) and not as a financial advisor, agent or fiduciary to the Company or any other person. Additionally, the Representatives are not advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated by this Agreement, and the Representatives shall have no responsibility or liability to the Company with respect thereto. Any review by the Representatives of the Company, the transactions contemplated by this Agreement or other matters relating to such transactions will be performed solely for the benefit of the Representatives and shall not be on behalf of the Company.

13. *Notices.* All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or telegraphed and confirmed to the Representatives c/o J.P. Morgan Securities Inc., 270 Park Avenue, New York, New York 10017, fax no. 212-270-1063 and confirmation number 212-270-6856, Attention: John J. Regan, or, if sent to the Company or any Guarantor, will be mailed, delivered or telegraphed and confirmed to Hovnanian Enterprises, Inc., 10 Highway 35, P.O. Box 500, Red Bank, New Jersey 07701, fax no. 732-747-6835 and confirmation number 732-747-7800, Attention: General Counsel; *provided, however,* that any notice to an

13

Underwriter pursuant to Section 8 hereof will be mailed, delivered or telegraphed and confirmed to such Underwriter as set forth in Exhibit C.

14. *Successors.* This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 8 hereof, and no other person will have any right or obligation hereunder.

15. *Representation of Underwriters.* The Representatives will act for the several Underwriters in connection with this financing, and any action under this Agreement taken by the Representatives will be binding upon all the Underwriters.

16. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

17. *Applicable Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

14

If the foregoing is in accordance with the Representatives' understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement between the Company, Hovnanian, the other Guarantors and the several Underwriters in accordance with its terms.

Very truly yours,

K. HOVNANIAN ENTERPRISES, INC.

By /s/ KEVIN HAKE
Name: Kevin Hake
Title: Senior Vice President

HOVNANIAN ENTERPRISES, INC.

By /s/ KEVIN HAKE
Name: Kevin Hake
Title: Senior Vice President

On behalf of each entity named in
Schedule A hereto

By /s/ KEVIN HAKE
Name: Kevin Hake
Title: Senior Vice President

Accepted: June 5, 2006

J.P. MORGAN SECURITIES INC.
BANC OF AMERICA SECURITIES LLC
CITIGROUP GLOBAL MARKETS INC.
CREDIT SUISSE SECURITIES (USA) LLC

By: J.P. Morgan Securities Inc.

By /s/ JOHN REGAN
Name: John Regan

Acting on behalf of themselves and the other several Underwriters.

SCHEDULE A

Guarantors

ARROW PROPERTIES, INC.
HOVNANIAN DEVELOPMENTS OF FLORIDA, INC.
K. HOV INTERNATIONAL, INC.
K. HOV IP, II, INC.
K. HOV IP, INC.
K. HOVNANIAN ACQUISITIONS, INC.
K. HOVNANIAN AT BERNARDS IV, INC.
K. HOVNANIAN AT BRANCHBURG III, INC.
K. HOVNANIAN AT BRIDGEPORT, INC.
K. HOVNANIAN AT BRIDGEWATER VI, INC.
K. HOVNANIAN AT BURLINGTON III, INC.
K. HOVNANIAN AT BURLINGTON, INC.
K. HOVNANIAN AT CALABRIA, INC.
K. HOVNANIAN AT CARMEL DEL MAR, INC.
K. HOVNANIAN AT CASTILE, INC.
K. HOVNANIAN AT CHAPARRAL, INC.
K. HOVNANIAN AT CLARKSTOWN, INC.
K. HOVNANIAN AT CRESTLINE, INC.
K. HOVNANIAN AT DOMINGUEZ HILLS, INC.
K. HOVNANIAN AT EAST WHITELAND I, INC.
K. HOVNANIAN AT FREEHOLD TOWNSHIP I, INC.
K. HOVNANIAN AT HACKETTSTOWN, INC.
K. HOVNANIAN AT HERSHEY'S MILL, INC.
K. HOVNANIAN AT HIGHLAND VINEYARDS, INC.
K. HOVNANIAN AT HOPEWELL IV, INC.
K. HOVNANIAN AT HOPEWELL VI, INC.
K. HOVNANIAN AT HOWELL TOWNSHIP, INC.
K. HOVNANIAN AT KINGS GRANT I, INC.
K. HOVNANIAN AT KLOCKNER FARMS, INC.
K. HOVNANIAN AT LA TERRAZA, INC.
K. HOVNANIAN AT LAKEWOOD, INC.
K. HOVNANIAN AT LOWER SAUCON, INC.
K. HOVNANIAN AT MAHWAH II, INC.
K. HOVNANIAN AT MAHWAH V, INC.
K. HOVNANIAN AT MAHWAH VI, INC.
K. HOVNANIAN AT MAHWAH VII, INC.
K. HOVNANIAN AT MANALAPAN, INC.
K. HOVNANIAN AT MARLBORO II, INC.
K. HOVNANIAN AT MARLBORO TOWNSHIP III, INC.
K. HOVNANIAN AT MARLBORO TOWNSHIP IV, INC.
K. HOVNANIAN AT METRO DC SOUTH, INC.
K. HOVNANIAN AT MONROE II, INC.
K. HOVNANIAN AT MONTCLAIR NJ, INC.
K. HOVNANIAN AT MONTGOMERY I, INC.

K. HOVNANIAN AT NORTHERN WESTCHESTER, INC.
K. HOVNANIAN AT NORTHLAKE, INC.
K. HOVNANIAN AT OCEAN TOWNSHIP, INC.
K. HOVNANIAN AT OCEAN WALK, INC.
K. HOVNANIAN AT PERKIOMEN I, INC.
K. HOVNANIAN AT PERKIOMEN II, INC.
K. HOVNANIAN AT PLAINSBORO III, INC.
K. HOVNANIAN AT PRINCETON, INC.
K. HOVNANIAN AT RANCHO CHRISTIANITOS, INC.
K. HOVNANIAN AT RESERVOIR RIDGE, INC.
K. HOVNANIAN AT SAN SEVAINE, INC.
K. HOVNANIAN AT SARATOGA, INC.
K. HOVNANIAN AT SAWMILL, INC.

