
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

FORM S-3 REGISTRATION STATEMENT Under THE SECURITIES ACT OF 1933

**HOVNANIAN
ENTERPRISES, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**K. HOVNANIAN
ENTERPRISES, INC.**

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

California

22-1851059

(I.R.S. Employer Identification Number)

22-2423583

10 Highway 35

P.O. Box 500

Red Bank, New Jersey 07701

(732) 747-7800

(Address, Including Zip Code, and Telephone Number, Including Area Code,
of Registrant's Principal Executive Offices)

10 Highway 35

P.O. Box 500

Red Bank, New Jersey 07701

(732) 747-7800

SEE TABLE OF ADDITIONAL REGISTRANTS

**J. Larry Sorsby
Hovnanian Enterprises, Inc.
10 Highway 35
P.O. Box 500
Red Bank, New Jersey 07701
(732) 747-7800**

(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent For Service)

**Copies to:
Vincent Pagano, Jr., Esq.
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017-3954
(212) 455-2000**

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Debt Securities, Class A Common Stock, Preferred Stock, Warrants, Stock Purchase Contracts and Stock Purchase Units(1)	\$1,000,000	100%(2)	\$1,000,000(2)	\$80.90
Guarantees of Hovnanian Enterprises, Inc. of Debt Securities and Warrants of K. Hovnanian Enterprises, Inc. and Guarantees of Subsidiary Guarantors of Debt Securities and Warrants of Hovnanian Enterprises, Inc. and K. Hovnanian Enterprises, Inc.	(3)	(3)	(3)	None
Total	\$1,000,000(2)	100%(2)	\$1,000,000(2)	\$80.90*

* Previously paid

- (1) The Debt Securities registered hereby include such additional amount as may be necessary so that, if Debt Securities are issued with an original issue discount, the aggregate initial offering prices of all Debt Securities will equal no more than \$1,000,000. There are also being registered hereunder an indeterminate number of shares of Class A Common Stock as shall be issuable upon conversion or redemption of Preferred Stock or Debt Securities registered hereby.
- (2) Estimated solely for the purpose of calculating the registration fee.
- (3) No separate consideration will be received for the Guarantees. Any securities registered hereunder may be sold separately or as units with other securities registered hereunder.

Pursuant to Rule 429 under the Securities Act of 1933, as amended, the Prospectus herein also relates to the remaining \$376,000,000 of Debt Securities, Warrants to purchase Debt Securities, Preferred Stock, Class A Common Stock, Stock Purchase Contracts and Stock Purchase Units registered on Form S-3 (Registration No. 333-68528), Form S-3 (Registration No. 333-75939) and Form S-3 (Registration No. 333-51991) of Hovnanian Enterprises, Inc. and K. Hovnanian Enterprises, Inc. and 7,643,312 allocated shares of Class A Common Stock of Hovnanian Enterprises, Inc. registered on Form S-3 (Registration No. 333-51991) of K. Hovnanian Enterprises, Inc. This Registration Statement also constitutes Post-Effective Amendment No. 1 to Registration Statement No. 333-68528, Post-Effective Amendment No. 2 to Registration Statement No. 333-75939 and Post-Effective Amendment No. 3 to Registration Statement No. 333-51991 and upon the effectiveness of such Post-Effective Amendments, this Registration Statement and Registration Statements No. 333-68528, No. 333-75939 and No. 333-51991 will relate to an aggregate of \$377,000,000 of Class A Common Stock, Preferred Stock, Debt Securities, Warrants to purchase Debt Securities of Hovnanian Enterprises, Inc., and Stock Purchase Contracts and Stock Purchase Units Securities, Debt Securities guaranteed by Hovnanian Enterprises, Inc. of K. Hovnanian Enterprises, Inc., Warrants guaranteed by Hovnanian Enterprises, Inc. to purchase Debt Securities of K. Hovnanian Enterprises, Inc. (any or all of which Debt and Warrants may be guaranteed by the registrant Subsidiary Guarantors described herein) and 7,643,312 shares of Class A Common Stock of Hovnanian Enterprises, Inc., which may be offered and sold by the selling shareholders.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANTS

Exact Name of Registrant As Specified in Its Charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number	Address Including Zip Code, and Telephone Number Including Area Code, of Registrant's Principal Executive Offices
All Seasons, Inc.	MD	52-0855385	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Arrow Properties, Inc.	NJ	22-1945442	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Condominium Community (Bowie New Town), Inc.	MD	52-2002262	10 Highway 35 P.O. Box 500 Red Bank, New Jersey

			07701 732-747-7800
Condominium Community (Largo Town), Inc.	MD	52-2002261	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Condominium Community (Park Place), Inc.	MD	52-2002264	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Condominium Community (Quail Run), Inc.	MD	52-2002265	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Condominium Community (Truman Drive), Inc.	MD	52-2002263	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Consultants Corporation	MD	52-0856601	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Designed Contracts, Inc.	MD	52-0854124	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

EXC, Inc.	DE	22-3178077	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Fortis Homes, Inc.	NC	56-1477716	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Housing-Home Sales, Inc.	MD	52-0846210	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Hovnanian Developments of Florida, Inc.	FL	22-2416624	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hov International, Inc.	NJ	22-3188610	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hov IP, II, Inc.	California	57-1135061	10 Highway 35

P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hov IP, Inc.	California	95-4892009	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------	------------	------------	--

K. Hovnanian Acquisitions, Inc.	NJ	22-3406671	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------	----	------------	--

K. Hovnanian at Ashburn Village, Inc.	VA	22-3178078	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------------	----	------------	--

K. Hovnanian at Ballantrae Estates, Inc.	FL	22-3409425	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian at Barrington, Inc.	VA	22-3583846	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
----------------------------------	----	------------	--

K. Hovnanian at Belmont, Inc.	VA	22-3253529	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-------------------------------	----	------------	--

K. Hovnanian at Bernards IV, Inc.	NJ	22-3292171	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	----	------------	--

K. Hovnanian at Branchburg III, Inc.	NJ	22-2961099	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------------	----	------------	--

K. Hovnanian at Bridgeport, Inc.	CA	22-3547807	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
----------------------------------	----	------------	--

K. Hovnanian at Bridgewater VI, Inc.	NJ	22-3243298	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------------	----	------------	--

K. Hovnanian at Bull Run, Inc.	VA	22-3192910	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------	----	------------	--

K. Hovnanian at Burlington III, Inc.	NJ	22-3412130	10 Highway 35
--------------------------------------	----	------------	---------------

P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

3

K. Hovnanian at Burlington, Inc.	NJ	22-2949611	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
----------------------------------	----	------------	--

K. Hovnanian at Calabria, Inc.	CA	22-3324654	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------	----	------------	--

K. Hovnanian at Cameron Chase, Inc.	VA	22-3459993	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-------------------------------------	----	------------	--

K. Hovnanian at Carmel Del Mar, Inc.	CA	22-3320550	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------------	----	------------	--

K. Hovnanian at Castile, Inc.	CA	22-3356308	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-------------------------------	----	------------	--

K. Hovnanian at Cedar Grove I, Inc.	NJ	22-2892342	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-------------------------------------	----	------------	--

K. Hovnanian at Cedar Grove II, Inc.	NJ	22-2892341	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------------	----	------------	--

K. Hovnanian at Chaparral, Inc.	CA	22-3565730	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------	----	------------	--

K. Hovnanian at Clarkstown, Inc.	NY	22-2618176	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
----------------------------------	----	------------	--

4

K. Hovnanian at Crestline, Inc.	CA	22-3493450	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------	----	------------	--

K. Hovnanian at Dominguez Hills, Inc.	CA	22-3602177	10 Highway 35
---------------------------------------	----	------------	---------------

P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Dominion Ridge, Inc. VA 22-3433318 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at East Brunswick VI, Inc. NJ 22-2892496 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at East Whiteland I, Inc. PA 22-3483220 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Exeter Hills, Inc. VA 22-3331043 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Fair Lakes Glen, Inc. VA 22-3261224 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Fair Lakes, Inc. VA 22-3249049 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Freehold Township I, Inc. NJ 22-2459186 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Hackettstown, Inc. NJ 22-2765936 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Hampton Oaks, Inc. VA 22-3583845 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Hershey's Mill, Inc. PA 22-3445102 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Highland Vineyards, Inc. CA 22-3309241 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Holly Crest, Inc.	VA	22-3214275	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	----	------------	--

K. Hovnanian at Hopewell IV, Inc.	NJ	22-3345622	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	----	------------	--

K. Hovnanian at Hopewell VI, Inc.	NJ	22-3465709	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	----	------------	--

K. Hovnanian at Howell Township, Inc.	NJ	22-2859308	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------------	----	------------	--

K. Hovnanian at Hunter Estates, Inc.	VA	22-3321100	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------------	----	------------	--

K. Hovnanian at Kings Grant I, Inc.	NJ	22-2601064	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-------------------------------------	----	------------	--

K. Hovnanian at Klockner Farms, Inc.	NJ	22-2572443	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------------	----	------------	--

K. Hovnanian at La Terraza, Inc.	CA	22-3303807	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
----------------------------------	----	------------	--

K. Hovnanian at La Trovata, Inc.	CA	22-3369099	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
----------------------------------	----	------------	--

K. Hovnanian at Lakewood, Inc.	NJ	22-2618178	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------	----	------------	--

K. Hovnanian at Lower Saucon II, Inc.	PA	22-3602924	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------------	----	------------	--

K. Hovnanian at Lower Saucon, Inc.	PA	22-2961090	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
------------------------------------	----	------------	--

K. Hovnanian at Mahwah II, Inc.	NJ	22-2859315	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------	----	------------	--

K. Hovnanian at Mahwah IV, Inc.	NJ	22-3015286	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------	----	------------	--

7

K. Hovnanian at Mahwah V, Inc.	NJ	22-2868663	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------	----	------------	--

K. Hovnanian at Mahwah VI, Inc.	NJ	22-3188612	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------	----	------------	--

K. Hovnanian at Mahwah VII, Inc.	NJ	22-2592139	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
----------------------------------	----	------------	--

K. Hovnanian at Mahwah VIII, Inc.	NJ	22-2246316	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	----	------------	--

K. Hovnanian at Manalapan, Inc.	NJ	22-2442998	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------	----	------------	--

K. Hovnanian at Marlboro II, Inc.	NJ	22-2748659	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	----	------------	--

K. Hovnanian at Marlboro Township IV, Inc.	NJ	22-3467252	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian at Marlboro Township, III	NJ	22-2847845	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian of Metro DC South, Inc.	VA	22-3583847	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------------	----	------------	--

8

K. Hovnanian at Montclair NJ, Inc. NJ 22-2759221 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Montclair, Inc. VA 22-3188614 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Montgomery I, Inc. PA 22-3165601 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Northern Westchester, Inc. NY 22-2814372 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Northlake, Inc. CA 22-3336696 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Ocean Walk, Inc. CA 22-3565732 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at P.C. Properties, Inc. VA 22-3583840 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Park Ridge, Inc. VA 22-3253530 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Peekskill, Inc. NY 22-2718071 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Perkiomen I, Inc. PA 22-3094743 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Perkiomen II, Inc. PA 22-3301197 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Plainsboro III, Inc. NJ 22-3027955 10 Highway 35
P.O. Box 500
Red Bank, New Jersey

			07701 732-747-7800
K. Hovnanian at Princeton, Inc.	NJ	22-3322125	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Rancho Cristianitos, Inc.	CA	22-3369102	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Reservoir Ridge, Inc.	NJ	22-2510587	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at River Oaks, Inc.	VA	22-3199603	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at San Sevaine, Inc.	CA	22-3493454	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Saratoga, Inc.	CA	22-3547806	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

K. Hovnanian at Scotch Plains II, Inc.	NJ	22-3464496	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Scotch Plains, Inc.	NJ	22-2380821	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Smithville, Inc.	New Jersey	22-1732674	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at South Brunswick III, Inc.	NJ	22-2652530	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at South Brunswick V, Inc.	NJ	22-2937570	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Stone Canyon, Inc.	CA	22-3512641	10 Highway 35 P.O. Box 500 Red Bank, New Jersey

07701
732-747-7800

K. Hovnanian at Stonegate, Inc. VA 22-3481223 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Stony Point, Inc. NJ 22-2758195 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Stuart Road, Inc. VA 22-3312918 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Sully Station, Inc. VA 22-3188746 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Summerwood, Inc. VA 22-3583842 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Sycamore, Inc. CA 22-3493456 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Tannery Hill, Inc. NJ 22-3396608 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at The Bluff, Inc. NJ 22-1841019 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at The Cedars, Inc. NJ 22-3406664 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at The Glen, Inc. VA 22-3618411 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Thornbury, Inc. PA 22-3462983 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Tierrasanta, Inc. CA 22-3351875 10 Highway 35

P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

12

K. Hovnanian at Tuxedo, Inc.	NY	22-3516266	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
------------------------------	----	------------	--

K. Hovnanian at Union Township I, Inc.	NJ	22-3027952	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian at Upper Makefield I, Inc.	PA	22-3302321	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian at Upper Merion, Inc.	PA	22-3188608	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
------------------------------------	----	------------	--

K. Hovnanian at Vail Ranch, Inc.	CA	22-3320537	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
----------------------------------	----	------------	--

K. Hovnanian at Wall Township VI, Inc.	NJ	22-2859303	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian at Wall Township VIII, Inc.	NJ	22-3434643	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian at Washingtonville, Inc.	NY	22-2717887	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------------	----	------------	--

K. Hovnanian at Wayne III, Inc.	NJ	22-2607669	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------	----	------------	--

13

K. Hovnanian at Wayne V, Inc.	NJ	22-2790299	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-------------------------------	----	------------	--

K. Hovnanian at Wildrose, Inc.	CA	22-3312525	10 Highway 35
--------------------------------	----	------------	---------------

P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Woodmont, Inc.	VA	52-1785667	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Companies Northeast, Inc.	NJ	22-2445216	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Companies of California, Inc.	CA	22-3301757	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Companies of Maryland, Inc.	MD	22-3331050	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Companies of Metro Washington, Inc.	VA	22-3169584	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Companies of New York, Inc.	NY	22-2618171	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Companies of North Carolina, Inc.	NC	22-2765939	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
14			
K. Hovnanian Companies of Pennsylvania, Inc.	PA	22-2390174	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Companies of Southern California, Inc.	CA	22-3493449	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Construction Management, Inc.	NJ	22-3406668	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Developments of Arizona, Inc.	AZ	31-1825442	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Developments of California, Inc.	CA	22-3303806	10 Highway 35

			P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Developments of Maryland, Inc.	MD	22-3331045	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Developments of Metro Washington, Inc.	VA	22-3188615	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Developments of Michigan, Inc.	MI	31-1826348	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Developments of New Jersey II, Inc.	California	59-3762294	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

K. Hovnanian Developments of New Jersey, Inc.	NJ	22-2664563	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Developments of New York, Inc.	NY	22-2626492	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Developments of Ohio, Inc.	Ohio	32-0069376	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Developments of Pennsylvania, Inc.	Pennsylvania	22-1097670	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Developments of South Carolina, Inc.	SC	58-2659968	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Developments of Texas, Inc.	TX	22-3685786	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Developments of West Virginia, Inc.	WV	31-1826831	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

K. Hovnanian Equities, Inc.	NJ	21-0735206	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------	----	------------	--

K. Hovnanian Forecast Homes, Inc.	CA	95-4892007	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	----	------------	--

16

K. Hovnanian Investment Properties of New Jersey, Inc.	NJ	22-2541361	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian Marine, Inc.	NJ	22-3196910	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------	----	------------	--

K. Hovnanian PA Real Estate, Inc.	Pennsylvania	22-3188608	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	--------------	------------	--

K. Hovnanian Port Imperial Urban Renewal, Inc.	NJ	22-3027956	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian Properties of NB Theatre, Inc.	NJ	22-3406661	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian Properties of Newark Urban Renewal Corporation, Inc.	NJ	22-3017267	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian Properties of North Brunswick V, Inc.	NJ	22-2057907	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian Properties of Piscataway, Inc.	NJ	22-2859305	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian Properties of Red Bank, Inc.	NJ	22-3092532	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

17

K. Hovnanian Properties of Wall, Inc.	NJ	22-3244134	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Real Estate Investment, Inc.	NJ	22-1945444	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
KHC Acquisition, Inc.	CA	22-3303802	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
KHIP III, Inc.	New Jersey	22-3887473	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Landarama, Inc.	NJ	22-1978612	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at Long Branch, Inc.	NJ	22-3359254	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Matzel & Mumford of Delaware, Inc.	DE	22-3386728	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
MCNJ, Inc.	New Jersey	22-2722906	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
MMIP III, Inc.	New Jersey	22-3887475	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

Parthenon Group, Inc.	NJ	22-2748658	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Pine Brook Company, Inc.	New Jersey	22-1762833	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Que Corporation	MD	52-1723878	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

Reflections of You Interiors, Inc.	TX	75-1967894	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Seabrook Accumulation Corporation	California	33-0989615	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Stonebrook Homes, Inc.	CA	33-0553884	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
The Matzel & Mumford Organization, Inc.	NJ	22-3670677	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
The New Fortis Corporation	NC	56-1458833	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
The Southampton Corporation	MD	52-0881406	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

Washington Homes of West Virginia, Inc.	WV	54-1860514	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Washington Homes, Inc.	DE	22-3774737	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Washington Homes, Inc. of Virginia	VA	52-0898765	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Westminster Homes (Charlotte), Inc.	NC	52-1970973	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Westminster Homes of Tennessee, Inc.	TN	52-1973363	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Westminster Homes, Inc.	NC	52-1874680	10 Highway 35 P.O. Box 500 Red Bank, New Jersey

07701
732-747-7800

WH Land I, Inc. MD 52-2073468 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

WH Land II, Inc. MD 52-1887626 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

WH Properties, Inc. MD 52-1955560 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

20

Arbor West, L.L.C. MD 52-1955560 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

Dulles Coppermine, L.L.C. VA 31-1820770 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at 4S Ranch, L.L.C. California 73-1638455 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Arbor Heights, LLC CA 33-0890775 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Ashburn Village, L.L.C. MD 22-3681031 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Barnegat I, L.L.C. NJ 22-3804316 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Berkeley, L.L.C. NJ 22-3644632 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Bernards V, L.L.C. NJ 22-3618587 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Blooms Crossing, L.L.C. MD 22-3688865 10 Highway 35
P.O. Box 500
Red Bank, New Jersey

K. Hovnanian at Blue Heron Pines, L.L.C.	NJ	22-3630449	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian at Brenbrooke, L.L.C.	VA	22-3683842	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
------------------------------------	----	------------	--

K. Hovnanian at Bridgewater I, L.L.C	NJ	31-1820703	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------------	----	------------	--

K. Hovnanian at Camden I, L.L.C.	NJ	22-3845575	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
----------------------------------	----	------------	--

K. Hovnanian at Carmel Village, L.L.C.	CA	52-2147831	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian at Cedar Grove III, L.L.C.	NJ	22-3818491	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian at Chester I, L.L.C.	NJ	22-3618347	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	----	------------	--

K. Hovnanian at Clifton, L.L.C.	NJ	22-3655976	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------	----	------------	--

K. Hovnanian at Clifton II, L.L.C.	New Jersey	22-3862906	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
------------------------------------	------------	------------	--

K. Hovnanian at Cortez Hill, L.L.C.	CA	31-1822959	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-------------------------------------	----	------------	--

K. Hovnanian at Cranbury, L.L.C.	NJ	22-3814347	10 Highway 35 P.O. Box 500 Red Bank, New Jersey
----------------------------------	----	------------	---

07701
732-747-7800

K. Hovnanian at Curries Woods, L.L.C. NJ 22-3776466 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Denville, L.L.C. NJ 03-0436512 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Eastlake, L.L.C. CA 31-1820096 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Edgewater, L.L.C. NJ 31-1825623 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Encinitas Ranch, L.L.C. CA 33-0890770 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Forest Meadows, L.L.C. New Jersey 16-1639755 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Freehold Township, L.L.C. New Jersey 22-2500651 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Great Notch, L.L.C. New Jersey 22-3330582 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Guttenberg, L.L.C. NJ 22-3653007 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Hamburg, L.L.C. NJ 22-3795544 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Hamburg Contractors, L.L.C. NJ 22-3814175 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Jackson I, L.L.C. New Jersey 56-2290802 10 Highway 35

			P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Jackson, L.L.C.	NJ	22-3630450	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Jersey City IV, L.L.C.	NJ	22-3655974	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Jersey City V Urban Renewal Co., L.L.C.	NJ	31-1818646	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Kent Island, L.L.C.	MD	22-3668315	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

K. Hovnanian at Kincaid, L.L.C.	MD	22-3664456	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at King Farm, L.L.C.	MD	22-3647924	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at La Costa, L.L.C	CA	31-1820094	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at La Habra Knolls, L.L.C.	CA	31-1819908	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at LaFayette Estates, L.L.C.	NJ	22-3658926	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Lake Ridge Crossing, L.L.C.	VA	22-3778537	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Lake Terrapin, L.L.C.	VA	22-3647920	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Lawrence V, L.L.C.	NJ	22-3638073	10 Highway 35

P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Linwood, L.L.C.	NJ	22-3663731	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------	----	------------	--

25

K. Hovnanian at Little Egg Harbor, L.L.C.	NJ	22-3795535	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian at Little Egg Harbor Contractors, L.L.C.	NJ	22-3832077	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian at Long Branch I, L.L.C.	New Jersey	56-2308030	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------------	------------	------------	--

K. Hovnanian at Lower Macungie Township I, L.L.C.	Pennsylvania	51-0427582	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	--------------	------------	--

K. Hovnanian at Lower Macungie Township II, L.L.C.	Pennsylvania	65-1161803	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	--------------	------------	--

K. Hovnanian at Lower Makefield Township I, L.L.C.	Pennsylvania	22-3887471	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	--------------	------------	--

K. Hovnanian at Lower Moreland I, L.L.C.	PA	22-3785544	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian at Lower Moreland II, L.L.C.	PA	22-3785539	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian at Manalapan II, L.L.C.	NJ	04-3649782	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------------	----	------------	--

26

K. Hovnanian at Manalapan III, L.L.C.	New Jersey	22-3337896	10 Highway 35
---------------------------------------	------------	------------	---------------

			P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Mansfield I, LLC	NJ	22-3556345	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Mansfield II, LLC	NJ	22-3556346	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Mansfield III, L.L.C.	NJ	22-3683839	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Marlboro Township V, L.L.C.	New Jersey	22-2741139	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Marlboro Township VIII, L.L.C.	NJ	22-3802594	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Marlboro VI, L.L.C.	NJ	22-3791976	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Marlboro VII, L.L.C.	NJ	22-3791977	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Menifee, L.L.C.	CA	52-2147832	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

K. Hovnanian at Middle Township, L.L.C.	New Jersey	03-0473330	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Middletown II, L.L.C.	New Jersey	04-3695371	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Middletown, L.L.C.	NJ	22-3630452	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

K. Hovnanian at Monroe, L.L.C.	New Jersey	65-1161805	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Mosaic, L.L.C.	California	55-0820915	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Mt. Olive Township, L.L.C.	NJ	22-3813043	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at North Bergen, L.L.C.	New Jersey	22-2935352	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at North Brunswick VI, L.L.C.	NJ	22-3627814	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at North Haledon, L.L.C.	NJ	22-3770598	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

K. Hovnanian at North Wildwood, L.L.C.	New Jersey	5-3769684	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Northampton, L.L.C.	PA	22-3785527	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Northfield, L.L.C.	NJ	22-3665826	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Old Bridge, L.L.C.	NJ	55-0787042	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Olde Orchard, L.L.C.	California	51-0453906	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Pacific Bluffs, L.L.C.	TX	33-0890774	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

K. Hovnanian at Paramus, L.L.C.	NJ	22-3687884	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------	----	------------	--

K. Hovnanian at Park Lane, L.L.C.	CA	33-0896285	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	----	------------	--

K. Hovnanian at Rancho Santa Margarita, L.L.C.	CA	33-0890773	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian at Randolph I, L.L.C.	New Jersey	01-0712196	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
------------------------------------	------------	------------	--

K. Hovnanian at Readington II, L.L.C.	New Jersey	22-3085521	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------------------	------------	------------	--

K. Hovnanian at Riverbend II, L.L.C.	California	65-1161801	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------------	------------	------------	--

K. Hovnanian at Riverbend, L.L.C.	CA	33-0890777	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	----	------------	--

K. Hovnanian at Roderuck, L.L.C.	MD	22-3756336	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
----------------------------------	----	------------	--

K. Hovnanian at Rowland Heights, L.L.C.	CA	22-2147833	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian at Sayreville, L.L.C.	NJ	22-3663105	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
------------------------------------	----	------------	--

K. Hovnanian at Skye Isle, L.L.C.	CA	31-1820095	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	----	------------	--

K. Hovnanian at Smithville III, L.L.C.	New Jersey	22-2776387	10 Highway 35 P.O. Box 500 Red Bank, New Jersey
--	------------	------------	---

K. Hovnanian at Somers Point, L.L.C.	New Jersey	16-1639761	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at South Amboy, L.L.C.	NJ	22-3655682	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at South Bank, L.L.C.	MD	22-3688868	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at South Brunswick, L.L.C.	NJ	01-0618098	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Spring Hill Road, L.L.C.	MD	22-3688864	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at St. Margarets, L.L.C.	MD	33-0890768	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Sunsets, L.L.C.	CA	33-0890769	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at the Gables, L.L.C.	NC	22-3655975	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Trail Ridge, L.L.C.	California	33-0990615	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

K. Hovnanian at Upper Freehold Township II, L.L.C.	NJ	22-3655975	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian at Upper Freehold Township III, L.L.C.	NJ	22-3666680	10 Highway 35 P.O. Box 500 Red Bank, New Jersey

07701
732-747-7800

K. Hovnanian at Upper Uwchlan, L.L.C. Pennsylvania 59-3763798 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Upper Uwchlan II, L.L.C. PA 31-1820731 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Wanaque, L.L.C. NJ 22-3743403 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Washington, L.L.C. NJ 22-3618348 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Wayne VIII, L.L.C. NJ 22-3618242 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Wayne IX, L.L.C. NJ 22-3828775 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at West Milford, L.L.C. NJ 22-3709105 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at West Windsor, L.L.C. NJ 52-2147836 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Willow Brook, L.L.C. MD 22-3556343 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Winchester, L.L.C. CA 52-2147836 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Woodhill Estates, L.L.C. NJ 01-0550781 10 Highway 35
P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian at Woolwich, L.L.C. NJ 22-3828777 10 Highway 35
P.O. Box 500
Red Bank, New Jersey

			07701 732-747-7800
K. Hovnanian Central Acquisitions, L.L.C.	DE	22-3556343	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Companies of Metro D.C. North, L.L.C	MD	22-3683159	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Companies, L.L.C.	California	59-3762298	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Eastern Pennsylvania, L.L.C.	PA	04-3630089	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

K. Hovnanian Four Seasons at Gold Hill, L.L.C.	SC	31-1820161	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Four Seasons at Historic Virginia, L.L.C.	VA	22-3647925	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Great Western Building Company, L.L.C.	AZ	31-1825443	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Great Western Homes, L.L.C.	AZ	31-1825441	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Holdings NJ, L.L.C.	New Jersey	02-0651173	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian North Central Acquisitions, L.L.C.	DE	22-3554986	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian North Jersey Acquisitions, L.L.C.	DE	22-3556344	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian Northeast Services, L.L.C.	New Jersey	16-1639452	10 Highway 35

P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

K. Hovnanian Ohio Realty, L.L.C.	Ohio	32-0069376	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
----------------------------------	------	------------	--

K. Hovnanian Pennsylvania Acquisitions, L.L.C.	Pennsylvania	54-2064618	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	--------------	------------	--

K. Hovnanian Shore Acquisitions, L.L.C.	DE	22-3556342	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian South Jersey Acquisition, L.L.C.	DE	22-3556341	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian Southern New Jersey, L.L.C.	NJ	01-0648280	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian Summit Holdings, L.L.C.	Virginia	31-1818027	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------------	----------	------------	--

K. Hovnanian Summit Homes, L.L.C.	Ohio	32-0069379	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
-----------------------------------	------	------------	--

K. Hovnanian Summit Homes of Michigan, L.L.C.	MI	31-1826351	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian Summit Homes of West Virginia, L.L.C.	WV	31-1826832	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

K. Hovnanian's Four Seasons at Beaumont, L.L.C.	CA	31-1823029	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

K. Hovnanian's Four Seasons at Hemet, L.L.C.	California	47-0884181	10 Highway 35
--	------------	------------	---------------

			P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian's Four Seasons at Palm Springs, L.L.C.	California	57-1145579	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian's Four Seasons, L.L.C.	CA	52-2147837	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian's Private Home Portfolio, L.L.C.	NJ	22-3766856	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
KHIP, LLC	New Jersey	01-0752776	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Kings Court at Montgomery, L.L.C.	NJ	22-3825046	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at Apple Ridge, L.L.C.	NJ	22-3824654	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at Brookhill, L.L.C.	NJ	22-3824652	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at Chesterfield, L.L.C.	New Jersey	56-2290506	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

M&M at East Mill, L.L.C.	New Jersey	80-0036068	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at Heritage Woods, L.L.C.	NJ	22-3824650	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at Kensington Woods, L.L.C.	NJ	31-1819907	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at Morristown, L.L.C.	NJ	22-3834775	10 Highway 35

P.O. Box 500
Red Bank, New Jersey
07701
732-747-7800

M&M at Sheridan, L.L.C.	NJ	22-3825357	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at Sparta, L.L.C.	NJ	22-3825057	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at Spinnaker Pointe, L.L.C.	NJ	22-3825041	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at Spruce Hollow, L.L.C.	NJ	22-3825064	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at Spruce Meadows, L.L.C.	NJ	22-3825036	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

M&M at Spruce Run, L.L.C.	NJ	22-3825037	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at The Highlands, L.L.C.	New Jersey	22-3824649	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M at West Orange, L.L.C.	New Jersey	55-08/20919	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Matzel & Mumford at Cranbury Knoll, L.L.C.	NJ	22-3569945	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Matzel & Mumford at Freehold, L.L.C.	NJ	22-3468991	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Matzel & Mumford at Heritage Landing, L.L.C.	NJ	22-3575932	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

Matzel & Mumford at Montgomery, L.L.C.	NJ	22-3500542	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

Matzel & Mumford at Phillipsburg, L.L.C.	NJ	22-3619267	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

Matzel & Mumford at South Brunswick, L.L.C.	NJ	22-345834	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	-----------	--

Matzel & Mumford at Woodland Crest, L.L.C.	NJ	22-3575934	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

MMIP, L.L.C.	New Jersey	02-0651174	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------	------------	------------	--

Ridgemore Utility, L.L.C.	MD	31-1820672	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---------------------------	----	------------	--

The Landings at Spinnaker Pointe, L.L.C.	NJ	22-3825041	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

Washington Homes at Columbia Town Center, L.L.C.	MD	22-3757772	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

Washington Homes of Maryland I, L.L.C.	Maryland	01-0737098	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----------	------------	--

Westminster Homes of Alabama, L.L.C.	MD	63-1222540	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--------------------------------------	----	------------	--

Westminster Homes of Mississippi, L.L.C.	MD	64-0907820	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
--	----	------------	--

Westminster Homes of South Carolina, L.L.C.	SC	58-2690293	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
---	----	------------	--

Woodland Lakes Condos at Bowie Newtown, LLC	North Carolina	06-1643401	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Goodman Family of Builders, L.P.	TX	75-2653675	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian of Houston II, L.P.	Texas	01-0750780	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
K. Hovnanian of Houston, L.P.	Texas	01-0750780	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
M&M Investments, L.P.	New Jersey	22-3685183	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800
Washabama, L.P.	AL	63-1231207	10 Highway 35 P.O. Box 500 Red Bank, New Jersey 07701 732-747-7800

Subject to Completion, dated August 29, 2003

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

PROSPECTUS



\$377,000,000

Hovnanian Enterprises, Inc.

**Preferred Stock
Class A Common Stock
Warrants to Purchase Preferred Stock
Warrants to Purchase Class A Common Stock
Debt Securities
Warrants to Purchase Debt Securities
Stock Purchase Contracts
Stock Purchase Units**

K. Hovnanian Enterprises, Inc.

Guaranteed Debt Securities Guaranteed Warrants to Purchase Debt Securities

Selling Shareholders

7,643,312 Shares
Hovnanian Enterprises, Inc.
Class A Common Stock

We, Hovnanian Enterprises, Inc., may offer and sell from time to time, in one or more series:

- our Preferred Stock
- our Class A Common Stock
- our unsecured debt securities consisting of notes, debentures or other evidences of indebtedness which may be our senior debt securities, senior subordinated debt securities or subordinated debt securities,
- warrants to purchase our Preferred Stock, our Class A Common Stock or our debt securities,
- our Stock Purchase Contracts; and
- our Stock Purchase Units,
- or any combination of the these securities.

Our wholly-owned subsidiary, K. Hovnanian Enterprises, Inc., may offer and sell from time to time, in one or more series:

- its unsecured senior debt securities, senior subordinated debt securities or subordinated debt securities, which in each case will be fully and unconditionally guaranteed by us, and
- warrants to purchase K. Hovnanian debt securities, which will be fully and unconditionally guaranteed by us,

or any combination of these securities.

Our debt securities or warrants or the debt securities or warrants issued by K. Hovnanian Enterprises may be guaranteed by substantially all of our wholly-owned subsidiaries.

Certain of our shareholders may offer and sell from time to time an aggregate of 7,643,312 shares of Class A Common Stock.

The Preferred Stock, Class A Common Stock, other than any sold by any selling shareholders, and debt securities and warrants of Hovnanian or K. Hovnanian may be offered at an aggregate initial offering price not to exceed \$377,000,000 at prices and on terms to be determined at or prior to the time of sale.

We will provide more specific information about the terms of an offering of any of these securities in supplements to this prospectus. The securities may be sold directly by us, K. Hovnanian or selling shareholders to investors, through agents designated from time to time or to or through underwriters or dealers. If any agents of Hovnanian, K. Hovnanian or selling shareholders or any underwriters are involved in the sale of any securities, the names of such agents or underwriters and any applicable commissions or discounts will be described in a supplement to this prospectus.

This investment involves risk. See "Risk Factors" beginning on page 5.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor have those organizations determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is _____, 2003

TABLE OF CONTENTS

Forward-Looking Statements	3
Available Information	3
Incorporation of Certain Documents By Reference	4
The Company	5
Risk Factors	5
Ratios of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Stock Dividends	11

Use of Proceeds	11
Selling Shareholders	11
Description of Debt Securities	13
Description of Capital Stock	27
Description of Stock Purchase Contracts and Stock Purchase Units	29
Description of Warrants	29
Plan of Distribution	30
Legal Matters	31
Experts	31

In this document, "we", "us" or "our" refers to both Hovnanian and K. Hovnanian.

FORWARD-LOOKING STATEMENTS

This prospectus includes "forward-looking statements" including, in particular, the statements about our plans, strategies and prospects. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although we believe that our plans, intentions and expectations reflected in, or suggested by such forward-looking statements are reasonable, we can give no assurance that such plans, intentions or expectations will be achieved. Such risks, uncertainties and other factors include, but are not limited to, (1) changes in general and local economic and business conditions, (2) weather conditions, (3) changes in market conditions, (4) changes in home prices and sales activities in the California, New Jersey, Texas, North Carolina, Virginia and Maryland markets, (5) government regulation, including regulations concerning development of land, the homebuilding process and the environment, (6) fluctuations in interest rates and the availability of mortgage financing, (7) shortages in and price fluctuations of raw materials and labor, (8) the availability and cost of suitable land and improved lots, (9) levels of competition, (10) availability of financing to the Company, (11) utility shortages and outages or rate fluctuations, (12) geopolitical risks, terrorist acts and other acts of war and (13) other factors described in detail in Hovnanian's Form 10-K for the year ended October 31, 2002. All forward-looking statements attributable to the Company or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements and risk factors contained throughout this prospectus.

AVAILABLE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and file reports, proxy statements and other information with the Commission. We have also filed a registration statement on Form S-3 with the Commission. This prospectus, which forms part of the registration statement, does not have all the information contained in the registration statement. You may read, free of charge, and copy, at the prescribed rates, any reports, proxy statements and other information, including the registration statement, at the Commission's public reference room at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. The Commission also maintains a website that contains reports, proxy statements and other information, including the registration statement. The website address is: <http://www.sec.gov>. Hovnanian's Class A Common Stock is listed on the New York Stock Exchange, and reports, proxy statements and other information also can be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

This prospectus is part of a registration statement filed with the SEC. The Securities and Exchange Commission allows us to "incorporate by reference" selected documents we file with it, which means that we can disclose important information to you by referring you to those documents. The information in the documents incorporated by reference is considered to be part of this prospectus, and information in documents that we file later with the Securities and Exchange Commission will automatically update and supersede this information. We incorporate by reference the documents listed below filed under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act.

Hovnanian has filed the following documents with the Securities and Exchange Commission and these documents are incorporated herein by reference:

- *Annual Report on Form 10-K for the fiscal year ended October 31, 2002, Registration File No. 001-08551;*
- *Quarterly Reports on Form 10-Q for the quarters ended January 31, 2003 and April 30, 2003, Registration File Nos. 001-08551; and*
- *The description of the Company's Class A Common Stock, which is contained in the Proxy Statement filed on August 21, 1992.*

All documents filed by Hovnanian pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this prospectus and prior to the termination of the offerings made by this prospectus are to be incorporated herein by reference. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is incorporated or deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Hovnanian will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, upon the written or oral request of such person, a copy of any or all of the information incorporated by reference in this prospectus, other than exhibits to such information (unless such exhibits are specifically incorporated by reference into the information that this prospectus incorporates). Requests for such copies should be directed to Paul W. Buchanan, Senior Vice President--Corporate Controller, Hovnanian Enterprises, Inc., 10 Highway 35, P.O. Box 500, Red Bank, New Jersey 07701 (telephone: (732) 747-7800).

THE COMPANY

We design, construct and market high quality single-family detached homes and attached condominium apartments and townhouses in planned residential developments in the Northeast (New Jersey, southern New York state, and eastern Pennsylvania), North Carolina, South Carolina, Metro D.C. (northern Maryland and Virginia), California, Arizona, Texas, Ohio, Michigan and West Virginia. We also sell homes for construction on lots owned by the purchasers in Ohio and western Pennsylvania. During the year ended October 31, 2002, we liquidated substantially all of our operations in the Mid-South. We market our homes to first-time buyers, first-time and second-time move-up buyers, luxury buyers, active adult buyers and empty nesters. We offer a variety of homestyles in the United States at base prices ranging from \$42,000 to \$933,000 with an average sales price in fiscal 2002 of \$279,000. As of April 30, 2003, we are offering homes for sale in 244 communities. Since the incorporation of our predecessor company in 1959, we have delivered in excess of 134,000 homes, including 9,514 homes in fiscal 2002. In addition, we provide financial services (mortgage loans and title insurance) to our homebuilding customers.