K. HOVNIANIAN AT SCOTCH PLAINS II, INC.
K. HOVNIANIAN AT SMITHVILLE, INC.
K. HOVNIANIAN AT SOUTH BRUNSWICK III, INC.
K. HOVNIANIAN AT SOUTH BRUNSWICK V, INC.
K. HOVNIANIAN AT STONE CANYON, INC.
K. HOVNIANIAN AT STONY POINT, INC.
K. HOVNIANIAN AT SYCAMORE, INC.
K. HOVNIANIAN AT TANNERY HILL, INC.
K. HOVNIANIAN AT THE BLUFF, INC.
K. HOVNIANIAN AT THE CEDARS, INC.
K. HOVNIANIAN AT THORNBURY, INC.
K. HOVNIANIAN AT TIERRASANTA, INC.
K. HOVNIANIAN AT TROVATA, INC.
K. HOVNIANIAN AT TUXEDO, INC.
K. HOVNIANIAN AT UNION TOWNSHIP I, INC.
K. HOVNIANIAN AT UPPER FREEHOLD TOWNSHIP I, INC.
K. HOVNIANIAN AT UPPER MAKEFIELD I, INC.
K. HOVNIANIAN AT VAIL RANCH, INC.
K. HOVNIANIAN AT WALL TOWNSHIP VI, INC.
K. HOVNIANIAN AT WALL TOWNSHIP VIII, INC.
K. HOVNIANIAN AT WASHINGTONVILLE, INC.
K. HOVNIANIAN AT WAYNE III, INC.
K. HOVNIANIAN AT WAYNE V, INC.
K. HOVNIANIAN AT WILDROSE, INC.
K. HOVNIANIAN COMPANIES NORTHEAST, INC.
K. HOVNIANIAN COMPANIES OF CALIFORNIA, INC.
K. HOVNIANIAN COMPANIES OF MARYLAND, INC.
K. HOVNIANIAN COMPANIES OF NEW YORK, INC.
K. HOVNIANIAN COMPANIES OF PENNSYLVANIA, INC.
K. HOVNIANIAN COMPANIES OF SOUTHERN CALIFORNIA, INC.
K. HOVNIANIAN COMPANIES OF VIRGINIA, INC.
K. HOVNIANIAN CONSTRUCTION II, INC.
K. HOVNIANIAN CONSTRUCTION III, INC.
K. HOVNIANIAN CONSTRUCTION MANAGEMENT, INC.
K. HOVNIANIAN DEVELOPMENTS OF ARIZONA, INC.
K. HOVNIANIAN DEVELOPMENTS OF CALIFORNIA, INC.
K. HOVNIANIAN DEVELOPMENTS OF CONNECTICUT, INC.
K. HOVNIANIAN DEVELOPMENTS OF D.C., INC.
K. HOVNIANIAN DEVELOPMENTS OF DELAWARE, INC.
K. HOVNIANIAN DEVELOPMENTS OF GEORGIA, INC.
K. HOVNIANIAN DEVELOPMENTS OF ILLINOIS, INC.
K. HOVNIANIAN DEVELOPMENTS OF INDIANA, INC.
K. HOVNIANIAN DEVELOPMENTS OF MARYLAND, INC.

K. HOVNIANIAN DEVELOPMENTS OF MICHIGAN, INC.
K. HOVNIANIAN DEVELOPMENTS OF MINNESOTA, INC.
K. HOVNIANIAN DEVELOPMENTS OF NEW JERSEY II, INC.
K. HOVNIANIAN DEVELOPMENTS OF NEW JERSEY, INC.
K. HOVNIANIAN DEVELOPMENTS OF NEW YORK, INC.
K. HOVNIANIAN DEVELOPMENTS OF NORTH CAROLINA, INC.
K. HOVNIANIAN DEVELOPMENTS OF OHIO, INC.
K. HOVNIANIAN DEVELOPMENTS OF PENNSYLVANIA, INC.
K. HOVNIANIAN DEVELOPMENTS OF SOUTH CAROLINA, INC.
K. HOVNIANIAN DEVELOPMENTS OF TEXAS, INC.
K. HOVNIANIAN DEVELOPMENTS OF VIRGINIA, INC.
K. HOVNIANIAN DEVELOPMENTS OF WEST VIRGINIA, INC.
K. HOVNIANIAN ENTERPRISES, INC.
K. HOVNIANIAN EQUITIES, INC.
K. HOVNIANIAN FORECAST HOMES NORTHERN, INC.
K. HOVNIANIAN FORECAST HOMES SOUTHERN, INC.
K. HOVNIANIAN FORECAST HOMES, INC.
K. HOVNIANIAN HOMES OF NORTH CAROLINA, INC.
K. HOVNIANIAN HOMES OF VIRGINIA, INC.
K. HOVNIANIAN INVESTMENT PROPERTIES OF NEW JERSEY, INC.
HOVNIANIAN LAND INVESTMENT GROUP OF PENNSYLVANIA, L.L.C.
K. HOVNIANIAN PA REAL ESTATE, INC.
K. HOVNIANIAN PORT IMPERIAL URBAN RENEWAL, INC.
K. HOVNIANIAN PROPERTIES OF NEWARK URBAN RENEWAL CORPORATION, INC.
K. HOVNIANIAN PROPERTIES OF NORTH BRUNSWICK V, INC.
K. HOVNIANIAN PROPERTIES OF WALL, INC.
KHC ACQUISITION, INC.

LANDARAMA, INC.
M&M AT LONG BRANCH, INC.
MATZEL & MUMFORD OF DELAWARE, INC.
MCNJ, INC.
PINE BROOK COMPANY, INC.
REFLECTIONS OF YOU INTERIORS, INC.
SEABROOK ACCUMULATION CORPORATION
STONEBROOK HOMES, INC.
THE MATZEL & MUMFORD ORGANIZATION, INC.
WASHINGTON HOMES, INC.
WESTMINSTER HOMES OF TENNESSEE, INC.
WESTMINSTER HOMES, INC.
WH LAND I, INC
WH PROPERTIES, INC.
ALFORD, L.L.C.
DULLES COPPERMINE, L.L.C.
HLIG INVESTMENT I, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP OF CALIFORNIA, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP OF FLORIDA, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP OF GEORGIA, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP OF MARYLAND, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP OF NEW JERSEY, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP OF NORTH CAROLINA, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP OF PENNSYLVANIA, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP OF TEXAS, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP OF VIRGINIA, L.L.C.
K. HOVNANIAN AT 3 CHAPMAN, L.L.C.
K. HOVNANIAN AT 4S, L.L.C.