Over the past few years, our strategies have included several initiatives to fundamentally transform our traditional practices used to design, build and sell homes and focus on "building better." We believe that the adoption and implementation of processes and systems successfully used in other manufacturing industries, such as rapid cycle times, vendor consolidation, vendor partnering and just-in-time material procurement, will dramatically improve our business and give us a clear advantage over our competitors. Our concentration in selected markets is a key factor that enables us to achieve powers and economies of scale and differentiate ourselves from most of our competitors. These performance enhancing strategies are designed to achieve operational excellence through the implementation of standardized and streamlined "best practice processes."

Hovnanian was originally incorporated in New Jersey in 1967 as successor to a business founded in 1959 by Kevork S. Hovnanian and became a Delaware corporation in August, 1983. K. Hovnanian was incorporated under the laws of the State of New Jersey on November 1, 1982, as an indirect wholly-owned consolidated subsidiary of Hovnanian and reincorporated in California in October, 2002. K. Hovnanian functions as a financing company for the operating subsidiaries of Hovnanian and borrows funds which it lends to such subsidiaries. K. Hovnanian has essentially no independent operations and generates no operating revenues. Both Hovnanian's executive offices and K. Hovnanian's principal executive offices are located at 10 Highway 35, P.O. Box 500, Red Bank, New Jersey 07701, and their telephone number is (732) 747-7800.

RISK FACTORS

In addition to the other matters described in this prospectus, you should carefully consider the following risk factors.

Leverage places burdens on our ability to comply with the terms of our indebtedness, may restrict our ability to operate, may prevent us from fulfilling our obligations and may adversely affect our financial condition.

We have a significant amount of debt. As of July 31, 2003, our debt, including the debt of the guarantors, was \$834.4 million. In addition, as of July 31, 2003, we had \$457.1 million of borrowings available under our \$590 million revolving credit facility (net of \$132.9 million letters of credit outstanding under the facility), subject to borrowing conditions. For the 12-month period ended April 30, 2003, our debt service payments, which includes interest incurred and mandatory principal payments on our corporate debt under the terms of our indentures (but does not include principal and interest on non-recourse secured debt and debt of our financial subsidiaries), was \$61,211,000. An increase of 1.0% in short-term interest rates (one-month LIBOR) would have increased our annual debt service at April 30, 2003 by approximately \$1,187,000.

Our amount of debt could have important consequences to you. For example, it could:

- limit our ability to obtain future financing for working capital, capital expenditures, acquisitions, debt service requirements or other requirements;
- require us to dedicate a substantial portion of our cash flow from operations to the payment on our debt and reduce our ability to use our cash flow for other purposes;
- limit our flexibility in planning for, or reacting to, changes in our business;
- place us at a competitive disadvantage because we have more debt than some of our competitors; and
- make us more vulnerable in the event of a downturn in our business or in general economic conditions.

Our ability to meet our debt service and other obligations will depend upon our future performance. We are engaged in businesses that are substantially affected by changes in economic cycles. Our revenues and earnings vary with the level of general economic activity in the markets we serve. Our businesses are also affected by financial, political, business and other factors, many of which are beyond our control. The factors that affect our ability to generate cash can also affect our ability to raise additional funds for these purposes through the sale of equity securities, the refinancing of debt, or the sale of assets. Changes in prevailing interest rates may affect our ability to meet our debt service obligations, because borrowings under our revolving credit facilities bear interest at floating rates. A higher interest rate on our debt service obligations could result in lower earnings.

Our business may not generate sufficient cash flow from operations and borrowings may not be available to us under our revolving credit facilities in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our debt on or before maturity, which we may not be able to do on favorable terms or at all.

The indentures governing the debt securities offered hereby and our other outstanding debt, our Term Loan and our revolving credit facilities impose restrictions on our operations and activities. The most significant restrictions relate to debt incurrence, sales of assets and cash distributions by us and require us to comply with certain financial covenants listed in those debt, Term Loan and revolving credit facilities. If we fail to comply with any of these restrictions or covenants, the trustees or the banks, as appropriate, could cause our debt to become due and payable prior to maturity.

The terms of our indentures allow us to incur additional indebtedness.

Under the terms of our indebtedness under our existing indentures, we have the ability, subject to our debt covenants, to incur additional amounts of debt. Additional indebtedness issued under the indentures governing the securities offered hereby can be issued in more than one series, and some series may have characteristics that provide that series with rights that are superior to those of our outstanding debt securities or to those that may be issued under the indentures governing the securities offered hereby. Additionally, the incurrence of additional indebtedness could magnify the risks described above.

The homebuilding industry is significantly affected by changes in general and local economic conditions, real estate markets and weather conditions, which could affect our ability to build homes at prices our customers are willing or able to pay, could reduce profits that may not be recaptured and could result in cancellation of sales contracts.

The homebuilding industry is cyclical, has from time to time experienced significant difficulties and is significantly affected by changes in general and local economic conditions, such as:

- employment levels and job growth;

6

-
- availability of financing for home buyers;
 - interest rates;
 - consumer confidence; and
 - housing demand.

An oversupply of alternatives to new homes, such as rental properties and used homes, could depress prices and reduce margins for the sale of new homes.

Weather conditions and natural disasters such as hurricanes, tornadoes, earthquakes, floods and fires, can harm the local homebuilding business.

The difficulties described above could cause us to take longer and incur more costs to build our homes. We may not be able to recapture increased costs by raising prices in many cases because we fix our prices up to twelve months in advance of delivery by signing home sales contracts. In addition, some home buyers may cancel or not honor their home sales contracts altogether.

Our success depends on the availability of suitable undeveloped land and improved lots at acceptable prices.

Our success in developing land and in building and selling homes depends in part upon the continued availability of suitable undeveloped land and improved lots at acceptable prices. The availability of undeveloped land and improved lots for purchase at favorable prices depends on a number of factors outside of our control, including the risk of competitive over-bidding on land on lots and restrictive governmental regulation. Should suitable land opportunities become less available, the number of homes we may be able to build and sell would be reduced, which would reduce revenue and profits.

Raw material and labor shortages and price fluctuations could delay or increase the cost of home construction and adversely affect our operating results.

The homebuilding industry has from time to time experienced raw material and labor shortages. In particular, shortages and fluctuations in the price of lumber or in other important raw materials could result in delays in the start or completion of, or increase the cost of, developing one or more of our residential communities. In addition, we contract with subcontractors to construct our homes. Therefore, the timing and quality of our construction depends on the availability, skill and cost of our subcontractors. Delays or cost increases caused by shortages and price fluctuations could harm our operating results, the impact of which may be further affected by our ability to raise sales prices.

Changes in economic and market conditions could result in the sale of homes at a loss or holding land in inventory longer than planned, the cost of which can be significant.

Land inventory risk can be substantial for homebuilders. We must continuously seek and make acquisitions of land for expansion into new markets and for replacement and expansion of land inventory within our current markets. The market value of undeveloped land, buildable lots and housing inventories can fluctuate significantly as a result of changing economic and market conditions. In the event of significant changes in economic or market conditions, we may have to sell homes at a loss or hold land in inventory longer than planned. Inventory carrying costs can be significant and can result in losses in a poorly performing project or market.

7

Home prices and sales activities in the California, New Jersey, Texas, North Carolina, Virginia and Maryland markets have a large impact on our profitability because we conduct a significant portion of our business in these markets.

We presently conduct a significant portion of our business in the California, New Jersey, Texas, North Carolina, Virginia and Maryland markets. Home prices and sales activities in these markets, including in some of the markets in which we operate, have declined from time to time, particularly as a result of slow economic growth. Furthermore, precarious economic and budget situations at the state government level, such as that presently existing in California, may adversely affect the market for our homes in those affected areas. If home prices and sales activity decline in one or more of the markets in which we operate, our costs may not decline at all or at the same rate and profits may be reduced.

Because almost all of our customers require mortgage financing, increases in interest rates or the availability of mortgage financing could impair the affordability of our homes, lower demand for our products, limit our marketing effectiveness, and limit our ability to fully realize our backlog.

Virtually all our customers finance their acquisitions through lenders providing mortgage financing. Increases in interest rates or decreases in availability of mortgage financing could lower demand for new homes because of the increased monthly mortgage costs to potential home buyers. Even if potential customers do not need financing, changes in interest rates and mortgage availability could make it harder for them to sell their existing homes to potential buyers who need financing. This could prevent or limit our ability to attract new customers as well as our ability to fully realize our backlog because our sales contracts generally include a financing contingency. Financing contingencies permit the customer to cancel his obligation in the event mortgage financing at prevailing interest rates, including financing arranged or provided by us, is unobtainable within the period specified in the contract. This contingency period is typically four to eight weeks following the date of execution.

In addition, we believe that the availability of FNMA, FHLMC, FHA and VA mortgage financing is an important factor in marketing many of our homes. Any limitations or restrictions on the availability of those types of financing could reduce our sales.

Homebuilders are subject to a number of federal, local, state and foreign laws and regulations concerning the development of land, the homebuilding process and protection of the environment, which can cause us to incur delays, costs associated with compliance and prohibit or restrict activity in some regions or areas.

We are subject to extensive and complex regulations that affect the development and homebuilding process, including zoning, density and building standards. These regulations often provide broad discretion to the administering governmental authorities. This can delay or increase the cost of development or homebuilding.

We also are subject to a variety of local, state, federal and foreign laws and regulations concerning protection of health and the environment. The particular environmental laws which apply to any given community vary greatly according to the community site, the site's environmental conditions and the present and former uses of the site. These environmental laws may result in delays, may cause us to incur substantial compliance, remediation, and/or other costs, and can prohibit or severely restrict development and homebuilding activity in certain environmentally sensitive regions or areas.

It can be anticipated that increasingly stringent requirements will be imposed on developers and homebuilders in the future. Although we cannot predict the effect of these requirements, they could result in time-consuming and expensive compliance programs and in substantial expenditures, which could cause delays and increase our cost of operations. In addition, the continued effectiveness of permits already granted or approvals already obtained is dependent upon many factors, some of which are beyond our control, such as changes in policies, rules and regulations and their interpretation and application.

We compete on several levels with homebuilders that may have greater sales and financial resources, which could hurt future earnings.

We compete not only for home buyers, but also for desirable properties, financing, raw materials and skilled labor often within larger subdivisions designed, planned and developed by other homebuilders. Our competitors include other local regional and national homebuilders, some of which have greater sales and financial resources.

The competitive conditions in the homebuilding industry could result in:

- difficulty in acquiring suitable land at acceptable prices;
- increased selling incentives;
- lower sales; or
- delays in construction.

Any of these problems could increase costs and/or lower profit margins.

We may have difficulty in obtaining the additional financing required to operate and develop our business.

Our operations require significant amounts of cash, and we will be required to seek additional capital, whether from sales of equity or borrowing more money, for the future growth and development of our business. The terms or availability of additional capital is uncertain. Moreover, the indentures for our outstanding debt contain provisions that may restrict the debt we may incur in the future. If we are not successful in obtaining sufficient capital, it could reduce our sales and may hinder our future growth and results of operations.

Our future growth may include additional acquisitions that may not be successfully integrated and may not achieve expected benefits.

Acquisitions have contributed to our growth. We have recently announced several acquisitions or mergers, including the Parkside Homes and Brighton Homes acquisitions in Houston, Texas, which closed in late 2002, the Summit Homes acquisition in Ohio, which closed in April, 2003 and the Great Western Homes acquisition in Phoenix, Arizona, which closed in August 2003. In the future, we may acquire other businesses. As a result of these acquisitions, we may need to integrate product lines, dispersed operations and distinct corporate cultures. These integration efforts may not succeed or may distract our management from operating our existing business. Additionally, we may not be able to enhance our earnings as a result of acquisitions. Our failure to successfully manage future acquisitions could harm our operating results.

Utility shortages and outages or rate fluctuations could have an adverse impact on our operations.

In prior years, the areas in which we operate in California have experienced power shortages, including periods without electrical power, as well as significant fluctuations in utility costs. We may incur additional costs and may not be able to complete construction on a timely basis if such power shortages/outages and utility rate fluctuations continue. Furthermore, power shortages and outages, such as the blackout which recently occurred in the northeast, and rate fluctuations may adversely affect the regional economies in which we operate, which may reduce demand for our homes. Our operations may be adversely impacted if further rate fluctuations and/or power shortages and outages occur in California, the northeast or in our other markets.

9

Geopolitical risks and market disruption could adversely affect our operating results and financial condition.

Geopolitical events, such as the aftermath of the war with Iraq and the continuing occupation of Iraq, may have a substantial impact on the economy and the housing market. Terrorist attacks on the World Trade Center and the Pentagon on September 11, 2001 had an impact on our business and the occurrence of similar events in the future cannot be ruled out. The war and occupation, terrorism and related geopolitical risks have created many economic and political uncertainties, some of which may have additional material adverse effects on the U.S. economy, our customers and, in turn, our results of operations and financial condition.

An active trading market may not develop for the securities offered hereby.

The securities offered hereby, other than the Class A Common Stock, will be a new issue of securities and when offered, there may not be an active public trading market for them. We do not intend to apply for listing of the securities offered hereby on a security exchange, however, the Class A Common Stock is already traded on the New York Stock Exchange. The liquidity of the trading market in the securities offered hereby, and the market prices quoted for these securities, may be adversely affected by changes in the overall market for these types of securities and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a consequence, when issued, an active trading market may not develop for the securities offered hereby, other than the Class A Common Stock, you might not be able to sell your securities, other than the Class A Common Stock, or, even if you can sell your securities, you might not be able to sell them at an acceptable price.

Federal and state laws allow courts, under specific circumstances, to void guarantees and to require you to return payments received from guarantors.

The debt securities of Hovnainan offered hereby may be guaranteed by, and the debt securities of K. Hovnanian offered hereby may be further guaranteed by, the subsidiaries of Hovnanian. Although you may be direct creditors of any guarantors by virtue of any guarantee, existing or future creditors of any guarantor could avoid or subordinate that guarantor's guarantee under the fraudulent conveyance laws if they were successful in establishing that:

- the guarantee was incurred with fraudulent intent; or
- the guarantor did not receive fair consideration or reasonably equivalent value for issuing its guarantee and
- was insolvent at the time of the guarantee;
- was rendered insolvent by reason of the guarantee;
- was engaged in a business or transaction for which its assets constituted unreasonably small capital to carry on its business; or
- intended to incur, or believed that it would incur, debt beyond its ability to pay such debt as it matured.

The measures of insolvency for purposes of determining whether a fraudulent conveyance occurred vary depending upon the laws of the relevant jurisdiction and upon the valuation assumptions and methodology applied by the court. Generally, however, a company would be considered insolvent for purposes of the above if:

- the sum of the company's debts, including contingent, unliquidated and unmatured liabilities, is greater than all of that company's property at a fair valuation, or
- if the present fair saleable value of the company's assets is less than the amount that will be required to pay the probable liability on its existing debts as they become absolute and matured.

10

RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

For purposes of computing the ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred stock dividends, earnings consist of earnings from continuing operations before income taxes, minority interest, extraordinary items and cumulative effect of accounting changes, plus fixed charges less interest capitalized. Fixed charges consist of all interest incurred plus the amortization of debt issuance costs and bond discount. Combined fixed charges and preferred stock dividends consist of fixed charges and preferred stock dividends.

The following table sets forth the ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred dividends for Hovnanian for each of the periods indicated.

Six Months Ended April 30, 2003	Year Ended October 31,				
	2002	2001	2000	1999	1998

Ratio of earnings to fixed charges	5.7	4.7	3.1	2.1	2.9	2.5
Ratio of earnings to combined fixed charges and preferred stock dividends	5.7	4.7	3.1	2.1	2.9	2.5

USE OF PROCEEDS

Unless otherwise provided in the applicable prospectus supplement, the net proceeds from the sale of the securities offered by this prospectus and each prospectus supplement, the "offered securities", will be used for general corporate purposes, which may include working capital needs, the refinancing of existing indebtedness, expansion of the business and acquisitions. If any of the net proceeds from the offered securities will be used for acquisitions, we will identify the acquisition in the applicable prospectus supplement. Hovnanian will not receive any net proceeds from the sale of any shares of Class A Common Stock offered by the Selling Shareholders.

SELLING SHAREHOLDERS

Some or all of the shares of Class A Common Stock of Hovnanian being offered pursuant to this prospectus may be offered by selling shareholders. Identification of any selling shareholders will be made in the applicable prospectus supplement. The potential selling shareholders include Kevork S. Hovnanian, Chairman of the Board and Director of Hovnanian and, until July 1997, Chief Executive Officer of Hovnanian, Ara K. Hovnanian, President and Director of Hovnanian and, since July 1997, Chief Executive Officer of Hovnanian, Geaton A. DeCesaris, Jr., until January 2001, Chairman of the Board of Directors, President and Chief Executive Officer of Washington Homes, Inc., a corporation that merged with and into a wholly owned subsidiary of Hovnanian in January 2001, and, since January 2001, Director of Hovnanian and Chief Operating Officer and President of Homebuilding Operations of K. Hovnanian, Geaton A. DeCesaris, Sr., until January 2001, Director and Chairman Emeritus of the Board of Directors of Washington Homes, and Anthony Hugo DeCesaris, until January 2001, Vice President and Maryland Division President for Washington Homes and, since January 2001, Vice President and Maryland Division President of Hovnanian.

The following table sets forth (1) as of August 22, 2003, the Class A Common Stock and Class B Common Stock of Hovnanian beneficially owned by each potential selling shareholder and (2) the number of shares of Class A Common Stock to be offered and the amount and percentage to be owned after the offering assuming that each potential shareholder offers and sells the lesser of the total number of shares of Class A Common Stock owned by such potential selling shareholder or 7,643,312 shares of Class A Common Stock, which is the maximum number of shares of Class A Common Stock that may be offered and sold by the selling shareholders pursuant to this prospectus. The amount, if

11

any, of Class A Common Stock to be offered by the selling shareholders and the amount and percentage of Class A Common Stock and Class B Common Stock to be owned by the selling shareholders following such offering will be disclosed in the applicable prospectus supplement.

	Class A Common Stock		Class B Common Stock		Class A Common Stock			Class B Common Stock	
	Amount and Nature of Beneficial Ownership(1) (2)	Percent of Class(3)	Amount and Nature of Beneficial Ownership(1)(2)	Percent of Class(3)	Number of Shares to be Offered(11)	Number of Shares Owned After Offering	Percent of Class After Offering	Number of Shares Owned After Offering of Class A Common Stock	Percent of Class After Offering of Class A Common Stock
Kevork S. Hovnanian(4)(6)	5,016,325	22.2%	5,843,837	78.7%	7,643,312(12)	0	0%	3,216,850	74.1%
Ara K. Hovnanian(5)	1,402,530	6.2%	1,121,596	15.1%	2,524,126(13)	0	0%	0	0%
Geaton A. DeCesaris, Jr.(7)(8) (9)	729,711	3.2%	—	—	729,711	0	0%	—	—
Geaton A. DeCesaris, Sr.(10)	30,000	0.1%	—	—	30,000	0	0%	—	—
A. Hugo DeCesaris(7)	84,867	0.4%	—	—	84,867	0	0%	—	—
Total	7,263,433	32.2%	6,965,433	93.8%					

(1) Beneficial ownership is determined in accordance with the rules of the Commission and generally attributes ownership to persons who have voting or investment power with respect to the relevant securities. Shares of Common Stock subject to options either currently exercisable or exercisable within 60 days are deemed outstanding for computing the percentage of the person holding such options but are not deemed outstanding for computing the percentage of any other person. Except as indicated by these footnotes, and subject to community property laws where applicable, the persons named in the table have sole voting and investment power with respect to all Class A Common Stock shown as beneficially owned by them.

(2) The figures in the table in respect of Class A Common Stock do not include the shares of Class B Common Stock beneficially owned by the specified persons, which shares of Class B Common Stock are convertible at any time on a share for a share basis to Class A Common Stock. The figures in the table represent beneficial ownership (including ownership of options, currently exercisable or exercisable within 60 days) and sole voting power and sole investment power except as noted in notes (4) through (10) below.

(3) Based upon the number of shares outstanding plus options for such shareholder.

(4) Includes 167,812 shares of Class A Common Stock and 320,012 shares of Class B Common Stock as to which Kevork S. Hovnanian has shared voting power and shared investment power.

(5) Includes 35,217 shares of Class A Common Stock and 89,667 shares of Class B Common Stock as to which Ara K. Hovnanian has shared voting power and shared investment power.

(6) Includes 2,829,413 shares of Class B Common Stock held by the Kevork S. Hovnanian Family Limited Partnership, a Connecticut limited partnership (the "Limited Partnership"), beneficial ownership of which is disclaimed by Kevork S. Hovnanian. Kevork S. Hovnanian's wife, Sirwart Hovnanian, as trustee of the Sirwart Hovnanian 1994 Marital Trust, is the Managing General Partner of the Limited Partnership and as such has the sole power to vote and dispose of the Shares of Class B Common Stock held by the Limited Partnership. Also includes 129,562 shares of Class A Common Stock and 264,562 shares of Class B Common Stock held in trust for Mr. Hovnanian's daughter over which Sirwart Hovnanian, as trustee, shares with her daughter the power to dispose of and vote. In addition, includes 18,250 shares of Class A Common Stock and 55,450 shares of Class B Common Stock held in trust for Mr. Hovnanian's grandchildren, over which Sirwart Hovnanian, as trustee, has sole power to dispose of and vote and includes 20,000 shares of Class A Common Stock held in the name of Sirwart Hovnanian over which she has sole power to dispose of and vote. Mr. Hovnanian disclaims beneficial ownership of the shares described in the preceding three sentences.

(7) Includes shares held jointly with their respective spouses, in part as follows: Geaton A. DeCesaris, Jr. and Josephine A. DeCesaris 719,641; A. Hugo DeCesaris and Julie P. DeCesaris 84,867.

(8) Includes 51,435 shares of Class A Common Stock held by The DeCesaris Foundation Inc. (the "Foundation"), beneficial ownership of which is disclaimed by Geaton A. DeCesaris, Jr. Geaton A. DeCesaris, Jr.'s wife, Josephine A. DeCesaris, is President of the Foundation and his children make up the board of directors.

(9) Includes 12,870 shares held by The Geaton and Josephine DeCesaris Family Trust, 10,729 shares held by Five Queens, Inc., a subchapter S corporation owned by Geaton A. DeCesaris, Jr.'s children and of which he is the President and 7,081 shares held as custodian for Geaton A. DeCesaris, Jr.'s minor children.

(10) Includes 30,000 shares held by The DeCesaris Family GRAT trust.

(11) Assumes that each potential selling shareholder offers and sells the lesser of the total number of shares of Class A Common Stock owned by such potential selling shareholder or 7,643,312 shares of Class A Common Stock, which is the maximum number of shares of Class A Common Stock that may be offered and sold by the selling shareholders pursuant to this prospectus.

(12) Assumes conversion of 2,626,987 shares of Class B Common Stock. Shares of Class B Common Stock are convertible at any time on a share for share basis to Class A Common Stock.

DESCRIPTION OF DEBT SECURITIES

The K. Hovnanian debt securities will be unsecured senior, senior subordinated or subordinated debt of K. Hovnanian, will be guaranteed by Hovnanian, may be guaranteed by other subsidiaries of Hovnanian and will be issued:

- in the case of K. Hovnanian Senior Debt Securities, under a Senior Indenture, the "K. Hovnanian Senior Debt Indenture", among K. Hovnanian, Hovnanian, as guarantor, and the trustee specified in the applicable prospectus supplement;
- in the case of K. Hovnanian Senior Subordinated Debt Securities, under a Senior Subordinated Indenture, the "K. Hovnanian Senior Subordinated Debt Indenture", among K. Hovnanian, Hovnanian, as guarantor, and the trustee specified in the applicable prospectus supplement; and
- in the case of K. Hovnanian Subordinated Debt Securities, under a Subordinated Indenture, the "K. Hovnanian Subordinated Debt Indenture", among K. Hovnanian, Hovnanian, as guarantor, and the trustee specified in the applicable prospectus supplement.

The K. Hovnanian Senior Debt Indenture, the K. Hovnanian Senior Subordinated Debt Indenture and the K. Hovnanian Subordinated Debt Indenture are sometimes referred to in this description individually as a "K. Hovnanian Indenture" and collectively as the "K. Hovnanian Indentures".

The Hovnanian debt securities may be issued either separately, or together with, upon conversion of or in exchange for other securities. The Hovnanian debt securities will be unsecured senior, senior subordinated or subordinated debt of Hovnanian, may be guaranteed by subsidiaries of Hovnanian and will be issued:

- in the case of Hovnanian Senior Debt Securities, under a Senior Indenture, the "Hovnanian Senior Debt Indenture", between Hovnanian and the trustee specified in the applicable prospectus supplement;
- in the case of Hovnanian Senior Subordinated Debt Securities, under a Senior Subordinated Indenture, the "Hovnanian Senior Subordinated Debt Indenture", between Hovnanian and the trustee specified in the applicable prospectus supplement; and
- in the case of Hovnanian Subordinated Debt Securities, under a Subordinated Indenture, the "Hovnanian Subordinated Debt Indenture", between Hovnanian and the trustee specified in the applicable prospectus supplement.

The Hovnanian Senior Debt Indenture, The Hovnanian Senior Subordinated Debt Indenture and the Hovnanian Subordinated Debt Indenture are sometimes referred to in this document individually as a "Hovnanian Indenture" and collectively as the "Hovnanian Indentures". The K. Hovnanian Senior Indenture and the Hovnanian Senior Indenture are sometimes collectively referred to individually as a "Senior Debt Indenture" and collectively as the "Senior Debt Indentures". The K. Hovnanian Senior Subordinated Debt Indenture and the Hovnanian Senior Subordinated Debt Indenture are sometimes referred to individually as a "Senior Subordinated Debt Indenture" and collectively as the "Senior Subordinated Debt Indentures". The K. Hovnanian Subordinated Debt Indenture and the Hovnanian Subordinated Debt Indenture are sometimes referred to individually as a "Subordinated Debt Indenture" and collectively as the "Subordinated Debt Indentures". The K. Hovnanian Indentures and the Hovnanian Indentures are sometimes referred to individually as an "Indenture" and collectively as the "Indentures".

None of the Indentures limits the amount of debt securities that may be issued thereunder, and the Indentures provide that the debt securities may be issued from time to time in one or more series. The Indentures permit the appointment of a different trustee for each series of debt securities. The Indentures are filed as exhibits to the registration statement, of which this prospectus is a part. The

following summaries of selected provisions of the Indentures and the debt securities do not purport to be complete, and, while Hovnanian and K. Hovnanian believe the descriptions of the material provisions of the Indentures and debt securities contained in this prospectus are accurate summaries of those material provisions, these summaries are subject to the detailed provisions of the applicable Indenture to which we refer for a full description of those provisions, including the definition of some terms. Section references in parentheses below are to sections in each Indenture unless otherwise indicated. Wherever particular sections or defined terms of the applicable Indenture are referred to, those sections or defined terms are incorporated herein by reference as part of the statement made, and the statement is qualified in its entirety by the reference. The Indentures are substantially identical, except for provisions relating to Hovnanian's guarantee and to subordination. For purposes of the summaries set forth below, "issuer" shall refer to K. Hovnanian in the case of the K. Hovnanian Debt Securities and the K. Hovnanian Indentures and to Hovnanian in the case of the Hovnanian Debt Securities and the Hovnanian Indentures. Obligors refers to Hovnanian in the case of the Hovnanian Debt Securities and the Hovnanian Indentures, and K. Hovnanian and Hovnanian, as guarantor, the "guarantor", in the case of the K. Hovnanian Debt Securities and the K. Hovnanian Indentures.

Provisions Applicable to Senior, Senior Subordinated and Subordinated Debt Securities

General. Hovnanian debt securities will be unsecured senior, senior subordinated or subordinated obligations of Hovnanian and K. Hovnanian debt securities will be unsecured senior, senior subordinated or subordinated obligations of K. Hovnanian, except that, under specified circumstances, K. Hovnanian may be released from these obligations. See "Condition for Release of K. Hovnanian." Except as described in the applicable prospectus supplement, none of the Indentures limits the payment of dividends by or the acquisition of stock of Hovnanian or K. Hovnanian. Except to the extent described in any prospectus supplement, the Indentures do not, and the debt securities will not, contain any covenants or other provisions that are intended to afford holders of the debt securities special protection in the event of either a change of control of Hovnanian or a highly leveraged transaction by Hovnanian.

We refer to the prospectus supplement for the following terms of and information relating to the debt securities being offered, the "Offered Debt Securities", to the extent these terms are applicable to Offered Debt Securities:

- the title of the Offered Debt Securities;
- classification as K. Hovnanian Senior Debt Securities, K. Hovnanian Senior Subordinated Debt Securities, K. Hovnanian Subordinated Debt Securities, Hovnanian Senior Debt Securities, Hovnanian Senior Subordinated Debt Securities or Hovnanian Subordinated Debt Securities, aggregate principal amount, purchase price and denomination, and whether the Offered Debt Securities will be guaranteed by the Subsidiary Guarantors of Hovnanian as described under "Description of Guarantees" below;
- the date or dates on which the Offered Debt Securities will mature;
- the method by which amounts payable in respect of principal, premium, if any, or interest, if any, on or upon the redemption of the Offered Debt Securities may be calculated;
- the interest rate or rates, or the method by which it will be determined, and the date or dates from which the interest, if any, will accrue;
- the date or dates on which the interest, if any, will be payable;
- the place or places where and the manner in which the principal of, premium, if any, and interest, if any, on the Offered Debt Securities will be payable and the place or places where the Offered Debt Securities may be presented for transfer;

14

-
- the right, if any, or obligation, if any, of Hovnanian or K. Hovnanian to redeem, repay or purchase the Offered Debt Securities pursuant to any sinking fund or analogous provisions or at the option of a holder thereof, and the period or periods within which, the price or prices or the method by which such price or prices will be determined, or both at which, the form or method of payment therefor if other than in cash and the terms and conditions upon which the Offered Debt Securities will be redeemed, repaid or purchased pursuant to the obligation;
 - the terms for conversion or exchange, if any, of the Offered Debt Securities;
 - any provision relating to the issuance of the Offered Debt Securities at an original issue discount;
 - if the amounts of payments of principal of, premium, if any, and interest, if any, on the Offered Debt Securities are to be determined with reference to an index, the manner in which those amounts will be determined;
 - any applicable United States federal income tax consequences;
 - the currency or currencies for which the Offered Debt Securities may be purchased and the currency or currencies in which principal, premium, if any, and interest, if any, may be payable;
 - the trustee with respect to the series of Offered Debt Securities; and
 - any other specific terms of the Offered Debt Securities, including any deleted, modified or additional Events of Default or remedies or additional covenants provided with respect to the Offered Debt Securities, and any terms that may be required by or advisable under applicable laws or regulations.

Unless otherwise specified in any prospectus supplement, the debt securities will be issuable in registered form and in denominations of \$1,000 and any integral multiple thereof, see Section 2.7. No service charge will be made for any transfer or exchange of any debt securities but the issuer may require payment of a sum sufficient to cover any tax or other governmental charge, payable in connection therewith, see Section 2.8.

Debt securities may bear interest at a fixed rate or a floating rate. Debt securities bearing no interest or interest at a rate that at the time of issuance is below the prevailing market rate may be sold at a discount below their stated principal amount. Special United States federal income tax considerations applicable to discounted debt securities or to some debt securities issued at par that are treated as having been issued at a discount for United States federal income tax purposes will be described in the applicable prospectus supplement.

In determining whether the holders of the requisite aggregate principal amount of outstanding debt securities of any series have given any request, demand, authorization, direction, notice, consent or waiver under the Indentures, the principal amount of any series of debt securities originally issued at a discount from their stated principal amount that will be deemed to be outstanding for such purposes will be the amount of the principal thereof that would be due and payable as of the date of the determination upon a declaration of acceleration of the maturity thereof.

Description of Guarantees. Hovnanian will fully and unconditionally guarantee, pursuant to the K. Hovnanian Indentures, the due and prompt payment of the principal of and premium, if any, and interest on the K. Hovnanian Debt Securities when and as the same shall become due and payable, whether at the stated maturity, by declaration of acceleration, call for redemption or otherwise. Debt securities of Hovnanian may be guaranteed by, and debt securities of K. Hovnanian may be further guaranteed by, the subsidiaries of Hovnanian, the "subsidiary guarantees", that also guaranty Hovnanian's revolving credit agreement at the time of issuance of the debt securities, the "subsidiary guarantors". Under the terms of Hovnanian's revised revolving credit agreement, dated June 19, 2003,

15

the subsidiary guarantors consist of all of Hovnanian's subsidiaries other than certain subsidiaries formerly engaged in the issuance of collateralized mortgage obligations, Hovnanian's mortgage lending and title subsidiaries and certain joint ventures with third-party partners in which Hovnanian's aggregate consolidated investment as of July 31, 2003 was less than \$30,000,000. If debt securities are guaranteed by subsidiary guarantors, that guarantee will be set forth in a supplemental indenture.

Payments with respect to the guarantee of the K. Hovnanian Senior Subordinated Debt Securities and K. Hovnanian Subordinated Debt Securities will be subordinated in right of payment to the prior payment in full of all Senior Indebtedness of the guarantor to the same extent and manner that payments with respect to the K. Hovnanian Senior Subordinated Debt Securities and K. Hovnanian Subordinated Debt Securities are subordinated in right of payment to the prior payment in full of all Senior Indebtedness of the issuer as described under "Provisions Applicable Solely to Senior Subordinated Debt Securities and Subordinated Debt Securities" below. Likewise, payments with respect to subsidiary guarantees of Senior Subordinated Debt Securities and Subordinated Debt Securities will be subordinated in right of payment to the prior payment in full of all Senior Indebtedness of each such subsidiary guarantor to the same extent and manner that payments with respect to the Senior Subordinated Debt Securities and Subordinated Debt Securities are subordinated in right of payment to the prior payment in full of all Senior Indebtedness of the issuer of such debt securities.

Global Securities. The debt securities of a series may be issued in whole or in part in the form of one or more global securities, the "global securities", that will be deposited with or on behalf of a depository, "the depository", identified in the prospectus supplement relating to such series. Global securities may be issued only in fully registered form and in either temporary or permanent form. Unless and until it is exchanged in whole or in part for the individual debt securities represented thereby, a global security:

- may not be transferred except as a whole; and
- may only be transferred
 - by the depository for the global security to its nominee,
 - by a nominee of the depository to the depository or another nominee of the depository; or
 - by the depository or any nominee to a successor depository or nominee of the successor depository, see Section 2.8.

The specific terms of the depository arrangement with respect to a series of debt securities will be described in the prospectus supplement relating to such series. Hovnanian and K. Hovnanian anticipate that the following provisions generally will apply to all depository arrangements.

Upon the issuance of a global security, the depository for that global security or its nominee will credit, on its book-entry registration and transfer system, the respective principal amounts of the individual debt securities represented by that global security to the accounts of persons that have accounts with such depository. Those accounts will be designated by the dealers, underwriters or agents with respect to those debt securities or by the issuer if the debt securities are offered and sold directly by the issuer. Ownership of beneficial interests in a global security will be limited to persons that have accounts with the applicable depository, participants, or persons that may hold interests through participants. Ownership of beneficial interests in a global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the applicable depository or its nominee, with respect to interests of participants, and the records of participants, with respect to interests of persons other than participants. The laws of some states require that certain purchasers of securities take physical delivery of these securities in definitive form. These limits and laws may impair the ability to transfer beneficial interests in a global security.

As long as the depository for a global security or its nominee is the registered owner of the global security, the depository or its nominee, as the case may be, will be considered the sole owner or holder of the debt securities of the series represented by that global security for all purposes under the Indenture governing those debt securities. Except as provided below, owners of beneficial interests in a global security will not be entitled to have any of the individual debt securities of the series represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of any of those debt securities in definitive form and will not be considered the owners or holders thereof under the Indenture governing those debt securities.

Payment of principal of, premium, if any, and interest, if any, on individual debt securities represented by a global security registered in the name of a depository or its nominee will be made to the depository or its nominee, as the case may be, as the registered owner of the global security representing the debt securities. Hovnanian and K. Hovnanian expect that the depository for a series of debt securities or its nominee, upon receipt of any payment of principal, premium, if any, and interest, if any, in respect of a global security representing any of those debt securities, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global security for those securities as shown on the records of such depository or its nominee. Hovnanian and K. Hovnanian also expect that payments by participants to owners of beneficial interests in the global security held through the participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name." These payments will be the responsibility of the participants. Neither Hovnanian, K. Hovnanian, the trustee for such debt securities, any paying agent nor the registrar for the debt securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of the global security for the debt securities or for maintaining, supervising or reviewing any records relating to beneficial ownership interests.

If the depository for a series of debt securities is at any time unwilling, unable or ineligible to continue as depository and a successor depository is not appointed by the issuer within 90 days, the issuer will issue individual debt securities of the applicable series in exchange for the global security representing the applicable series of debt securities. In addition, an issuer may at any time and in its sole discretion, subject to any limitations described in the prospectus supplement relating to such debt securities, determine not to have any debt securities of a series represented by a global security and, in such event, will issue individual debt securities of the applicable series in exchange for the global security representing the applicable series of debt securities. Further, if an issuer so specifies with respect to the debt securities of a series, an owner of a beneficial interest in a global security representing debt securities of that series may, on terms acceptable to the issuer, the trustee and the depository for the global security, receive individual debt securities of the applicable series in exchange for beneficial interests, subject to any limitations described in the prospectus supplement relating to the debt securities. In this instance, an owner of a beneficial interest in a global security will be entitled to physical delivery of individual debt securities of the series represented by the applicable global security equal in principal amount to the beneficial interest and to have the debt securities registered in its name. Individual debt securities of the series so issued will be issued in registered form and in denominations, unless otherwise specified in the applicable prospectus supplement relating to that series of debt securities, of \$1,000 and integral multiples thereof.

Events of Default. Unless otherwise specified in the applicable prospectus supplement, an Event of Default is defined under each Indenture with respect to the debt securities of any series issued under the applicable Indenture as being:

- default in the payment of principal of or premium, if any, with respect to debt securities of the applicable series when due;

-
- default in the payment of any installment of interest on any of the debt securities of that series when due, continued for 30 days;
 - default in the payment or satisfaction of any sinking fund or other purchase obligation with respect to debt securities of that series when due;
 - default in the performance of any other covenant of any of the Obligors' applicable to debt securities of that series, continued for 90 days after written notice to the Obligors by the trustee or to the Obligors and the trustee, by the holders of at least 25% in aggregate principal amount of the debt securities of that series then outstanding requiring the same to be remedied; and
 - specified events of bankruptcy, insolvency or reorganization of the issuer, see Section 5.1.

If any Event of Default shall occur and be continuing, the trustee or the holders of not less than 25% in aggregate principal amount of the debt securities of that series then outstanding, by notice in writing to the Obligors, and to the trustee, if given by the holders, may declare the principal, or, in the case of any series of debt securities originally issued at a discount from their stated principal amount, the portion of the principal amount as may be specified in the terms of that series, of all of the debt securities of that series and the interest, if any, accrued thereon to be due and payable immediately. The declaration described in the preceding sentence may be rescinded by notice in writing to the Obligors and the trustee by holders of a majority in aggregate principal amount of the debt securities of the series then outstanding. This rescission will rescind and annul any declaration made pursuant to the first sentence of this paragraph and its consequences if all defaults under such Indenture are cured or waived, see Section 5.1.

Each Indenture provides that no holder of any series of debt securities then outstanding may institute any suit, action or proceeding with respect to, or otherwise attempt to enforce, that Indenture, unless

- the holder previously gave the trustee written notice of default and of the continuance thereof;
- the holders of not less than 25% in aggregate principal amount of the applicable series of debt securities then outstanding made written request to the trustee to institute the suit, action or proceeding and offered to the trustee reasonable indemnity as it may require with respect thereto; and
- the trustee, for 60 days after its receipt of the notice, request and offer of indemnity, neglected or refused to institute any action, suit or proceeding;

Subject to the subordination provisions applicable to the Senior Subordinated Debt Securities and the Subordinated Debt Securities, the right, described in the above bullet points, of any holder of any debt security to receive payment of the principal of, premium, if any, or interest, if any, on that debt security, on or after the respective due dates, or to institute suit for the enforcement of any payment shall not be impaired or affected without the consent of the holder, see Section 5.4.

The holders of a majority in aggregate principal amount of the debt securities of the series then outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of that series, provided that the trustee may decline to follow that direction if the trustee determines that the action or proceeding is unlawful or would involve the trustee in personal liability, see Section 5.7.

The Obligors are required to furnish annually to the trustee a certificate as to compliance by the Obligors with all conditions and covenants under each Indenture, see Section 4.3.

Discharge and Defeasance. Unless otherwise specified in the applicable prospectus supplement, the Obligors can discharge or defease their respective obligations with respect to any series of debt securities as described below, see Article Ten.

The Obligors may discharge all of their obligations, except those described below, to holders of any series of debt securities issued under any Indenture that have not already been delivered to the trustee for cancellation and that have either become due and payable, or are by their terms due and payable within one year or scheduled for redemption within one year, by irrevocably depositing with the trustee cash or U.S. Government Obligations, as defined in the Indenture, or a combination thereof, as trust funds in an amount certified to be sufficient to pay when due the principal of, premium, if any, and interest, if any, on all outstanding debt securities of that series and to make any mandatory sinking fund payments, if any, thereon when due.

Unless otherwise provided in the applicable prospectus supplement, the Obligors may also elect at any time to defease and be discharged from all of their obligations, except those described below, to holders of any series of debt securities issued under each Indenture, "defeasance", or be released from all of their obligations with respect to specified covenants applicable to any series of debt securities issued under each Indenture, "covenant defeasance", if, among other things:

- the Obligors irrevocably deposit with the trustee cash or U.S. Government Obligations, or a combination thereof, as trust funds in an amount certified to be sufficient to pay when due the principal of, premium, if any, and interest, if any, on all outstanding debt securities of the applicable series and to make any mandatory sinking fund payments, if any, thereon when due and those funds have been so deposited for 91 days;
- the deposit will not result in a breach or violation of, or cause a default under, any agreement or instrument to which any of the Obligors is a party or by which it is bound; and
- the Obligors deliver to the trustee an opinion of counsel to the effect that the holders of the applicable series of debt securities will not recognize income, gain or loss for United States federal income tax purposes as a result of the defeasance or covenant defeasance and that defeasance or

covenant defeasance will not otherwise alter the United States federal income tax treatment of the holders' principal of and interest payments, if any, on that series of debt securities.

In the case of defeasance, the opinion must be based on a ruling of the Internal Revenue Service or a change in United States federal income tax law occurring after the date of the Indenture relating to the debt securities of such series, because this result would not occur under current tax law, see Section 10.1.

Notwithstanding the foregoing, no discharge, defeasance or covenant defeasance described above will affect the following obligations to, or rights of, the holders of any series of debt securities:

- rights of registration of transfer and exchange of debt securities of the applicable series;
- rights of substitution of mutilated, defaced, destroyed, lost or stolen debt securities of the applicable series;
- rights of holders of debt securities of the applicable series to receive payments of principal thereof, premium, if any; and interest, if any, thereon, upon the original due dates therefore, but not upon acceleration, and to receive mandatory sinking fund payments thereon when due, if any;
- rights, obligations, duties and immunities of the trustee;
- rights of holders of debt securities of a series as beneficiaries with respect to property so deposited with the trustee payable to all or any of them; and

19

-
- obligations of the Obligors to maintain an office or agency in respect of debt securities of the series, see Section 10.1.

The Obligors may exercise the defeasance option with respect to any series of debt securities notwithstanding the prior exercise of the covenant defeasance option with respect to any series of debt securities. If the Obligors exercise the defeasance option with respect to any series of debt securities, payment of that series of debt securities may not be accelerated because of an Event of Default with respect to that series of debt securities. If the Obligors exercise the covenant defeasance option with respect to any series of debt securities, payment of that series of debt securities may not be accelerated by reason of an Event of Default with respect to the covenants to which such covenant defeasance is applicable. However, if acceleration were to occur by reason of another Event of Default, the realizable value at the acceleration date of the cash and U.S. Government Obligations in the defeasance trust could be less than the principal of, premium, if any, and interest, if any, and any mandatory sinking fund payments, if any, then due on the series of debt securities, in that the required deposit in the defeasance trust is based upon scheduled cash flow rather than market value, which will vary depending upon interest rates and other factors.

Modification of the Indenture. Each Indenture provides that the Obligors and the trustee may enter into supplemental indentures without the consent of the holders of the debt securities to:

- evidence the assumption by a successor entity of the obligations of any of the Obligors under that Indenture,
- add covenants or new events of default for the protection of the holders of the debt securities,
- cure any ambiguity or defect or correct any inconsistency in the Indenture;
- establish the form and terms of debt securities of any series;
- evidence the acceptance of appointment by a successor trustee;
- in the case of Senior Debt Securities, secure those debt securities;
- designate a bank or trust company other than the trustee specified in the applicable prospectus supplement to act as trustee for a series of debt securities;
- modify the existing covenants and events of default solely in respect of, or add new covenants and events of default that apply solely to, debt securities not yet issued and outstanding on the date of the supplemental indenture;
- provide for the issuance of debt securities of any series in coupon form and exchangeability of those debt securities for fully registered debt securities;
- modify, eliminate or add to the provisions of the Indenture as necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939 and to add provisions expressly permitted by that Act; and
- modify the provisions to provide for the denomination of debt securities in foreign currencies that will not adversely affect the interests of the holders of the debt securities in any material respect, see Section 8.1.

Each Indenture also contains provisions permitting the Obligors and the trustee, with the consent of the holders of not less than a majority in aggregate principal amount of debt securities of each series then outstanding and affected, to add any provisions to, or change in any manner or eliminate any of the provisions of, the applicable Indenture or any supplemental indenture or modify in any manner the

20

rights of the holders of the debt securities of that series; provided that the Obligor and the trustee may not, without the consent of the holder of each outstanding debt security affected thereby:

- extend the stated final maturity of any debt security, reduce the principal amount thereof, reduce the rate or extend the time of payment of interest, if any, thereon, reduce or alter the method of computation of any amount payable on redemption, repayment or purchase by the issuer, change the coin or currency in which principal, premium, if any, and interest, if any, are payable, reduce the amount of the principal of any original issue discount security payable upon acceleration or provable in bankruptcy, impair or affect the right to institute suit for the enforcement of any payment or repayment thereof or, if applicable, adversely affect any right of prepayment at the option of the holder or, in the case of K. Hovnanian Indentures, make any change adverse to the interests of the holders in the terms and conditions of the guarantee; or
- reduce the stated percentage in aggregate principal amount of debt securities of any series issued under the Indenture, see Section 8.2.

Consolidation, Merger, Sale or Conveyance. Except as otherwise provided in the applicable prospectus supplement, the K. Hovnanian Indentures provide that K. Hovnanian or the guarantor may, and the Hovnanian Indentures provide that Hovnanian may, without the consent of the holders of debt securities, consolidate with, merge into or transfer, exchange or dispose of all of its properties to, any other corporation or partnership organized under the laws of the United States, provided that:

- the successor corporation assumes all obligations of K. Hovnanian or Hovnanian, as the case may be, by supplemental indenture satisfactory in form to the applicable trustee executed and delivered to that trustee, under the Indentures and the debt securities,
- immediately after giving effect to the consolidation, merger, exchange or other disposition, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, will have occurred and be continuing; and
- certain other conditions are met, see Section 9.1.

Condition for Release of K. Hovnanian. Except as otherwise provided in a prospectus supplement, each K. Hovnanian Indenture provides that K. Hovnanian may be released from its obligations under the K. Hovnanian Indenture and the K. Hovnanian debt securities, without the consent of the holders of the K. Hovnanian debt securities of any series, if Hovnanian or any successor to Hovnanian has assumed the obligations of K. Hovnanian under those K. Hovnanian Debt Securities. In the event of the release, a taxable sale or exchange of a debt security for a new debt security will be deemed to occur. As a result, a holder of a debt security may recognize gain or loss on the sale or exchange and may be required to include in income different amounts during the remaining term of the debt security than would have been included absent the release.

Certain Definitions. Except as otherwise provided in a prospectus supplement, the definitions listed below are applicable to the discussions of the Indentures, see Article One.

"Consolidated Net Tangible Assets" means the aggregate amount of assets included on the most recent consolidated balance sheet of Hovnanian and its Restricted Subsidiaries, less applicable reserves and other properly deductible items and after deducting therefrom all current liabilities and all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all in accordance with generally accepted accounting principles consistently applied.

"Indebtedness," with respect to any person, means, without duplication:

- the principal of, premium, if any, and interest, if any, on indebtedness for money borrowed of that person, indebtedness of that person evidenced by bonds, notes, debentures or similar obligations, and any guaranty by that person of any indebtedness for money borrowed or

21

indebtedness evidenced by bonds, notes, debentures or similar obligations of any other person, whether the indebtedness or guaranty is outstanding on the date of the Indenture or is thereafter created, assumed or incurred;

- obligations of that person for the reimbursement of any Obligor on any letter of credit, banker's acceptance or similar credit transaction;
- the principal of and premium, if any, and interest, if any, on indebtedness incurred, assumed or guaranteed by that person in connection with the acquisition by it or any of its subsidiaries of any other businesses, properties or other assets;
- lease obligations of that person capitalized in accordance with Statement of Financial Accounting Standards No. 13 promulgated by the Financial Accounting Standards Board or other generally accepted accounting principles as may be from time to time in effect;
- any indebtedness of that person representing the balance deferred and unpaid of the purchase price of any property or interest therein, except any balance that constitutes an accrued expense or trade payable and any guaranty, endorsement or other contingent obligation of that person in respect of any indebtedness of another that is outstanding on the date of the Indenture or is thereafter created, assumed or incurred by, that person;
- obligations of that person under interest rate, commodity or currency swaps, caps, collars, options and similar arrangements; and
- any amendments, modifications, refundings, renewals or extensions of any indebtedness or obligation described as Indebtedness in the above bullet points.

"Restricted Subsidiary" means any Subsidiary of Hovnanian other than an Unrestricted Subsidiary, and any Subsidiary of Hovnanian that was an Unrestricted Subsidiary but which, subsequent to the date of the Indentures, is designated by the board of directors of Hovnanian to be a Restricted Subsidiary; provided, however, that Hovnanian may not designate any Subsidiary to be a Restricted Subsidiary if Hovnanian would thereby breach any covenant or agreement contained in the Indentures, on the assumptions that any Outstanding Indebtedness of the Subsidiary was incurred at the time of the designation.

"Subsidiary" of any specified Person means any corporation of which that Person, or that Person and one or more Subsidiaries of that Person, or any one or more Subsidiaries of that Person, directly or indirectly own voting securities entitling any one or more of that Person and its Subsidiaries to elect a majority of the

directors, either at all times, or so long as there is no default or contingency which permits the holders of any other class or classes of securities to vote for the election of one or more directors.

"Unrestricted Subsidiary" means:

- any Subsidiary of Hovnanian acquired or organized after the date of the Indentures, provided, however, that this Subsidiary shall not be a successor, directly or indirectly, to any Restricted Subsidiary; and
- any Subsidiary of Hovnanian substantially all the assets of which consist of stock or other securities of a Subsidiary or Subsidiaries of the character described in clause the above bullet point, unless and until that Subsidiary is designated to be a Restricted Subsidiary.

Provisions Applicable Solely to Senior Debt Securities

General. Senior Debt Securities will be issued under a Senior Debt Indenture and will rank pari passu with all other unsecured and unsubordinated debt of the issuer of such Senior Debt Securities.

22

At July 31, 2003, Hovnanian had an aggregate of \$300,000,000 of Indebtedness outstanding, which would be subordinated to Senior Debt Securities.

Limitations on Liens. The Senior Debt Indentures provide that, so long as any Senior Debt Securities are outstanding, Hovnanian will not, and will not permit any Restricted Subsidiary to, pledge, mortgage, hypothecate or grant a security interest in, or permit any mortgage, pledge, security interest or other lien upon, any property or assets owned by Hovnanian or any Restricted Subsidiary to secure any Indebtedness, without making effective provision whereby outstanding Senior Debt Securities will be equally and ratably secured.

Under the terms of the Senior Debt Indentures, the limitation described above does not apply to:

- any mortgage, pledge, security interest, lien or encumbrance upon any property or assets created at the time of the acquisition of such property or assets by Hovnanian or any Restricted Subsidiary or within one year after that time to secure all or a portion of the purchase price for the property or assets;
- any mortgage, pledge, security interest, lien or encumbrance upon any property or assets existing thereon at the time of the acquisition thereof by Hovnanian or any Restricted Subsidiary, whether or not the obligations secured thereby are assumed by Hovnanian or any Restricted Subsidiary;
- any mortgage, pledge, security interest, lien or encumbrance upon any property or assets, whenever acquired, of any corporation or other entity that becomes a Restricted Subsidiary after the date of the Senior Debt Indenture, provided that
 - 1) the instrument creating the mortgage, pledge, security interest, lien or encumbrance was in effect prior to the time the corporation or other entity becomes a Restricted Subsidiary, and
 - 2) the mortgage, pledge, security interest, lien or encumbrance will only apply to properties or assets owned by the corporation or other entity at the time it becomes a Restricted Subsidiary or thereafter acquired by it from sources other than Hovnanian or another Restricted Subsidiary;
- any mortgage, pledge, security interest, lien or encumbrance in favor of Hovnanian or any wholly-owned Subsidiary of Hovnanian;
- any mortgage, pledge, security interest, lien or encumbrance created or assumed by Hovnanian or a Restricted Subsidiary in connection with the issuance of debt securities the interest on which is excludable from gross income of the holder of the security pursuant to the Internal Revenue Code of 1986, as amended, for the purpose of financing, in whole or in part, the acquisition or construction of property or assets to be used by Hovnanian or a Subsidiary;
- any extension, renewal or refunding of any mortgage, pledge, security interest, lien or encumbrance described in the bullet points above on substantially the same property or assets theretofore subject thereto;
- any mortgage, pledge, security interest, lien or encumbrance securing any Indebtedness in an amount which, together with all other Indebtedness secured by a mortgage, pledge, security interest, lien or encumbrance that is not otherwise permitted by the foregoing provisions, does not at the time of the incurrence of the Indebtedness so secured exceed 20% of Consolidated Net Tangible Assets;
- deposits or pledges to secure the payment of workmen's compensation, unemployment insurance or other social security benefits or obligations, or to secure the performance of trade contracts,

23

leases, public or statutory obligations, surety or appeal bonds or other obligations of a like general nature incurred in the ordinary course of business;

- mechanics', materialmen's, warehousemen's, carriers' or other like liens arising in the ordinary course of business securing obligations that are not overdue for a period longer than 30 days or that are being contested in good faith by appropriate proceedings;
- liens for taxes, assessments or other governmental charges not yet payable or being contested in good faith and as to which adequate reserves will have been established in accordance with generally accepted accounting principles;

- non-recourse mortgages on Income Producing Properties securing Indebtedness;
- liens on assets of a Mortgage Subsidiary to secure only a Warehouse Line of Credit provided to that Subsidiary;
- easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business; or
- liens in connection with capital leases or sale leaseback transactions not securing any other indebtedness.

For the purpose of this "Limitation on Liens" provision, "security interest" will include the interest of the lessor under a lease with a term of three years or more that should be, in accordance with generally accepted accounting principles, recorded as a capital lease and any lease of property or assets not acquired from Hovnanian or any Restricted Subsidiary in contemplation of that lease will be treated as though the lessee had purchased the property or assets from the lessor, see Section 3.6 of the Senior Debt Indentures.

Provisions Applicable Solely to Senior Subordinated Debt Securities and Subordinated Debt Securities

Subordination. The Subordinated Debt Securities will be subordinate and junior in right of payment, to the extent described in the Subordinated Debt Indentures, to all Senior Indebtedness. The Senior Subordinated Debt Securities will be subordinate and junior in right of payment, to the extent described in the Senior Subordinated Debt Indentures, to all Senior Indebtedness of the Obligor. The Senior Subordinated Debt Securities will rank senior to all existing and future Indebtedness of the Obligor that is neither Senior Indebtedness of the Obligor nor Senior Subordinated Indebtedness and only Indebtedness of the Obligor that is Senior Indebtedness of the Obligor will rank senior to the Senior Subordinated Debt Securities in accordance with the subordination provisions of the Senior Subordinated Debt Indentures.

"Senior Indebtedness" of the Obligor is defined in the Subordinated Debt Indentures and the Senior Subordinated Debt Indentures as Indebtedness of the Obligor outstanding at any time, other than the Indebtedness evidenced by the debt securities of any series, except:

- any Indebtedness as to which, by the terms of the instrument creating or evidencing the same, it is provided that the Indebtedness is not senior or prior in right of payment to the debt securities or is *pari passu* or subordinate by its terms in right of payment to the debt securities;
- renewals, extensions and modifications of any such Indebtedness;
- any Indebtedness of the Obligor to a wholly-owned Subsidiary of the Obligor;
- interest accruing after the filing of a petition initiating certain events of bankruptcy or insolvency unless that interest is an allowed claim enforceable against the Obligor in a proceeding under federal or state bankruptcy laws; and
- trade payables.

"Senior Subordinated Indebtedness" is defined in the Hovnanian Senior Subordinated Debt Indenture as the Hovnanian Senior Subordinated Debt Securities and any other Indebtedness of Hovnanian that ranks *pari passu* with the Hovnanian Senior Subordinated Debt Securities. Any Indebtedness of Hovnanian that is subordinate or junior by its terms in right of payment to any other Indebtedness of Hovnanian will be subordinate to Senior Subordinated Indebtedness of Hovnanian unless the instrument creating or evidencing the same or pursuant to which the same is outstanding specifically provides that this Indebtedness is to rank *pari passu* with other Senior Subordinated Indebtedness of Hovnanian and is not subordinated by its terms to any Indebtedness of Hovnanian that is not Senior Indebtedness of Hovnanian.

"Senior Subordinated Indebtedness" is defined in the K. Hovnanian Senior Subordinated Debt Indenture as the K. Hovnanian Senior Subordinated Debt Securities, the guarantee and any other Indebtedness of K. Hovnanian or the guarantor that ranks *pari passu* with the K. Hovnanian Senior Subordinated Debt Securities. Any Indebtedness of K. Hovnanian or the guarantor that is subordinate or junior by its terms in right of payment to any other Indebtedness of K. Hovnanian or the guarantor will be subordinate to Senior Subordinated Indebtedness unless the instrument creating or evidencing the same or pursuant to which the same is outstanding specifically provides that such Indebtedness will rank *pari passu* with other Senior Subordinated Indebtedness and is not subordinated by its terms to any Indebtedness of K. Hovnanian or the guarantor, which is not Senior Indebtedness of K. Hovnanian or Senior Indebtedness of the guarantor.

"Subordinated Indebtedness" of the Obligors means the Senior Subordinated Debt Securities, the guarantees, any other Senior Subordinated Indebtedness of that Obligor and any other Indebtedness that is subordinate or junior in right of payment to Senior Indebtedness of that Obligor.

If:

- the Obligor should default in the payment of any principal of, premium, if any, or interest, if any, on any Senior Indebtedness of the Obligor when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration of acceleration or otherwise or
- any other default with respect to Senior Indebtedness of the Obligor occurs and the maturity of the Senior Indebtedness has been accelerated in accordance with its terms, then, upon written notice of the default to the Obligor by the holders of the Senior Indebtedness or any trustee therefor, unless and until the default is cured or waived or has ceased to exist or the acceleration has been rescinded, no direct or indirect payment, in cash, property or securities, by set-off or otherwise, will be made or agreed to be made for principal of, premium, if any, or interest, if any, on any of the Senior Subordinated Debt Securities or the Subordinated Debt Securities, or in respect of any redemption, retirement, purchase or other acquisition of the Senior Subordinated Debt Securities or the Subordinated Debt Securities other than those made in capital stock of Hovnanian, or cash in lieu of fractional shares thereof, see Sections 13.1 and 13.4 of the Senior Subordinated Debt Indentures and Sections 13.1 and 13.4 of the Subordinated Debt Indentures.

If any default, other than a default described in the bullet points directly above, occurs under the Senior Indebtedness of the Obligor, pursuant to which the maturity thereof may be accelerated immediately or the expiration of any applicable grace periods occurs, a "Senior Nonmonetary Default", then, upon the receipt by the Obligor and the trustee of written notice thereof, a "payment notice", from or on behalf of holders of 25% or more of the aggregate principal amount of

that would be prohibited by the bullet points directly above during the period, the "payment blockage period" commencing on the date of receipt of the payment notice and ending on the earlier of

- the date, if any, on which the holders of such Senior Indebtedness or their representative notify the trustee that the Senior Nonmonetary Default is cured, waived or ceases to exist or the Senior Indebtedness to which the Senior Nonmonetary Default relates is discharged or
- the 179th day after the date of receipt of the payment notice.

Notwithstanding the provisions described in the immediately preceding bullet points, the Obligor may resume payments on the Senior Subordinated Debt Securities and the Subordinated Debt Securities after the payment blockage period.

If

- without the consent of the Obligor a receiver, conservator, liquidator or trustee of the Obligor or of any of its property is appointed by the order or decree of any court or agency or supervisory authority having jurisdiction, and the decree or order remains in effect for more than 60 days, the Obligor is adjudicated bankrupt or insolvent, any of its property is sequestered by court order and that order remains in effect for more than 60 days, or a petition is filed against the Obligor under any state or federal bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or receivership law of any jurisdiction whether now or hereafter in effect, and is not dismissed within 60 days after such filing;
- the Obligor:
 - commences a voluntary case or other proceeding seeking liquidation, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or other relief with respect to itself or its debt or other liabilities under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property;
 - consents to any such relief or to the appointment of or taking possession by any of the above officials in an involuntary case or other proceeding commenced against it;
 - fails generally to, or cannot, pay its debts generally as they become due;
 - takes any corporate action to authorize or effect any of the foregoing; or
- any Subsidiary of the Obligor takes, suffers or permits to exist any of the events or conditions referred to in any of the above bullet points,

then all Senior Indebtedness of the Obligor, including any interest thereon accruing after the commencement of any proceedings, will first be paid in full before any payment or distribution, whether in cash, securities or other property, is made by the Obligor to any holder of Senior Subordinated Debt Securities or Subordinated Debt Securities on account of the principal of, premium, if any, or interest, if any, on the Senior Subordinated Debt Securities or Subordinated Debt Securities, as the case may be.

Any payment or distribution, whether in cash, securities or other property, other than securities of the Obligor or any other corporation provided for by a plan of reorganization or readjustment the payment of which is subordinate, at least to the extent provided in the subordination provisions with respect to the indebtedness evidenced by the Senior Subordinated Debt Securities or the Subordinated Debt Securities, to the payment of all Senior Indebtedness of the Obligor then outstanding and to any securities issued in respect thereof under a plan of reorganization or readjustment, that would otherwise, but for the subordination provisions, be payable or deliverable in respect of the Senior Subordinated Debt Securities or the Subordinated Debt Securities of any series will be paid or

delivered directly to the holders of Senior Indebtedness of the Obligor in accordance with the priorities then existing among such holders until all Senior Indebtedness of the Obligor, including any interest thereon accruing after the commencement of proceedings, has been paid in full. In the event of any proceeding, after payment in full of all sums owing with respect to Senior Indebtedness of the Obligor, the holders of Senior Subordinated Debt Securities, together with the holders of any obligations of the Obligor ranking on a parity with the Senior Subordinated Debt Securities, will be entitled to be repaid from the remaining assets of the Obligor the amounts at that time due and owing on account of unpaid principal of, premium, if any, or interest, if any, on the Senior Subordinated Debt Securities and such other obligations before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or obligations of the Obligor ranking junior to the Senior Subordinated Debt Securities, including the Subordinated Debt Securities, and such other obligations, see Section 13.1 of the Senior Subordinated Debt Indentures and Section 13.1 of the Subordinated Debt Indentures.

If any payment or distribution of any character, whether in cash, securities or other property, other than securities of the Obligor or any other corporation provided for by a plan of reorganization or readjustment the payment of which is subordinate, at least to the extent provided in the subordination provisions with respect to the Senior Subordinated Debt Securities or the Subordinated Debt Securities, to the payment of all Senior Indebtedness of the Obligor then outstanding and to any securities issued in respect thereof under the plan of reorganization or readjustment, will be received by the trustee, or any holder of any Senior Subordinated Debt Securities or Subordinated Debt Securities in contravention of any of the terms of the Senior Subordinated Debt Indenture or the Subordinated

Debt Indenture, as the case may be, such payment or distribution of securities will be received in trust for the benefit of, and will be paid over or delivered and transferred to, the holders of the Senior Indebtedness of the Obligor then outstanding in accordance with the priorities then existing among the holders for application to the payment of all Senior Indebtedness of the Obligor remaining unpaid to the extent necessary to pay all the Senior Indebtedness of the Obligor in full, see Section 13.1 of the Senior Subordinated Debt Indentures and Section 13.1 of the Subordinated Debt Indentures.

By reason of the subordination, in the event of the insolvency of the Obligor, holders of Senior Indebtedness of the Obligor may receive more, ratably, than holders of the Senior Subordinated Debt Securities or Subordinated Debt Securities of the Obligor. Subordination will not prevent the occurrence of any Event of Default, as defined in the Indentures, or limit the right of acceleration in respect of the Senior Subordinated Debt Securities or Subordinated Debt Securities.

Concerning the Trustee

Information concerning the trustee for a series of debt securities will be set forth in the prospectus supplement relating to that series of debt securities. Any of the trustees under the Indentures may make loans to Hovnanian or K. Hovnanian in the normal course of business.

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of Hovnanian is 100,100,000 shares consisting of 87,000,000 shares of Class A Common Stock, par value \$.01 per share, 13,000,000 shares of Class B Common Stock, par value \$.01 per share, the "Class B Common Stock", and 100,000 shares of Preferred Stock, par value \$.01 per share, the "Preferred Stock", in the series and with the voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as may be fixed from time to time by the board of directors for each series. The following summary description of certain provisions of Hovnanian's Restated Certificate of Incorporation, the "Certificate of Incorporation", and By-laws does not purport to be complete and is qualified in its entirety by reference to those provisions.

27

Common Stock

As of August 22, 2003, 22,582,636 shares of Class A Common Stock and 7,426,101 shares of Class B Common Stock were issued and outstanding. The Class A Common Stock is traded on the New York Stock Exchange. There is no established public trading market for the Class B Common Stock. In order to trade Class B Common Stock, the shares must be converted into Class A Common Stock on a one-for-one basis. Any offering of common stock made hereby will consist only of Class A Common Stock. The outstanding Class A Common Stock is, and any Class A Common Stock offered pursuant to this prospectus and any prospectus supplement when issued and paid for will be, fully paid and non-assessable.

Dividends. Dividends on the Class A Common Stock will be paid if, when and as determined by the board of directors of Hovnanian out of funds legally available for this purpose. Some debt instruments to which Hovnanian is a party contain restrictions on the payment of cash dividends. Under the terms of Hovnanian's revised credit facility, dated June 19, 2003, approximately \$151,341,000 of retained earnings would have been free of restrictions on the payment of cash dividends at July 31, 2003. The amount of any regular cash dividend payable on a share of Class A Common Stock will be an amount equal to 110% of the corresponding regular cash dividend payable on a share of Class B Common Stock. Hovnanian has never paid dividends nor does it currently intend to pay dividends.

Voting Rights. Holders of Class A Common Stock are entitled to one vote for each share held by them on all matters presented to shareholders. Holders of Class B Common Stock are entitled to ten votes per share.

Liquidation Rights. After satisfaction of the preferential liquidation rights of any Preferred Stock, the holders of the Class A Common Stock and Class B Common Stock are entitled to share ratably as a single class in the distribution of all remaining net assets.

Preemptive and Other Rights. The holders of Class A Common Stock do not have preemptive rights as to additional issues of common stock or conversion rights. The shares of Class A Common Stock are not subject to redemption or to any further calls or assessments and are not entitled to the benefit of any sinking fund provisions. The rights, preferences and privileges of holders of Class A Common Stock are subject to, and may be adversely affected by, the rights of the holder of shares of any series of Preferred Stock that Hovnanian may designate and issue in the future.

Preferred Stock

The Certificate of Incorporation authorizes the Board of Directors to issue from time to time up to 100,000 shares of Preferred Stock, in one or more series, and with the voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as may be fixed from time to time by the board of directors for each series. No shares of Preferred Stock have been issued and Hovnanian has no present plans to issue any shares of Preferred Stock. The Preferred Stock, however, could be used by Hovnanian's board of directors without further action by Hovnanian's stockholders as an anti-takeover device.

28

DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS

Hovnanian may issue Stock Purchase Contracts representing contracts obligating holders to purchase from Hovnanian and Hovnanian to sell to the holders a specified number of shares of Class A Common Stock or Preferred Stock at a future date or dates. The price per share of Class A Common Stock or Preferred Stock may be fixed at the time the Stock Purchase Contracts are issued or may be determined by reference to a specific formula set forth in the Stock Purchase Contracts.

The Stock Purchase Contracts may be issued separately or as a part of units, often known as Stock Purchase Units, consisting of a Stock Purchase Contract and either

- debt securities, or
- debt obligations of third parties, including U.S. Treasury securities,

securing the holder's obligations to purchase the Class A Common Stock or Preferred Stock under the Stock Purchase Contracts. The Stock Purchase Contracts may require us to make periodic payments to the holders of the Stock Purchase Units or vice versa, and such payments may be unsecured or prefunded on some basis. The Stock Purchase Contracts may require holders to secure their obligations in a specified manner and in certain circumstances we may deliver newly issued prepaid Stock Purchase Contracts, often known as prepaid securities, upon release to a holder of any collateral securing each holder's obligations under the original Stock Purchase Contract.

The applicable prospectus supplement will describe the terms of any Stock Purchase Contracts or Stock Purchase Units and, if applicable, prepaid securities. The description in the prospectus supplement will not contain all of the information that you may find useful. For more information, you should review the Stock Purchase Contracts, the collateral arrangements and depositary arrangements, if applicable, relating to such Stock Purchase Contracts or Stock Purchase Units and, if applicable, the prepaid securities and the document pursuant to which the prepaid securities will be issued, which will be filed with the SEC promptly after the offering of such Stock Purchase Contracts or Stock Purchase Units and, if applicable, prepaid securities.

DESCRIPTION OF WARRANTS

Hovnanian may issue warrants, including warrants to purchase Class A Common Stock or Preferred Stock and warrants to purchase Hovnanian debt securities. K. Hovnanian may issue warrants to purchase K. Hovnanian Debt Securities. All obligations of K. Hovnanian under the K. Hovnanian warrants will be fully and unconditionally guaranteed by Hovnanian. Warrants may be issued independently of or together with any other securities and may be attached to or separate from such securities. Obligations of Hovnanian and K. Hovnanian under the warrants may be guaranteed by the subsidiary guarantors. Each series of warrants will be issued under a separate warrant agreement, each a "warrant agreement" to be entered into between Hovnanian and/or K. Hovnanian and a warrant agent, the "warrant agent". The warrant agent will act solely as an agent of Hovnanian and/or K. Hovnanian in connection with the warrants of that series and will not assume any obligation or relationship of agency or trust for or with holders or beneficial owners of warrants. The following describes some general terms and provisions of the warrants offered hereby. Further terms of the warrants and the applicable warrant agreement will be described in the applicable prospectus supplement.

The applicable prospectus supplement will describe the following terms, where applicable, of the warrants in respect of which this prospectus is being delivered:

- the title of the warrants;
- the aggregate number of the warrants;

29

-
- the price or prices at which the warrants will be issued;
 - the designation, aggregate principal amount and terms of the securities purchasable upon exercise of the warrants;
 - the designation and terms of the securities with which the warrants are issued and the number of the warrants issued with each such security;
 - if applicable, the date on and after which the warrants and the related securities will be separately transferable;
 - the price at which the securities purchasable upon exercise of the warrants may be purchased;
 - the date on which the right to exercise the warrants will commence and the date on which the right will expire;
 - the minimum or maximum amount of the warrants that may be exercised at any one time;
 - information with respect to book-entry procedures, if any;
 - a discussion of certain United States Federal income tax considerations; and
 - any other terms of the warrants, including terms, procedures and limitations relating to the exercise of the warrants.

PLAN OF DISTRIBUTION

Hovnanian, K. Hovnanian and the selling shareholders may sell the securities to or through underwriters or dealers, and also may sell the offered securities directly to one or more other purchasers or through agents. The applicable prospectus supplement will list the names of any underwriters or agents involved in the sale of the offered securities and any applicable commissions or discounts.

Underwriters, dealers or agents may offer and sell the offered securities at a fixed price or prices, which may be changed, or from time to time at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices. In connection with the sale of the securities, underwriters or agents may be deemed to have received compensation from Hovnanian, K. Hovnanian or the selling shareholders in the form of underwriting discounts or commissions and may also receive commissions from purchasers of the securities for whom they may act as agent. Underwriters or agents may sell the securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters or commissions from the purchasers for whom they may act as agent.

The Preferred Stock, debt securities and warrants, when first issued, will have no established trading market. Any underwriters or agents to or through whom offered securities are sold by Hovnanian or K. Hovnanian for public offering and sale may make a market in such offered securities, but the underwriters or agents will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the trading market for any offered securities.

Any underwriters, dealers or agents participating in the distribution of the offered securities may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on resale of the offered securities may be deemed to be underwriting discounts and commissions under the Securities Act. Underwriters, dealers or agents may be entitled, under agreements entered into with Hovnanian, K. Hovnanian or the selling shareholders, to indemnification against or contribution toward certain civil liabilities, including liabilities under the Securities Act.

30

If so indicated in the prospectus supplement, Hovnanian, K. Hovnanian or the selling shareholders will authorize underwriters or other persons acting as its agents to solicit offers by certain institutions to purchase securities from it pursuant to contracts providing for payment and delivery on a future date. Institutions with which contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases will be subject to the condition that the purchase of the securities will not at the time of delivery be prohibited under the laws of the jurisdiction to which such purchaser is subject. The underwriters and agents will not have any responsibility in respect of the validity or performance of such contracts.

LEGAL MATTERS

Certain legal matters with respect to the validity of the offered securities will be passed upon for Hovnanian and K. Hovnanian by Simpson Thacher & Bartlett LLP, New York, New York. Simpson Thacher & Bartlett LLP will rely, as to matters of California and New Jersey law, on the opinion of Peter S. Reinhart, Esq., Senior Vice-President and General Counsel for Hovnanian and K. Hovnanian. Certain legal matters in connection with the offered securities may also be passed upon for any agents or underwriters by counsel specified in the prospectus supplement.

EXPERTS

The consolidated financial statements of Hovnanian Enterprises, Inc. appearing in the Hovnanian Annual Report (Form 10-K) for the year ended October 31, 2002, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

31

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The estimated expenses payable by Hovnanian in connection with the offering described in this registration statement are as follows:

	<u>Total(a)</u>
Registration Fee	\$ 100
Legal fees and expenses	200,000
Blue Sky fees and expenses	15,000
Accounting fees and expenses	15,000
Printing and duplicating expenses	300,000
Miscellaneous expenses	15,000
Total	\$ 545,100

(a) All figures, except the SEC registration fee, are estimates.

Item 15. Indemnification of Directors and Officers.

Hovnanian is a Delaware corporation. Section 145 of the General Corporation Law of the State of Delaware grants each corporation organized thereunder the power to indemnify any person who is or was a director, officer, employee or agent of a corporation or enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of being or having been in any such capacity, if he acted in good faith in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Section 102(b)(7) of the General Corporation Law of the State of Delaware enables a corporation in its certificate of incorporation or an amendment thereto validly approved by stockholders to limit or eliminate the personal liability of the members of its board of directors for violations of the directors' fiduciary duty of care.

Article EIGHTH of Hovnanian's Restated Certificate of Incorporation contains the following provisions with respect to indemnification:

No director of the Company shall be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director; provided, however, that this Article shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. This Article shall not eliminate or limit the liability of a director for any act or omission occurring prior to the date on which this Article becomes effective. Any repeal or modification of this Article Eighth shall not adversely affect any right or protection of a director of the Company existing hereunder with respect to any act or omission occurring prior to the time of such repeal or modification.

II-1

Hovnanian maintains a liability insurance policy providing coverage for its directors and officers in an amount up to an aggregate limit of \$10,000,000 for any single occurrence.