K. HOVNANIAN AT ABERDEEN URBAN RENEWAL, L.L.C.
K. HOVNANIAN AT ACQUA VISTA, L.L.C.
K. HOVNANIAN AT ALISO, L.L.C.
K. HOVNANIAN AT ALLENTOWN, L.L.C.
K. HOVNANIAN AT ARBOR HEIGHTS, L.L.C.
K. HOVNANIAN AT AVENUE ONE, L.L.C.
K. HOVNANIAN AT BARNEGAT I, L.L.C.
K. HOVNANIAN AT BARNEGAT II, L.L.C.
K. HOVNANIAN AT BARNEGAT III, L.L.C.
K. HOVNANIAN AT BELLA LAGO, L.L.C.
K. HOVNANIAN AT BERKELEY, L.L.C.
K. HOVNANIAN AT BERNARDS V, L.L.C.
K. HOVNANIAN AT BLUE HERON PINES, L.L.C.
K. HOVNANIAN AT BRIDGEWATER I, L.L.C.
K. HOVNANIAN AT BRIDLEWOOD, L.L.C.
K. HOVNANIAN AT BROAD AND WALNUT, L.L.C.
K. HOVNANIAN AT CABRILLO KNOLLS, L.L.C.
K. HOVNANIAN AT CAMDEN I, L.L.C.
K. HOVNANIAN AT CAMP HILL, L.L.C.
K. HOVNANIAN AT CAPISTRANO, L.L.C.
K. HOVNANIAN AT CARMEL VILLAGE, L.L.C.
K. HOVNANIAN AT CEDAR GROVE III, L.L.C.
K. HOVNANIAN AT CEDAR GROVE IV, L.L.C.
K. HOVNANIAN AT CHESTER I, L.L.C.
K. HOVNANIAN AT CHESTERFIELD II, L.L.C.
K. HOVNANIAN AT CHESTERFIELD, L.L.C.
K. HOVNANIAN AT CIELO, L.L.C.
K. HOVNANIAN AT CLIFTON, L.L.C.
K. HOVNANIAN AT CLIFTON II, L.L.C.
K. HOVNANIAN AT CORTEZ HILL, L.L.C.
K. HOVNANIAN AT CRANBURY, L.L.C.
K. HOVNANIAN AT CURRIES WOODS, L.L.C.
K. HOVNANIAN AT DENVILLE, L.L.C.
K. HOVNANIAN AT DEPTFORD TOWNSHIP, L.L.C.
K. HOVNANIAN AT DOVER, L.L.C.
K. HOVNANIAN AT EASTLAKE, L.L.C.
K. HOVNANIAN AT EDGEWATER II, L.L.C.
K. HOVNANIAN AT EDGEWATER, L.L.C.
K. HOVNANIAN AT EGG HARBOR TOWNSHIP, L.L.C.
K. HOVNANIAN AT EGG HARBOR TOWNSHIP II, L.L.C.
K. HOVNANIAN AT ENCINITAS RANCH, L.L.C.

K. HOVNANIAN AT EVERGREEN, L.L.C.
K. HOVNANIAN AT FIFTH AVENUE, L.L.C.
K. HOVNANIAN AT FLORENCE I, L.L.C.
K. HOVNANIAN AT FLORENCE II, L.L.C.
K. HOVNANIAN AT FOREST MEADOWS, L.L.C.
K. HOVNANIAN AT FORKS TWP. I, L.L.C.
K. HOVNANIAN AT FRANKLIN, L.L.C.
K. HOVNANIAN AT FREEHOLD TOWNSHIP, L.L.C.
K. HOVNANIAN AT GASLAMP SQUARE, L.L.C.
K. HOVNANIAN AT GREAT NOTCH, L.L.C.
K. HOVNANIAN AT GUTTENBERG, L.L.C.
K. HOVNANIAN AT HACKETTSTOWN II, L.L.C.
K. HOVNANIAN AT HAMBURG, L.L.C.
K. HOVNANIAN AT HAMBURG CONTRACTORS, L.L.C.
K. HOVNANIAN AT HAWTHORNE, L.L.C.

K. HOVNANIAN AT HAZLET, L.L.C.
K. HOVNANIAN AT HIGHLAND SHORES, L.L.C
K. HOVNANIAN AT HIGHWATER, L.L.C.
K. HOVNANIAN AT JACKSON I, L.L.C.
K. HOVNANIAN AT JACKSON, L.L.C.
K. HOVNANIAN AT JERSEY CITY IV, L.L.C.
K. HOVNANIAN AT JERSEY CITY V URBAN RENEWAL CO., L.L.C.
K. HOVNANIAN AT KEYPORT, L.L.C.
K. HOVNANIAN AT KING FARM, L.L.C.
K. HOVNANIAN AT LA COSTA GREENS, L.L.C.
K. HOVNANIAN AT LA COSTA, L.L.C.
K. HOVNANIAN AT LA HABRA KNOLLS, L.L.C.
K. HOVNANIAN AT LAFAYETTE ESTATES, L.L.C.
K. HOVNANIAN AT LAKE HILLS, L.L.C.
K. HOVNANIAN AT LAKE RIDGE CROSSING, L.L.C.
K. HOVNANIAN AT LAKE TERRAPIN, L.L.C.
K. HOVNANIAN AT LAWRENCE V, L.L.C.
K. HOVNANIAN AT LINWOOD, L.L.C.
K. HOVNANIAN AT LITTLE EGG HARBOR TOWNSHIP II, L.L.C
K. HOVNANIAN AT LITTLE EGG HARBOR CONTRACTORS, L.L.C.
K. HOVNANIAN AT LITTLE EGG HARBOR, L.L.C.
K. HOVNANIAN AT LITTLE TOKYO, L.L.C.
K. HOVNANIAN AT LONG BRANCH I, L.L.C.
K. HOVNANIAN AT LOWER MACUNGIE TOWNSHIP I, L.L.C.
K. HOVNANIAN AT LOWER MACUNGIE TOWNSHIP II, L.L.C.
K. HOVNANIAN AT LOWER MAKEFIELD TOWNSHIP I, L.L.C.
K. HOVNANIAN AT LOWER MORELAND I, L.L.C.
K. HOVNANIAN AT LOWER MORELAND II, L.L.C.
K. HOVNANIAN AT LOWER MORELAND III, L.L.C.
K. HOVNANIAN AT MACUNGIE, L.L.C.
K. HOVNANIAN AT MANALAPAN III, L.L.C.
K. HOVNANIAN AT MANSFIELD I, LLC
K. HOVNANIAN AT MANSFIELD II, LLC
K. HOVNANIAN AT MANSFIELD III, L.L.C.
K. HOVNANIAN AT MAPLE AVENUE, L.L.C.
K. HOVNANIAN AT MAPLE AVENUE I, L.L.C.
K. HOVNANIAN AT MARLBORO TOWNSHIP IX, L.L.C.
K. HOVNANIAN AT MARLBORO TOWNSHIP V, L.L.C.
K. HOVNANIAN AT MARLBORO TOWNSHIP VIII, L.L.C.
K. HOVNANIAN AT MARLBORO VI, L.L.C.
K. HOVNANIAN AT MARLBORO VII, L.L.C.
K. HOVNANIAN AT MENDHAM TOWNSHIP, L.L.C.
K. HOVNANIAN AT MENIFEE, L.L.C.
K. HOVNANIAN AT MENIFEE VALLEY CONDUMINIUMS, L.L.C.
K. HOVNANIAN AT MIDDLE TOWNSHIP II, L.L.C.
K. HOVNANIAN AT MIDDLE TOWNSHIP, L.L.C.
K. HOVNANIAN AT MIDDLETOWN II, L.L.C.
K. HOVNANIAN AT MIDDLETOWN, L.L.C.
K. HOVNANIAN AT MILLVILLE I, L.L.C.
K. HOVNANIAN AT MILLVILLE II, L.L.C.
K. HOVNANIAN AT MILLVILLE III, L.L.C.
K. HOVNANIAN AT MOCKINGBIRD CANYON L.L.C.
K. HOVNANIAN AT MONROE III, L.L.C.
K. HOVNANIAN AT MONROE IV, L.L.C.
K. HOVNANIAN AT MONROE NJ, L.L.C.