K. Hovnanian is a California corporation. Section 317 of the California Corporations Code provides that a corporation has the power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding, other than in an action by or on behalf of the corporation to obtain a favorable judgment for itself, because such person is or was an agent of the corporation, against expenses actually and reasonably incurred in connection with the proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in the best interests of the corporation and, in the case of criminal proceedings, had no reasonable cause to believe that the conduct was unlawful. In the case of suits by or on behalf of a corporation to obtain a judgment in its favor, a corporation has the power to indemnify any person who was or is a party or is threatened to be made a party to such proceeding because such person is or was the corporation's agent, against expenses actually and reasonably incurred, if the person acted in good faith in a manner the person believed to be in the best interests of the corporation and its shareholders, except that no such indemnification may be made for claims as to which the person shall have been adjudged to be liable to the corporation in the performance of that person's duty to the corporation, unless and then only to the extent a court determines otherwise.

Article FIFTH of K. Hovnanian's Articles of Incorporation contains the following provisions with respect to indemnification:

The Corporation is authorized, to the fullest extent permissible under California law, to indemnify its agents (as defined by Section 317 of the California Corporations Code) whether by bylaw, agreement or otherwise, for breach of duty to the Corporation and its shareholders in excess of that expressly permitted by California Code Section 317, and to advance defense expenses to its agents in connection with such matters as those expenses are incurred; provided, indemnification shall not be provided for any acts or omissions or transactions from which pursuant to applicable statute(s) a director may not be relieved of liability nor under circumstances in which indemnity is expressly prohibited by the statute covering the indemnification of agents.

Item 16. Exhibits.

See Exhibit Index.

Item 17. Undertakings.

The undersigned Registrants hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the from of prospectus filed with the Commission pursuant to Rule 462(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and

II-2

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrants pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrants hereby undertake that, for purposes of determining any liability under the Securities Act, each filing of the Hovnanian annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrants pursuant to the provisions set forth in response to Item 15, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrants of expenses incurred or paid by a director, officer or controlling person of the Registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrants hereby undertake to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.

II-3

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Red Bank, State of New Jersey, on August 29, 2003.

HOVNANIAN ENTERPRISES, INC.

By: /s/ J. LARRY SORSBY

J. Larry Sorsby
Executive Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment to the Registration Statement has been signed below by the following persons in the capacities indicated on August 29, 2003.

Signature	Title
* _____ /s/ KEVORK S. HOVNANIAN _____ Kevork S. Hovnanian	Chairman of the Board and Director
* _____ /s/ ARA K. HOVNANIAN _____ Ara K. Hovnanian	President, Chief Executive Officer and Director
* _____ /s/ GEATON A. DECESARIS, JR. _____ Geaton A. DeCesaris, Jr.	Chief Operating Officer and President, Homebuilding Operations and Director
* _____ /s/ ARTHUR M. GREENBAUM _____ Arthur M. Greenbaum	Director
* _____ /s/ DESMOND P. MCDONALD _____ Desmond P. McDonald	Director
* _____ /s/ EDWARD A. KANGAS _____ Edward A. Kangas	Director
* _____ /s/ JOHN J. ROBBINS _____ John J. Robbins	Director

II-4

* _____ /s/ J. LARRY SORSBY _____ J. Larry Sorsby	Executive Vice-President, Chief Financial Officer and Director
* _____ /s/ STEPHEN D. WEINROTH	Director

Stephen D. Weinroth

*By: /s/ J. LARRY SORSBY

J. Larry Sorsby
Attorney-In-Fact for the person indicated

II-5

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, K. Hovnanian certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Red Bank, State of New Jersey, on August 29, 2003.

K. HOVNANIAN ENTERPRISES, INC.

By: /s/ J. LARRY SORSBY

J. Larry Sorsby
Executive Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment to the Registration Statement has been signed below by the following persons in the capacities indicated on August 29, 2003.

Signature

Title

* /s/ KEVORK S. HOVNANIAN

Chairman of the Board and Director

Kevork S. Hovnanian

* /s/ ARA K. HOVNANIAN

President, Chief Executive Officer and Director

Ara K. Hovnanian

* /s/ GEATON A. DECESARIS, JR.

Chief Operating Officer and President, Homebuilding Operations and Director

Geaton A. DeCesaris, Jr.

* /s/ PAUL W. BUCHANAN

Senior Vice President—Corporate Controller

Paul W. Buchanan

* /s/ PETER S. REINHART

Senior Vice-President, General Counsel/Secretary

Peter S. Reinhart

* /s/ J. LARRY SORSBY

*Executive Vice President, Chief Financial Officer
and Director*

J. Larry Sorsby

*By: /s/ J. LARRY SORSBY

J. Larry Sorsby,
Attorney-In-Fact for the person indicated

II-6

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, each of the Registrants, as listed on the attached Schedule of Subsidiary Registrants, has duly caused this Amendment to the Registration Statement to be signed on its behalf by the undersigned, in his capacity as set forth on the attached Schedule of Subsidiary Registrants, thereunto duly authorized, in the City of Red Bank, State of New Jersey, on August 29, 2003.

REGISTRANTS (as listed on the attached Schedule of Subsidiary Registrants)

By: /s/ J. LARRY SORSBY

Pursuant to the requirements of the Securities Act of 1933, this Amendment to the Registration Statement has been signed by the following person on the date and in the capacities indicated on August 29, 2003.

	Signature	Title
*	<hr/> <i>/s/ KEVORK S. HOVNIANIAN</i> <hr/> Kevork S. Hovnanian	Chairman of the Board and Director
*	<hr/> <i>/s/ ARA K. HOVNIANIAN</i> <hr/> Ara K. Hovnanian	President, Chief Executive Officer and Director
*	<hr/> <i>/s/ GEATON A. DECESARIS, JR.</i> <hr/> Geaton A. DeCesaris, Jr.	Chief Operating Officer and President, Homebuilding Operations and Director
*	<hr/> <i>/s/ PAUL W. BUCHANAN</i> <hr/> Paul W. Buchanan	Senior Vice President—Corporate Controller
*	<hr/> <i>/s/ PETER S. REINHART</i> <hr/> Peter S. Reinhart	Senior Vice-President, General Counsel/Secretary
*	<hr/> <i>/s/ J. LARRY SORSBY</i> <hr/> J. Larry Sorsby	Executive Vice President, Chief Financial Officer and Director
*By:	<hr/> <i>/s/ J. LARRY SORSBY</i> <hr/> J. Larry Sorsby, <i>Attorney-In-Fact for the person indicated</i>	

II-7

SCHEDULE OF SUBSIDIARY REGISTRANTS

Exact Name of Registrant As Specified in Its Charter

ALL SEASONS, INC.
ARROW PROPERTIES, INC.
CONDOMINIUM COMMUNITY (BOWIE NEW TOWN), INC.
CONDOMINIUM COMMUNITY (LARGO TOWN), INC.
CONDOMINIUM COMMUNITY (PARK PLACE), INC.
CONDOMINIUM COMMUNITY (QUAIL RUN), INC.
CONDOMINIUM COMMUNITY (TRUMAN DRIVE), INC.
CONSULTANTS CORPORATION DESIGNED CONTRACTS. INC.
DESIGNED CONTRACTS, INC.
EXC, INC.
FORTIS HOMES, INC.
HOUSING-HOME SALES, INC.
HOVNIANIAN DEVELOPMENTS OF FLORIDA, INC.
K. HOV INTERNATIONAL, INC.
K. HOV IP, II, INC.
K. HOV IP, INC.
K. HOVNIANIAN ACQUISITIONS, INC.
K. HOVNIANIAN AT ASHBURN VILLAGE, INC.
K. HOVNIANIAN AT BALLANTRAE, INC.
K. HOVNIANIAN AT BARRINGTON, INC.
K. HOVNIANIAN AT BELMONT, INC.
K. HOVNIANIAN AT BERNARDS IV, INC.
K. HOVNIANIAN AT BRANCHBURG III, INC.
K. HOVNIANIAN AT BRIDGEPORT, INC.
K. HOVNIANIAN AT BRIDGEWATER VI, INC.
K. HOVNIANIAN AT BULL RUN, INC.
K. HOVNIANIAN AT BURLINGTON III, INC.
K. HOVNIANIAN AT BURLINGTON, INC.

K. HOVNIANIAN AT CALABRIA, INC.
K. HOVNIANIAN AT CAMERON CHASE, INC.
K. HOVNIANIAN AT CARMEL DEL MAR, INC.
K. HOVNIANIAN AT CASTILE, INC.
K. HOVNIANIAN AT CEDAR GROVE I, INC.
K. HOVNIANIAN AT CEDAR GROVE II, INC.
K. HOVNIANIAN AT CHAPARRAL, INC.
K. HOVNIANIAN AT CLARKSTOWN, INC.
K. HOVNIANIAN AT CRESTLINE, INC.
K. HOVNIANIAN AT DOMINGUEZ HILLS, INC.
K. HOVNIANIAN AT DOMINION RIDGE, INC.
K. HOVNIANIAN AT EAST BRUNSWICK VI, INC.
K. HOVNIANIAN AT EAST WHITELAND I, INC.
K. HOVNIANIAN AT EXETER HILLS, INC.
K. HOVNIANIAN AT FAIR LAKES GLEN, INC.
K. HOVNIANIAN AT FAIR LAKES, INC.
K. HOVNIANIAN AT FREEHOLD TOWNSHIP I, INC.

II-8

K. HOVNIANIAN AT HACKETTSTOWN, INC.
K. HOVNIANIAN AT HAMPTON OAKS, INC.
K. HOVNIANIAN AT HERSHEY'S MILL, INC. (a PA Corp)
K. HOVNIANIAN AT HIGHLAND VINEYARDS, INC.
K. HOVNIANIAN AT HOLLY CREST, INC.
K. HOVNIANIAN AT HOPEWELL IV, INC.
K. HOVNIANIAN AT HOPEWELL VI, INC.
K. HOVNIANIAN AT HOWELL TOWNSHIP, INC.
K. HOVNIANIAN AT HUNTER ESTATES, INC.
K. HOVNIANIAN AT KINGS GRANT I, INC.
K. HOVNIANIAN AT KLOCKNER FARMS, INC.
K. HOVNIANIAN AT LA TERRAZA, INC.
K. HOVNIANIAN AT LA TROVATA, INC.
K. HOVNIANIAN AT LAKEWOOD, INC.
K. HOVNIANIAN AT LOWER SAUCON II, INC.
K. HOVNIANIAN AT LOWER SAUCON, INC.
K. HOVNIANIAN AT MAHWAH II, INC.
K. HOVNIANIAN AT MAHWAH IV, INC. (Whalepond)
K. HOVNIANIAN AT MAHWAH V, INC.
K. HOVNIANIAN AT MAHWAH VI, INC. (Norfolk)
K. HOVNIANIAN AT MAHWAH VII, INC.
K. HOVNIANIAN AT MAHWAH VIII, INC.
K. HOVNIANIAN AT MANALAPAN, INC.
K. HOVNIANIAN AT MARLBORO II, INC.
K. HOVNIANIAN AT MARLBORO TOWNSHIP IV, INC.
K. HOVNIANIAN AT MARLBORO TOWNSHIP III, INC.
K. HOVNIANIAN AT METRO DC SOUTH, INC.
K. HOVNIANIAN AT MONTCLAIR NJ, INC.
K. HOVNIANIAN AT MONTCLAIR, INC.
K. HOVNIANIAN AT MONTGOMERY I, INC.
K. HOVNIANIAN AT NORTHERN WESTCHESTER, INC.
K. HOVNIANIAN AT NORTHLAKE, INC.
K. HOVNIANIAN AT OCEAN WALK, INC.
K. HOVNIANIAN AT P.C. PROPERTIES, INC.
K. HOVNIANIAN AT PARK RIDGE, INC.
K. HOVNIANIAN AT PEEKSKILL, INC.
K. HOVNIANIAN AT PERKIOMEN I, INC.
K. HOVNIANIAN AT PERKIOMEN II, INC.
K. HOVNIANIAN AT PLAINSBORO III, INC.
K. HOVNIANIAN AT PRINCETON, INC.
K. HOVNIANIAN AT RANCHO CHRISTIANITOS, INC.
K. HOVNIANIAN AT RESERVOIR RIDGE, INC.
K. HOVNIANIAN AT RIVER OAKS, INC.
K. HOVNIANIAN AT SAN SEVAINE, INC.
K. HOVNIANIAN AT SARATOGA, INC.
K. HOVNIANIAN AT SCOTCH PLAINS II, INC.
K. HOVNIANIAN AT SCOTCH PLAINS, INC.
K. HOVNIANIAN AT SMITHVILLE, INC.
K. HOVNIANIAN AT SOUTH BRUNSWICK III, INC.

II-9

K. HOVNIANIAN AT SOUTH BRUNSWICK V, INC.
K. HOVNIANIAN AT STONE CANYON, INC.
K. HOVNIANIAN AT STONEGATE, INC. (a VA Corporation)
K. HOVNIANIAN AT STONY POINT, INC.
K. HOVNIANIAN AT STUART ROAD, INC.
K. HOVNIANIAN AT SULLY STATION, INC.
K. HOVNIANIAN AT SUMMERWOOD, 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 THE GLEN, INC.
K. HOVNIANIAN AT THORNBURY, INC.
K. HOVNIANIAN AT TIERRASANTA, INC.
K. HOVNIANIAN AT TUXEDO, INC.
K. HOVNIANIAN AT UNION 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 AT WOODMONT, INC.
K. HOVNIANIAN COMPANIES NORTHEAST, INC.
K. HOVNIANIAN COMPANIES OF CALIFORNIA, INC.
K. HOVNIANIAN COMPANIES OF MARYLAND, INC.
K. HOVNIANIAN COMPANIES OF METRO WASHINGTON, INC.
K. HOVNIANIAN COMPANIES OF NEW YORK, INC.
K. HOVNIANIAN COMPANIES OF NORTH CAROLINA, INC.
K. HOVNIANIAN COMPANIES OF PENNSYLVANIA, INC.
K. HOVNIANIAN COMPANIES OF SOUTHERN CALIFORNIA, INC.
K. HOVNIANIAN CONSTRUCTION MANAGEMENT, INC.
K. HOVNIANIAN DEVELOPMENTS OF ARIZONA, INC.
K. HOVNIANIAN DEVELOPMENTS OF CALIFORNIA, INC.
K. HOVNIANIAN DEVELOPMENTS OF MARYLAND, INC.
K. HOVNIANIAN DEVELOPMENTS OF METRO WASHINGTON, INC.
K. HOVNIANIAN DEVELOPMENTS OF MICHIGAN, 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 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 WEST VIRGINIA, INC.
K. HOVNIANIAN EQUITIES, INC.
K. HOVNIANIAN FORECAST HOMES, INC.

K. HOVNIANIAN INVESTMENT PROPERTIES OF NEW JERSEY, INC.
K. HOVNIANIAN MARINE, INC.
K. HOVNIANIAN PA REAL ESTATE, INC.
K. HOVNIANIAN PORT IMPERIAL URBAN RENEWAL, INC.
K. HOVNIANIAN PROPERTIES OF NB THEATRE, INC.
K. HOVNIANIAN PROPERTIES OF NEWARK URBAN RENEWAL CORPORATION, INC.
K. HOVNIANIAN PROPERTIES OF NORTH BRUNSWICK V, INC.
K. HOVNIANIAN PROPERTIES OF PISCATAWAY, INC.
K. HOVNIANIAN PROPERTIES OF RED BANK, INC.
K. HOVNIANIAN PROPERTIES OF WALL, INC.
K. HOVNIANIAN REAL ESTATE INVESTMENT, INC.
KHC ACQUISITION, INC.
KHIP III, INC.
LANDARAMA, INC.
M&M AT LONG BRANCH, INC.
MATZEL & MUMFORD OF DELAWARE, INC.
MCNJ, INC.
MMIP III, INC.
PARTHENON GROUP, INC.
PINE BROOK COMPANY, INC.
QUE CORPORATION
REFLECTIONS OF YOU INTERIORS, INC.
SEABROOK ACCUMULATION CORPORATION

STONEBROOK HOMES, INC.
THE MATZEL & MUMFORD ORGANIZATION, INC.
THE NEW FORTIS CORPORATION
THE SOUTHAMPTON CORPORATION
WASHINGTON HOMES OF WEST VIRGINIA, INC.
WASHINGTON HOMES, INC.
WASHINGTON HOMES, INC. OF VIRGINIA
WESTMINSTER HOMES (CHARLOTTE), INC.
WESTMINSTER HOMES OF TENNESSEE, INC.
WESTMINSTER HOMES, INC.
WH LAND I, INC
WH LAND II, INC.
WH PROPERTIES, INC.
ARBOR WEST, L.L.C.
DULLES COPPERMINE, L.L.C.
K. HOVNIANIAN AT 4S RANCH, L.L.C.
K. HOVNIANIAN AT ARBOR HEIGHTS, L.L.C.
K. HOVNIANIAN AT ASHBURN VILLAGE, L.L.C.
K. HOVNIANIAN AT BARNEGAT I, L.L.C.
K. HOVNIANIAN AT BERKELEY, L.L.C.
K. HOVNIANIAN AT BERNARDS V, L.L.C.
K. HOVNIANIAN AT BLOOMS CROSSING, L.L.C.
K. HOVNIANIAN AT BLUE HERON PINES, L.L.C.
K. HOVNIANIAN AT BRENBROOKE, L.L.C.
K. HOVNIANIAN AT BRIDGEWATER I, L.L.C.
K. HOVNIANIAN AT CAMDEN I, L.L.C.

II-11

K. HOVNIANIAN AT CARMEL VILLAGE, L.L.C.
K. HOVNIANIAN AT CEDAR GROVE III, L.L.C.
K. HOVNIANIAN AT CHESTER I, L.L.C.
K. HOVNIANIAN AT CLIFTON, L.L.C.
K. HOVNIANIAN AT CLIFTON II, L.L.C.
K. HOVNIANIAN AT CORTEZ HILL, L.L.C.
K. HOVNIANIAN AT CRANBURY, L.L.C.
K. HOVNIANIAN AT CURRIES WOODS, L.L.C.
K. HOVNIANIAN AT DENVILLE, L.L.C.
K. HOVNIANIAN AT EASTLAKE, L.L.C.
K. HOVNIANIAN AT EDGEWATER, L.L.C.
K. HOVNIANIAN AT ENCINITAS RANCH, L.L.C.
K. HOVNIANIAN AT FOREST MEADOWS, L.L.C.
K. HOVNIANIAN AT FREEHOLD TOWNSHIP, L.L.C.
K. HOVNIANIAN AT GREAT NOTCH, L.L.C.
K. HOVNIANIAN AT GUTTENBERG, L.L.C.
K. HOVNIANIAN AT HAMBURG, L.L.C.
K. HOVNIANIAN AT HAMBURG CONTRACTORS, L.L.C.
K. HOVNIANIAN AT JACKSON I, L.L.C.
K. HOVNIANIAN AT JACKSON, L.L.C.
K. HOVNIANIAN AT JERSEY CITY IV, L.L.C.
K. HOVNIANIAN AT JERSEY CITY V URBAN RENEWAL CO., L.L.C.
K. HOVNIANIAN AT KENT ISLAND, L.L.C.
K. HOVNIANIAN AT KINCAID, L.L.C.
K. HOVNIANIAN AT KING FARM, L.L.C.
K. HOVNIANIAN AT LA COSTA, L.L.C.
K. HOVNIANIAN AT LA HABRA KNOLLS, L.L.C.
K. HOVNIANIAN AT LAFAYETTE ESTATES, L.L.C.
K. HOVNIANIAN AT LAKE RIDGE CROSSING, L.L.C.
K. HOVNIANIAN AT LAKE TERRAPIN, L.L.C.
K. HOVNIANIAN AT LAWRENCE V, L.L.C.
K. HOVNIANIAN AT LINWOOD, L.L.C.
K. HOVNIANIAN AT LITTLE EGG HARBOR, L.L.C.
K. HOVNIANIAN AT LITTLE EGG HARBOR CONTRACTORS, L.L.C.
K. HOVNIANIAN AT LONG BRANCH I, L.L.C.
K. HOVNIANIAN AT LOWER MACUNGIE TOWNSHIP I, L.L.C.
K. HOVNIANIAN AT LOWER MACUNGIE TOWNSHIP II, L.L.C.
K. HOVNIANIAN AT LOWER MAKEFIELD TOWNSHIP I, L.L.C.
K. HOVNIANIAN AT LOWER MORELAND I, L.L.C.
K. HOVNIANIAN AT LOWER MORELAND II, L.L.C.
K. HOVNIANIAN AT MANALAPAN II, L.L.C.
K. HOVNIANIAN AT MANALAPAN III, L.L.C.
K. HOVNIANIAN AT MANSFIELD I, LLC

K. HOVNIANIAN AT MANSFIELD II, LLC
K. HOVNIANIAN AT MANSFIELD III, L.L.C.

II-12

K. HOVNIANIAN AT MARLBORO TOWNSHIP V, L.L.C.
K. HOVNIANIAN AT MARLBORO TOWNSHIP VIII, L.L.C.
K. HOVNIANIAN AT MARLBORO VI, L.L.C.
K. HOVNIANIAN AT MARLBORO VII, L.L.C.
K. HOVNIANIAN AT MENIFEE, L.L.C.
K. HOVNIANIAN AT MIDDLE TOWNSHIP, L.L.C.
K. HOVNIANIAN AT MIDDLETOWN II, L.L.C.
K. HOVNIANIAN AT MIDDLETOWN, L.L.C.
K. HOVNIANIAN AT MONROE, L.L.C.
K. HOVNIANIAN AT MOSAIC, L.L.C.
K. HOVNIANIAN AT MT. OLIVE TOWNSHIP, L.L.C.
K. HOVNIANIAN AT NORTH BERGEN, L.L.C.
K. HOVNIANIAN AT NORTH BRUNSWICK VI, L.L.C.
K. HOVNIANIAN AT NORTH HALEDON, L.L.C.
K. HOVNIANIAN AT NORTH WILDWOOD, L.L.C.
K. HOVNIANIAN AT NORTHAMPTON, L.L.C.
K. HOVNIANIAN AT NORTHFIELD, L.L.C.
K. HOVNIANIAN AT OLD BRIDGE, L.L.C.
K. HOVNIANIAN AT OLDE ORCHARD, L.L.C.
K. HOVNIANIAN AT PACIFIC BLUFFS, L.L.C.
K. HOVNIANIAN AT PARAMUS, L.L.C.
K. HOVNIANIAN AT PARK LANE, L.L.C.
K. HOVNIANIAN AT RANCHO SANTA MARGARITA, L.L.C.
K. HOVNIANIAN AT RANDOLPH I, L.L.C.
K. HOVNIANIAN AT READINGTON II, L.L.C.
K. HOVNIANIAN AT RIVERBEND II, L.L.C.
K. HOVNIANIAN AT RIVERBEND, L.L.C.
K. HOVNIANIAN AT RODERUCK, L.L.C.
K. HOVNIANIAN AT ROWLAND HEIGHTS, L.L.C.
K. HOVNIANIAN AT SAYREVILLE, L.L.C.
K. HOVNIANIAN AT SKYE ISLE, L.L.C.
K. HOVNIANIAN AT SMITHVILLE III, L.L.C.
K. HOVNIANIAN AT SOMERS POINT, L.L.C.
K. HOVNIANIAN AT SOUTH AMBOY, L.L.C.
K. HOVNIANIAN AT SOUTH BANK, L.L.C.
K. HOVNIANIAN AT SOUTH BRUNSWICK, L.L.C.
K. HOVNIANIAN AT SPRING HILL ROAD, L.L.C.
K. HOVNIANIAN AT ST. MARGARETS, L.L.C.
K. HOVNIANIAN AT SUNSETS, L.L.C.
K. HOVNIANIAN AT THE GABLES, L.L.C.
K. HOVNIANIAN AT TRAIL RIDGE, L.L.C.
K. HOVNIANIAN AT UPPER FREEHOLD TOWNSHIP II, L.L.C.
K. HOVNIANIAN AT UPPER FREEHOLD TOWNSHIP III, L.L.C.
K. HOVNIANIAN AT UPPER UWCHLAN, L.L.C.
K. HOVNIANIAN AT UPPER UWCHLAN II, L.L.C.
K. HOVNIANIAN AT WANAQUE, L.L.C.
K. HOVNIANIAN AT WASHINGTON, L.L.C.
K. HOVNIANIAN AT WAYNE VIII, L.L.C.
K. HOVNIANIAN AT WAYNE IX, L.L.C.

II-13

K. HOVNIANIAN AT WEST MILFORD, L.L.C.
K. HOVNIANIAN AT WEST WINDSOR, L.L.C.
K. HOVNIANIAN AT WILLOW BROOK, L.L.C.
K. HOVNIANIAN AT WINCHESTER, L.L.C.
K. HOVNIANIAN AT WOODHILL ESTATES, L.L.C.
K. HOVNIANIAN AT WOOLWICH, L.L.C.
K. HOVNIANIAN CENTRAL ACQUISITIONS, L.L.C.
K. HOVNIANIAN COMPANIES OF METRO D.C. NORTH, L.L.C.
K. HOVNIANIAN COMPANIES, L.L.C.
K. HOVNIANIAN EASTERN PENNSYLVANIA, L.L.C.
K. HOVNIANIAN FOUR SEASONS AT GOLD HILL, L.L.C.
K. HOVNIANIAN FOUR SEASONS @ HISTORIC VIRGINIA, L.L.C.
K. HOVNIANIAN GREAT WESTERN BUILDING COMPANY, L.L.C.
K. HOVNIANIAN GREAT WESTERN HOMES, L.L.C.
K. HOVNIANIAN HOLDINGS NJ, 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 OHIO REALTY, L.L.C.
 K. HOVNANIAN PENNSYLVANIA ACQUISITIONS, L.L.C.
 K. HOVNANIAN SHORE ACQUISITIONS, L.L.C.
 K. HOVNANIAN SOUTH JERSEY ACQUISITION, L.L.C.
 K. HOVNANIAN SOUTHERN NEW JERSEY, L.L.C.
 K. HOVNANIAN SUMMIT HOLDINGS, L.L.C.
 K. HOVNANIAN SUMMIT HOMES, L.L.C.
 K. HOVNANIAN SUMMIT HOMES OF MICHIGAN, L.L.C.
 K. HOVNANIAN SUMMIT HOMES OF WEST VIRGINIA, L.L.C.
 K. HOVNANIAN'S FOUR SEASONS AT BEAUMONT, L.L.C.
 K. HOVNANIAN'S FOUR SEASONS AT HEMET, L.L.C.
 K. HOVNANIAN'S FOUR SEASONS AT PALM SPRINGS, L.L.C.
 K. HOVNANIAN'S FOUR SEASONS, L.L.C.
 K. HOVNANIAN'S PRIVATE HOME PORTFOLIO, L.L.C.
 KHIP, LLC
 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 HERITAGE WOODS, L.L.C.
 M&M AT KENSINGTON WOODS, L.L.C.
 M&M AT MORRISTOWN, 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.

II-14

M&M AT SPRUCE RUN, L.L.C.
 M&M AT THE HIGHLANDS, L.L.C.
 M&M AT WEST ORANGE, L.L.C.
 MATZEL & MUMFORD AT CRANBURY KNOLL, 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 BRUNSWICK, L.L.C.
 MATZEL & MUMFORD AT WOODLAND CREST, L.L.C.
 MMIP, L.L.C.
 RIDGEMORE UTILITY, L.L.C.
 THE LANDINGS AT SPINNAKER POINTE, L.L.C.
 WASHINGTON HOMES AT COLUMBIA TOWN CENTER, L.L.C.
 WASHINGTON HOMES OF MARYLAND I, L.L.C.
 WESTMINSTER HOMES OF ALABAMA, L.L.C.
 WESTMINSTER HOMES OF MISSISSIPPI, L.L.C.
 WESTMINSTER HOMES OF SOUTH CAROLINA, 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.
 WASHABAMA, L.P.

II-15

INDEX TO EXHIBITS

Exhibit Number	Description of Exhibits
**1.1	— Underwriting Agreement (Hovnanian Debt Securities and Warrants to Purchase Hovnanian Debt Securities).
**1.2	— Underwriting Agreement (K. Hovnanian Debt Securities and Warrants to Purchase K. Hovnanian Debt Securities).
**1.3	— Underwriting Agreement (Equity Securities and Warrants to Purchase Equity Securities).
**1.4	— Underwriting Agreement (Stock Purchase Contracts).
**1.5	— Underwriting Agreement (Stock Purchase Units).
3.1	— Articles of Incorporation of K. Hovnanian Enterprises, Inc. (filed herewith).
3.2	— By-Laws of K. Hovnanian Enterprises, Inc. (filed herewith).

3.3	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in New Jersey (filed herewith).
3.4	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in New York (filed herewith).
3.5	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in Pennsylvania (filed herewith).
3.6	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in North Carolina (filed herewith).
3.7	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in South Carolina (filed herewith).
3.8	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in Virginia (filed herewith).
3.9	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in Maryland (filed herewith).
3.10	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in Delaware (filed herewith).
3.11	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in California (filed herewith).
3.12	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in Texas (filed herewith).
3.13	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in Arizona (filed herewith).
3.14	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in Ohio (filed herewith).
3.15	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in West Virginia (filed herewith).
3.16	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in Florida (filed herewith).
3.17	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in Michigan (filed herewith).
3.18	—	Form of Articles of Organization for Subsidiary Registrant limited liability companies (filed herewith).

II-16

3.19	—	Form of Certificate of Limited Partnership for Subsidiary Registrant limited partnerships (filed herewith).
3.20	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in New Jersey (filed herewith).
3.21	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in New York (filed herewith).
3.22	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in Pennsylvania (filed herewith).
3.23	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in North Carolina (filed herewith).
3.24	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in South Carolina (filed herewith).
3.25	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in Maryland (filed herewith).
3.26	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in Virginia (filed herewith).
3.27	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in Delaware (filed herewith).
3.28	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in California (filed herewith).
3.29	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in Texas (filed herewith).
3.30	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in Arizona (filed herewith).
3.31	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in Ohio (filed herewith).
3.32	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in West Virginia (filed herewith).
3.33	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in Florida (filed herewith).
3.34	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in Michigan (filed herewith).
3.35	—	Form of Limited Liability Company Agreement for Subsidiary Registrant limited liability companies (filed herewith).
3.36	—	Form of Limited Partnership Agreement for Subsidiary Registrant limited partnerships (filed herewith).
3.37	—	Form of Articles of Incorporation for Subsidiary Registrant corporations incorporated in Tennessee (filed herewith).
3.38	—	Form of By-Laws for Subsidiary Registrant corporations incorporated in Tennessee (filed herewith).
****4.1	—	Certificate of Incorporation of Hovnanian Enterprises, Inc.
*****4.2	—	Certificate of Amendment of Certificate of Incorporation of Hovnanian Enterprises, Inc.
*****4.3	—	By-Laws of Hovnanian Enterprises, Inc.
*4.4	—	Form of Hovnanian Debt Securities.

II-17

*4.5	—	Form of K. Hovnanian Debt Securities.
***4.6	—	Form of Hovnanian Senior Debt Indenture.
***4.7	—	Form of Hovnanian Senior Subordinated Debt Indenture.
***4.8	—	Form of Hovnanian Subordinated Debt Indenture.
***4.9	—	Form of K. Hovnanian Senior Debt Indenture.
***4.10	—	Form of K. Hovnanian Senior Subordinated Debt Indenture.
***4.11	—	Form of K. Hovnanian Subordinated Debt Indenture.
*4.12	—	Form of Warrant Agreement for Preferred Stock and Common Stock (including Form of Warrant Certificate).
*4.13	—	Form of Warrant Agreement for Hovnanian Debt Securities (including form of Warrant Certificate).
*4.14	—	Form of Warrant Agreement for K. Hovnanian Debt Securities (including form of Warrant Certificate).
***4.15	—	Form of Purchase Contract Agreement (including form of Purchase Contact Unit).
5.1	—	Opinion of Simpson Thacher & Bartlett LLP (previously filed with this registration statement).
5.2	—	Opinion of Peter S. Reinhart, Senior Vice-President and General Counsel of Hovnanian and K. Hovnanian (previously filed with this registration statement).
10.1	—	Credit Agreement dated as of June 19, 2003, among K. Hovnanian, as Borrower, Hovnanian, as Guarantor, the banks listed therein, PNC Bank, National Association, Bank of America, Fleet National Bank, Wachovia Bank, National Association, Guaranty Bank, National Association, Bank One, NA, Am South Bank, Comerica Bank, SunTrust Bank, National City Bank, Washington Mutual Bank, FA, BNP PARIBAS, Credit Lyonnais, New York Branch, US Bancorp (previously filed with this registration statement).
12.1	—	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Dividends (filed herewith).
23.1	—	Consent of Ernst & Young LLP (filed herewith).
23.2	—	Consent of Simpson Thacher & Bartlett LLP (included in Exhibit 5.1).
23.3	—	Consent of Peter S. Reinhart, Senior Vice-President and General Counsel of Hovnanian and K. Hovnanian (included in Exhibit 5.2).
24.1	—	Powers of Attorney of the Board of Directors of Hovnanian Enterprises, Inc. (previously filed with this registration statement).
24.2	—	Powers of Attorney of the Board of Directors of K. Hovnanian Enterprises, Inc. (previously filed with this registration statement).

24.3	—	Powers of Attorney of the Board of Directors of Subsidiary Registrants (previously filed with this registration statement).
***25.1	—	Statement of Eligibility of Trustee under the Hovnanian Indentures.
***25.2	—	Statement of Eligibility of Trustee under the K. Hovnanian Indentures.

* Incorporated by reference to exhibit of same number to Registration Statement (No. 333-51991) on Form S-3.

** To be incorporated by reference, as necessary, as an exhibit to one or more reports on Form 8-K.

II-18

*** Incorporated by reference to exhibit of same number to Registration Statement (No. 333-68528) on Form S-3.

**** Incorporated by reference to Exhibits to Registration Statement (No. 2-85198) on Form S-1 of Hovnanian Enterprises, Inc.

***** Incorporated by reference to Exhibit 3(b) of the Annual Report on Form 10-K for the year ended February 28, 1993 of Hovnanian Enterprises, Inc.

***** Incorporated by reference to Exhibit 3(c) of the Annual Report on Form 10-K for the year ended February 28, 1993 of Hovnanian Enterprises, Inc.

II-19

QuickLinks

[CALCULATION OF REGISTRATION FEE](#)

[TABLE OF CONTENTS](#)

[FORWARD-LOOKING STATEMENTS](#)

[AVAILABLE INFORMATION](#)

[INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE](#)

[THE COMPANY](#)

[RISK FACTORS](#)

[RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS](#)

[USE OF PROCEEDS](#)

[SELLING SHAREHOLDERS](#)

[DESCRIPTION OF DEBT SECURITIES](#)

[DESCRIPTION OF CAPITAL STOCK](#)

[DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS](#)

[DESCRIPTION OF WARRANTS](#)

[PLAN OF DISTRIBUTION](#)

[LEGAL MATTERS](#)

[EXPERTS](#)

[PART II INFORMATION NOT REQUIRED IN PROSPECTUS](#)

[SIGNATURES](#)

[SIGNATURES](#)

[SIGNATURES](#)

[SCHEDULE OF SUBSIDIARY REGISTRANTS](#)

[Exact Name of Registrant As Specified in Its Charter](#)

[INDEX TO EXHIBITS](#)

ARTICLES OF INCORPORATION
of
K. HOVNANIAN ENTERPRISES, INC.

ARTICLE 1
NAME

The name of the corporation is K. Hovnanian Enterprises, Inc. (hereinafter, the "Corporation").

ARTICLE 2
SPECIFIC PURPOSES OF THE CORPORATION

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE 3
INITIAL AGENT

The name and address in the State of California of the Corporation's initial agent for service of process is: P. Jerold Walsh, Esq., c/o K. Hovnanian Enterprises, Inc. 2495 Campus Drive, Irvine, California 92612.

ARTICLE 4
CORPORATE STOCK

The Corporation is authorized to issue only one class of shares of stock which shall be designated common stock, and the total number of shares which this Corporation is authorized to issue is ten thousand (10,000).

ARTICLE 5
MISCELLANEOUS

(a) The liability of the directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

(b) The Corporation is authorized, to the fullest extent permissible under California law, to indemnify its agents (as defined in Section 317 of the California Corporations Code) whether by bylaw, agreement or otherwise, for breach of duty to the Corporation and its shareholders in excess of that expressly permitted by California Corporations Code Section 317, and to advance defense expenses to its agents in connection with such matters as those expenses are incurred; provided, indemnification shall not be provided for any acts or omissions or transactions from which pursuant to applicable statute(s) a director may not be relieved of liability nor under circumstances in which indemnity is expressly prohibited by the statute

covering the indemnification of agents. If, after the effective date of this Article, California law is amended in a manner that permits a corporation to limit the monetary or other liability of its directors or to authorize indemnification of, or advancement of those defense expenses to, its directors or other persons, in any such case to a greater extent than is permitted on the effective date of this Article, the references in this Article to "California law" or the California Corporations Code shall to that extent be deemed to refer to California law as so amended.

(c) Any amendment, repeal or modification of any provision of this Article shall not adversely affect any right or protection of any agent of the Corporation, including any right of indemnification or limitation of liability of such agent, existing at the time of such amendment, repeal or modification.

Dated: October 28, 2002

/s/ Andrea Vines

Andrea Vines, Incorporator

[SEAL OF OFFICE OF THE SECRETARY OF STATE]

BY-LAWS

OF

K. Hovnanian Enterprises, Inc.

SECTION 1:- ANNUAL MEETING OF SHAREHOLDERS —

The annual meeting of shareholders shall be held at 10:00 A. M. on the last day of February of each year, upon not less than ten (10) nor more than sixty (60) days written notice of the time, place, and purposes of the meeting, at the Corporation's then registered office in the State of New Jersey, or at such other time and place as shall be specified in the notice of the meeting, in order to elect directors of the Corporation and transact such other business as shall come before the meeting. If that date is a legal holiday, the meeting shall be held at the same time and place on the next succeeding business day.

SECTION 2:- SPECIAL MEETINGS OF SHAREHOLDERS —

Special meetings of shareholders may be called, for any purpose or purposes, by the President or the Board of Directors, or by any member of the Board of Directors of the Corporation. Special meetings shall be held at the Corporation's then registered office in the State of NJ, or at such other place as shall be specified in the notice of the meeting.

SECTION 3:- ACTION WITHOUT SHAREHOLDER MEETING —

Meetings of the shareholders may be dispensed with, and any action requiring shareholder approval accomplished, by the execution of a written consent in lieu of such meeting signed by all shareholders who would have been entitled to vote upon such action if the meeting had been held.

1

BY-LAWS

SECTION 4:- BOARD OF DIRECTORS; REGULAR MEETINGS —

The number of directors shall consist of one or more members. Directors shall be at least eighteen years of age.

A regular meeting of the Board of Directors for the election of officers and such other business as may come before the meeting, shall be held without notice immediately following the annual shareholders' meeting at the same place. The Board may provide for additional regular meetings, which may be held without notice, except to members not present at the time of the adoption of the resolution, by resolution adopted at any meeting of the Board.