K. HOVNANIAN AT MOSAIC, L.L.C.
K. HOVNANIAN AT MT. OLIVE TOWNSHIP, L.L.C.
K. HOVNANIAN AT NEW BRUNSWICK URBAN RENEWAL, L.L.C.
K. HOVNANIAN AT NEW WINDSOR, L.L.C.
K. HOVNANIAN AT NORTH BERGEN, L.L.C.
K. HOVNANIAN AT NORTH BRUNSWICK VI, L.L.C.
K. HOVNANIAN AT NORTH CALDWELL II, L.L.C.
K. HOVNANIAN AT NORTH CALDWELL, L.L.C.
K. HOVNANIAN AT NORTH HALEDON, L.L.C.
K. HOVNANIAN AT NORTH WILDWOOD, L.L.C.
K. HOVNANIAN AT NORTHAMPTON, L.L.C.
K. HOVNANIAN AT NORTHFIELD, L.L.C.
K. HOVNANIAN AT OLD BRIDGE, L.L.C.
K. HOVNANIAN AT PACIFIC BLUFFS, L.L.C.
K. HOVNANIAN AT PACIFICA SAN JUAN, L.L.C.
K. HOVNANIAN AT PARAMUS, L.L.C.
K. HOVNANIAN AT PARK LANE, L.L.C.
K. HOVNANIAN AT PARSIPPANY-TROY HILLS, L.L.C.
K. HOVNANIAN AT PHILADELPHIA III, L.L.C.
K. HOVNANIAN AT PHILADELPHIA IV, L.L.C.
K. HOVNANIAN AT PIAZZA D'ORO, L.L.C.
K. HOVNANIAN AT PITTSBORO, L.L.C.
K. HOVNANIAN AT PRADO, L.L.C.
K. HOVNANIAN AT PRINCETON NJ, L.L.C.
K. HOVNANIAN AT PRINCETON LANDING NJ, L.L.C.
K. HOVNANIAN AT RANCHO SANTA MARGARITA, L.L.C.
K. HOVNANIAN AT RANDOLPH I, L.L.C.
K. HOVNANIAN AT RAPHO, L.L.C.
K. HOVNANIAN AT READINGTON II, L.L.C.
K. HOVNANIAN AT RED BANK, L.L.C.
K. HOVNANIAN AT RIDGEMONT, L.L.C.
K. HOVNANIAN AT RIDGESTONE, L.L.C.
K. HOVNANIAN AT RIVERBEND, L.L.C.
K. HOVNANIAN AT RODERUCK, L.L.C.
K. HOVNANIAN AT ROSEMARY LANTANA, L.L.C.
K. HOVNANIAN AT ROWLAND HEIGHTS, L.L.C.
K. HOVNANIAN AT SAGE, L.L.C.
K. HOVNANIAN AT SAYREVILLE, L.L.C.
K. HOVNANIAN AT SCOTCH PLAINS, L.L.C.
K. HOVNANIAN AT SILVER SPRING, L.L.C.
K. HOVNANIAN AT SKYE ISLE, L.L.C.
K. HOVNANIAN AT SMITHVILLE III, L.L.C.
K. HOVNANIAN AT SOMERS POINT, L.L.C.
K. HOVNANIAN AT SOUTH BRUNSWICK, L.L.C.
K. HOVNANIAN AT SPARTA, L.L.C.
K. HOVNANIAN AT SPRINGCO, L.L.C.
K. HOVNANIAN AT SPRINGFIELD, L.L.C.
K. HOVNANIAN AT SUNSETS, L.L.C.
K. HOVNANIAN AT TEANECK, L.L.C.
K. HOVNANIAN AT THE CROSBY, L.L.C.
K. HOVNANIAN AT THE GABLES, L.L.C.
K. HOVNANIAN AT THE MONARCH, L.L.C.
K. HOVNANIAN AT THE PRESERVE, L.L.C.
K. HOVNANIAN AT THOMPSON RANCH, L.L.C.
K. HOVNANIAN AT TOWNGATE, L.L.C.
K. HOVNANIAN AT TRAIL RIDGE, L.L.C.

K. HOVNANIAN AT TRENTON, L.L.C.
K. HOVNANIAN AT TRENTON URBAN RENEWAL, L.L.C.
K. HOVNANIAN AT UNION TOWNSHIP II, L.L.C.
K. HOVNANIAN AT UPPER FREEHOLD TOWNSHIP II, L.L.C.
K. HOVNANIAN AT UPPER FREEHOLD TOWNSHIP III, L.L.C.
K. HOVNANIAN AT UPPER UWCHLAN, L.L.C.