SECTION 5:- SPECIAL MEETINGS OF THE BOARD —

Special meetings of the Board for any purpose or purposes may be called at any time by the President or by one Director. Such meetings shall be held upon two days notice, given personally or by telephone or telegraph, or by four days notice, given by depositing notice in the United States mails, postage prepaid. Such notice shall specify the time and place of the meeting.

2

BY-LAWS

SECTION 6:- ACTION WITHOUT MEETING —

The Board may act without a meeting if, prior or subsequent to such action, each member of the Board shall consent, in writing, to such action. Such written consent, or consents, shall be filed with the Minutes of the Corporation.

SECTION 7:- QUORUM OF BOARD OF DIRECTORS —

A majority of the entire Board shall constitute a quorum for the transaction of business.

SECTION 8:- VACANCIES IN BOARD OF DIRECTORS —

Any vacancy in the Board, not including a vacancy caused by an increase in the number of Directors, may only be filled by the affirmative vote of a majority of the remaining Directors, even though less than a quorum of the Board. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting, or a special meeting of the stockholders called for that purpose. This by-law may be amended or repealed only by the affirmative vote of a majority of votes cast at a meeting of the shareholders.

SECTION 9:- WAIVERS OF NOTICE —

Any notice required by these by-laws, the Certificate of Incorporation, or by the New Jersey Business Corporation Act, may be waived by a writing, signed by the person or persons entitled to such notice, either before or after the time stated therein. Any director or shareholder attending a meeting without protesting, prior to its conclusion, a lack of notice shall be deemed to have waived notice of such meeting.

3

BY-LAWS

SECTION 10 :- OFFICERS —

At its regular meeting, following the annual meeting of shareholders, the Board shall elect a President, a Treasurer, a Secretary, and such other officers as it shall deem necessary. One person may hold two or more offices, but the same person shall not be both President and Secretary.

SECTION 11 :- DUTIES AND AUTHORITY OF PRESIDENT —

The President shall be chief executive officer of the Corporation. He shall have general charge and supervision over, and responsibility for the business and affairs of the Corporation. Unless otherwise directed by the Board, all other officers shall be subject to the authority and supervision of the President. The President may enter into and execute in the name of the Corporation contracts or other instruments not in the regular course of business which are authorized, either generally or specifically, by the Board. He shall have the general powers and duties of management usually vested in the office of President of a corporation.

SECTION 12 :- DUTIES AND AUTHORITY OF TREASURER —

The Treasurer shall have the custody of the funds and securities of the Corporation and shall keep or cause to be kept regular books of account for the Corporation. The Treasurer shall perform such other duties and possess such other powers as are incident to his office, or as shall be assigned to him by the President or the Board.

SECTION 13 :- DUTIES AND AUTHORITY OF SECRETARY —

The Secretary shall cause notices of all meetings to be served, as prescribed in these by-laws, and shall keep, or cause to be kept, the minutes of all meetings of the shareholders, and the Board. The Secretary shall

4

BY-LAWS

have charge of the seal of the Corporation. He shall perform such other duties and possess such other powers as are incident to his office, or as are assigned to him by the President or the Board.

SECTION 14:- AMENDMENTS TO BY-LAWS —

Unless otherwise specified in the Certificate of Incorporation, or elsewhere in these by-laws, any or all of these by-laws may be altered, amended or repealed by the shareholders or the Board. Any by-law adopted, amended or repealed by the shareholders may be amended or repealed by the Board, unless the resolution of the shareholders adopting such by-laws expressly reserves the right to amend or repeal it to the shareholders.

SECTION 15:- FISCAL YEAR —

The first and each subsequent fiscal year of the Corporation shall be as determined by the Board of Directors of the Corporation, which determination shall be made subject to all applicable laws and regulations, and which determination may be changed by said Directors, subject to all applicable laws and regulations.

SECTION 16:- LOANS TO OFFICERS OR EMPLOYEES —

A Corporation may lend money to, or guarantee any obligation of, or otherwise assist, any officer or other employee of the Corporation or of any subsidiary, whenever, in the judgment of the Directors, such loan, guarantee or assistance may reasonably be expected to benefit the Corporation, and may lend money to, guarantee any obligation of, or otherwise assist, any officer or other employee who is also a Director of the Corporation. Any such loan, guarantee or assistance shall only be permitted if authorized by a majority of the entire Board. The loan, guarantee, or

5

BY-LAWS

other assistance may be made with or without interest, and may be unsecured, or secured, in such manner as the Board shall approve, including, without limitation, a pledge of shares of the Corporation, and may be made upon such other terms and conditions as the Board may determine.

SECTION 17:- FORCE AND EFFECT OF BY-LAWS —

These by-laws are subject to the provisions of the New Jersey Business Corporation Act and the Corporation's Certificate of Incorporation, as it may be amended from time to time. If any provision in these by-laws is inconsistent with a provision in that Act, or the Certificate of Incorporation, the provisions of that Act, or the Certificate of Incorporation; shall govern to the extent of such inconsistency.

6

CERTIFICATE OF INCORPORATION
of
[], INC.

Pursuant to Title 14A:2-7 New Jersey Business Corporation Act

ARTICLE 1
NAME

The name of the corporation is [], Inc. (hereinafter, the "Corporation").

ARTICLE 2

SPECIFIC PURPOSES OF THE CORPORATION

The purpose for which this Corporation is organized is to engage in any lawful act or activity for which a corporation may be organized under the NJSA 14A 1-1 et seq.

ARTICLE 3
REGISTERED AGENT

The name and address in of the Corporation's registered agent for service of process is: [].

ARTICLE 4
SHARES

The aggregate number of shares which the Corporation is authorized to issue is [].

ARTICLE 5
BOARD OF DIRECTORS

The name and address of the first Board of Directors, which shall consist of 3 Directors, is as follows:

- []
- []
- []

ARTICLE 6
INITIAL INCORPORATOR

The name and address of the incorporator is : [].

ARTICLE 7
DURATION

The duration of the corporation is perpetual.

ARTICLE 8
EFFECTIVE DATE

The effective date of this Certificate of Incorporation is: [].

IN WITNESS whereof, the incorporator, being over 18 years of age, has signed this certificate this day of .

CERTIFICATE OF INCORPORATION

OF

[]

Under Section 402 of the Business Corporation Law

FIRST: The name of the Corporation is []

SECOND: The corporation is formed to engage in any lawful act or activity for which a corporation may be organized under the Business Corporation Law, provided that it is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

THIRD: The county, within this state, in which the office of the corporation is to be located is []

FOURTH: The total number of shares which the Corporation shall have authority to issue is [] shares of Common Stock, par value \$[] each.

FIFTH: The Secretary of State is designated as agent of the Corporation upon whom process against the Corporation may be served. The address to which the Secretary of State shall mail a copy of any process accepted on behalf of the corporation is c/o K. Hovnanian Enterprises, Inc., 10 Highway 35, Red Bank, New Jersey 07701.

SIXTH: The date the corporate existence shall begin is the date hereof.

IN WITNESS WHEREOF, the undersigned has signed this Certificate of Incorporation on []

[]

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
CORPORATION BUREAU

ARTICLES OF INCORPORATION

In compliance with the requirements of the Business Corporation Law, approved the 5th day of May, A.D., 1933, P.L. 364, as amended, the undersigned, all of whom are of full age desiring that they may be incorporated as a business corporation, do hereby certify:

- 1. The name of the corporation is: [], INC.
- 2. The location and post office address of its initial registered office in this Commonwealth is: [].
- 3. The purpose or purposes of the corporation which shall be organized under this Act are as follows:

to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under p this Act, being the Business Corporation Law approved May 5, 1933, P.L. 364, as amended, including but not limited to manufacturing, processing, researching, developing, owning, using; and dealing in personal property of every class and description and acquiring, owning, using and disposing of real property of any nature whatsoever.

- 4. The term of its existence is: Perpetual.
- 5. The aggregate number of shares which the corporation shall have authority to issue is: 1,000 shares with no par value.
- 6. The names and addresses of each of the incorporators and the number and class of shares subscribed by each are:

[]

IN TESTIMONY WHEREOF, the incorporators have signed and sealed these Articles of Incorporation this day of .



ARTICLES OF INCORPORATION

OF

[], INC.

I, the undersigned natural person of the age of eighteen (18) years or more, do make and acknowledge these Articles of Incorporation for the purpose of forming a business corporation under and by virtue of the laws of the State of North Carolina;

I.

The name of the corporation is [], Inc.

II.

The period of duration of the corporation is perpetual.

III.

The purpose for which the corporation is organized is to engage in any lawful act or activity for which corporations may be organized under Chapter 55 of the General Statutes of North Carolina.

IV.

The corporation shall have authority to issue 100,000 shares with no par value.

V.

The minimum amount of consideration to be received by the corporation for its shares before it shall commence business is One Hundred dollars (\$100.00) in cash or property of equivalent value.

VI.

The address of the original registered office of the corporation in the State of North Carolina is: [], and the name of its initial registered agent at such address is [].

VII.

The number of directors constituting the initial Board of Directors shall be one; and the name and address of such director until the first meeting of the shareholders, or until his successor(s) be elected and qualify is

[]

VIII.

The name and address of the incorporator is:

[]

2

IN WITNESS WHEREOF, I have hereunto set my hand and seal this the []

(SEAL)

[]

3

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF INCORPORATION

TYPE OR PRINT CLEARLY IN BLACK INK

1. The name of the proposed corporation is

2. The initial registered office of the corporation is

Street Address

City

County

State

Zip Code

and the initial registered agent at such address is

Print Name

I hereby consent to the appointment as registered agent of the corporation:

Agent's Signature

3. The corporation is authorized to issue shares of stock as follows. Complete "a" or "b", whichever is applicable:

a. The corporation is authorized to issue a single class of shares, the total number of shares authorized is _____.

b. The corporation is authorized to issue more than one class of shares:

<u>Class of Shares</u>	<u>Authorized No. of Each Class</u>
_____	_____
_____	_____

The relative right, preference, and limitations of the shares of each class, and of each series within a class, are as follows:

4. The existence of the corporation shall begin as of the filing date with the Secretary of State unless a delayed date is indicated (See Section 33-1-230(b) of the 1976 South Carolina Code of Laws, as amended)

Name of Corporation

5. The optional provisions, which the corporation elects to include in the articles of incorporation, are as follows (See the applicable provisions of Sections 33-2-102, 35-2-105, and 35-2-221 of the 1976 South Carolina Code of Laws, as amended).

6. The name, address, and signature of each incorporator is as follows (only one is required):

a. _____
Name

Address

Signature

b. _____
Name

Address

Signature

c. _____
Name

Address

Signature

7. I, _____, an attorney licensed to practice in the state of South Carolina, certify that the corporation, to whose articles of incorporation this certificate is attached, has complied with the requirements of Chapter 2, Title 33 of the 1976 South Carolina Code of Laws, as amended, relating to the articles of incorporation.

Date _____

Signature

Type or Print Name

Address

Telephone Number



SCC544
(05/02)

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

ARTICLES OF INCORPORATION
PROFESSIONAL CORPORATION

The undersigned, pursuant to Chapters 7 and 9 or 10 of Title 13.1 of the Code of Virginia, state(s) as follows:

- 1. The name of the professional corporation is:
Inc.
- 2. The professional corporation is organized for the sole and specific purpose of rendering the professional services of:
- 3. The number (and classes, if any) of shares the professional corporation is authorized to issue is (are):

Number of shares authorized	Class(es)
------------------------------------	------------------

- 4. A. The name of the professional corporation's initial registered agent is
- B. The initial registered agent is:
 - (1) an individual who is a resident of Virginia **and**
 - o an initial director of the professional corporation.
 - o a member of the Virginia State Bar.
 - OR**
 - (2) o a domestic or foreign stock or nonstock corporation, limited liability company, or registered limited liability partnership authorized to transact business in Virginia.

- 5. A. The professional corporation's initial registered office address, which is the business office of the initial registered agent, is:

 (number/street) (city or town) , VA (zip code)

B. The registered office is physically located in the o city **or** o county of

- 6. The first board of directors shall have member(s).

- 7. The initial directors are:

NAME(S)	ADDRESS(ES)
----------------	--------------------

- 8. The undersigned INCORPORATOR(s) is (are) duly licensed **or** legally authorized to render the listed professional services, and at least one incorporator is so licensed or legally authorized in Virginia.

SIGNATURE(S)	PRINTED NAME(S)

ARTICLES OF INCORPORATION
OF
[], INC.

WE, THE UNDERSIGNED, [], whose post-office address is [] being at least eighteen years of age, do, under and by virtue of the General Laws of the State of Maryland authorizing the formation of corporations, associate ourselves as incorporators with the intention of forming a corporation.

FIRST: The name of the corporation is

[], INC.

SECOND: The purposes for which the corporation is formed are:

To engage in any or all lawful business for which corporations may be organized under the Maryland General Corporation Law.

THIRD: The post-office address of the principal office of the corporation in this State is []. The name of the resident agent of the corporation in this State is The Corporation Trust Incorporated, a corporation of this State, and the post-office address of the resident agent is [].

FOURTH: The total number of shares of stock which the corporation shall have authority to issue is one thousand (1,000) shares without par value, all of one class.

FIFTH: The number of directors of the corporation shall be six (6), which may be changed in accordance with the by-laws of the corporation. The names of the directors who shall act until the first annual meeting or until their successors are duly chosen and qualify are:

Names	Addresses
-------	-----------

SIXTH: The following provisions are hereby adopted for the purpose of defining, limiting and regulating the powers of the corporation and of the directors and stockholders:

The board of directors of the corporation is hereby empowered to authorize the issuance from time to time of shares of its stock of any class, whether now or hereafter authorized, or securities convertible into shares of its stock of any class or classes, whether now or hereafter authorized.

No holder of shares of stock of any class shall be entitled as a matter of right to subscribe for or purchase or receive any part of any new or additional issue of shares of stock of any class or of securities convertible into shares of stock of any class, whether now or hereafter authorized or whether issued for money, for a consideration other than money or by way of dividend.

The corporation reserves the right from time to time to make any amendment of its charter, now or hereafter authorized by law, including any amendment which alters the contract rights, as expressly set forth in its charter, of any outstanding stock.

SEVENTH: The duration of the corporation shall be perpetual.

IN WITNESS WHEREOF, the undersigned incorporators of [], INC., who executed the foregoing Articles of Incorporation hereby acknowledge the same to be their act and further acknowledge that, to the best of their knowledge the matters and facts set forth therein are true in all material respects under the penalties of perjury.

Dated the [].

CERTIFICATE OF INCORPORATION

OF

[]

- 1. The name of the corporation is:
- 2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.
- 3. The nature of the business or purposes to be conducted or promoted is:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

- 4. The total number of shares of stock which the corporation shall have authority to issue is: () and the par value of each of such shares is [].
- 5. The name and mailing address of each incorporator is as follow:

<u>NAME</u>	<u>MAILING ADDRESS</u>
-------------	------------------------

The name and mailing address of each person who is to serve as a director until the first annual meeting of the stockholders or until a successor is elected and qualified, is as follows:

<u>NAME</u>	<u>MAILING ADDRESS</u>
-------------	------------------------

- 6. The corporation is to have perpetual existence.
- 7. Elections of directors need not be by written ballot unless the by-laws of the corporation shall provide.

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws may provide. The books of the corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the corporation.

8. The corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

9. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived any improper personal benefit.

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this Certificate,

2

hereby declaring and certifying that this is our act and deed and the facts herein stated are true, and accordingly have hereunto set our hands this day of , 20 .

3

ARTICLES OF INCORPORATION
OF
[], INC.

ARTICLE 1
NAME

The name of the corporation is [], Inc. (hereinafter, the "Corporation").

ARTICLE 2

SPECIFIC PURPOSES OF THE CORPORATION

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE 3
INITIAL AGENT

The name and address in the State of California of the Corporation's initial agent for service of process is: [].

ARTICLE 4
CORPORATE STOCK

The Corporation is authorized to issue only one class of shares of stock which shall be designated common stock, and the total number of shares which this Corporation is authorized to issue is ten thousand (10,000).

ARTICLE 5
MISCELLANEOUS

- (a) The liability of the directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.
 - (b) The Corporation is authorized, to the fullest extent permissible under California law, to indemnify its agents (as defined in Section 317 of the California Corporations Code) whether by bylaw, agreement or otherwise, for breach of duty to the Corporation and its shareholders in excess of that expressly permitted by California Corporations Code Section 317, and to advance defense expenses to its agents in connection with such matters as those expenses are incurred; provided, indemnification shall not be provided for any acts or omissions or transactions from which pursuant to applicable statute(s) a director may not be relieved of liability nor under circumstances in which indemnity is expressly prohibited by the statute
-

ARTICLES OF INCORPORATION
OF
[]

The name of the corporation is []

ARTICLE I

The corporation shall have perpetual existence.

ARTICLE II

The purpose for which the corporation is organized is the transaction of any or all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

ARTICLE III

The aggregate number of shares of capital stock that the corporation shall have authority to issue is 1000, par value 0.01 per share. All of such shares shall be common stock of the corporation. Unless specifically provided otherwise herein the holders of such shares shall be entitled to one vote for each share held in any shareholder vote in which any of such holders is entitled to participate.

ARTICLE IV

The preemptive right of any shareholder of the corporation to acquire additional, unissued or treasury shares of the corporation, or securities of the corporation convertible into or carrying a right to subscribe to or acquire shares of the corporation is hereby denied; provided, however, that nothing herein shall preclude the corporation from granting preemptive rights by contract or agreement to any person, corporation or other entity. Cumulative voting by the shareholders of the corporation at any election of directors of the corporation is hereby prohibited.

ARTICLE V

The street address of the initial registered office of the corporation [] and the name of its initial registered agent at this address is [].

ARTICLE VI

The name and address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
-------------	----------------

ARTICLE VII

To the fullest extent permitted by any applicable law, as the same exists or may hereafter be amended, a director of the corporation shall not be liable to the corporation or its shareholders for monetary damages for an act or omission in the director's capacity as a director. Any repeal or amendment of this Article VIII by the shareholders of the corporation or by changes in applicable law shall, to the extent permitted by applicable law, be prospective only, and shall not adversely affect any limitation on the personal liability of any director of the corporation at the time of such repeal or amendment.

ARTICLE VIII

The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding (whether or not by or in the right of the corporation), by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another corporation, employee benefit plan; other enterprise, or other entity, against all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorneys' fees and court costs) actually and reasonably incurred by him in connection with such action, suit or proceeding to the fullest extent permitted by any applicable law, and such indemnity shall inure to the benefit of the heirs, executors and administrators of any such person so indemnified pursuant to this Article VIII. The right to indemnification under this Article VIII shall be a contract right and shall not be deemed exclusive of any other right to which those seeking indemnification may be entitled under any law, bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Any repeal or amendment of this Article VIII by the shareholders of the corporation or by changes in applicable laws shall, to the extent permitted by applicable law, be prospective only, and shall not adversely affect the indemnification of any person who may be indemnified at the time of such repeal or amendment.

ARTICLE IX

An otherwise valid contract or other transaction between the corporation and any other corporation and otherwise valid acts of the corporation with relation to any other corporation shall, in the absence of fraud, be valid notwithstanding whether any one or more of

the directors or officers of the corporation are pecuniarily or otherwise interested in, or are directors or officers of, such other corporation. Any director or officer of the corporation individually, or any firm or association of which any director or officer may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the corporation, provided that the fact that such person individually or as a member of such firm or association is such a party or is so interested shall be disclosed or shall have been known to the board of directors or a majority of such members thereof as shall be present at any meeting of the board of directors at which action upon any such contract or transaction shall be taken; and any director of the corporation who is also a director or officer of such other corporation or who is such a party or so interested may be counted in determining the existence of a quorum at any meeting of the board of directors during which any such contract or transaction shall be authorized and may vote thereat to authorize any such contract or transaction, with like force and effect as if such person were not such a director or officer of such other corporation or not so interested. Any director of the corporation may vote upon any contract or any other transaction between the corporation and any subsidiary or affiliated corporation without regard to the fact that such person is also a director or officer of such subsidiary or affiliated corporation.

Any contract, transaction, act of the corporation or of the directors, which shall be ratified at any annual meeting of the shareholders of the corporation, or at any special meeting of the shareholders of the corporation, or at any special meeting called for such purpose, shall, insofar as permitted by law, be as valid and as binding as though ratified by every shareholder of the corporation; provided, however, that any failure of the shareholders to approve or ratify any such contract, transaction or act, when and if submitted, shall not be deemed in any way to invalidate the same or deprive the corporation, its directors, officers or employees, of its or their right to proceed with such contract, transaction or act.

Subject to any express agreement that may from time to time be in effect, any shareholder, director or officer of the corporation may carry on and conduct in his or her own right and for his or her own personal account, or as a partner in any partnership, or as a joint venturer in any joint venture, or as an officer, director or shareholder of any corporation, or as a participant in any syndicate, pool, trust or association, any business that competes with the business of the corporation and shall be free in all such capacities to make investments in any kind of property in which the corporation may make investments.

ARTICLE X

The number of directors constituting the initial board of directors is no less than one, and the names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are duly elected and qualified, are as follows:

<u>Name</u>	<u>Address</u>
-------------	----------------

3

ARTICLE XI

Any action that would otherwise be taken at any annual or special meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken shall be signed by the holder or holders of shares having not less than the minimum number of votes that would be necessary to take such action at a meeting at which the holders of all shares entitled to vote on the action were present and voted.

ARTICLE XII

With respect to any matter for which the affirmative vote of the holders of a specified portion of the shares entitled to vote is required by the Texas Business Corporation Act, the act of the shareholders on that matter shall be the affirmative vote of the holders of more than fifty percent of the outstanding shares entitled to vote thereon, rather than the affirmative vote otherwise required by the Texas Business Corporation Act. With respect to any matter for which the affirmative vote of the holders of a specified portion of the shares of any class or series is required by the Texas Business Corporation Act, the act of the holders of shares of that class or series on that matter shall be the affirmative vote of the holders of more than fifty percent of the outstanding shares of that class or series, rather than the affirmative vote of the holders of shares of that class or series otherwise required by the Texas Business Corporation Act. Without limiting the generality of the foregoing, the provisions of this Article XIII shall be applicable to any required shareholder authorization or approval of any amendment to the articles of incorporation, any plan of merger, share exchange or reorganization involving the corporation, any sale, lease, exchange or disposition of all, or substantially all, the property and assets of the corporation and any voluntary dissolution of the corporation.

ARTICLE XIII

The corporation will not commence business until it has received for the issuance of its shares of capital stock consideration of the value of at least \$1,000.00, consisting of money, labor or property actually received.

ARTICLE XIV

Election of directors need not be by written ballot. Any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except as otherwise provided by law. In

4

furtherance and not in limitation of the powers conferred by statute, the board of directors of the corporation is expressly authorized to adopt the initial bylaws of the corporation, to amend or repeal the bylaws or to adopt new bylaws, subject to any limitations that may be contained in such bylaws.

[Signature page follows]

5

IN WITNESS WHEREOF, the Incorporator has caused these Articles of Incorporation to be duly executed as of _____, _____, 2003.

[]

ARTICLES OF INCORPORATION

OF

[]

ARTICLE 1. The name of the corporation shall be [] (the "Corporation").

ARTICLE 2. The purpose for which the Corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the Arizona Business Corporation Act, as it may be amended from time to time (the "Business Corporation Act").

ARTICLE 3. The character of business that the Corporation initially intends to conduct in the State of Arizona is the ownership of entities engaged in homebuilding in Arizona.

ARTICLE 4. The Corporation shall have authority to issue one hundred thousand (100,000) shares of common stock, no par value per share.

ARTICLE 5. The name and street address of the initial statutory agent of the Corporation is []

ARTICLE 6. The initial street address of the known place of business for the Corporation [].

ARTICLE 7. The initial board of directors shall consist of five (5) members. The number of directors may be increased or decreased from time to time as set forth in the bylaws of the Corporation. The names and addresses of the persons who are to serve as the members of the initial board of directors until their successors are elected and qualified or until their earlier resignation or removal are:

Name	Address

ARTICLE 8. The personal liability of any director of the Corporation to the Corporation or to its shareholders for money damages for any action taken or any failure to take any action as a director is hereby eliminated to the fullest extent allowed by law.

ARTICLE 9. The Corporation shall indemnify, to the fullest extent allowed by the Business Corporation Act, any person who incurs liability or expense by reason of such person acting as an officer, director, employee or agent of the Corporation. This indemnification shall be mandatory in all circumstances in which the Business Corporation Act permits indemnification.

ARTICLE 10. The names and positions of the persons who are to serve as the initial officers of the Corporation until their successors are duly elected and qualified or until their earlier resignation or removal are:

Name	Office

ARTICLE 11. The name and address of the incorporators of the Corporation are:

Name	Address

All powers, duties and responsibilities of the incorporator shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission.

ARTICLE 12. Unless the bylaws of the Corporation provide otherwise and the statutory agent expressly consents thereto in writing, all records required pursuant to Section 10-1601(E) of the Business Corporation Act, as amended, to be kept by the Corporation shall not be kept by the statutory agent but shall be kept by the Corporation at the known place of business of the Corporation.

ARTICLE 13. The existence of the corporation shall begin when the Articles of Incorporation and Certificate of Disclosure are delivered to the Arizona Corporation Commission for filing.

Dated:

The undersigned, having been designated to act as statutory agent, hereby consents to act in that capacity until removed or resignation is submitted in accordance with the Arizona Revised Statutes.

INITIAL ARTICLES OF INCORPORATION
(FOR DOMESTIC PROFIT OR NON-PROFIT)
Filing Fee \$125.00

THE UNDERSIGNED HEREBY STATES THE FOLLOWING:

(CHECK ONLY ONE (1) BOX)

- (1) /X/ Articles of Incorporation Profit (113-ARF) ORC 1701
(1) // Articles of Incorporation Non-Profit (114-ARN) ORC 1702
(1) // Articles of Incorporation Professional Profession ORC 1785

COMPLETE THE GENERAL INFORMATION IN THIS SECTION FOR THE BOX CHECKED ABOVE.

FIRST: Name of Corporation [], Inc.
SECOND: Location (CITY) (COUNTY)

Effective Date (Optional) (MM/DD/YYYY) DATE SPECIFIED CAN BE MORE THAN 90 DAYS AFTER DATE OF FILING. IF A DATE IS SPECIFIED, THE DATE MUST BE A DATE ON OR AFTER THE DATE OF FILING.

// CHECK HERE IF ADDITIONAL PROVISIONS ARE ATTACHED

COMPLETE THE INFORMATION IN THIS SECTION IF BOX (2) OR (3) IS CHECKED. COMPLETING THIS SECTION IS OPTIONAL IF BOX (1) IS CHECKED.

THIRD: Purpose for which corporation is formed

COMPLETE THE INFORMATION IN THIS SECTION IF BOX (1) OR (3) IS CHECKED.

FOURTH: The number of shares which the corporation is authorized to have outstanding (Please state if shares are common or preferred and their par value if any)
(NO. OF SHARES) (TYPE) (PAR VALUE)

(Refer to instructions if needed)

COMPLETING THE INFORMATION IN THIS SECTION IS OPTIONAL

FIFTH: The following are the names and addresses of the individuals who are to serve as initial Directors.

(NAME) NOTE: P.O. BOX ADDRESSES ARE NOT ACCEPTABLE.
(STREET)
(CITY) (STATE) (ZIP CODE)

(NAME) NOTE: P.O. BOX ADDRESSES ARE NOT ACCEPTABLE.
(STREET)
(CITY) (STATE) (ZIP CODE)

(NAME)

NOTE: P.O. BOX ADDRESSES ARE NOT ACCEPTABLE.

(STREET)

(CITY)

(STATE)

(ZIP CODE)

REQUIRED

Must be authenticated (signed) by an authorized representative

Authorized Representative _____ Date _____

Print Name _____

Authorized Representative _____ Date _____

Print Name _____

Authorized Representative _____ Date _____

Print Name _____

COMPLETE THE INFORMATION IN THIS SECTION IF BOX (1) (2) OR (3) IS CHECKED.

ORIGINAL APPOINTMENT OF STATUTORY AGENT

The undersigned, being at least a majority of the incorporators of _____ hereby appoint the following to be statutory agent upon whom any process, notice or demand required or permitted by statute to be served upon the corporation may be served. The complete address of the agent is

(NAME) _____

(STREET) _____

NOTE: P.O. BOX ADDRESSES ARE NOT ACCEPTABLE.

(CITY) _____

(ZIP CODE) _____

Must be authenticated (signed) by an authorized representative (See Instructions)

Authorized Representative _____ Date _____

Authorized Representative _____ Date _____

Authorized Representative _____ Date _____

ACCEPTANCE OF APPOINTMENT

The Undersigned, _____, named herein as the Statutory Agent for _____, hereby acknowledges and accepts the appointment of statutory agent for said entity.

Signature: _____
(Statutory Agent)

[]

The undersigned, desiring to form a corporation for profit under the General Corporation Law of Ohio, does hereby certify:

FIRST: The name of the Corporation is:

[]

SECOND: The place in Ohio where the principal office of the Corporation shall be located is .

THIRD: The purposes for which the Corporation is formed in general, to carry on any lawful business whatsoever which is calculated, directly or indirectly, to promote the interests of the Corporation or to enhance the value of its properties, and to have and exercise all rights, powers and privileges which are now or may hereafter be conferred upon corporations by the laws of Ohio.

The Corporation reserves the right at any time and from time to time to change substantially its purposes pursuant to the affirmative vote or approval of the holders of shares entitled to exercise the proportion of the voting power of the Corporation now or hereafter required by statute for such approval, and such vote or approval shall be binding and conclusive upon every shareholder of the Corporation as fully as if such shareholder had voted therefor; and no shareholder, notwithstanding that such shareholder may have voted against such change of purpose or may have objected in writing thereto, shall be entitled to payment of the fair cash value of such shareholder's shares.

FOURTH: The number of shares which the Corporation is authorized to have outstanding is One Thousand Five Hundred (1,500) common shares, without par value.

FIFTH: Notwithstanding any provision of the Ohio Revised Code now or hereafter in force otherwise requiring for any purpose the vote, consent, waiver or release of the holders of shares entitling them to exercise two-thirds, or any other proportion, of the voting power of the Corporation or of any class or classes of shares thereof, such action, unless otherwise expressly required by statute or by these Articles of Incorporation, may be taken by the vote, consent, waiver or release of the holders of shares entitling them to exercise a majority of the voting power of the Corporation or of such class or classes.

SIXTH: No holder of any class of shares of the Corporation shall have any preemptive or preferential right to subscribe to or purchase any shares of any class of stock of the Corporation, whether now or hereafter authorized and whether unissued or in the treasury, or any obligations convertible into shares of any class of stock of the Corporation, at any time issued or sold, or any right to subscribe to or purchase any thereof.

SEVENTH: The Corporation may, from time to time, pursuant to authorization by its Directors and without action by the shareholders, purchase or otherwise acquire shares of the Corporation of any class or classes in such manner, upon such terms and in such amounts as the Directors shall determine, to the extent permitted by law; subject, however, to such limitation or restriction, if any, as may be imposed by the terms or provisions of any class of shares or other securities of the Corporation outstanding at the time of the purchase or acquisition in question.

EIGHTH: A Director or officer of the Corporation shall not be disqualified by his office from dealing or contracting with the Corporation as a vendor, purchaser, employee, agent or otherwise, nor shall any transaction, contract or other act of the Corporation be void or voidable or in any way affected or invalidated by reason of the fact that any Director or officer, or any firm in which such Director or officer is a member, or any corporation of which such Director or officer is a shareholder, director or officer, is in any way interested in such transaction,

contract or other act, provided the fact that such Director, officer, firm or corporation is so interested shall be disclosed or shall be known to the Board of Directors at the time at which any action upon any such transaction, contract or other act.

NINTH: Any and every statute of the State of Ohio hereafter enacted, whereby the rights, powers or privileges of corporations or of the shareholders of corporations organized under the laws of the State of Ohio are increased or diminished or in any way affected, or whereby effect is given to the action taken by any number, less than all, of the shareholders of any such corporation, shall apply to the Corporation and shall be binding not only upon the Corporation but upon every shareholder of the Corporation to the same extent as if such statute had been in force at the time of the filing of these Articles of Incorporation in the office of the Secretary of State of Ohio.

JOE MANCHIN, III
Secretary of State
State Capitol Building
1900 Kanawha Blvd, East
Charleston, WV 25305-0770

Penney Barker, Team Leader
Corporations Division
Tel: (304) 558-8000
Fax: (304) 558-5758
www.wvsos.com
FILE One Original

[STATE OF WEST VIRGINIA LOGO]

WEST VIRGINIA
ARTICLES OF INCORPORATION

CONTROL #

The undersigned, acting as incorporator(s) according to the West Virginia Code, adopts the following Articles of Incorporation for a West Virginia Domestic Corporation, which shall be perpetual:

1. The NAME of the WEST VIRGINIA CORPORATION shall be:
[This name is your official name and must be used in its entirety when in use unless a trade name is registered with the Office of Secretary of State, according to Chapter 47-8-3 of the West Virginia Code. [], Inc

2. The ADDRESS of the PRINCIPAL OFFICE of the corporation will be:
located in the Country of: Street:
City/State/Zip:
County: County:
The mailing address of the above location, if different, will be: Street/Box:
City/State/Zip: City/State/Zip:

3. The PHYSICAL ADDRESS (not a PO box) of the PRINCIPAL PLACE OF BUSINESS IN WEST VIRGINIA, IF ANY of the corporation will be: Street:
City/State/Zip: WV
County: County:
located in the Country of: Street/Box:
The mailing address of the above location, if different, will be: City/State/Zip: City/State/Zip:

4. The name and address of the PERSON TO WHOM NOTICE OF PROCESS MAY BE SENT is: Name:
Street
City/State/Zip: City/State/Zip:

5. This corporation is organized as: (check one below)
o NON-PROFIT, NON-STOCK, (if you plan on applying for 501(c)(3) status with the IRS, you may want to include certain language that is required by IRS to be included in your articles of incorporation)
o FOR PROFIT

6. FOR PROFIT ONLY:
The total value of all authorized capital stock of the corporation will be \$.
The capital stock will be divided into shares at the par value of \$ per share.

7. The PURPOSES for which this corporation is formed are as follows:
(Describe the type(s) of business activity which will be conducted, for

example, “agricultural production of grain and poultry”, “construction of residential and commercial buildings”, “manufacturing of food products”, “commercial printing”, “retail grocery and sale of beer and wine”. Purposes may conclude with words”... including the transaction of any or all lawful business for which corporations may be incorporated in West Virginia.”)

8. FOR NON PROFITS ONLY: (Check the statement that applies to your entity)

Corporation will have no members

Corporation will have members

(NOTE) If corporation has one or more classes of members, the designation of a class or classes is to be set forth in the articles of incorporation and the manner of election or appointment and the qualifications and rights of the members of each class is to be set forth in the articles of incorporation or bylaws. If this applies to your entity, you will have to attach a separate sheet listing the above required information, unless it will fit in the space below

9. The name and address of the incorporator(s) is:

Name	Address	City/State/Zip
------	---------	----------------

10. Contact and Signature Information:

a. Contact person to reach in case there is a problem with filing:
Phone #

b. Print Name of person who is signing articles of incorporation:

c. Signature of Incorporator:

Date:

ARTICLES OF INCORPORATION

OF

[], INC.

The undersigned hereby makes, subscribes, acknowledges and files these Articles of Incorporation for the purpose of forming a corporation under the Laws of the State of Florida:

ARTICLE I — NAME

The name of the corporation shall be [], INC.

ARTICLE II — DURATION

The corporation shall have perpetual existence.

ARTICLE III — PURPOSE

The corporation is organized for the purpose of engaging in any activity or business permitted under the Laws of the United States or of this State.

ARTICLE IV — CAPITAL STOCK

This corporation is authorized to issue one thousand (1,000) shares of capital stock with a par value of \$1.00 per share.

ARTICLE V — PRINCIPAL OFFICE, INITIAL REGISTERED OFFICE AND AGENT

The street address in this State of the Principal Office, Initial Registered Office of the corporation is , and the name of the Initial Registered Agent at such address is .

ARTICLE VI — INITIAL BOARD OF DIRECTORS

The Initial Board of Directors shall consist of six (6) members. The number of Directors may be increased or decreased from time to time by the By-Laws, but shall never be less than three (3).

The names and addresses of the Initial Directors are:

ARTICLE VII — INCORPORATOR

The name and address of the person signing these Articles is []

IN WITNESS WHEREOF, I have made and subscribed these Articles this day of .

[]

I HEREBY ACCEPT THE DESIGNATION AS REGISTERED AGENT AS SET FORTH IN THESE ARTICLES OF INCORPORATION.

[]

MICHIGAN DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
BUREAU OF COMMERCIAL SERVICES
(FOR BUREAU USE ONLY)

Date Received

This document is effective on the date
filed, unless a subsequent effective
date within 90 days after received date
is stated in the document.

Name

Address

City State ZIP Code

Effective Date:

DOCUMENT WILL BE RETURNED TO THE NAME AND ADDRESS YOU ENTER ABOVE.
IF LEFT BLANK DOCUMENT WILL BE MAILED TO THE REGISTERED OFFICE.

ARTICLES OF INCORPORATION
FOR USE BY DOMESTIC PROFIT CORPORATIONS
(Please read information and instructions on the last page)

PURSUANT TO THE PROVISIONS OF ACT 284, PUBLIC ACTS OF 1972, THE UNDERSIGNED CORPORATION EXECUTES THE FOLLOWING
ARTICLES:

ARTICLE I

The name of the corporation is:

[], Inc.

ARTICLE II

The purpose or purposes for which the corporation is formed is to engage in any activity within the purposes for which corporations may be formed under the
Business Corporation Act of Michigan.

ARTICLE III

The total authorized shares:

- 1. Common Shares
Preferred Shares
2. A statement of all or any of the relative rights, preferences and limitations of the shares of each class is as follows:

ARTICLE IV

1. The address of the registered office is:

(State Address) (City), Michigan (ZIP Code)

2. The mailing address of the registered office, if different than above:

(State Address or P.O. Box) (City), Michigan (ZIP Code)

3. The name of the resident agent at the registered office is:

ARTICLE V

The name(s) and address(es) of the incorporator(s) is(are) as follows:

Name Residence or Business Address

ARTICLE VI (OPTIONAL, DELETE IF NOT APPLICABLE)

When a compromise or arrangement or a plan of reorganization of this corporation is proposed between this corporation and its creditors or any class of them or between this corporation and its shareholders or any class of them, a court of equity jurisdiction within the state, on application of this corporation or of a creditor or shareholder thereof, or an application of a receiver appointed for the corporation, may order a meeting of the creditors or class of creditors or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as the court directs. If a majority in number representing 3/4 in value of the creditors or class of creditors, or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or a reorganization, agree to a compromise or arrangement or a reorganization of this corporation as a consequence of the compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all the shareholders or class of shareholders and also on this corporation.