K. HOVNANIAN AT UPPER UWCHLAN II, L.L.C.
K. HOVNANIAN AT VERONA URBAN RENEWAL, L.L.C.
K. HOVNANIAN AT VINELAND, L.L.C.
K. HOVNANIAN AT WANAQUE, L.L.C.
K. HOVNANIAN AT WARREN TOWNSHIP, L.L.C.
K. HOVNANIAN AT WASHINGTON, L.L.C.
K. HOVNANIAN AT WAYNE VIII, L.L.C.
K. HOVNANIAN AT WAYNE IX, L.L.C.
K. HOVNANIAN AT WEST BRADFORD, L.L.C.
K. HOVNANIAN AT WEST FRONT STREET, L.L.C.
K. HOVNANIAN AT WEST MILFORD, L.L.C.
K. HOVNANIAN AT WEST WINDSOR, L.L.C.
K. HOVNANIAN AT WILDWOOD BAYSIDE, L.L.C.
K. HOVNANIAN AT WILLOW BROOK, L.L.C.
K. HOVNANIAN AT WINCHESTER, L.L.C.
K. HOVNANIAN AT WOODHILL ESTATES, L.L.C.
K. HOVNANIAN AT WOOLWICH I, L.L.C.
K. HOVNANIAN AT YONKERS I, L.L.C.
K. HOVNANIAN AT YONKERS II, L.L.C.
K. HOVNANIAN AT YONKERS III, L.L.C.
K. HOVNANIAN CAMBRIDGE HOMES, L.L.C.
K. HOVNANIAN CENTRAL ACQUISITIONS, L.L.C.
K. HOVNANIAN CLASSICS CIP, L.L.C.
K. HOVNANIAN CLASSICS, L.L.C.
K. HOVNANIAN COMPANIES OF VIRGINIA, INC.
K. HOVNANIAN COMPANIES, L.L.C.
K. HOVNANIAN CONNECTICUT ACQUISITIONS, L.L.C.
K. HOVNANIAN CRAFTBUILT HOMES OF GEORGIA, L.L.C.
K. HOVNANIAN CRAFTBUILT HOMES OF SOUTH CAROLINA, L.L.C.
K. HOVNANIAN DELAWARE ACQUISITIONS, L.L.C.
K. HOVNANIAN EASTERN PENNSYLVANIA, L.L.C.
K. HOVNANIAN FCS, L.L.C.
K. HOVNANIAN FIRST HOMES, L.L.C.
K. HOVNANIAN FOUR SEASONS AT HISTORIC VIRGINIA, L.L.C.
K. HOVNANIAN FOUR SEASONS AT GOLD HILL, L.L.C.
K. HOVNANIAN FRANCISCUS HOMES, L.L.C.
K. HOVNANIAN GREAT WESTERN BUILDING COMPANY, L.L.C.
K. HOVNANIAN GREAT WESTERN HOMES, L.L.C.
K. HOVNANIAN HOLDINGS NJ, L.L.C.
K. HOVNANIAN HOMES AT BANYON COVE, L.L.C.
K. HOVNANIAN HOMES AT BAYVIEW, L.L.C.
K. HOVNANIAN HOMES AT CAMERON STATION, L.L.C.
K. HOVNANIAN HOMES AT CAMP SPRINGS, L.L.C.
K. HOVNANIAN HOMES AT FAIRWOOD, L.L.C.
K. HOVNANIAN HOMES AT FOREST RUN, L.L.C.
K. HOVNANIAN HOMES AT GREENWAY FARM, L.L.C.
K. HOVNANIAN HOMES AT GREENWAY FARM, PARK TOWNS, L.L.C.
K. HOVNANIAN HOMES AT JONES STATION 1, L.L.C.
K. HOVNANIAN HOMES AT JONES STATION 2, L.L.C.
K. HOVNANIAN HOMES AT LAUREL HIGHLANDS, L.L.C.
K. HOVNANIAN HOMES AT MAXWELL PLACE, L.L.C.
K. HOVNANIAN HOMES AT PAYNE STREET, L.L.C.

K. HOVNANIAN HOMES AT PRIMERA, L.L.C.
K. HOVNANIAN HOMES AT RENAISSANCE PLAZA, L.L.C.
K. HOVNANIAN HOMES AT RUSSET, L.L.C.
K. HOVNANIAN HOMES AT THE EASTON, L.L.C.
K. HOVNANIAN HOMES OF D.C., L.L.C.
K. HOVNANIAN HOMES OF DELAWARE, L.L.C.
K. HOVNANIAN HOMES OF INDIANA, L.L.C.
K. HOVNANIAN HOMES OF MARYLAND, L.L.C.
K. HOVNANIAN HOMES OF MINNESOTA, L.L.C.
K. HOVNANIAN HOMES OF PENNSYLVANIA, L.L.C.
K. HOVNANIAN HOMES OF SOUTH CAROLINA, L.L.C.
K. HOVNANIAN HOMES OF WEST VIRGINIA, L.L.C.
K. HOVNANIAN INTERNATIONAL, L.L.C.
K. HOVNANIAN INVESTMENTS, L.L.C.
K. HOVNANIAN NORTH CENTRAL ACQUISITIONS, L.L.C.
K. HOVNANIAN NORTH JERSEY ACQUISITIONS, L.L.C.
K. HOVNANIAN NORTHEAST SERVICES, L.L.C.
K. HOVNANIAN OF OLDE ORCHARD, L.L.C.

K. HOVNIANIAN OHIO REALTY, L.L.C.
K. HOVNIANIAN OSTER HOMES, L.L.C.
K. HOVNIANIAN PENNSYLVANIA ACQUISITIONS, L.L.C.
K. HOVNIANIAN SHORE ACQUISITIONS, L.L.C.
K. HOVNIANIAN SOUTH JERSEY ACQUISITION, L.L.C.
K. HOVNIANIAN SOUTHERN NEW JERSEY, L.L.C.
K. HOVNIANIAN STANDING ENTITY, L.L.C.
K. HOVNIANIAN SUMMIT HOLDINGS, L.L.C.
K. HOVNIANIAN SUMMIT HOMES, L.L.C.
K. HOVNIANIAN SUMMIT HOMES OF MICHIGAN, L.L.C.
K. HOVNIANIAN HOMES OF PENNSYLVANIA, L.L.C.
K. HOVNIANIAN SUMMIT HOMES OF WEST VIRGINIA, L.L.C.
K. HOVNIANIAN SUMMIT HOMES, L.L.C.
K. HOVNIANIAN T&C HOMES AT FLORIDA, L.L.C.
K. HOVNIANIAN T&C HOMES AT ILLINOIS, L.L.C.
K. HOVNIANIAN T&C HOMES AT MINNESOTA, L.L.C.
K. HOVNIANIAN T&C INVESTMENT, L.L.C.
K. HOVNIANIAN T&C MANAGEMENT CO., L.L.C.
K. HOVNIANIAN VENTURE I, L.L.C.
K. HOVNIANIAN WINDWARD HOMES, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT ASHBURN VILLAGE, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT BAKERSFIELD, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT CHARLOTTESVILLE, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT DULLES DISCOVERY CONDOMINIUM, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT DULLES DISCOVERY, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT HEMET, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT HUNTFIELD, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT KENT ISLAND, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT KENT ISLAND CONDOMINIUMS, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT MENIFEE VALLE, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT NEW KENT, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT PALM SPRINGS, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT RUSH CREEK, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT ST. MARGARETS LANDING, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS AT VINT HILL, L.L.C.
K. HOVNIANIAN'S FOUR SEASONS, L.L.C.
K. HOVNIANIAN'S PRIVATE HOME PORTFOLIO, L.L.C.
KHIP, L.L.C.
KINGS COURT AT MONTGOMERY, L.L.C.
M&M AT APPLE RIDGE, L.L.C.
M&M AT BROOKHILL, L.L.C.

M&M AT CHESTERFIELD, L.L.C.
M&M AT EAST MILL, L.L.C.
M&M AT EAST RUTHERFORD, L.L.C.
M&M AT HERITAGE WOODS, L.L.C.
M&M AT KENSINGTON WOODS, L.L.C.
M&M AT MORRISTOWN, L.L.C.
M&M AT ROBERT MORRIS, L.L.C.
M&M AT SHERIDAN, L.L.C.
M&M AT SPARTA, L.L.C.
M&M AT SPINNAKER POINTE, L.L.C.
M&M AT SPRUCE HOLLOW, L.L.C.
M&M AT SPRUCE MEADOWS, L.L.C.
M&M AT SPRUCE RUN, L.L.C.
M&M AT TAMARACK HOLLOW, L.L.C.
M&M AT THE CHATEAU, L.L.C.
M&M AT THE HIGHLANDS, L.L.C.
M&M AT WEST ORANGE, L.L.C.
M&M AT WESTPORT, L.L.C.
M&M AT WHEATON URBAN RENEWAL, L.L.C.
MATZEL & MUMFORD AT CRANBURY KNOLL, L.L.C.
MATZEL & MUMFORD AT EGG HARBOR, L.L.C.
MATZEL & MUMFORD AT FREEHOLD, L.L.C.
MATZEL & MUMFORD AT HERITAGE LANDING, L.L.C.
MATZEL & MUMFORD AT MONTGOMERY, L.L.C.
MATZEL & MUMFORD AT PHILLIPSBURG, L.L.C.
MATZEL & MUMFORD AT SOUTH BOUND BROOK URBAN RENEWAL, L.L.C.
MATZEL & MUMFORD AT SOUTH BRUNSWICK, L.L.C.
MATZEL & MUMFORD AT WOODLAND CREST, L.L.C.
MIDWEST BUILDING PRODUCTS & CONTRACTOR SERVICES, L.L.C

MMIP, L.L.C.
PADDOCKS, L.L.C.
PINE AYR, L.L.C.
RIDGEMORE UTILITY ASSOCIATES OF PENNSYLVANIA, L.L.C.
RIDGEMORE UTILITY, L.L.C.
TERRAPIN REALTY, L.L.C.
THE LANDINGS AT SPINNAKER POINTE, L.L.C.
WASHINGTON HOMES AT COLUMBIA TOWN CENTER, L.L.C.
WESTMINSTER HOMES OF ALABAMA, L.L.C.
WESTMINSTER HOMES OF MISSISSIPPI, L.L.C.
WOODLAND LAKES CONDOS AT BOWIE NEWTOWN, LLC
GOODMAN FAMILY OF BUILDERS, L.P.
K. HOVNANIAN OF HOUSTON II, L.P.
K. HOVNANIAN OF HOUSTON, L.P.
M & M INVESTMENTS, L.P.

SCHEDULE B

Underwriter	Principal Amount of Securities
J.P. Morgan Securities Inc.	\$ 62,500,000
Banc of America Securities LLC	\$ 37,500,000
Citigroup Global Markets Inc.	\$ 37,500,000
Credit Suisse Securities (USA) LLC	\$ 37,500,000
Wachovia Capital Markets, LLC	\$ 13,750,000
UBS Securities LLC	\$ 13,750,000
PNC Capital Markets LLC	\$ 10,000,000
Greenwich Capital Markets, Inc.	\$ 10,000,000
KeyBanc Capital Markets, A Division of McDonald Investments Inc.	\$ 7,500,000
SunTrust Capital Markets, Inc.	\$ 7,500,000
BNP Paribas Securities Corp.	\$ 7,500,000
Comerica Securities, Inc.	\$ 5,000,000
Total	\$ 250,000,000

Exhibit A

Form of Opinion of Peter S. Reinhart, Esq., Senior Vice President and General Counsel of the Company

(i) Each significant subsidiary (as defined in Rule 1-02(w) of Regulation S-X) of the Company is listed on Schedule I hereto (the “**Significant Subsidiaries**”) and each of the Company, Hovnanian and the Significant Subsidiaries has been duly incorporated or formed, as the case may be, is validly existing as a corporation, limited partnership, or limited liability company in good standing under the laws of its jurisdiction of incorporation or formation and has the corporate power, or its equivalent in the case of a limited partnership or limited liability company, and authority to carry on its business as described in the Time of Sale Information and the Prospectus and to own, lease and operate its properties.

(ii) Each of the Company, Hovnanian and the Significant Subsidiaries is duly qualified and is in good standing as a foreign corporation, limited partnership or limited liability company authorized to do business in each jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a Material Adverse Effect.

(iii) All the outstanding shares of capital stock of the Company, Hovnanian and the Significant Subsidiaries have been duly authorized and validly issued and are fully paid, non-assessable and not subject to any preemptive or similar rights.

(iv) The Securities have been duly authorized by the Company.

(v) The Guarantees have been duly authorized by each of the Guarantors and, when the Securities have been executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters in accordance with the terms of this Agreement, the Guarantees will be valid and binding obligations of each such Guarantor except as (A) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors’ rights generally and (B) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.

(vi) This Agreement has been duly authorized, executed and delivered by the Company and the Guarantors.

(vii) Neither the Company, Hovnanian nor any of the Significant Subsidiaries is in violation of its respective charter, by-laws or formation or organization documents, as applicable, and, to the best of such counsel's knowledge after due inquiry, neither the Company, Hovnanian nor any of the Significant Subsidiaries is in default in the performance of any obligation, agreement, covenant or condition contained in any indenture, loan agreement, mortgage, lease or other agreement or instrument that is material to the Company, Hovnanian and its subsidiaries, taken as a whole, to which the Company, Hovnanian or its subsidiaries is a party or by which the Company, Hovnanian or its subsidiaries or their respective property is bound.