ARTICLE VII (OPTIONAL, DELETE IF NOT APPLICABLE)

Any action required or permitted by the Act to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. A written consent shall bear the date of signature of the shareholder who signs the consent. Written consents are not effective to take corporate action unless within 60 days after the record date for determining shareholders entitled to express consent to or to dissent from a proposal without a meeting, written consents dated not more than 10 days before the record date and signed by a sufficient number of shareholders to take the action are delivered to the corporation. Delivery shall be to the corporation's registered office, its principal place of business, or an officer or agent of the corporation having custody of the minutes of the proceedings of its shareholders. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders who would have been entitled to notice of the shareholder meeting if the action had been taken at a meeting and who have not consented to the action in writing. An electronic transmission consenting to an action must comply with Section 407(3).

The space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

I, (We), the incorporator(s) sign my (our) name(s) this day of , .

ARTICLES OF ORGANIZATION

OF

L.L.C.

Under Section [] of the
Limited Liability Company Law

These Articles of Organization for [] L.L.C. are being duly executed and filed by the undersigned, as an authorized person, to form a limited liability company under the [] Limited Liability Company Law §[].

1. The name of the limited liability company formed hereby is [] L.L.C. (the "Company").
2. The office of the Company will be located in [] County.
3. The Secretary of State is designated as agent of the Company upon whom service of process against the Company may be served. Copies of any such service of process may be mailed to the Company at c/o K. Hovnanian Enterprises, Inc., 10 Highway 35, Red Bank, New Jersey, 07701.
4. The Company shall be managed by one or more members as set forth in the Company's Limited Liability Company Operating Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Articles of Organization of [] L.L.C. this [] day of []

By:
Title:

CERTIFICATE OF LIMITED PARTNERSHIP

OF

[] L.P.

The undersigned, desiring to form a limited partnership under the [] Limited Partnership Act, [] § [] (the "LP Act") hereby certifies as follows:

1. Name. The name of the limited partnership formed hereby is [] L.P. (the "Partnership").

2. Registered Office and Agent. The address of the registered office of the Partnership in the State of [] is []. The name of the registered agent of the Partnership at such address is [].

3. General Partner. The name and the business address of the general partner of the Partnership is [], c/o K. Hovnanian Enterprises, Inc., 10 Highway 35, Red Bank, New Jersey 07701.

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Limited Partnership on [] and submits it for filing in accordance with Section [] of the LP Act.

[] as General Partner

By: _____

BY- LAWS

OF

[]

SECTION 1: - ANNUAL MEETING OF SHAREHOLDERS —

The annual meeting of shareholders shall be held at 10:00 A.M. on the last day of February of each year, upon not less than ten (10) nor more than sixty (60) days written notice of the time, place, and purposes of the meeting, at the Corporation's then registered office in the State of New Jersey, or at such other time and place as shall be specified in the notice of the meeting, in order to elect directors of the Corporation and transact such other business as shall come before the meeting. If that date is a legal holiday, the meeting shall be held at the same time and place on the next succeeding business day.

SECTION 2: - SPECIAL MEETINGS OF SHAREHOLDERS —

Special meetings of shareholders may be called, for any purpose or purposes, by the President or the Board of Directors, or by any member of the Board of Directors of the Corporation. Special meetings shall be held at the Corporation's then registered office in the State of NJ, or at such other place as shall be specified in the notice of the meeting.

SECTION 3: - ACTION WITHOUT SHAREHOLDER MEETING —

Meetings of the shareholders may be dispensed with, and any action requiring shareholder approval accomplished, by the execution of a written consent in lieu of such meeting signed by all shareholders who would have been entitled to vote upon such action if the meeting had been held.

SECTION 4: - BOARD OF DIRECTORS' REGULAR MEETINGS —

The number of directors shall consist of one or more members. Directors shall be at least eighteen years of age.

A regular meeting of the Board of Directors for the election of officers and such other business as may come before the meeting, shall be held without notice immediately following the annual shareholders' meeting at the same place. The Board may provide for additional regular meetings, which may be held without notice, except to members not present at the time of the adoption of the resolution, by resolution adopted at any meeting of the Board.

SECTION 5: - SPECIAL MEETINGS OF THE BOARD —

Special meetings of the Board for any purpose or purposes may be called at any time by the President or by one Director. Such meetings shall be held upon two days notice given personally or by telephone or telegraph, or by four days notice, given by depositing notice in the United States mails, postage prepaid. Such notice shall specify the time and place of the meeting.

SECTION 6: - ACTION WITHOUT MEETING —

The Board may act without a meeting if, prior or subsequent to such action, each member of the Board shall consent, in writing, to such action. Such written consent, or consents, shall be filed with the Minutes of the Corporation.

SECTION 7: - QUORUM OF BOARD OF DIRECTORS —

A majority of the entire Board shall constitute a quorum for the transaction of business.

SECTION 8: - VACANCIES IN BOARD' OF DIRECTORS —

Any vacancy in the Board, not including a vacancy caused by an increase in the number of Directors, may only be filled by the affirmative vote of a majority of the remaining

Directors, even though less than a quorum of the Board. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting, or a special meeting of the stockholders called for that purpose. This by-law may be amended or repealed only by the affirmative vote of a majority of votes cast at a meeting of the shareholders.

SECTION 9: - WAIVERS OF NOTICE —

Any notice required by these by-laws, the Certificate of Incorporation, or by the New Jersey Business Corporation Act, may be waived by a writing, signed by the person or persons entitled to such notice, either before or after the time stated therein. Any director or shareholder attending a meeting without protesting, prior to its conclusion, a lack of notice shall be deemed to have waived notice of such meeting.

SECTION 10: - OFFICERS —

At its regular meeting, following the annual meeting of shareholders, the Board shall elect a President, a Treasurer, a Secretary, and such other officers as it shall deem necessary. One person may hold two or more offices, but the same person shall not be both President and Secretary.

SECTION 11: - DUTIES AND AUTHORITY OF PRESIDENT —

The President shall be chief executive officer of the Corporation. He shall have general charge and supervision over, and responsibility for the business and affairs of the Corporation. Unless otherwise directed by the Board, all other officers shall be subject to the authority and supervision of the President. The President may enter into and execute in the name of the Corporation contracts or other instruments not in the regular course of business which are authorized, either generally or specifically, by the Board. He shall have the general powers and duties of management usually vested in the office of President of a corporation.

3

SECTION 12: - DUTIES AND AUTHORITY OF TREASURER —

The Treasurer shall have the custody of the funds and securities of the Corporation and shall keep or cause to be kept regular books of account for the Corporation. The Treasurer shall perform such other duties and possess such other powers as are incident to his office, or as shall be assigned to him by the President or the Board.

SECTION 13: - DUTIES AND AUTHORITY OF SECRETARY —

The Secretary shall cause notices of all meetings to be served, as prescribed in these-by-laws, and shall keep, or cause to be kept, the minutes of all meetings of the shareholders, and the Board. The Secretary shall have charge of the seal of the Corporation. He shall perform such other duties and possess such other powers as are incident to his office, or as are assigned to him by the President or the Board.

SECTION 14: - AMENDMENTS TO BY-LAWS —

Unless otherwise specified in the Certificate of Incorporation, or elsewhere in these by-laws, any or all of these by-laws may be altered, amended or repealed by the shareholders or the Board. Any by-law adopted, amended or repealed by the shareholders may be amended or repealed by the Board, unless the resolution of the shareholders adopting such by-laws expressly reserves the right to amend or repeal it to the shareholders.

SECTION 15: - FISCAL YEAR —

The first and each subsequent fiscal year of the Corporation shall be as determined by the Board of Directors of the Corporation, which determination shall be made subject to all applicable laws and regulations, and which determination may be changed by said Directors, subject to all applicable laws and regulations.

4

SECTION 16: - LOANS TO OFFICERS OR EMPLOYEES —

A Corporation may lend money to, or guarantee any obligation of, or otherwise assist, any officer or other employee of the Corporation or of any subsidiary, whenever, in the judgment of the Directors, such loan, guarantee or assistance may reasonably be expected to benefit the Corporation, and may lend money to, guarantee any obligation of, or otherwise assist, any officer or other employee who is also a Director of the Corporation. Any such loan, guarantee or assistance shall only be permitted if authorized by a majority of the entire Board. The loan, guarantee, or other assistance may be made with or without interest, and may be unsecured, or secured, in such manner as the Board shall approve, including, without limitation, a pledge of shares of the Corporation, and may be made upon such other terms and conditions as the Board may determine.

SECTION 17: - FORCE AND EFFECT OF BY-LAWS —

These by-laws are subject to the provisions of the New Jersey Business Corporation Act and the Corporation's Certificate of Incorporation, as it may be amended from time to time. If any provision in these by-laws is inconsistent with a provision in that Act, or the Certificate of Incorporation; the provisions of that Act, or the Certificate of Incorporation, shall govern to the extent of such inconsistency.

5

BY-LAWS

OF

[], INC.

SECTION 1: - ANNUAL MEETING OF SHAREHOLDERS —

The annual meeting of shareholders shall be held at 10:00 A.M. on last day of February of each year, upon not less than ten (10) nor more than sixty (60) days written notice of the time, place, and purposes of the meeting, at the Corporation's then registered office-in the State of New York or at such other time and place as shall be specified in the notice of the meeting, in order to elect directors of the Corporation and transact such other business as shall come before the meeting. If that date is a legal holiday, the meeting shall be held at the same time and place on the next succeeding business day.

SECTION 2: - SPECIAL MEETINGS OF SHAREHOLDERS —

Special meetings of shareholders may be called, for any purpose or purposes, by the President or the Board of Directors, or by any member of the Board of Directors of the Corporation. Special meetings shall be held at the Corporation's then registered office in the State of NEW YORK, or at such other place as shall be specified in the notice of the meeting.

SECTION 3: - ACTION WITHOUT SHAREHOLDER MEETING —

Meetings of the shareholders may be dispensed with, and any action requiring shareholder approval accomplished, by the execution of a written consent in lieu of such meeting signed by all shareholders who would have been entitled to vote upon such action if the meeting had been held.

SECTION 4: - BOARD OF DIRECTORS; REGULAR MEETINGS —

The number of directors shall consist of one or more members. Directors shall be at least eighteen years of age.

A regular meeting of the Board of Directors for the election of officers and such other business as may come before the meeting, shall be held without notice immediately following the annual shareholders' meeting at the same place. The Board may provide for additional regular meetings, which may be held without notice, except to members not present at the time of the adoption of the resolution, by resolution adopted at any meeting of the Board.

SECTION 5: - SPECIAL MEETINGS OF THE BOARD —

Special meetings of the Board for any purpose or purposes may be called at any time by the President or by one Director. Such meetings shall be held upon two days notice, given personally or by telephone or telegraph, or by four days notice, given by depositing notice in the United States mails, postage prepaid. Such notice shall specify the time and place of the meeting.

SECTION 6: - ACTION WITHOUT MEETING —

The Board may act without a meeting if, prior or subsequent to such action, each member of the Board shall consent, in writing, to such action. Such written consent, or consents, shall be filed with the Minutes of the Corporation.

SECTION 7: - QUORUM OF BOARD OF DIRECTORS —

A majority of the entire Board shall constitute a quorum for the transaction of business.

SECTION 8: - VACANCIES IN BOARD OF DIRECTORS —

Any vacancy in the Board, not including a vacancy caused by an increase in the number of Directors, may only be filled by the affirmative vote of a majority of the remaining

Directors, even though less than a quorum of the Board. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting, or a special meeting of the stockholders called for that purpose. This by-law may be amended or repealed only by the affirmative vote of a majority of votes cast at a meeting of the shareholders.

SECTION 9: - WAIVERS OF NOTICE —

Any notice required by these by-laws, the Certificate of Incorporation, or by the New York Corporation Law may be waived by a writing, signed by the person or persons entitled to such notice, either before or after the time stated therein. Any director or shareholder attending a meeting without protesting, prior to its conclusion, a lack of notice shall be deemed to have waived notice of such meeting.

SECTION 10: - OFFICERS —

At its regular meeting, following the annual meeting of shareholders, the Board shall elect a President, a Treasurer, a Secretary, and such other officers as it shall deem necessary. One person may hold two or more offices, but the same person shall not be both President and Secretary.

SECTION 11: - DUTIES AND AUTHORITY OF PRESIDENT —

The President shall be chief executive officer of the Corporation. He shall have general charge and supervision over, and responsibility for the business and affairs of the Corporation. Unless otherwise directed by the Board, all other officers shall be subject to the authority and supervision of the President. The President may enter into and execute in the name of the Corporation contracts or other instruments not in the regular course of business which are authorized, either generally or specifically, by the Board. He shall have the general powers and duties of management usually vested in the office of President of a corporation.

3

SECTION 12: - DUTIES AND AUTHORITY OF TREASURER —

The Treasurer shall have the custody of the funds and securities of the Corporation and shall keep or cause to be kept regular books of account for the Corporation. The Treasurer shall perform such other duties and possess such other powers as are incident to his office, or as shall be assigned to him by the President or the Board.

SECTION 13: - DUTIES AND AUTHORITY OF SECRETARY —

The Secretary shall cause notices of all meetings to be served, as prescribed in these by-laws, and shall keep, or cause to be kept, the minutes of all meetings of the shareholders, and the Board. The Secretary shall have charge of the seal of the Corporation. He shall perform such other duties and possess such other powers as are incident to his office, or as are assigned to him by the President or the Board.

SECTION 14: - AMENDMENTS TO BY-LAWS —

Unless otherwise specified in the Certificate of Incorporation, or elsewhere in these by-laws, any or all of these by-laws may be altered, amended or repealed by the shareholders or the Board. Any by-law adopted, amended or repealed by the shareholders may be amended or repealed by the Board, unless the resolution of the shareholders adopting such by-laws expressly reserves the right to amend or repeal it to the shareholders.

SECTION 15: - FISCAL YEAR —

The first and subsequent fiscal year of the Corporation shall be as determined by the Board of Directors of the Corporation, which determination shall be made subject to all applicable laws and regulations, and which determination may be changed by said Directors, subject to all applicable laws and regulations.

4

SECTION 16: - LOANS TO OFFICERS OR EMPLOYEES —

A Corporation may lend money to, or guarantee any obligation of, or otherwise assist, any officer or of any subsidiary, whenever, in the judgment of the Directors, such loan, guarantee or assistance may reasonably be expected to benefit the Corporation, and may lend money to, guarantee any obligation of, or otherwise assist, any officer or other employee who is also a Director of the Corporation. Any such loan, guarantee or assistance shall only be permitted if authorized by a majority of the entire Board. The loan, guarantee, or other assistance may be made with or without interest, and may be unsecured, or secured, in such manner as the Board shall approve, including, without limitation, a pledge of shares of the Corporation, and may be made upon such other terms and conditions as the Board may determine.

SECTION 17: - FORCE AND EFFECT OF BY-LAWS —

These by-laws are subject to the provisions of the New York Business Corporation Law and the Corporation's Certificate of Incorporation, as it may be amended from time to time. If any provision in these by-laws is inconsistent with a provision in that Law, or the Certificate of Incorporation, the provisions of that Law or the Certificate of Incorporation, shall govern to the extent of such inconsistency.

5

[], INC.

B Y - L A W S

* * * * *

ARTICLE I

OFFICES

Section 1. The registered office shall be located in the City of [], [] County, Commonwealth of Pennsylvania.

Section 2. The corporation may also have offices at such other places both within and without the Commonwealth of Pennsylvania as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

Section 1. All meetings of the shareholders shall be held at such place within or without the Commonwealth, as may be from time to time fixed or determined by the board of directors.

One or more shareholders may participate in a meeting of the shareholders by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting may hear each other.

Section 2. An annual meeting of the shareholders shall be held on the 1st day of March if not a legal holiday and, if a legal holiday, then on the next secular day following at 10:00 A. M., when they shall elect by a majority vote a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute or by the articles of incorporation, may be called at any time by the president, or a majority of the board of directors, or the holders of not less than twenty percent of all the shares issued and outstanding and entitled to vote at the particular meeting, upon written request delivered to the secretary of the corporation. Such request shall state the purpose or purposes of the proposed meeting. Upon receipt of any such request, it shall be the duty of the secretary to call a special meeting of the shareholders to be held at such time, not more than sixty days thereafter, as the secretary may fix. If the secretary shall neglect to issue such call, the person or persons making the request may issue the call.

Section 4. Written notice of every meeting of the shareholders, specifying the place, date and hour and the general nature of the business of the meeting, shall be served upon or mailed, postage prepaid, at least five days prior to the meeting, unless a greater period of notice is required by state, to each shareholder entitled to vote thereat.

Section 5. Except as otherwise provided by law the officer having charge of the transfer books for shares of the corporation shall prepare and make a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order, with the address and the number of shares held by each. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting.

Section 6. Business transacted at all special meetings of shareholders shall be limited to the purposes stated in the notice.

Section 7. The holders of a majority of the issued and outstanding shares entitled to vote, present in person or represented by proxy, shall be requisite and shall constitute a

quorum at all meetings of the shareholders for the transaction of business, except as otherwise provided by statute or by the articles of incorporation or by these by-laws. If, however, any meeting of shareholders cannot be organized because a quorum has not attended, the shareholders entitled to vote thereat, present in person or by proxy, shall have power, except as otherwise provided by statute, to adjourn the meeting to such time and place as they may determine, but in the case of any meeting called for the election of directors such meeting may be adjourned only from day to day or for such longer periods not exceeding fifteen days each as the holders of majority of the shares present in person or by proxy shall direct. Those shareholders entitled to vote who attend a meeting called for the election of directors that has been previously adjourned for lack of a quorum, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing directors.

Those shareholders entitled to vote who attend a meeting of shareholders that has been previously adjourned for one or more periods aggregating at least fifteen days because of an absence of a quorum, although less than a quorum, shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in the notice of the meeting if the notice states that those shareholders who attend the adjourned meeting shall nevertheless constitute a quorum for the purpose of acting upon the matter. At any adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 8. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the shares having voting powers, present in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the

a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 9. Each shareholder shall at every meeting of the shareholders be entitled to one vote in person or by proxy for each share having voting power held by such shareholder. A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of proxy shall not be effective until written notice thereof has been given to the secretary of the corporation. An unrevoked proxy shall not be valid after three years from the date of its execution unless a longer time is expressly provided therein. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, written notice; of the death or incapacity is given to the secretary of the corporation.

Section 10. In advance of any meeting of shareholders, the board of directors may appoint judges of election, who need not be shareholders, to act at such meeting or any adjournment thereof. If judges of election be not so appointed, the chairman of any such meeting may and, on the request of any shareholder or his proxy, shall make such appointment at the meeting. The number of judges shall be one or three. If appointed at a meeting on the request of one or more shareholders or proxies, the majority of shares present and entitled to vote shall determine whether one or three judges are to be appointed. No person who is a candidate for office shall act as a judge. The judges of election shall do all such acts as may be proper to conduct the election or vote with fairness to all shareholders, and shall make a written report of any matter determined by them and execute a certificate of any fact found by them, if requested by the chairman of the meeting or any shareholder or his proxy. If there be three judges of

election the decision, act or certificate of a majority, shall be effected in all respects as the decision, act or certificate of all.

Section 11. Any action which may be taken at a meeting of the shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders who would be entitled to vote at a meeting for such purpose and shall be filed with the secretary of the corporation.

Any action which may be taken at a meeting of the shareholders or of a class of shareholders may be taken without a meeting, if a consent or consents in writing to such action, setting forth the action so taken, shall be signed by shareholders entitled to cast such a percentage of the number of votes which all such shareholders are entitled to cast may be authorized in the articles of incorporation and filed the secretary of the corporation. Such action shall not become effective until after at least ten days' written notice of such action shall have been given to each shareholder of record entitled to vote thereon who has not consented thereto.

Section 12. In each election for directors, every shareholder entitled to vote shall have the right to multiply the number of votes to which he may be entitled by the total number of directors to be elected in the same election, and he may cast the whole number of such votes for one candidate or he may distribute them among any two or more candidate. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

ARTICLE III

DIRECTORS

Section 1. The number of directors which shall constitute the whole board shall be six. The directors shall be elected at the annual meeting of the shareholders, except as provided in Section 2 of this article, and each director shall hold office until his successor is elected and qualified. Directors need not be shareholders.

Section 2. Vacancies and newly created directorships resulting from any increase in the authorized number of directors shall be filled by a majority of the remaining number of the board, though less than a quorum and each person so elected shall be a director for the balance of the unexpired term.

Section 3. The business of the corporation shall be managed by its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things, as are not by statute or by the articles of incorporation or by these by-laws directed or required to be exercised and done by the shareholders.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The board of directors of the corporation may hold meetings, both regular and special, either with or without the Commonwealth of Pennsylvania.

One or more directors may participate in a meeting of the board or of a committee of the board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 5. The first meeting of each newly elected board of directors shall be held at such time and place as shall be fixed by the shareholders at the meeting at which such directors were elected and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a majority of the whole board shall be present. In the event of the failure of the shareholders to fix the time or place of such first meeting of the newly elected board of directors, or in the event such meeting is not held at the time and place so fixed by the shareholders, the meeting may be held at

such time and place as shall be specified in a notice given as hereinafter provided for such meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.

6

Section 6. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of at least a majority of the board at a duly convened meeting, or by unanimous written consent.

Section 7. Special meetings of the board may be called by the president on one day's notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two directors.

Section 8. At all meetings of the board a majority of the directors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the board of directors, except as may be otherwise specifically provided by statute or by the articles of incorporation. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. If all the directors shall severally or collectively consent in writing to any action to be taken by the corporation, such action shall be as valid a corporate action as though it had been authorized at a meeting of the board of directors.

COMMITTEES

Section 10. The board of directors may, by resolution adopted by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee to the extent provided in such resolution or in these by-laws, shall have an exercise the authority of the board of directors in the management of the

7

business and affairs of the corporation except that a committee shall not have any power or authority as to the following: The submission to shareholders of any action requiring approval of shareholders under this subpart; the creation or filling of vacancies in the board of directors; the adoption, amendment or repeal of the bylaws; the amendment or repeal of any resolution of the board that by its terms is amendable or repealable only the board; action on matters committed by the bylaws or resolution of the board of directors to another committee of the board. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member. The committees shall keep regular minutes of the proceedings and report the same to the board when required.

COMPENSATION OF DIRECTORS

Section 11. The board of directors shall have the authority to fix the compensation of directors for their services as directors and a director may be a salaried officer of the corporation.

ARTICLE IV

NOTICES

Section 1. Notices to directors and shareholders shall be given to the person either personally or by sending a copy thereof by first class or express mail, postage prepaid, or by telegram (with messenger service specified), telex or TWX (with answerback received) or courier service, charges prepaid, or by telecopier, to his address (or to his telex, TWX, telecopier or telephone number) appearing on the books of the corporation or, in the case of directors, supplied by him to the corporation for the purpose of notice. If the notice is sent by mail, telegraph or courier service, it shall be deemed to have been given to the person entitled thereto

8

when deposited in the United States mail or with a telegraph office or courier service for delivery to that person or, in the case of telex or TWX, when dispatched. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by law. When a meeting of shareholders is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than at the announcement at the meeting at which the adjournment is taken, unless the board fixes a new record date for the adjourned meeting.

Section 2. Whenever any written notice is required to be given under the provisions of law or the articles of bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Except as otherwise required by this section, neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting. In the case of a special meeting of shareholders, the waiver of notice shall specify the general nature of the business to be transacted. Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE V

OFFICERS

Section 1. The officers of the corporation shall be chosen by the board of directors and shall be a president, a secretary and a treasurer. The president and secretary shall be natural persons of full age; the treasurer may be a corporation but, if a natural person, shall be of full age. The board of directors may also choose vice-presidents and one or more assistant

secretaries and assistant treasurers. Any number of the aforesaid offices may be held by the same person.

Section 2. The board of directors, immediately after each annual meeting of shareholders, shall elect a president, who may, but need not be a director, and the board shall also annually choose a secretary and a treasurer who need not be members of the board.

Section 3. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

Section 6. If required by the board of directors, an officer shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

THE PRESIDENT

Section 7. The president shall be the chief executive officer of the corporation, shall preside at all meetings of the shareholders and the board of directors, shall have general and

active management of the business of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect.

Section 8. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

THE VICE-PRESIDENTS

Section 9. The vice-president, or if there shall be more than one, the vice-presidents in the order determined by the board of directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president, and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARIES

Section 10. The secretary shall attend all meetings of the board of directors, and all meetings of the shareholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for the purpose and shall perform like duties for the executive committee when required. He shall give, or cause to be given, notice of all meetings of the shareholders and special meetings, of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall keep in safe custody the seal of the corporation and, when authorized by the board of directors, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of an assistant secretary.

Section 11. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability or

the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

Section 12. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 13. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 14. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE VI

CERTIFICATES OF SHARES

Section 1. The shares of the corporation shall be represented by a certificate or shall be uncertificated if so provided for in the by-laws. The certificates of shares of the corporation shall be numbered and registered in a share register as they are issued. They shall

12

exhibit the name of the registered holder and the number and class of shares and the series, if any, represented thereby and the par value of each share or a statement that such shares are without par value as the case may be. If more than one class of shares is authorized, the certificate shall state that the corporation will furnish to any shareholder, upon request and without charge a full or summary statement of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued, and the variations thereof between the shares of each series, and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Section 1528 or a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series; thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 2. Every share certificate shall be signed by the president or vice-president and the secretary or an assistant secretary or the treasurer or an assistant treasurer and shall be sealed with the corporate seal which may be facsimile, engraved or printed.

Section 3. Where a certificate is signed by a transfer agent or an assistant transfer agent or a registrar, the signature of any such president, vice-president, treasurer, assistant treasurer, secretary or assistant secretary may be facsimile. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation, whether because of death, resignation or otherwise, before such certificate or certificates have

13

been delivered by the corporation, such certificate or certificates may nevertheless be adopted by the corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation.

LOST CERTIFICATES

Section 4. The board of directors shall direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, destroyed or wrongfully taken, upon the making of an affidavit of that fact by the person claiming the share certificate to be lost, destroyed or wrongfully taken. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, destroyed or wrongfully taken, certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate or certificates alleged to have been lost, destroyed or wrongfully taken.

TRANSFERS OF SHARES

Section 5. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

CLOSING OF TRANSFER BOOKS

Section 6. The board of directors may fix a time, not more than ninety days, prior to the date of any meeting of shareholders or the date fixed for the payment of any dividend

14

or distribution or the date for the allotment of rights or the date when any change or conversion or exchange of shares will be made or go into effect, as a record date for the determination of the shareholders entitled to notice of and to vote at any such meeting or entitled to receive payment of any such dividend or distribution or to receive any such allotment of rights or to exercise the rights in respect to any such change, conversion or exchange of shares. In such case only such shareholders as shall be shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting or to receive payment of such dividend or to receive such allotment of rights or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after any record date so fixed. The board of directors may close the books of the corporation against transfers of shares during the whole or any part of such period and in such case written or printed notice thereof shall be mailed at least ten days before the closing thereof to each shareholder of record at the address appearing on the records of the corporation or supplied by him to the corporation for the purpose of notice.

REGISTERED SHAREHOLDERS

Section 7. The corporation shall be entitled to treat the holder of record of any share or shares as the holder in fact thereof and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, and shall not be liable for any registration or transfer of shares which are registered or to be registered in the name of a fiduciary or the nominee of a fiduciary unless made with actual knowledge that a fiduciary or nominee of a fiduciary is committing a breach of trust in requesting such registration or transfer, or with knowledge of such facts that its participation therein amounts to bad faith.

ARTICLE VII

GENERAL PROVISIONS

DISTRIBUTIONS

Section 1. Distributions upon the shares of the corporation, subject to the provisions of the articles of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Distributions may be paid in cash, in property, or in its shares, subject to the provisions of the articles of incorporation.

Section 2. Before payment of any distributions, there may be set aside out of any funds of the corporation available for distributions such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

FINANCIAL REPORT TO SHAREHOLDERS

Section 3. The directors shall cause to be sent to the shareholders, within 120 days after the close of the fiscal year, a financial statement as of the closing date of the preceding fiscal year. Such financial statement shall include a balance sheet as of the close of such year, together with statements of income and expenses for such year, prepared so as to present fairly the corporation's financial condition and the results of its operations.

CHECKS

Section 4. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

FISCAL YEAR

Section 5. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SEAL

Section 6. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Pennsylvania". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VIII

AMENDMENTS

Section 1. These by-laws may be altered, amended or repealed by a majority vote of the shareholders entitled to vote thereon at any regular or special meeting duly convened after notice to the shareholders of that purpose or by a majority vote of the members of the board of directors at any regular or special meeting duly convened after notice to the directors of that purpose, subject always to the power of the shareholders to change such action by the directors.

BY-LAWS

OF

[]

INC.

ARTICLE I.

Offices

- Section 1. Principal Office. The principal office of the Corporation shall be located at [].
- Section 2. Registered Office. The registered office of the Corporation, which by law is required to be maintained within the State of North Carolina, shall be located at [] or at such other place within the State of North Carolina as may, from time to time, be fixed and determined by the Board of Directors.
- Section 3. Other Offices. The corporation may have offices at such places, either within or outside the State of North Carolina, as the Board of Directors may from time to time determine.

ARTICLE II.

Meetings of Shareholders

- Section 1. Annual Meetings. The annual meeting of the shareholders for the election of Directors and for the transaction of such other business as may properly come before the meeting shall be held at 10:00 o'clock, a.m., on the 15th of March each year, beginning in 1987, if not a legal holiday, and if a legal holiday, then on the next secular day following.
- Section 2. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these By-Laws, or on adjournment thereof, a substitute annual meeting may be called in the manner provided for the call of a special meeting in accordance with the provision of Section 3 of this Article II and a substitute annual meeting so called shall be designated as and shall be treated, for all purposes, as the annual meeting.
- Section 3. Special Meetings. Special meetings of the shareholders may be called at any time by the President, or any member of the Board of Directors, or by any shareholder pursuant to the written request of the holders of not less than 50% of all the shares entitled to vote at the meeting.

1

- Section 4. Place of Meetings. All meetings of shareholders shall be held at the principal office of the corporation except that a meeting may be held at such other place, within or outside the State of North Carolina, as may be designated in a duly executed waiver of notice of such meeting or as may be otherwise agreed upon in advance by a majority of the shareholders entitled to vote at such a meeting.
- Section 5. Notice of Meetings. Written or printed notice stating the time and place of a meeting of shareholders shall be delivered, personally or by mail, by or at the direction of the President, the Secretary or other persons authorized to call such meeting, to each shareholder of record entitled to vote at such meeting, not less than ten or more than fifty days prior to the date of such meeting, provided, that such notice must be given not less than twenty days before the date of any meeting at which a merger or consolidation is to be considered. If mailed, such notice shall be directed to each shareholder at the address of such shareholder as set forth in the records of the corporation except that if any shareholder shall have filed with the Secretary a written request that notices intended for such shareholder be mailed to some other address then all notices to such shareholder shall be mailed to the address designated in such request. A statement of the business to be transacted at an annual or substitute annual meeting of shareholders need not be set forth in the notice of such meeting except that if any matter is to be considered or acted upon, other than the election of Directors, on which the vote of shareholders is required under the provisions of the North Carolina Business Corporation Act then a specific statement thereof shall be set forth in such notice. In the case of a special meeting, the notice shall set forth the nature of the business to be transacted. If a meeting shall be adjourned for more than thirty days, notice of such adjourned meeting shall be given as in the case of an original meeting and if the adjournment shall be for less than thirty days no notice thereof need be given except that such adjournment shall be announced at the meeting at which the adjournment is taken. Notice of a meeting need not be given if each shareholder entitled to notice thereof shall, in person, or by attorney thereunto duly authorized, waive notice thereof in writing, either before or after such meeting.
- Section 6. Voting Lists. At least ten days before each meeting of shareholders the Secretary of the corporation shall prepare an alphabetical list of the shareholders entitled to vote at such meeting, with the address of and number of shares held by each, which list shall be kept on file at the registered office of the corporation for a period of ten days prior to such meeting, and shall be subject to

-
- Section 7. Quorum. Except as otherwise provided by statute, or by the charter of the corporation, or by these By-Laws, the presence in person or by proxy of holders of record of a majority of the shares entitled to vote at the meeting shall be necessary to constitute a quorum for the transaction of business. In the absence of a quorum, a majority in interest of the shareholders entitled to vote present in person or by proxy, may adjourn the meeting from time to time. At any such adjourned meeting, at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called if a quorum had been there present. The shareholders present in person or by proxy at a meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough shareholders to leave less than a quorum.
- Section 8. Voting; Proxies. At each meeting of shareholders every holder of record of shares entitled to vote shall be entitled to one vote for every share standing in his name on the books of the corporation, except as otherwise provided by law with respect to cumulative voting on the election of Directors. Persons holding shares in a fiduciary capacity shall be entitled to vote the shares so held. Any shareholder entitled to vote may vote by proxy, provided that the instrument authorizing such proxy to act shall have been executed in writing by the shareholder or his duly authorized attorney. No proxy shall be valid after the expiration of eleven months from the date of its execution, unless the person executing it shall have specified therein the length of time it is to continue in force or limits its use to a particular meeting, and in any event no proxy shall be valid after ten years from the date of its execution. Each instrument designating a proxy shall be exhibited to the Secretary of the meeting and shall be filed with the records of the corporation. Voting on all matters, except the election of Directors, shall be by voice vote or by a show of hands, except that if, prior to voting on any particular matter demand shall be made by or on behalf of the holders of not less than one-tenth of the shares represented at such meeting that the vote thereon be taken by ballot, then the vote on such matter shall be taken by ballot.
- Section 9. Votes Required. The vote of a majority of the shares voted at a meeting of Shareholders, duly held at which a quorum is present, shall be sufficient to take or authorize action upon any matter which may properly come before the meeting except as otherwise provided by law, the charter or these By-Laws.
- Section 10. Informal Action by Shareholders. Any action which may be taken by the shareholders at a meeting thereof may be taken without a meeting if consent in writing, setting forth the action taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the corporation. Any consent so filed with the Secretary of the corporation shall be filed in the corporate minute book

in like manner as minutes of a meeting. Any such consent shall have the same force and effect as a unanimous vote of shareholders.

ARTICLE III.

Board of Directors

- Section 1. General Powers. The property, affairs and business of the corporation shall be managed by the Board of Directors.
- Section 2. Number, Tenure and Qualifications. The number of Directors constituting the Board of Directors shall be such number, not less than three (3), nor more than seven (7), as shall from time to time be determined by a majority vote of the whole number of Directors, provided that until a different number shall have been determined by the Board in accordance therewith, the number of Directors shall be six (6). The Directors shall be elected at the annual or adjourned annual meeting of the Shareholders (except as herein otherwise provided for the filling of vacancies) and each Director shall hold office until the next Annual Meeting of Shareholders and until his successor shall have been elected and qualified, or until his death, resignation, disqualification or removal in the manner hereinafter provided. Directors need not be residents of the State of North Carolina or Shareholders of the corporation.
- Section 3. Election of Directors. Except as provided in Section 6 of this Article, the Directors shall be elected at the annual meeting of shareholders and the persons who shall receive the highest number of votes for the available Director positions shall be the elected Directors. If prior to voting for the election of Directors, demand therefor shall be made by or on behalf of any shares entitled to vote at such meeting the election of Directors shall be by ballot.
- Section 4. Cumulative Voting. Every shareholder entitled to vote at an election of Directors shall have the right to vote the number of shares standing of record in such shareholder's name for as many persons as there are Directors to be elected and for whose election such shareholder has a right to vote, or to cumulate such vote by giving one candidate as many votes as shall be equal to the number of such Directors, multiplied by the number of shares of such shareholder, or by distributing such votes on the same principle among any number of such candidates. This right of cumulative voting shall not be exercised unless some shareholder or proxy holder announces in open meeting, before the voting for the Directors starts, such shareholder's intention to so vote cumulatively and if such announcement is made, the chair shall declare that all shares entitled to vote have the right to vote cumulatively and shall thereupon grant a recess if requested by any shareholder of not less than one or more than four hours, as he

shall determine, or of such other period of time as is unanimously then agreed upon.

Section 5. Removal of Directors. The Board of Directors or any individual Director may be removed from office with or without cause by a vote of shareholders holding a majority of the shares entitled to vote at an election of Directors, provided, however, that except in the event the entire Board shall be removed, a particular Director may not be removed if the number of shares voting against the removal would be sufficient to elect a Director if such shares were voted cumulatively at an annual election. If any or all Directors are so removed, new Directors may be elected at the same meeting.

Section 6. Vacancies. A vacancy in the Board of Directors created by an increase in the authorized number of Directors shall be filled only by election at an annual meeting of shareholders or at a special meeting of shareholders called for that purpose. Any vacancy in the Board of Directors created other than by an increase in the number of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director. The shareholders may elect a Director at any time to fill any vacancy not filled by the Directors. Any Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 7. Chairman of Board. There may be a Chairman of the Board of Directors elected by the Directors from their number at any meeting of the Board of Directors. The Chairman, if any, shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board. There may be one or more Vice Chairmen of the Board of Directors elected by the Directors from their number at any meeting of the Board of Directors, who shall perform such duties as may be directed by the Board of Directors.

ARTICLE IV.

Meetings of Directors

Section 1. Regular Meetings. A regular annual meeting of the Board of Directors may be held immediately after the annual meeting of the shareholders and if not then same shall be held within a reasonable time thereafter.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, President or any Director.

5

Section 3. Place of Meetings. All meetings of the Board of Directors shall be held at the principal office of the corporation except that such meetings may be held at such other place, within or outside the State of North Carolina as may be designated in a duly executed waiver of notice of such meeting or as may be otherwise agreed upon in advance of the meeting by a majority of the Directors.

Section 4. Notice of Meetings. Regular Meetings of the Board of Directors may be held without notice. Special meetings shall be called on not less than two days' prior notice. Notice of a special meeting need not state the purpose thereof, and such notice shall be directed to each Director at his residence or usual place of business by mail, cable, or telegram or may be delivered personally. The presence of a Director at a meeting shall constitute a waiver of notice of that meeting except only when such Director attends the meeting solely for the purpose of objecting to the transaction of any business thereat, on the ground that the meeting has not been lawfully called, and does not otherwise participate in such meeting.