(viii) The execution, delivery and performance of this Agreement, the Indenture and the Securities by the Company, the execution, delivery and performance of this Agreement, the Indenture and the Guarantees by the Guarantors that are parties thereto, the compliance by the Company and the Guarantors with all the provisions hereof and thereof and the consummation of the transactions contemplated hereby and thereby will not (A) require any consent, approval, authorization or other order of, or qualification with, any court or governmental body or agency (except such as may have been obtained under the Act and the Trust Indenture Act or as may be required the securities or Blue Sky laws of the various states), (B) conflict with or constitute a breach of any of the terms or provisions of, or a default under, the charter, or by-laws or formation or organization documents, as applicable, of the Company, Hovnanian or any of its subsidiaries or any indenture, loan agreement, mortgage, lease or other agreement or instrument that is material to the Company, Hovnanian and its subsidiaries, taken as a whole, to which the Company, Hovnanian or its subsidiaries is a party or by which the Company, Hovnanian or its subsidiaries or their respective property is bound, (C) violate or conflict with any applicable law or any rule, regulation, judgment, order or decree of any court or any governmental body or agency having jurisdiction over the Company, Hovnanian, any of its subsidiaries or their respective property, (D) result in the imposition or creation of (or the obligation to create or impose) a Lien under any

agreement or instrument to which the Company, Hovnanian or any of its subsidiaries is a party or by which the Company, Hovnanian or any of its subsidiaries or their respective property is bound or (E) result in the suspension, termination or revocation of any Authorization of the Company, Hovnanian or any of its subsidiaries or any other impairment of the rights of the holder of any such Authorization; except where the failure to be valid and in full force and effect or to be in compliance, the occurrence of any such event or the presence of any such restriction or to have any such Authorization would not, singly or in the aggregate, have a Material Adverse Effect (it being understood that no opinion is given in this paragraph (viii) with respect to any federal or state securities law or any rule or regulation issued pursuant to any federal or state securities law).

(ix) After due inquiry, such counsel does not know of any legal or governmental proceedings pending or threatened to which the Company, Hovnanian or any of its subsidiaries is or could be a party or to which any of their respective property is or could be subject, which might result, singly or in the aggregate, in a Material Adverse Effect, except as disclosed in the Time of Sale Information and the Prospectus.

(x) Except as disclosed in the Time of Sale Information and the Prospectus, neither the Company, Hovnanian nor any of its subsidiaries has violated any Environmental Law, any provisions of the Employee Retirement Income Security Act of 1974, as amended, or any provisions of the Foreign Corrupt Practices Act or the rules and regulations promulgated thereunder, except for such violations which, singly or in the aggregate, would not have a Material Adverse Effect.

(xi) Each of the Company, Hovnanian and its subsidiaries has such Authorizations of, and has made all filings with and notices to, all governmental or regulatory authorities and self-regulatory organizations and all courts and other tribunals, including, without limitation, under any applicable Environmental Laws, as are necessary to own, lease, license and operate its respective properties and to conduct its business, except where the failure to have any such Authorization or to make any such filing or notice would not, singly or in the aggregate, have a Material Adverse Effect; each such Authorization is valid and in full force and effect and each of the Company, Hovnanian and its subsidiaries is in compliance with all the terms and conditions thereof and with the rules and regulations of the authorities and governing bodies having jurisdiction with respect thereto; and no event has occurred (including, without limitation, the receipt of any notice from any authority or governing body) which allows or, after notice or lapse of time or both, would allow, revocation, suspension or termination of any such Authorization or results or, after notice or lapse of time or both, would result in any other impairment of the rights of the holder of any such Authorization; except where such failure to be valid and in full force and effect or to be in compliance or the occurrence of any such event or the presence of any such restriction would not, singly or in the aggregate, have a Material Adverse Effect.

(xii) Each document filed pursuant to the 1934 Act and incorporated by reference in the Registration Statement, Prospectus and the Time of Sale Information (except for financial statements or other financial or statistical data included therein as to which such counsel need express no opinion) complied when so filed as to form with the 1934 Act.

In addition, such counsel may state that although such counsel has not independently verified the accuracy, completeness or fairness of the statements made or included in the Registration Statement, the Time of Sale Information and the Prospectus or the 1934 Act documents incorporated by reference or deemed to be incorporated by reference in the Time of Sale Information and the Prospectus, and such counsel takes no responsibility therefor, nothing has come to such counsel's attention that causes such counsel to believe that the Registration Statement (including the 1934 Act Documents), as of June 5, 2006, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading, that the Time of Sale Information, at the time of pricing of the offering of the Notes on January 5, 2006, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein not misleading or that the Prospectus (including the 1934 Act Documents), as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (it being understood that such counsel need express no belief with respect to the financial statements or other financial or statistical data contained in, incorporated or deemed incorporated by reference in, or omitted from, the Registration Statement, the Time of

Sale Information, the Prospectus or the documents incorporated or deemed incorporated by reference in the Time of Sale Information, the Prospectus or the Statement of Eligibility of the Trustee on Form T-1).

Form of Opinion of Simpson Thacher & Bartlett LLP

(i) Assuming the Securities have been duly authorized, executed and issued by the Company and, assuming due authentication thereof by the Trustee and upon payment and delivery in accordance with the terms of this Agreement, the Securities will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms entitled to the benefits of the Indenture except as the enforceability thereof may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(ii) The Guarantee has been duly authorized, executed and issued by Hovnanian and assuming the Guarantees have been duly authorized, executed and issued by the Guarantors (other than Hovnanian) and assuming due authentication of the Securities by the Trustee and upon payment for and delivery of the Securities in accordance with the terms of this Agreement, the Guarantees will constitute valid and legally binding obligations of the Guarantors enforceable against the Guarantors in accordance with their terms and entitled to the benefits of the Indenture except as the enforceability thereof may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(iii) The Indenture has (A) been duly qualified under the Trust Indenture Act and (B) been duly authorized, executed and delivered by Hovnanian and, assuming the Indenture has been duly authorized, executed and delivered by the Company and the Guarantors (other than Hovnanian) and, assuming that the Indenture is a valid and legally binding obligation of the Trustee, the Indenture constitutes a valid and legally binding obligation of the Company and the Guarantors, enforceable against the Company and the Guarantors in accordance with its terms except as the enforceability thereof may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(iv) This Agreement has been duly authorized, executed and delivered by Hovnanian.

(v) Neither the Company nor Hovnanian is and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Prospectus, will not be, an "investment company" within the meaning of and subject to regulation under the Investment Company Act of 1940, as amended;

(vi) The statements made in the Preliminary Prospectus and Prospectus under the caption "Description of Notes", insofar as they purport to constitute summaries of certain terms of documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

(vii) The statements made in the Preliminary Prospectus and Prospectus under the caption "United States Federal Income and Estate Tax Consequences to Non-U.S. Holders," insofar as they purport to constitute summaries of matters of United States federal tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries of the matters described therein in all material respects.

(viii) No consent, approval, authorization, order, registration, or qualification of or with any federal or New York governmental agency or body or any Delaware governmental agency or body acting pursuant to the Delaware General Corporation Law or the Delaware Limited Liability Company Act or, to our knowledge, any federal or New York court or any Delaware court acting pursuant to the Delaware General Corporation Law or the Delaware Limited Liability Company Act is required for the issue and sale of the Securities by the Company, the issue of the Guarantees by the Guarantors, and the compliance by the Company and the Guarantors with all of the provisions of this Agreement and the Indenture, except for the registration under the

Act of the Securities, and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Underwriters.

(ix) The Registration Statement has become effective under the Act and the Prospectus was filed with the Commission on the date specified in such opinion pursuant to Rule 424(b) of the Rules and Regulations and, to such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued or proceedings for that purpose.

In rendering such opinion, Simpson Thacher & Bartlett LLP may rely as to matters involving the application of laws of any jurisdiction other than the State of New York, the General Corporation Law of the State of Delaware or the Federal Law of the United States, to the extent they deem proper and specified in such opinion, upon the opinion of Peter S. Reinhart, Esq., Senior Vice President and General Counsel of the Company.

Such counsel shall state that although they have not independently verified the accuracy, completeness or fairness of the statements made or included in the Registration Statement, the Time of Sale Information, the Prospectus or the 1934 Act documents incorporated by reference or deemed to be incorporated by reference in the Time of Sale Information or the Prospectus (collectively, the “**1934 Act Documents**”), and they take no responsibility therefor, except as and to the extent set forth in numbered paragraphs (vi) and (vii) of their opinion letter to you dated the date hereof:

(i) such counsel shall advise that each of the Registration Statement, as of the date it first became effective under the Securities Act, and the Prospectus, as of its date, appeared, on its face, to be appropriately responsive, in all material respects, to the requirements of the Act and the applicable rules and regulations of the Commission thereunder, except that in each case such counsel need not express any view with respect to the financial statements or other financial or statistical data contained in, incorporated or deemed incorporated by reference in, or omitted from the Registration Statement, the Prospectus or the 1934 Act Documents, and

(ii) nothing has come to such counsel’s attention that causes such counsel to believe that the Registration Statement (including the 1934 Act Documents), as of June 5, 2006, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading, that the Time of Sale Information, at the time of pricing of the offering of the Notes on June 5, 2006, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein not misleading, or that the Prospectus (including the 1934 Act Documents), as of June 5, 2006 or as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that in each case such counsel expresses no belief with respect to the financial statements or other financial or statistical data contained in, incorporated or deemed incorporated by reference in, or omitted from the Registration Statement, the Time of Sale, the Prospectus or the 1934 Act Documents.

Exhibit C

Underwriters’ Contact Information

Any notice to an Underwriter pursuant to Section 8 hereof will be mailed, delivered or telegraphed and confirmed to such Underwriter as set forth below:

J.P. Morgan Securities Inc.
270 Park Ave
New York, NY 10017
Attn: John J. Regan
Tel: 212-270-6856
Fax: 212-270-1063

Banc of America Securities LLC
9 W. 57th Street
New York, NY 10019
Attn: Stephan Jaeger
Tel: 212-847-5220
Fax: 212-847-5036

Citigroup Global Markets Inc.
388 Greenwich Street
New York, NY 10013
Attn: General Counsel
Fax: 212-816-7912

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, N.Y. 10010-3629
Attn: Eric Anderson
Tel: 212-538-2640
Fax: 2917-326-4359

Wachovia Capital Markets, LLC
375 Park Avenue
New York, NY 10152
Attn: Peter DiLullo
Tel: 212-214-8222
Fax: 281-214-5967

UBS Securities LLC
677 Washington Boulevard
Stamford, CT 06901
Attn: David Fitzgerald
Tel: 203-719-6867
Fax: 203-719-0680

PNC Capital Markets LLC
5605 Carnegie Blvd., Suite 450
Charlotte, NC 28209

Attn: Scott Holmes
Tel: 704-551-2847
Fax: 704-643-2048

Greenwich Capital Markets, Inc.
600 Steamboat Road
Greenwich, CT 06830
Attn: John McCabe
Fax: 203-422-4485
Tel: 203-618-6148

KeyBanc Capital Markets, A Division of McDonald Investments Inc.
127 Public Square
Cleveland, OH 44114
Attn: Joe Chinncci
Tel: 216-689-0281
Fax: 216-689-4233

SunTrust Capital Markets, Inc.
303 Peachtree Street, 23rd Floor
Atlanta, GA 30308
Attn: Betsy Brown
Fax: 404-588-7005
Tel: 404-532-8763

BNP Paribas Securities Corp.
The Equitable Tower
787 Seventh Avenue, 8th Floor
New York, NY 10019
Attn: Konstantin Driker
Fax: 212-841-3183
Tel: 212-841-3069

Comerica Securities, Inc.
201 W. Fort St.
Detroit, MI 48226
Attn: Michael Wilk
Fax: 313-222-3748
Tel: 313-222-1253

ANNEX A

Annex B is incorporated by reference in Annex A

ANNEX B

K. Hovnanian Enterprises, Inc.

Pricing Term Sheet

Issuer:	K. Hovnanian Enterprises, Inc.
Security Description:	Senior Notes
Distribution:	SEC Registered
Face:	\$250,000,000
Gross Proceeds:	\$250,000,000
Net Proceeds to Issuer:	\$247,687,500
Coupon:	8.625%
Maturity:	January 15, 2017
Offering Price:	100%
Yield to Maturity:	8.625%
Spread to Treasury:	361 bps
Benchmark Treasury:	UST 5.125% due 5/15/2016
Ratings:	Ba1/BB (positive)
Interest Pay Dates:	January 15 and July 15
Beginning:	July 15, 2006
Optional Redemption:	Makewhole call at T+50 bps

Change of Control:	Put at 101% of principal plus accrued interest
Trade Date:	June 5, 2006
Settlement:	(T+5) June 12, 2006
CUSIP:	442488 BA 9
ISIN:	US442488BA93
Bookrunners:	JPMorgan Banc of America Securities LLC Citigroup Credit Suisse
Co-managers:	UBS Investment Bank Wachovia Securities PNC Capital Markets LLC RBS Greenwich Capital BNP PARIBAS KeyBanc Capital Markets SunTrust Robinson Humphrey Comerica Securities

Comment:

The underwriters have informed the Company that they intend to create a syndicate short position in the Notes. The underwriters expect to settle the short position in the market; however, if the underwriters determine it is prudent to do so, and if they subsequently reach an agreement with the Company to do so, may elect to cover the short position with the purchase of additional Notes from the Company. The final prospectus will be revised to make clear that the prospectus will apply to both the offering of Notes set forth above and any Notes delivered as part of the short position (to the extent the position is covered by a purchase of additional Notes by the Underwriters from the Company).

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling collect 1-212-270-3994.

Any disclaimer or other notice that may appear below is not applicable to this communication and should be disregarded. Such disclaimer or notice was automatically generated as a result of this communication being sent by Bloomberg or another email system