Section 5. Quorum and Manner of Acting. A majority of the number of Directors of the corporation shall constitute a quorum for the transaction of any business at any meeting of the Board of Directors. Except as otherwise expressly provided in these By-Laws, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The vote of a majority of the number of Directors of the corporation shall be required to adopt a resolution appointing an executive committee, and the vote of a majority of the Directors then holding office shall be required to adopt, amend or repeal a By-Law or to dissolve the corporation pursuant to the provision of the North Carolina Business Corporation Act without shareholder consent.

Section 6. Informal Action of Directors. Action taken by a majority of the Directors without a meeting shall constitute Board action if written consent to the action in question is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 7. Resignations. Any Director may resign at any time by giving written notice to the President or the Secretary of the corporation. Such resignation shall take effect at the time specified therein, or if no time is specified therein, at the time such resignation is received by the President or Secretary of the corporation, unless it shall be necessary to accept such resignation before it becomes effective, in which event the resignation shall take effect upon its acceptance by the Board of Directors. Unless otherwise specified therein, the acceptance of any such resignation shall not be necessary to make it effective.

6

Section 8. Presumption of Assent. A Director of the corporation who is present at a meeting of the Board of Directors shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the

adjournment thereof or shall forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 9. Compensation. Directors who are neither officers nor employees of the corporation shall receive such stipend, if any, as may be determined by the Board of Directors, plus their expenses, if any, of attending such Directors' meeting. No such payments, however, shall preclude any such Director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE V.

Executive Committee

Section 1. Creation of Powers. The Board of Directors, by resolution adopted by a majority of the whole number of Directors, may designate an Executive Committee and one or more other committees each consisting of two (2) or more members of the Board. During the intervals between the meetings of the Board of Directors, the Executive Committee and any other committee so designated by a majority of the whole number of Directors shall possess and may exercise all of the powers of the Board of Directors as may be lawfully conferred upon them by the Board of Directors of the corporation, provided that they shall have no power or authority to perform any acts required by law to be performed only by the Board of Directors, and shall have no power to fix or alter the number of Directors, to fill vacancies in the Board of Directors or Executive Committee or other committee so designated by a majority of the whole number of Directors, to issue shares of stock, to declare dividends or to make, amend or repeal By-Laws. All actions of the Executive Committee and any other committee so designated by a majority of the whole number of Directors shall be reported to the Board of Directors at its next meeting succeeding such action and shall be subject to revision and alteration by the Board, provided, however, that no rights of third parties shall be affected by any such revision or alteration.

No resolution relating to the powers or authority of the Executive Committee and any other committee so designated by a majority of the whole number of Directors may be altered, amended, rescinded, or

7

repealed in whole or part except upon the affirmative vote of a majority of the whole Board of Directors then holding office.

Section 2. Vacancy. Any vacancy occurring in an Executive Committee or any other committee so designated by a majority of the whole number of Directors shall be filled by a majority of the whole Board of Directors at a regular or special meeting of the Board of Directors.

Section 3. Removal. Any member of an Executive Committee or any other committee so designated by a majority of the whole number of Directors may be removed at any time with or without cause by a majority of the whole Board of Directors.

Section 4. Minutes. The Executive Committee or any other committee so designated by a majority of the whole number of Directors shall keep regular minutes of its proceedings and report the same to the Board of Directors at the next succeeding regular or special meeting of the Board.

Section 5. Responsibility of Directors. The designation of an Executive Committee or any other committee so designated by a majority of the whole number of Directors and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility or liability imposed upon it or him by the law.

If action taken by an Executive Committee or any other committee so designated by a majority of the whole number of Directors is not thereafter formally reported to the Board, as set forth in Section 4, a Director may dissent from such action by filing his written objection with the Secretary with reasonable promptness after learning of such action.

Section 6. Quorum. A majority of the members of the Executive Committee or any other committee so designated by a majority of the whole number of Directors shall constitute a quorum of such committee. Any action shall be taken by a majority vote of those present when a quorum is present.

Section 7. Reversal of Executive Committee by Board. Any action of the Executive Committee or any other committee so designated by a majority of the whole number of Directors may be reversed, amended or nullified by a majority of all Directors then holding office at any regular or special meeting of Directors.

ARTICLE VI.

Officers

Section 1. Number of Officers. The officers of the corporation shall be a President, one or more Vice-Presidents, a Secretary and a Treasurer, and such other

8

officers as may be appointed in accordance with the provisions of Section 3 of this Article VI. Any two offices or more may be held by one person, except the offices of President and Secretary, but no officer shall sign or execute any document in more than one capacity. The Board of Directors may elect a Chairman of the Board if and when it shall determine the need for such officer.

- Section 2. Election, Term of Office and Qualifications. Each officer, except such officers as may be appointed in accordance with the provisions of Section 3 of this Article VI, shall be chosen by the Board of Directors and shall hold office until the annual meeting of the Board of Directors held next after his election or until his successor shall have been duly chosen and qualified or until his death or until he shall resign or shall have been disqualified or shall have been removed from office.
- Section 3. Subordinate Officers and Agents. The Board of Directors from time to time may appoint other officers or agents, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors from time to time may determine. The Board of Directors may delegate to any officer or agent the power to appoint any subordinate officer or agent and to prescribe his respective authority and duties.
- Section 4. Removal. The officers specifically designated in Section 1 of this Article VI may be removed, either with or without cause, by vote of a majority of the whole Board of Directors at a special meeting of the Board called for that purpose. The officers appointed in accordance with the provisions of Section 3 of this Article VI may be removed, either with or without cause, by the Board of Directors, by a majority vote of the Directors present at any meeting, or by an officer or agent upon whom such power of removal may be conferred by the Board of Directors. The removal of any person from office shall be without prejudice to the contract rights, if any, of the person so removed.
- Section 5. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or the Secretary of the corporation, or if he was appointed by an officer or agent in accordance with Section 3 of this Article VI, by giving written notice to the officer or agent who appointed him. Any such resignation shall take effect upon its being accepted by the Board of Directors or by the officer or agent appointing the person so resigning.
- Section 6. Vacancies. A vacancy in any office because of death, resignation, removal, or disqualification, or any other cause, shall be filled for the unexpired portion of the term in the manner prescribed in these By-Laws for regular appointments or elections to such offices.

- Section 7. President. The President shall be the chief executive officer of the corporation, and subject to the instructions of the Board of Directors, shall have general charge of the business, affairs and property of the corporation and control over its other officers, agents and employees. He shall preside at all meetings of the shareholders at which he is present and, in the absence or incapacity of the Chairman of the Board, preside at all meetings of the Board of Directors at which he may be present. He shall have authority to sign, with any other proper officer, certificates for shares of the corporation and any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent; and, in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. He shall have power to make and execute any contract on behalf of the corporation that he believes to be necessary and suitable for the profitable operation of the company.
- Section 8. Vice-President. At the request of the President, or in his absence or disability, the Vice-President, and if there be more than one Vice-President, the Vice-President designated by the Board of Directors, or in the absence of such designation, the Vice-President designated by the President, shall perform all the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties and have such authority as from time to time may be assigned to them by the Board of Directors.
- Section 9. Secretary. The Secretary shall keep the minutes of the meetings of shareholders and of the Board of Directors, and shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law. He shall be custodian of the records, books, reports, statements, certificates and other documents of the corporation and of the seal of the corporation, and see that the seal is affixed to all share certificates prior to their issuance and to all documents requiring such seal. In general, he shall perform all duties and possess all authority incident to the office of Secretary, and he shall perform such other duties and have such other authority as from time to time may be assigned to him by the Board of Directors.
- Section 10. Treasurer. The Treasurer shall have supervision over the funds, securities, receipts and disbursements of the corporation. He shall keep full and accurate accounts of the finances of the corporation in books especially provided for that purpose, and he shall cause a true statement of its assets and liabilities, as of the close of each fiscal year, and of the results of its operations and of changes in surplus for such fiscal year, all in reasonable

- detail, including particulars as to convertible securities then outstanding, to be made and filed at the registered or principal office of the corporation within four months after the end of such fiscal year. The statement so filed shall be kept available for inspection by any shareholder for a period of ten years and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to any shareholder upon his written request for the same. He shall in general perform all duties and have all authority incident to the office of Treasurer and shall perform such other duties and have such other authority as from time to time may be assigned or granted to him by the Board of Directors. He may be required to give a bond for the faithful performance of his duties in such form and amount as the Board of Directors may determine.
- Section 11. Duties of Officers May Be Delegated. In case of the absence of any officer of the corporation or for any other reason that the Board may deem sufficient, the Board may delegate the powers or duties of such officer to any other officer or to any Director for the time being, provided a majority of the entire Board of Directors concurs therein.

Section 12. Salaries of Officers. No officer of the corporation shall be prevented from receiving a salary as such officer or from voting thereon by reason of the fact that he is also a Director of the corporation. The salaries of the officers of the corporation, including such officers as may be Directors of the corporation, shall be fixed from time to time by the Board of Directors, except that the Board of Directors may delegate to any officer who has been given power to appoint subordinate officers or agents, as provided in Section 3 of this Article VI, the authority to fix the salaries or other compensation of any such officers or agents appointed by him.

ARTICLE VII.

Contracts, Loans, Deposits, Checks, Drafts, Etc.

Section 1. Contracts. Except as otherwise provided in these By-Laws, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or to execute or deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless and except as authorized by the Board of Directors. Any officer or agent of the corporation thereunto so authorized may effect loans or advances for the corporation and for such loans and advances may make, execute and deliver promissory notes, bonds or other evidences of indebtedness of the corporation. Any such officer or agent, when thereunto so authorized,

11

may mortgage, pledge, hypothecate or transfer as security for the payment of any and all loans, advances, indebtednesses and liabilities of the corporation any real property and all stocks, bonds, other securities and other personal property at any time held by the corporation, and to that end may endorse, assign and deliver the same, and do every act and thing necessary or proper in connection therewith. Such authority may be general or confined to specific instances.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks or trust companies or with such bankers or other depositories as the Board of Directors may select, or as may be selected by any officer or officers, agent or agents of the corporation to whom such power may from time to time be given by the Board of Directors.

Section 4. Checks, Drafts, Etc. All notes, drafts, acceptances, checks and endorsements or other evidences of indebtedness shall be signed by the President or a Vice-President and by the Secretary or the Treasurer, or in such other manner as the Board of Directors from time to time may determine. Endorsements for deposit to the credit of the corporation in any of its duly authorized depositories will be made by the President or Treasurer or by any officer or agent who may be designated by resolution of the Board of Directors in such manner as such resolution may provide.

Section 5. Proxies. Any share in any other corporation which may from time to time be held by the corporation may be represented and voted at any meeting of shareholders of such other corporation by any person or persons thereunto authorized by the Board of Directors or if no one be so authorized, by the President or a Vice-President or by any proxy appointed in writing by the President or a Vice-President.

ARTICLE VIII.

Certificates for Shares and Their Transfer

Section 1. Issuance of Shares. The Board of Directors have the power by resolution duly adopted to issue from time to time any part or all of the authorized but unissued shares or dispose of any Treasury Shares of the corporation and to determine the time when, the terms upon which, and the consideration for which the corporation shall issue or dispose of such shares.

Section 2. Certificates of Shares. Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. The corporation shall issue and deliver to each Shareholder certificates representing all fully paid shares owned by him. Certificates shall be

12

signed by or impressed with the facsimile signature of either the President or Vice President and countersigned by the Secretary, an Assistant Secretary, Treasurer or Assistant Treasurer, provided that if facsimile signatures are used, each certificate shall be countersigned by a transfer agent or registered by a registrar other than the corporation or any employee thereof. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number and class of shares and the date of issue, shall be entered on the stock transfer books of the corporation.

Section 3. Transfers of Shares. A book shall be kept containing the names, alphabetically arranged, of all shareholders of the corporation, showing their places of residence, the number of shares held by them respectively, the time when they respectively become the owners thereof and the amount paid thereon. Transfers of the shares of the corporation shall be made on the books of the corporation at the direction of the record holder thereof or his attorney thereunto duly authorized by a power of attorney duly executed and filed with the Secretary, or with the transfer agent, if any, for such shares, and the surrender of the certificate or certificates for such shares properly endorsed. The corporation shall be entitled to treat the holder of record of any share or shares as the holder and owner thereof and shall not be bound to recognize any legal, equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly

provided by the laws of the State of North Carolina. Transfer of shares shall be subject to any and all restrictions placed thereupon by the Board of Directors.

Section 4. Lost or Destroyed Certificates. The holder of any share or shares of the corporation shall immediately notify the corporation of any loss, destruction, theft or mutilation of the certificate therefor and the corporation with the approval of the Board of Directors may issue a new certificate of such share or shares in the place of such certificate theretofore issued by it alleged to have been lost, destroyed, stolen or mutilated. The Board of Directors in its discretion may require the owner of the certificate alleged to have been lost, destroyed, stolen or mutilated, or his legal representative to give the corporation and its transfer agent and its registrar, if any, before the issuance of such new certificate, a bond of indemnity in such sum and in such form and with such surety or sureties as the Board of Directors may direct or the Board, by resolution reciting that the circumstances justify such action, may authorize the issuance of such new certificate without requiring such bond.

Section 5. Closing Transfer Books and Fixing Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of

13

any dividends, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may provide that the share transfer books shall be closed for a stated period but not to exceed, in any case, fifty days. If the share transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten days immediately preceding such meeting. In lieu of closing the share transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such record date in any case to be not more than fifty days and, in case of a meeting of shareholders, not less than ten days immediately preceding the date on which the particular action, requiring such determination of shareholders, is to be taken. If the share transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted as the case may be shall be the record date for such determination of shareholders.

When a determination of Shareholders entitled to vote at any meeting of Shareholders has been made as provided in this Section 5, such determination shall apply to any adjournment thereof except where the determination has been made through the closing of the stock transfer books and the stated period of closing has expired.

Section 6. Treasury Shares. Treasury Shares of the corporation shall consist of such shares as have been issued and thereafter acquired but not cancelled by the corporation. Treasury Shares shall not carry voting or dividend rights.

ARTICLE IX.

General Provisions

Section 1. Corporate Seal. The corporate seal shall be in such form as shall be approved from time to time by the Board of Directors.

Section 2. Fiscal Year. The fiscal year of the corporation shall be established by resolution of the Board of Directors.

Section 3. Waiver of Notice. Whenever any notice is required to be given to any shareholder or director under the provisions of the North Carolina Business Corporation Act or under the provisions of the charter or By-Laws of this corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

14

Section 4. Amendments. Except as otherwise herein provided, these By-Laws may be amended or repealed and new By-Laws may be adopted by the affirmative vote of a majority of the Directors then holding office at any regular or special meeting of the Board of Directors. The Board of Directors shall not have power to adopt a By-Law: (1) requiring more than a majority of the voting shares for a quorum at a meeting of shareholders or more than a majority of the votes cast to constitute action by the shareholders, except where higher percentages are required by law, (2) providing for the management of the corporation other than by the Board of Directors or its Executive committees. The shareholders may make, alter, amend and repeal the By-Laws of the corporation at any annual meeting or at a special meeting called for such purpose, and By-Laws adopted by the Directors may be altered or repealed by the shareholders. No By-Law adopted or amended by the shareholders shall be altered or repealed by the Board of Directors.

Section 5. Dividends. The Board of Directors may from time to time declare, and the corporation may pay, dividends on its outstanding shares in cash, property or its own shares in the manner and upon the terms and conditions provided by law and by its charter.

APPROVED:

[]

**BYLAWS
OF
[], INC.**

**ARTICLE I
CORPORATE NAME**

The name of this corporation shall be [], Inc.

**ARTICLE II
CORPORATE SEAL**

This corporation shall use as its official corporate seal, a seal which shall be circular in form and shall have inscribed thereon the following:

**ARTICLE III
REGISTERED OFFICE AND AGENT**

Section 3.1. Registered Office. The Registered Office of the corporation required by law to be maintained in the State of South Carolina shall be as initially designated in the Articles of Incorporation and continuously maintained by the Board of Directors. The Registered Office need not be identical with the principal place of business or other offices, either within or without the State of South Carolina, as the business of the corporation may from time to time require.

Section 3.2. Registered Agent. The Registered Agent of the corporation required by law shall be the person initially designated in the Articles of Incorporation and continuously maintained by the Board of Directors.

Section 3.3. Changes. The Board of Directors may change the Registered Office and the Registered Agent at its discretion from time to time after giving due notice of such change or changes as required by law to the Secretary of State of South Carolina.

Section 3.4. Documents for Inspection. The following documents shall be kept at the principal office (located at such place as the Board of Directors may determine) of the corporation subject to inspection by the shareholders of the corporation during usual business hours:

- (a) A record of the shareholders of the corporation, with their last known addresses, the number of shares held by each shareholder and the date or dates when each shareholder became the owner of record of such share or shares.
- (b) A certified copy of the Articles of Incorporation, together with any amendments thereto.
- (c) A copy of these Bylaws, as amended from time to time.

- (d) Resolutions adopted by its Board of Directors creating one or more classes or series of shares, and fixing their relative rights, preferences, and limitations, if shares issued pursuant to those resolutions are outstanding.
- (e) Minutes of the proceedings of the shareholders, Board of Directors, and committees of the Board of Directors.
- (f) All written communications to shareholders as a group within the past three years, including the financial statements furnished for the past three years to the shareholders.
- (g) A list of the names and business addresses of its current Directors and Officers;
- (h) Its most recent annual report delivered to the Department of Revenue.
- (i) Its federal and state income tax returns for the last ten years.
- (j) Any other documents or books required by law to be kept at the principal office.

**ARTICLE IV
CORPORATE PURPOSES AND POWERS**

In addition to the powers and authorities now or hereafter granted by law to corporations by the State of South Carolina, the general nature of the business for which the corporation is organized shall be that set forth in the Articles of Incorporation, and any amendments thereto, together with any sets or things in furtherance of, or incidental or conducive to, said objects and purposes.

**ARTICLE V
CAPITAL STOCK**

Section 5.1. Capital Stock. The capital stock of this corporation shall consist of such shares, divided into one or more classes of either common or preferred, with or without par value, and with such designations, preferences, limitations and relative rights as shall be specifically set forth in the Articles of Incorporation and any amendments thereto.

Section 5.2. Certificates of Stock. Certificates of stock shall be issued in numerical order from the stock certificate book signed by the President or Vice President and the Secretary or Assistant Secretary, and sealed with the corporation seal. The signature of the President or Vice President and the

Secretary or Assistant Secretary upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or any assistant transfer agent, or registered by a registrar, other than the corporation itself or an employee of the corporation. A record of each certificate shall be kept on the stub thereof.

Section 5.3. Transfer of Stock. Shares of stock may be transferred by the registered holders thereof or by their attorneys legally constituted, or by their legal representatives, by delivery of the certificates and an assignment of said shares in writing. No transfer or assignment of shares shall affect the right of this corporation to pay any dividend due upon

2

the stock, or to treat the registered holder as the holder in fact until such transfer or assignment is registered on the books of the corporation.

Section 5.4. Lost Certificate. A shareholder whose certificate has been lost or destroyed may obtain a duplicate certificate only as permitted and provided under the statutory law of South Carolina then applicable.

Section 5.5. Consideration for Shares. The consideration to be paid for shares of capital stock of the corporation as may be authorized and issued from time to time in accordance with law shall be fixed by the Board of Directors at any regular or special meeting of said Board. When the consideration so fixed shall have been paid, said stock shall not be liable for any further call or assessment thereon.

ARTICLE VI **FISCAL YEAR**

The fiscal year of the corporation shall end on midnight of October 31 of each year. The Board of Directors shall have the power to change the fiscal year in its discretion upon resolution duly enacted.

ARTICLE VII **SHAREHOLDERS**

Section 7.1. Place of Meetings. Meetings of the shareholders shall be held at the principal office of the corporation, unless notice of the meeting shall specify another place or places, which may be either within or without the State of South Carolina.

Section 7.2. Annual Meeting. The annual meeting of the shareholders shall be held on the third Monday of November of each year for the election of the Board of Directors of the corporation and transaction of such other business as may come before the meeting at such time and place as may be designated in the notice thereof. If the day set for said meeting is a legal holiday, the annual meeting shall be held on the next succeeding day.

Section 7.3. Special Meetings. Special meetings of the shareholders of the corporation for any purpose or purposes may be called by the President, Chairman of the Board of Directors, a majority of the Board of Directors, or the record owners of not less than ten percent (10%) of the capital stock of the corporation after giving due notice hereinafter provided.

Section 7.4. Notices. Unless waived, written notice stating the place, day and hour of a meeting for the shareholders, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by any person calling the meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting, such written notices to be delivered to the shareholders either personally or by mail.

Section 7.5. Closing of Transfer Books and Fixing Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or entitled to receive payment of any dividend, or other distribution or in order to make a determination of shareholders for any other proper purpose, the Board of

3

Directors of the corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, fifty (50) days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, the books shall be closed for at least ten (10) days immediately proceeding the meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date, in any case to be not more than fifty (50) days and, in case of a meeting of shareholders, not less than ten (10) days prior to the date on which the particular action, requiring this determination of shareholders is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of stockholders entitled to notice or to vote at a meeting of shareholders or shareholders entitled to receive payment of a dividend, or other distribution the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring the dividend is adopted, as the case may be, shall be the record date for the determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made, as provided in this section, the determination shall apply to any adjournment thereof.

Section 7.6. Voting List. The Secretary of the corporation shall make from the stock transfer- books a complete list of the shareholders entitled to vote at the meeting or any adjournment of it, arranged in alphabetical order, with the address of and the number of shares held by each. This list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any holder of record during the whole time of the meeting for the purposes thereof. Failure to comply with the requirements of this section shall not affect the validity of any action taken at the meeting.

Section 7.7. Quorum for Stockholder Action. A quorum at any meeting of the shareholders shall consist of a majority of the voting stock of the corporation represented in person or by proxy. A majority of such quorum shall decide any questions that may come before the meeting, except when otherwise specified by law.

Section 7.8. Cumulative Voting for Election of Directors. In all elections of directors, each common shareholder shall be allowed to cast in person or by proxy as many votes as the number of shares of common stock he, she or it owns, multiplied by the number of directors to be elected, the same to be cast for any one candidate or to be distributed among two or more candidates.

Section 7.9. Voting on Other Matters. In all other matters properly coming before any meeting of the stockholders except for the election of directors, each common stockholder shall be allowed to cast in person or by proxy one vote for each share of common stock held by him, her or it and standing in his, her or its name upon the stock book of the corporation as of the time of said vote or such time prior thereto as may have previously been specified in the notice of the meeting.

Section 7.10. Order of Business. The order of business at the annual meeting, and, as far as possible, at all other meetings of the stockholders shall be:

1. Proof of notice of meeting.

4

2. Calling of roll.
3. Reading and disposal of unapproved minutes.
4. Annual reports of officers and committees. Election of directors.
5. Unfinished business.
6. New business.

Section 7.11. Amendment of Bylaws by Shareholders. The shareholders have the continuing right to adopt, amend, or repeal Bylaws by a majority vote, which right shall be superior to the right granted to the Directors herein to amend these Bylaws.

Section 7.12. Informal Action by Shareholders. Any action which may be taken at a meeting of the shareholders may be taken without a meeting if a consent in writing, setting for the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the corporation to be kept in the corporate minute book, whether done before or after the action so taken.

ARTICLE VIII **BOARD OF DIRECTORS**

Section 8.1. Duties of Directors. In addition to these powers and authorities granted by law to directors, the business and affairs of the corporation shall be managed by the Board of Directors, who shall be elected and shall serve as hereinafter provided.

Section 8.2. Number and Elections. At each annual meeting of the shareholders, or at any special meeting of the shareholders called for that purpose, the shareholders of the corporation shall elect not less than three (3) persons as Directors of the corporation, except that if all the shares of the voting capital stock of the corporation are owned by fewer than three (3) shareholders, the number of Directors may be equal to (but not less than) the number of shareholders of record of such voting stock. The Directors of this corporation need not be residents of the State of South Carolina or shareholders of the corporation. The Board of Directors shall have the power to increase the number of directors between annual meetings of the shareholders upon the affirmative vote of two-thirds (2/3) of the existing directors and shall elect new directors to fill said increase as set forth in Section 8.3 of this Article.

Section 8.3. Term of Office. Each Director of this corporation elected by the shareholders shall hold office until the next annual meeting of the shareholders and until his or her successor shall have been elected, and shall have qualified. Any vacancy, however occurring, in the Board of Directors may be filled by a majority of the remaining directors even though less than a quorum or by a sole remaining director and any vacancy created by an increase in the number of directors may be filled by the Board of Directors until the next annual meeting of shareholders or any special meeting of shareholders called earlier for the purpose of the election of directors.

Section 8.4. Directors Meeting.

- (a) There shall be an annual meeting of the Board of Directors immediately following the annual meeting of shareholders or as soon thereafter as may be practicable.

5

- (b) The Board of Directors shall have the power to establish the time and place for holding regular meetings of the Board. The Board of Directors shall have the power in its discretion to change the time and place of such regular meetings or to make them more or less frequent or to eliminate such regular meetings entirely.

- (c) Special meetings of the Board of Directors may be called at any time by the President, or in his or her absence or refusal to act by any Vice President or by any two directors, and may be held at any time and place either within or without the State of South Carolina.

Section 8.5. Notices. Unless waived, two (2) days notice of all meetings shall be given to each member of the Board.

Section 8.6. Quorum. A quorum at any meeting shall consist of a majority of the entire membership of the Board as then appointed and serving. A majority of such quorum may decide any question that may come before the meeting.

Section 8.7. Appointment of Officers by Directors. Officers of the corporation for the ensuing year shall be appointed by the Board of Directors at their first meeting after the election of directors each year. If any office becomes vacant during the year, the Board of Directors shall fill the same for the unexpired term. The Board of Directors shall fix the compensation of the officers and agents of the corporation.

Section 8.8. Executive Committees and Other Committees. The Board of Directors of the corporation may from time to time, by a resolution adopted by a majority of the full Board of Directors, designate firm among its members an executive committee and/or other committees, each consisting of three or more directors, and may delegate to such committee or committees all or a portion of the authority of the full Board of Directors to the extent

permitted by the corporate laws of the State of South Carolina. The designation of any such committee and the delegation to it of authority and power shall not relieve the Board of Directors, or any member thereof, of any responsibility imposed by law on directors. Special meetings of any such committee may be called at any time by any director who is a member of the committee or by one or more of the persons entitled to call a special meeting of the full Board of Directors. The conduct of such meetings, including notice thereof, shall be governed by the sections of this Article pertaining to the conduct of meeting of the full Board of Directors.

Section 8.9. Compensation of Directors. By resolution of the Board of Directors, the directors may be paid their expenses of attendance at each meeting of the Board of Directors, and/or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 8.10. Order of Business. The order of business at all meetings of the Board of Directors shall be:

1. Reading and disposal of any unapproved minutes.
2. Reports of officers and committees.

6

3. Unfinished business.
4. New business. Adjournment.

Section 8.11. Informal Action by Directors. Any action which may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

ARTICLE IX OFFICERS

Section 9.1. Number. The principal officers of the corporation shall be the President, one or more Vice Presidents, one or more of whom may be designated as an Executive Vice President, a Secretary, or a Treasurer. The Board of Directors may, in their discretion, elect such other officers as they deem advisable and fix their duties and compensation, including, without limitation, a Chairman of the Board of Directors, General Manager, Comptroller, and one or more Assistant Vice Presidents, Secretaries and Treasurers.

Section 9.2. Election and Term of Office. The officers of the corporation shall be elected at the first meeting of the Board of Directors held after the election of directors. Each officer shall be elected to hold office for one year and until his or her successor shall have been elected and shall have qualified.

Section 9.3. The Chairman of the Board. Should the Directors decide to elect a Chairman of the Board, such Chairman, who shall be chosen from among the Directors, shall preside at all meetings of the Board of Directors, if present, and shall, in general, perform all duties then incident to the office of Chairman of the Board, and such other duties as may be assigned to him or her by the Board of Directors.

Section 9.4. The President. The President, who need not be a director, shall be the chief executive officer of the corporation and, subject to control by the Board of Directors, shall be the general manager and shall have general supervision of all of the affairs and business of the corporation. The President, together with the Secretary or one or more of the Assistant Secretaries shall sign all deeds, mortgages, certificates of capital stock or other formal instruments which the Board of Directors or stockholders, as the case may be, has authorized to be executed, except documents in the normal course of the business of the corporation which the President may sign alone.

Section 9.5. Vice Presidents. The Vice President, or Vice Presidents, as the case may be, including the Executive Vice President, or Executive Vice Presidents, if any, shall assist the President as the President may require, and perform such other duties as are incidental to this office or are properly required by the Board of Directors. In the absence of the President, or in the event of his or her death or disability, the Vice President (or in the event there be more than one Vice President, the Vice Presidents so designated by the Board of Directors) shall perform the duties of the President, and when so acting, shall have all the powers and be subject to all of the restrictions upon the President.

7

Section 9.6. The Secretary. The Secretary shall keep the minutes of meetings of the shareholders and the Board of Directors; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law; and shall be the custodian of the corporate records and of the seals of the corporation and shall see that the corporate seal is affixed to such documents as may require the corporate seal. The Secretary with the President shall sign all deeds, mortgages, certificates of capital stock and other documents of a formal nature such as may require his or her signature, and shall sign on behalf of the corporation such instruments as he or she is authorized by the Board of Directors to sign, and shall make such reports and shall perform such other duties as are incident to his or her office or are properly required of him or her by the Board of Directors.

Section 9.7. The Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation and shall keep regular books of account, in accordance with accepted accounting practices, of all receipts and disbursements of the corporation, and in general shall perform such other duties as may be assigned to him or her by the Board of Directors or the President. The Treasurer shall disburse out of the funds of the corporation payment of such just demands against the corporation as may from time to time be authorized by the Board of Directors. The Treasurer shall sign or countersign all checks, notes and such other instruments or obligations as require his or her signature, and shall perform all duties incident to his or her office, or that are properly required of him or her by the Board, provided, however, that by resolution of the Board of Directors authority and responsibility for the signing of checks, notes and other obligations may be assigned to either the President or Treasurer or such other officer or officers as the Board of Directors may designate from time to time.

Section 9.8. Assistants. The Assistant Vice President or Vice Presidents, the Assistant Secretary or Secretaries and the Assistant Treasurer or Treasurers, if any, shall perform such duties as are from time to time delegated to them by the Board of Directors or the President.

Section 9.9. Further Authorities. The Board of Directors may grant, delegate or assign to any officer of the corporation any of the duties and authorities hereinabove designated to be performed by any officer or may enlarge or restrict the duty and authority of any officer, either temporarily or permanently, as long as such powers and authorities shall not be inconsistent with these Bylaws.

Section 9.10. Salaries. The salaries of the principal officers shall be fixed, from time to time, by the Board of Directors. No officer shall be prevented from receiving his or her salary by reason of the fact that he or she is also a director of the corporation.

Section 9.11. Long-Team Employment Contracts. Any provision in the Articles of Incorporation or Bylaws requiring annual election of officers shall be without prejudice to the contract rights, if any, of the principal officers under any employment contract with any such executive officer for periods longer than one year.

8

ARTICLE X
CONTRACTS, CHECKS, LOANS, DEPOSITS

Section 10.1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the corporation and such authority may be general or confined to specific instances.

Section 10.2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 10.3. Checks and Drafts. All checks, drafts or other instruments for the payment of money issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 10.4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such depositories as the Board of Directors shall direct.

ARTICLE XI
DIVIDENDS AND FINANCES

Section 11.1. Dividends. The Board of Directors may from time to time declare and the corporation may pay dividends and/or distributions on its outstanding shares in the manner and upon the terms and conditions provided by law.

Section 11.2. Finances. The moneys of the corporation shall be deposited in the name of the corporation in such bank or banks as the Board of Directors shall designate, and shall be drawn out only by check or draft signed by any officer or officers of the corporation as may be determined by resolution of the Board of Directors.

ARTICLE XII
PROXIES OF SHAREHOLDERS

Any shareholder of the corporation may vote at any meeting of the shareholders either in person or by proxy in writing in due form of law, which may be a telegram or cablegram appearing to have been transmitted by the shareholder. All proxies shall be filed with the Secretary of the corporation before or at the time of any meeting of the shareholders. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless it qualifies as an "irrevocable proxy" under the corporation statutes of the State of South Carolina.

9

ARTICLE XIII
VOTING OF SHARES IN OTHER CORPORATIONS
OWNED BY THE CORPORATION

Subject always to the specific directions of the Board of Directors, any share or shares of stock issued by any other corporation and owned or controlled by the corporation may be voted at any shareholders' meeting of the other corporation by the President of the corporation if he or she be present, or in his or her absence by any Vice President of the corporation who may be present. Whenever, in the judgment of the President, or, in his or her absence, of any Vice President, it is desirable for the corporation to execute a proxy or give a shareholders' consent in respect to any share or shares of stock issued by any other corporation and owned or controlled by the corporation, the President or one of the Vice Presidents of the corporation shall be authorized to execute such proxy or consent without necessity of any further authorization by the Board of Directors. Any person or persons designated in the manner above stated as the proxy or proxies of the corporation shall have full right, power and authority to vote the share or shares of stock issued by the other corporation.

ARTICLE XIV
NOTICES AND WAIVERS

Section 14.1. Waivers. Any notice of any meeting of the stockholders or directors of this corporation herein required to be given may be waived in writing by the signature of the party to receive notice, either before or after the meeting, and such waiver shall be deemed equivalent to the giving of such notices. Attendance at a meeting of the stockholders or directors by a person entitled to notice of said meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of business on the ground that the meeting was not lawfully called or convened.

Section 14.2. Time. In computing the period of time for the giving of any notice under these Bylaws, the day on which notice is given shall be excluded, and the day when the act for which notice is delivered shall be included. If mailed, such notice shall be deemed given or delivered when deposited with postage prepaid in the United States mail, addressed to the last known address of the person entitled to such notice.

ARTICLE XV
LOANS TO OFFICERS, DIRECTORS,
SHAREHOLDERS AND RELATED CORPORATIONS

This corporation shall not directly or indirectly make any loan of money or property, or guarantee the obligation of, any director or officer, or nominee of a director or officer, of this corporation or of an affiliated, parent or subsidiary corporation, or any person or his or her nominee upon the security of the shares of the corporation or of an affiliated, parent or subsidiary corporation, unless approved by the affirmative vote or the written consent of the holder or holders of at least seventy-five percent (75%) of the shares of all classes (whether voting or nonvoting shares) exclusive of any shares held by the director, officer or shareholder to be benefited by such loan or guarantee, or by his or her nominee or any person under his or her control; and no such loan or guarantee shall be made except upon adequate security at the rate of

10

interest then prevailing for loans of like character. Liability for violation of this Article is governed by the 1976 Code of Laws of South Carolina and any additions or replacements thereof.

ARTICLE XVI
TRANSACTIONS INVOLVING INTERESTED
DIRECTORS OR OFFICERS

Section 16.1 No transaction in which a director or officer has a personal or adverse interest, as defined in Section 16.2 of this Article, shall be void or voidable solely for this reason or solely because he or she is present at or participates in the meeting or his or her vote is counted, if

- (a) The material facts as to his or her interest and as to the transactions are disclosed or are known to the Board of Directors or committee, and are noted in the minutes, and the Board or committee authorizes, approves or ratifies the transaction by a vote sufficient for such purpose without counting the vote of the interested director or directors; or if
- (b) Although the vote of the interested director or directors is decisive of approval or disapproval of the transaction, the material facts as to his or her interest and as to the transaction are disclosed or known to the shareholders, and the transaction is specifically approved by vote or written consent of the shareholders without counting the votes of any shares owned or controlled by the interested director or directors; or if
- (c) Notwithstanding the limitations contained in (a) and (b) of this Section, the transaction is fair and equitable as to the corporation at the time it is authorized or approved, and the party asserting the fairness of the transaction establishes fairness.

Section 16.2 A transaction in which a director or officer has a personal or adverse interest shall include:

- (a) A contract or any other transaction between the corporation and one or more of its directors or officers;
- (b) A contract or any other transaction between a corporation and any corporation, partnership or association in which one or more of its directors or officers are directors or officers or have a financial interest, direct or indirect.

Section 16.3 No contract or other transaction by a corporation with (1) any of its subsidiaries, parent or affiliated corporations, or (2) with another corporation in which there is a common director, shall be void or voidable solely for this reason, if the contract or other transaction is fair and equitable as of the date it is authorized, approved or ratified. The party asserting the unfairness of any such contract or transaction shall establish unfairness.

11

Section 16.4 Common or interested directors may always be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes, approves or ratifies a transaction subject to this Article. Shares owned by any interested party may be counted in determining whether a quorum of shares is present at a meeting of shareholders which ratifies or approves a transaction.

Section 16.5 Nothing herein contained shall prevent the authorization, ratification or approval of any transaction involving an interested director or officer in any other manner provided by law.

Section 16.6 The Board of Directors shall have the authority, without regard to the provisions of this Article, to fix the compensation of directors for their services as directors of the corporation.

ARTICLE XVII
INDEMNIFICATION

Section 17.1. Definitions. For purposes of this Article XVII, the following definitions shall apply:

- (a) "Director" means an individual who is or was a director of the Corporation or a1 individual who, while a director of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. A director is considered to be serving an employee benefit plan at the Corporation's request if such director's duties to the Corporation also impose duties on, or otherwise involve services by, the director to the plan or to participants in or beneficiaries of the plan. "Director" includes, unless the context requires otherwise, the estate or personal representative of a director.

- (b) “Expenses” means expenses of every kind incurred in defending a proceeding, including counsel fees.
- (c) “Indemnified Officer” shall mean each officer of the Corporation who is also a director of the Corporation and each other officer of the Corporation who is designated by the Board of Directors from time to time as an Indemnified Officer. An Indemnified Officer shall be entitled to indemnification hereunder to the same extent as a director, including, without limitation, indemnification with respect to service by the Indemnified Officer at the Corporation’s request as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.
- (d) “Liability” means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan) or reasonable expenses incurred with respect to a proceeding.

12

- (e) “Proceeding” means any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, whether formal or informal, and any appeal therein (and any inquiry or investigation that could lead to such a proceeding).

Section 17.2. Indemnification. In addition to the indemnification otherwise provided by law, the Corporation shall indemnify and hold harmless its directors and Indemnified Officers (as defined herein) against all liability and expenses, including reasonable attorneys’ fees, in any proceeding (including without limitation a proceeding brought by or on behalf of the Corporation itself) arising out of their status as directors or officers, or their activities in any such capacity; provided, however, that the Corporation shall not indemnify a director or Indemnified Officer against liability or litigation expense that such person may incur out of activities of such person which at the time taken were known or believed by him or her to be clearly in conflict with the best interests of the Corporation. The Corporation shall also indemnify each director and Indemnified Officer for reasonable costs, expenses and attorneys’ fees incurred in connection with the enforcement of the rights to indemnification granted herein, if it is determined in accordance with Section 17.3 of this Article XVII that the director or Indemnified Officer is entitled to indemnification hereunder.

Section 17.3. Determination. Any indemnification under Section 17.2 of this Article XVII shall be paid by the Corporation in a specific case only after a determination that the director or Indemnified Officer has met the standard of conduct set forth in such Section 17.2. Such determination shall be made:

- (a) by the Board of Directors by a majority vote of a quorum consisting of directors not at the time parties to the proceeding;
- (b) if a quorum cannot be obtained under subparagraph (a), by a majority vote of a committee duly designated by the Board of Directors (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding;
- (c) by special legal counsel (i) selected by the Board of Directors or its committee in the manner prescribed in subparagraphs (a) or (b); or (ii) if a quorum of the Board of Directors cannot be obtained under subparagraph (a) and a committee cannot be designated under subparagraph (b), selected by a majority vote of the full Board of Directors (in which selection directors who are parties may participate); or
- (d) by the shareholders, but shares owned by or voted under the control of directors who are at the time parties to the proceeding may not be voted on the determination.

The Board of Directors shall take all such action as may be necessary and appropriate to enable the Corporation to pay the indemnification required by this Article XVII.

Section 17.4. Advance for Expenses. The expenses incurred by a director or Indemnified Officer in defending a proceeding may be paid by the Corporation in advance of the

13

final disposition of such proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director or Indemnified Officer to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Corporation against such expenses. Subject to receipt of such undertaking, the Corporation shall make reasonable periodic advances for expenses pursuant to this Section, unless the Board of Directors shall determine, in the manner provided in Section 17.3 of this Article XVII and based on the facts then known, that indemnification under this Article is or will be precluded.

Section 17.5. Reliance and Consideration. Any director or Indemnified Officer who at any time after the adoption of this Article XVII serves or has served in any of the aforesaid capacities for or on behalf of the Corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right, however, shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of this Article XVII. No amendment, modification or repeal of this Article XVII shall adversely affect the right of any director or Indemnified Officer to indemnification hereunder with respect to any activities occurring prior to the time of such amendment, modification or repeal.

Section 17.6. Insurance. The Corporation may purchase and maintain insurance on behalf of its directors, officers, employees and agents and those persons who were serving at the request of the Corporation in any capacity in another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against or incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article XVII or otherwise. Any full or partial payment made by an insurance company under any insurance policy covering any director, officer, employee or agent made to or on behalf of a person entitled to indemnification under this Article XVII shall relieve the Corporation of its liability for indemnification

provided for in this Article or otherwise to the extent of such payment, and no insurer shall have a right of subrogation against the Corporation with respect to such payment.

ARTICLE XVIII
SEVERABILITY

Any provision of these Bylaws, or any amendment or alteration thereof, which has been constructed to be in violation of the Code of Laws of South Carolina, as amended, shall not in any way render the remaining provisions invalid.

ARTICLE XIX
AMENDMENT OF BYLAWS

The Bylaws may be adopted, amended or repealed in whole or in part by the Board of Directors, subject always to the final authority of the shareholders to adopt, amend or repeal the Bylaws. The notice of a meeting of the stockholders or directors at which Bylaws are to be adopted, amended or repealed shall contain notice of such proposed action.

[], INC.

* * * * *

B Y L A W S

* * * * *

ARTICLE I

OFFICES

Section 1. The principal office shall be in the City of [], State of, Maryland.

Section 2. The corporation may also have offices at such other places both within and without the State of Maryland as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Meetings of stockholders shall be held at the office of the corporation in the [], or at any other place within the United States as shall be designated from time to time by the board of directors and stated in the notice of meeting or in a duly executed waiver of notice thereof.

Section 2. Annual meetings of stockholders, commencing with the year 1995, shall be held on the 1st day of March if not a legal holiday, and if a legal holiday then on the next secular day following, at 10:00 A.M., or at such other date and time as shall be fixed by the Board of Directors between the first day of March and last day of March and stated in the notice of the meeting, at which they shall elect a board of directors and may transact any business within the powers of the corporation. Any business of the corporation may be transacted at the

annual meeting without being specially designated in the notice, except such business as is specifically required by statute to be stated in the notice.

Section 3. At any time in the interval between annual meetings special meetings of the stockholders may be called by the board of directors, or by the president, a vice president, the secretary, or an assistant secretary.

Section 4. Special meetings of stockholders shall be called by the secretary upon the written request of the holders of shares entitled to not less than twenty-five per cent of all the votes entitled to be cast at such meeting. Such request shall state the purpose or purposes of such meeting and the matters proposed to be acted on thereat. The secretary shall inform such stockholders of the reasonably estimated cost of preparing and mailing such notice of the meeting, and upon payment to the corporation of such costs the secretary shall give notice stating the purpose or purposes of the meeting to all stockholders entitled to notice at such meeting. No special meeting need be called upon the request of the holders of shares entitled to cast less than a majority of all votes entitled to be cast at such meeting, to consider any matter which is substantially the same as a matter voted upon at any special meeting of the stockholders held during the preceding twelve months.

Section 5. Not less than ten nor more than ninety days before the date of every stockholders' meeting, the secretary shall give to each stockholder entitled to vote at such meeting, and to each stockholder not entitled to vote who is entitled by statute to notice, written or printed notice stating the time and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, either by Mail or by presenting it to him personally or by leaving it at his residence or usual place of business. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the stockholder at

his post-office address as it appears on the records of the corporation, with postage thereon prepaid.

Section 6. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 7. At any meeting of stockholders the presence in person or by proxy of stockholders entitled to cast a majority of the votes thereat shall constitute a quorum: but this section shall not affect any requirement under the statute or under the charter for the vote necessary for the adoption of any measure. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 8. A majority of the votes cast at a meeting of stockholders, duly called and at which a quorum is present, shall be sufficient to take or authorize action upon any matter which may properly come before the meeting, unless more than a majority of the votes cast is required by the statute or by the charter.

Section 9. Unless the charter provides otherwise, each outstanding share of stock having voting power shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders; but no share shall be entitled to vote if any installment payable thereon is overdue and unpaid. A

stockholder may vote the shares owned of record by him either in person or by proxy executed in writing by the stockholder or by his duly authorized attorney-in-fact. No

3

proxy shall be valid after eleven months from its date, unless otherwise provided in the proxy. At all meetings of stockholders, unless the voting is conducted by inspectors, all questions relating to the qualification of voters and the validity of proxies and the acceptance or rejection of votes shall be decided by the chairman of the meeting.

Section 10. Any action required or permitted to be taken at any meeting of stockholders may be taken without a meeting, if a consent in writing, setting forth such action, is signed by all the stockholders entitled to vote on the subject matter thereof and any other stockholders entitled to notice of a meeting of stockholders but not to vote thereat have waived in writing any rights which they may have to dissent from such action, and such consent and waiver are filed with the records of stockholders meetings.

ARTICLE III

DIRECTORS

Section 1. The number of directors of the corporation shall be six (6). By vote of a majority of the entire board of directors, the number of directors fixed by the charter or by these bylaws may be increased or decreased from time to time not exceeding nine (9) nor less than three (3), but the tenure of office of a director shall not be affected by any decrease in the number of directors so made by the board. Until the first annual meeting of stockholders or until successors are duly elected and qualify, the board shall consist of the persons named as such in the charter. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors to hold office until the next annual meeting or until their successors are elected and qualify. Directors need not be stockholders in the corporation.

Section 2. Any vacancy occurring in the board of directors for any cause other than by reason of an increase in the number of directors may be filled by a majority of the

4

remaining members of the board of directors, although such majority is less than a quorum. Any vacancy occurring by reason of an increase in the number of directors may be filled by action of a majority of the entire board of directors. If the stockholders of any class or series are entitled separately to elect one or more directors, a majority of the remaining directors elected by that class or series or the sole remaining director elected by that class or series may fill any vacancy among the number of directors elected by that class or series. A director elected by the board of directors to fill a vacancy shall be elected to hold office until the next annual meeting of stockholders or until his successor is elected and qualifies.

Section 3. The business and affairs of the corporation shall be managed by its board of directors, which may exercise all of the powers of the corporation, except such as are by law or by the charter or by these bylaws conferred upon or reserved to the stockholders.

Section 4. At any meeting of stockholders, duly called and at which a quorum is present, the stockholders may, by the affirmative vote of the holders of a majority of the votes entitled to be cast thereon, remove any director or directors from office and may elect a successor or successors to fill any resulting vacancies for the unexpired terms of removed directors.

MEETINGS OF THE BOARD OF DIRECTORS

Section 5. Meetings of the board of directors, regular or special, may be held at any place in or out of the State of Maryland as the board may from time to time determine.

Section 6. The first meeting of each newly elected board of directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected board of

5

directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.

Section 7. Regular meetings of the board of directors may be held without notice at such time and place as shall from time to time be determined by the board of directors.

Section 8. Special meetings of the board of directors may be called at any time by the board of directors or the executive committee, if one be constituted, by vote at a meeting, or by the president or by a majority of the directors or a majority of the members of the executive Committee in writing with or without a meeting. Special meetings may be held at such place or places within or without Maryland as may be designated from time to time by the board of directors; in the absence of such designation such meetings shall be held at such places as may be designated in the call.

Section 9. Notice of the place and time of every special meeting of the board of directors shall be served on each director or sent to him by telegraph or by mail, or by leaving the same at his residence or usual place of business at least two days before the date of the meeting. If mailed, such notice

shall be deemed to be given when deposited in the United States mail addressed to the director at his post-office address as it appears on the records of the corporation, with postage thereon prepaid.

Section 10. At all meetings of the board a majority of the entire board of directors shall constitute a quorum for the transaction of business and the action of a majority of the directors present at any meeting at which a quorum is present shall be the action of the board of directors unless the concurrence of a greater proportion is required for such action by statute,

6

the articles of incorporation or these bylaws. If a quorum shall not be present at any meeting of directors, the directors present thereat may by a majority vote adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 11. Any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if a written consent to such action is signed by all members of the board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the board or committee.

COMMITTEES OF DIRECTORS

Section 12. The board of directors may appoint from among its members an executive committee and other committees composed of two or more directors, and may delegate to such committees, any of the powers of the board of directors except the power to declare dividends or distributions on stock, recommend to the stockholders any action which requires stockholder approval, amend the bylaws, approve any merger or share exchange which does not require stockholder approval or issue stock. However, if the board of directors has given general authorization for the issuance of stock, a committee of the board, in accordance with a general formula or method specified by the board of directors by resolution or by adoption of a stock option plan, may fix the terms of stock subject to classification or reclassification and the terms on which any stock may be issued. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint a member of the board of directors to act in the place of such absent members.

Section 13. The committees shall keep minutes of their proceedings and shall report the same to the board of directors at the meeting next succeeding, and any action by the

7

committees shall be subject to revision and alteration by the board of directors, provided that no rights of third persons shall be affected by any such revision or alteration.

COMPENSATION OF DIRECTORS

Section 14. Directors, as such, shall not receive any stated salary for their services but, by resolution of the board, a fixed sum, and expenses of attendance if any, may be allowed to directors for attendance at each regular or special meeting of the board of directors, or of any committee thereof, but nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

NOTICES

Section 1. Notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice by mail shall be deemed to be given at the time when the same shall be mailed. In the case of stockholders' meetings the notice may be left at the stockholders residence or usual place of business. Notice to directors may also be given by telegram.

Section 2. Whenever any notice of the time, place or purpose of any meeting of stockholders, directors or committee is required to be given under the provisions of the statute or under the provisions of the charter or these bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice and filed with the records of the meeting, whether before or after the holding thereof, or actual attendance at the meeting of stockholders in person or by proxy, or at the meeting of directors or committee in person, shall be deemed equivalent to the giving of such notice to such persons.

8

ARTICLE V

OFFICERS

Section 1. The officers of the corporation shall be chosen by the board of directors and shall be a president, a vice-president, a secretary and a treasurer. The president shall be selected from among the directors. The board of directors may also choose additional vice-presidents, and one or more assistant secretaries and assistant treasurers. Two or more offices, except those of president and vice-president, may be held by the same person but no officer shall execute, acknowledge or verify any instrument in more than one capacity, if such instrument is required by law, the charter or these bylaws to be executed, acknowledged or verified by two or more officers.

Section 2. The board of directors at its first meeting after each annual meeting of stockholders shall choose a president from among the directors, and shall choose one or more vice-presidents, a secretary and a treasurer, none of whom need be a member of the board.

Section 3. The board of directors may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 5. The officers of the corporation shall serve for one year and until their successors are chosen and qualify. Any officer or agent may be removed by the board of directors whenever, in its judgment, the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contractual rights, if any, of the person so

9

removed. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the board of directors.

THE PRESIDENT

Section 6. The president shall be the chief executive officer of the corporation; he shall preside at all meetings of the stockholders and directors, shall have general and active management of the business of the corporation, and shall see that all orders and resolutions of the board are carried into effect.

Section 7. He shall execute in the corporate name all authorized deeds, mortgages, bonds, contracts or other instruments requiring a seal, under the seal of the corporation, except in cases in which the signing or execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

VICE-PRESIDENTS

Section 8. The vice-president, or if there shall be more than one, the vice-presidents in the order determined by the board of directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president, and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARIES

Section 9. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose

10

supervision he shall be. He shall keep in safe custody the seal of the corporation and, when authorized by the board of directors, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of an assistant secretary.

Section 10. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

Section 11. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 12. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 13. If required by the board of directors, he shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the board for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers,

11

money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 14. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE VI

CERTIFICATES OF STOCK

Section 1. Each stockholder shall be entitled to a certificate or certificates which shall represent and certify the number and kind and class, of shares owned by him in the corporation. Each certificate shall be signed by the president or a vice-president and countersigned by the secretary or an assistant secretary or the treasurer or an assistant treasurer and may be sealed with the corporate seal.

Section 2. The signatures may be either manual or facsimile signatures and the seal may be either facsimile or any other form of seal. In case any officer who has signed any certificate ceases to be an officer of the corporation before the certificate is issued, the certificate may nevertheless be issued by the corporation with the same effect as if the officer had not ceased to be such officer as of the date of its issue. Each stock certificate shall include on its face the name of the corporation, the name of the stockholder and the class of stock and number of shares represented by the certificate. If the corporation has authority to issue stock of more than one class, the stock certificate shall contain on its face or back a full statement or summary of the designations and any preferences, conversion and other rights, voting powers, restrictions,

12

limitations as to dividends, qualifications, and terms and conditions of redemption of the stock of each class which the corporation is authorized to issue and if the corporation is authorized to issue any preferred or special class in series, the differences in the relative rights and preferences between the shares of each series to the extent they have been set, and the authority of the board of directors to set the relative rights and preferences of subsequent series. A summary of such information included in a registration statement permitted to become effective under the Federal Securities Act of 1933, as now or hereafter amended, shall be an acceptable summary for the purposes of this section. In lieu of such full statement or summary, there may be set forth upon the face or back of the certificate a statement that the corporation will furnish to any stockholder upon request and without charge, a full statement of such information. Every stock certificate representing shares of stock which are restricted as to transferability by the corporation shall contain a full statement of the restriction or state that the corporation will furnish information about the restriction to the stockholder on request and without charge. A stock certificate may not be issued until the stock represented by it is fully paid, except in the case of stock purchased under an option plan as provided by Section 2-207 of the Corporations and Associations Article of Annotated Code of Maryland.

LOST CERTIFICATES

Section 3. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been stolen, lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be stolen, lost or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such stolen, lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it

13

shall require and to give the corporation a bond, with sufficient surety, to the corporation to indemnify it against any loss or claim which may arise by reason of the issuance of a new certificate.

TRANSFERS OF STOCK

Section 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

CLOSING OF TRANSFER BOOKS

Section 5. The board of directors may fix, in advance, a date as the record date for the purpose of determining stockholders entitled to notice of, or to vote at, any meeting of stockholders, or stockholders entitled to receive payment of any dividend or the allotment of any rights, or in order to make a determination of stockholders for any other proper purpose. Such date, in any case, shall be not more than sixty days, and in case of a meeting of stockholders not less than ten days, prior to the date on which the particular action requiring such determination of stockholders is to be taken. In lieu of fixing a record date, the board of directors may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, twenty days. If the stock transfer books are closed for the purpose of determining stockholders entitled to notice of or to vote at a meeting of stockholders, such books shall be closed for at least ten days immediately preceding such meeting.

REGISTERED STOCKHOLDERS

Section 6. The corporation shall be entitled to right of a person registered on its shares to receive dividends, and to vote hold liable for calls and assessments a its books as the

14

owner of shares, and recognize any equitable or other claim to section recognize the exclusive books as the owner of as such owner, and to person registered on shall not be bound to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Maryland.

ARTICLE VII

GENERAL PROVISIONS DIVIDENDS

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the articles of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in its own shares, subject to the provisions of the statute and of the articles of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interests of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

ANNUAL STATEMENT

Section 3. The president or a vice-president or the treasurer shall prepare or cause to be prepared annually a full and correct statement of the affairs of the corporation, including a balance sheet and a financial statement of operations for the preceding fiscal year, which shall be submitted at the annual meeting and shall be filed within twenty days thereafter at the principal office of the corporation in the State of Maryland.

15

CHECKS

Section 4. All checks, drafts, and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the corporation shall be signed by such officer or officers as the board of directors may from time to time designate.

FISCAL YEAR

Section 5. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SEAL

Section 6. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Maryland." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

STOCK LEDGER

Section 7. The corporation shall maintain at its office in the County of Fairfax, State of Virginia, an original stock ledger containing the names and addresses of all stockholders and the number of shares of each class held by each stockholder. Such stock ledger may be in written form or any other form capable of being converted into written form within a reasonable time for visual inspection.

ARTICLE VIII

AMENDMENTS

Section 1. The board of directors shall have the power, at any regular meeting or at any special meeting if notice thereof be included in the notice of such special meeting, to alter or repeal any bylaws of the corporation and to make new bylaws, except that the board of directors shall not alter or repeal any bylaws made by the stockholders.

16

Section 2. The stockholders shall have the power, at any annual meeting or at any special meeting if notice thereof be included in the notice of such special meeting, to alter or repeal any bylaws of the corporation and to make new bylaws.

17

[], Inc.

* * * * *

BYLAWS

* * * * *

ARTICLE I

OFFICES

Section 1. The registered office shall be located in [], Virginia.

Section 2. The corporation may also have offices at such other places both within and without the State of Virginia as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

ANNUAL MEETINGS OF SHAREHOLDERS

Section 1. All meetings of shareholders for the election of directors shall be held in [], at such place as may be fixed from time to time by the board of directors.

Section 2. Annual meetings of shareholders, commencing with the year 1994, shall be held on the 1st day of March if not a legal holiday, and if a legal holiday, then on the next secular day following, at 10:00 A.M., at which they shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Written or printed notice of the annual meeting stating the date, time and place of the meeting shall be delivered not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or persons calling the meeting to each shareholder of record entitled to vote at such meeting.

ARTICLE III

SPECIAL MEETINGS OF SHAREHOLDERS

Section 1. Special meetings of shareholders for any purpose other than the election of directors may be held at such time and place within or without the State of Virginia as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute or by the articles of incorporation, may be called by the chairman of the board of directors, the president, or the board of directors.

Section 3. Written or printed notice of a special meeting stating the date, time and place of the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting.

Notice of a shareholders' meeting to act on an amendment of the articles of incorporation, on a plan of merger or share exchange, on a proposed sale of assets other than in the regular course of business, or on a plan of dissolution shall be given, in the manner provided herein, not less than twenty-five nor more than sixty days before the date of the meeting. Any such notice shall be accompanied by a copy of the proposed amendment, plan of merger, or share exchange, or plan of proposed sale of assets.

Section 4. The business transacted at any special meeting of shareholders shall be limited to the purposes stated in the notice.

ARTICLE IV

QUORUM AND VOTING OF SHARES

Section 1. A majority of the votes entitled to be cast on a matter by a voting group constitutes a quorum of that voting group for action on that matter except as otherwise provided by statute or by the articles of incorporation. If, however, such quorum shall not be present or represented at any meeting of the shareholders, the shareholders present in person or represented by proxy shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting 'as originally notified.

Section 2. If a quorum is present, action on a matter by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action unless the vote of a greater number of affirmative votes is required by law or the articles of incorporation.

Section 3. Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders unless the articles of incorporation or law provide otherwise. A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact.

Section 4. Any action required to be taken at a meeting of the shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

3

ARTICLE V

DIRECTORS

Section 1. The number of directors shall be not less than three (3) nor more than nine (9). The number of directors may be fixed or changed within the minimum or maximum by the shareholders or by the board of directors, unless shares have been issued in which case only the shareholders may change the range or switch to a fixed size board. Directors need not be residents of the State of Virginia nor shareholders of the corporation. The directors, other than the first board of directors, shall be elected at the annual meeting of the shareholders, and each director elected shall serve until the next succeeding annual meeting and until his successor shall have been elected and qualified. The first board of directors shall hold office until the first annual meeting of shareholders.

Section 2. Any vacancy occurring in the board of directors, including a vacancy, resulting from an increase in the number of directors, may be filled by the shareholders, the board of directors, or if the directors remaining in office constitute fewer than a quorum of the board, the vacancy may be filled by the affirmative vote of the directors remaining in office.

Section 3. The business affairs of the corporation shall be managed by its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the articles of incorporation or by these bylaws directed or required to be exercised or done by the shareholders.

Section 4. The directors may keep the books of the corporation, except such as are required by law to be kept within the state, outside of the State of Virginia, at such place or places as they may from time to time determine.

Section 5. The board of directors, by the affirmative vote of a majority of the directors then in office, and irrespective of any personal interest of any of its members, shall

4

have authority to establish reasonable compensation of all directors for services to the corporation as directors, officers or otherwise.

ARTICLE VI

MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Meetings of the board of directors, regular or special, may be held either within or without the State of Virginia.

Section 2. The first meeting of each newly elected board of directors shall be held at such time and place as shall be fixed by the vote of the shareholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present, or it may convene at such place and time as shall be fixed by the consent in writing of all the directors.

Section 3. Regular meetings of the board of directors may be held upon such notice, or without notice, and at such time and at such place as shall from time to time be determined by the board.

Section 4. Special meetings of the board of directors may be called by the president on two (2) days' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two directors.

Section 5. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

5

Section 6. A majority of the directors shall constitute a quorum for the transaction of business unless a greater number is required by law or by the articles of incorporation. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by statute or by the articles of incorporation. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 7. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if one or more consents in writing, setting forth the action so taken, shall be signed by each director entitled to vote with respect to the subject, matter thereof and included in the minutes or filed with the corporate records reflecting the action taken.

ARTICLE VII

COMMITTEES OF DIRECTORS

Section 1. A majority of the number of directors fixed by the bylaws or otherwise, may create one or more committees and appoint members of the board to serve on the committee or committees. To the extent provided by the board of directors or articles of incorporation, each committee shall have and exercise all of the authority of the board of directors in the management of the corporation, except as otherwise required by law. Each committee shall have two or more members who serve at the pleasure of the board of directors. Each committee shall keep regular minutes of its proceedings and report the same to the board when required.

6

ARTICLE VIII

NOTICES

Section 1. Whenever, under the provisions of the statutes or of the articles of incorporation or of these bylaws, notice is required to be given to any director or shareholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or shareholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

Section 2. Whenever any notice whatever is required to be given under the provisions of the statutes or under the provisions of the articles of incorporation or these bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IX

OFFICERS

Section 1. The officers of the corporation shall be chosen by the board of directors and shall be a president, a vice-president, a secretary and a treasurer. The board of directors may also choose additional vice-presidents, and one or more assistant secretaries and assistant treasurers.

Section 2. The board of directors at its first meeting after each annual meeting of shareholders shall choose a president and one or more vice-presidents, a secretary and a treasurer, none of whom need be a member of the board.

7

Section 3. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board of directors.

Section 4. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

THE PRESIDENT

Section 6. The president shall be the chief executive officer of the corporation, shall preside at all meetings of the shareholders and the board of directors, shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect.

Section 7. He shall execute bonds, mortgages and other contracts requiring a 'seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

THE VICE-PRESIDENTS

Section 8. The vice-president, or if there shall be more than one, the vice-presidents in the order determined by the board of directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president and shall perform 'such other duties and have such other powers as the board of directors may from time to time prescribe.

8

THE SECRETARY AND ASSISTANT SECRETARIES

Section 9. The secretary shall attend all meetings of the board of directors and all meetings of the shareholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

Section 10. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

Section 11. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

9

Section 12. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 13. If required by the board of directors, he shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 14. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE X

CERTIFICATES FOR SHARES

Section 1. The shares of the corporation shall be represented by certificates or shall be uncertificated. Certificates shall be signed by the president or a vice-president and the secretary or an assistant secretary of the corporation, and may be sealed with the seal of the corporation or a facsimile thereof. In addition to the above officers the treasurer or an assistant treasurer may sign in lieu of the secretary or an assistant secretary.

10

When the corporation is authorized to issue shares of more than one class there shall be set forth upon the face or back of each certificate, or each certificate shall have a statement that the corporation will furnish to any shareholder upon request and without charge, a full statement of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued and, if the corporation is authorized to issue different series within a class, the variations in the relative rights and preferences between the shares of each such series so far as the same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series.

Section 2. The signatures of the officers upon a certificate may be facsimiles, unless otherwise provided in the articles of incorporation. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of its issue.

LOST CERTIFICATES

Section 3. The board of directors may direct a new certificate or uncertificated security to be issued in place of any certificate theretofore issued by the corporation alleged to have been lost or destroyed. When authorizing such issue of a new certificate or uncertificated security, the board of directors, in its discretion and as a condition precedent to the issuance thereof, may prescribe such terms and conditions as it deems expedient, and may require such indemnities as it deems adequate, to protect the corporation from any claim that may be made against it with respect to any such certificate alleged to have been lost or destroyed.

11

TRANSFERS OF SHARES

Section 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate representing shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, a new certificate shall be issued to the person entitled thereto, and the old certificate cancelled and the transaction recorded upon the books of the corporation.

Section 5. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the board of directors may fix in advance a date as the record date for the determination of shareholders, such date in any case to be not more than seventy days. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

REGISTERED SHAREHOLDERS

Section 6. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such

share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Virginia.

LIST OF SHAREHOLDERS

Section 7. The officer or agent having charge of the transfer books for shares shall make, at least ten days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting, arranged by voting group and within each voting group by class or series of shares, with the address of each and the number of shares held by each, which list, for a period of ten days prior to such meeting, shall be kept on file at the principal business office of the corporation and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original share transfer book, or a duplicate thereof, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share transfer book or to vote at any meeting of the shareholders.

ARTICLE XI

GENERAL PROVISIONS DIVIDENDS

Section 1. Subject to the provisions of the articles of incorporation relating thereto, if any, dividends may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in money or other property subject to any provisions of the articles of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such

other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

CHECKS

Section 3. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

FISCAL YEAR

Section 4. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SEAL

Section 5. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Virginia". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

ARTICLE XII

AMENDMENTS

Section 1. These bylaws may be amended or repealed or new bylaws may be adopted by the affirmative vote of a majority of the board of directors at any regular or special meeting of the board unless the articles of incorporation or law reserve this power to the shareholders.

[], INC.

BY-LAWS

ARTICLE I

MEETING OF STOCKHOLDERS

Section 1. Place of Meeting and Notice. Meetings of the stockholders of the Corporation shall be held at such place either within or without of the State of Delaware as the Board of Directors may determine.

Section 2. Annual and Special Meetings. Annual meetings of stockholders shall be held, at a date, time and place fixed by the Board of Directors and stated in the notice of meeting, to elect a Board of Directors and to transact such other business as may properly come before the meeting. Special meeting, of the stockholders may be called by the President for any purpose and shall be called by the President or Secretary if directed by the Board of Directors or requested in writing by the holders of not less than 25% of the capital stock of the Corporation. Each such stockholder request shall state the purpose of the proposed meeting.

Section 3. Notice. Except as otherwise provided by law, at least 10 and not more than 60 days before each meeting of stockholders, written notice of the time, date and place of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder.

Section 4. Quorum. At any meeting of stockholders, the holders of record, present in person or by proxy, of a majority of the Corporation's issued and outstanding capital stock shall constitute a quorum for the transaction of business, except as otherwise provided by law. In the absence of a quorum, any officer entitled to preside at or to act as secretary of the meeting shall have power to adjourn the meeting from time to time until a quorum is present.

Section 5. Voting. Except as otherwise provided by law, all matters submitted to a meeting of stockholders shall be decided by vote of the holders of record, present in person or by proxy, of a majority of the Corporation's issued and outstanding capital stock.

ARTICLE II

DIRECTORS

Section 1. Number, Election and Removal of Directors. The number of Directors that shall constitute the Board of Directors shall be not less than one nor more than fifteen. The first Board of Directors shall consist of 5 Directors. Thereafter, within the limits specified above, the number of Directors shall be determined by the Board of Directors or by the stockholders. The Directors shall be elected by the stockholders at their annual meeting. Vacancies

and newly created directorships resulting from any increase in the number of Directors may be filled by a majority of the Directors then in office, although less than a quorum, or by the sole remaining Director or by the stockholders. A Director may be removed with or without cause by the stockholders.

Section 2. Meetings. Regular meetings of the Board of Directors shall be held at such times and places as may from time to time be fixed by the Board of Directors or as may be specified in a notice of meeting. Special meetings of the Board of Directors may be held at any time upon the call of the President and shall be called by the President or Secretary if directed by the Board of Directors. Oral, telephonic, telegraphic, written or facsimile notice of each special meeting of the Board of Directors shall be sent to each Director not less than two days before such meeting. Reasonable efforts shall be made to ensure that each Director receives timely notice of any meeting. A meeting of the Board of Directors may be held without notice immediately after the annual meeting of the stockholders. Notice need not be given of regular meetings of the Board of Directors.

Section 3. Quorum. One-third of the total number of Directors shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until such a quorum is present. Except as otherwise provided by law, the Certificate of Incorporation of the Corporation, these By-Laws or any contract or agreement to which the Corporation is a party, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

Section 4. Committees of Directors. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees, including without limitation an Executive Committee, to have and exercise such power and authority as the Board of Directors shall specify. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another Director to act at the meeting in place of any such absent or disqualified member.

ARTICLE III

OFFICERS

The officers of the Corporation shall consist of a President, a Secretary, a Treasurer and such other additional officers with such titles as the Board of Directors shall determine, all of whom shall be chosen by and shall serve at the pleasure of the Board of Directors. Such officers shall have the usual powers and shall perform all the usual duties incident to their respective offices. All officers shall be subject to the supervision and direction of the Board of Directors. The authority, duties or responsibilities of any officer of the Corporation may be suspended by the President with or without cause. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause.

ARTICLE IV

INDEMNIFICATION

(a) A director of the Corporation shall not be personally liable either to the Corporation or to any stockholder for monetary damages for breach of fiduciary duty as a director, except (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, or (ii) for acts or omissions which are not in good faith or which involve intentional misconduct or knowing violation of the law, or (iii) for any matter in respect of which such director shall be liable under Section 174 of Title 8 of the General Corporation Law of the State of Delaware or any amendment thereto or successor provision thereto, or (iv) for any transaction from which the director shall have derived an improper personal benefit. This paragraph (a) shall not limit the liability of a director for any act or omission that occurred prior to the date hereof.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to, or testifies in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative in nature, by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding to the full extent permitted by law, and the Corporation may adopt bylaws or enter into agreements with any such person for the purpose of providing for such indemnification.

(c) To the extent that a director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraph (b) of this Article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(d) Expenses incurred by an officer, director, employee or agent in defending or testifying in a civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such director or officer is not entitled to be indemnified by the Corporation against such expense as authorized by this Article, and the Corporation may adopt bylaws or enter into agreements with such persons for the purpose of providing for such advances.

ARTICLE V

GENERAL PROVISIONS

Section 1. Notices. Whenever any statute, the Certificate of Incorporation or these By-Laws require notice to be given to any Director or stockholder, such notice may be given in writing by mail, addressed to such Director or stockholder at his address as it appears on the records of the Corporation, with postage thereon prepaid. Such notice shall be deemed to have

3

been given when it is deposited in the United States mail. Notice to Directors may also be given by telegram.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board of Directors.

4

BYLAWS OF
[], Inc.,
a California Corporation

INDEX

ARTICLE I OFFICES

Section 1. PRINCIPAL OFFICE

ARTICLE II MEETINGS OF SHAREHOLDERS

Section 1. PLACE OF MEETINGS

Section 2. ANNUAL MEETING

Section 3. SPECIAL MEETING

Section 4. NOTICE OF SHAREHOLDERS' MEETINGS

Section 5. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE

Section 6. QUORUM

Section 7. ADJOURNED MEETING; NOTICE

Section 8. VOTING

Section 9. WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS

Section 10. SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Section 11. RECORD DATE FOR SHAREHOLDER NOTICE, VOTING AND GIVING CONSENTS

Section 12. PROXIES

Section 13. INSPECTORS OF ELECTION

ARTICLE III A DIRECTORS

Section 1. POWERS

Section 2. NUMBER AND QUALIFICATIONS OF DIRECTORS

Section 3. ELECTION AND TERM OF OFFICE

Section 4. REMOVAL

Section 5. RESIGNATION AND VACANCIES

Section 6. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE

Section 7. ANNUAL MEETING

Section 8. OTHER REGULAR MEETINGS

Section 9. SPECIAL MEETINGS

Section 10. QUORUM

Section 11. WAIVER OF NOTICE

i

Section 12. ADJOURNMENT

Section 13. NOTICE OF ADJOURNMENT

Section 14. ACTION WITHOUT MEETING

Section 15. FEES AND COMPENSATION OF DIRECTORS

Section 16. COMMITTEES OF DIRECTORS

ARTICLE IV OFFICERS

Section 1. OFFICERS

Section 2. ELECTION OF OFFICERS

Section 3. SUBORDINATE OFFICERS

Section 4. REMOVAL AND RESIGNATION OF OFFICERS

Section 5. VACANCIES IN OFFICES

Section 6. CHAIRMAN OF THE BOARD

Section 7. PRESIDENT

Section 8. VICE PRESIDENTS

Section 9. SECRETARY

Section 10. CHIEF FINANCIAL OFFICER

ARTICLE V INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

Section 1. DEFINITIONS

Section 2. ACTIONS BY THIRD PARTIES

Section 3. ACTIONS BY OR IN THE RIGHT OF THE CORPORATION

[Section 4. MANDATORY INDEMNIFICATION](#)
[Section 5. AUTHORIZATION OF INDEMNIFICATION](#)
[Section 6. ADVANCED EXPENSES](#)
[Section 7. LIMITATIONS](#)
[Section 8. OTHER RIGHTS AND REMEDIES](#)
[Section 9. FUNDING OF INDEMNIFICATION](#)
[Section 10. INDEMNIFICATION OF THIRD PARTIES](#)
[Section 11. SAVINGS CLAUSE](#)

[ARTICLE VI RECORDS AND REPORTS](#)

[Section 1. INSPECTION OF SHARE REGISTER](#)
[Section 2. MAINTENANCE AND INSPECTION OF BYLAWS](#)
[Section 3. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS](#)
[Section 4. INSPECTION BY DIRECTORS](#)
[Section 5. ANNUAL REPORT TO SHAREHOLDERS](#)

[ARTICLE VII GENERAL CORPORATE MATTERS](#)

[Section 1. RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING](#)

ii

[Section 2. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS](#)
[Section 3. CORPORATE CONTRACTS AND INSTRUMENTS: HOW EXECUTED](#)
[Section 4. CERTIFICATES FOR SHARES](#)
[Section 5. LOST CERTIFICATES](#)
[Section 6. REPRESENTATION OF SHARES OF OTHER CORPORATIONS](#)
[Section 7. CONSTRUCTION AND DEFINITIONS](#)

[ARTICLE VIII AMENDMENTS](#)

[Section 1. AMENDMENT BY SHAREHOLDERS](#)
[Section 2. AMENDMENT BY DIRECTORS](#)
[Section 3. RECORD OF AMENDMENTS](#)

iii

BYLAWS OF

[], Inc.,
a California corporation

ARTICLE I

OFFICES

Section 1. **PRINCIPAL OFFICE.** The board of directors shall fix the location of the principal executive office of the corporation at any place within or outside the State of California. If the principal executive office is located outside the State of California, and the corporation has one or more business office(s) in the State of California, the board of directors shall fix and designate a principal business office in California.

ARTICLE II

MEETINGS OF SHAREHOLDERS

Section 1. **PLACE OF MEETINGS.** Meetings of shareholders shall be held at any place within or outside of the State of California designated by the board of directors or by the written consent of all persons entitled to vote thereat, which written consent is filed with the Secretary either before or after the meeting.

Section 2. **ANNUAL MEETING.** The annual meeting of shareholders shall be held each year on a date and at a time designated by the board of directors. The date so designated shall be within 15 months following the last annual meeting. At each annual meeting directors shall be elected, and any other proper business may be transacted.

Section 3. **SPECIAL MEETING.** A special meeting of the shareholders may be called at any time, subject to the provisions of Sections 4 and 5 of Article II of these Bylaws, by the board of directors, the chairman of the board, the president, or by holders of shares entitled to cast not less than 10% of the votes at such meeting.

If a special meeting is called by any person or persons other than the board of directors, the request shall be in writing, specifying the place, date and hour of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the board, the president, any vice president, or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the shareholders entitled to vote that a meeting will be held at the time requested by the person

or persons calling the meeting, not less than 35 nor more than 60 days after the receipt of the request. If the notice is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of Section 3 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the board of directors may be held.

Section 4. NOTICE OF SHAREHOLDERS' MEETINGS. Subject to the provisions of the foregoing Section 3, all notices of meetings of shareholders shall be sent or otherwise given in accordance with Article II, Section 5 of these Bylaws not less than 10 (or, if sent by third-class mail, not less than 30) nor more than 60 days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, and no business other than that specified in the notice may be transacted, or (ii) in the case of the annual meeting, those matters which the board of directors, at the time of mailing the notice, intends to present for action by the shareholders, but subject to the provisions of the next paragraph of this Section 4, any proper matter may be presented at the meeting for such action. The notice of any meeting at which directors are to be elected shall include the names of nominees intended at the time of the notice to be presented by the board for election.

If action is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the California Corporations Code (the "Code"), (ii) an amendment of the articles of incorporation, pursuant to Section 902 of the Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of the Code, (iv) a voluntary dissolution of the corporation, pursuant to Section 1900 of the Code, or (v) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of the Code, the notice shall also state the general nature of that proposal.

Section 5. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE. Notice of any meeting of shareholders shall be given either personally or by first-class mail, or, if the corporation has outstanding shares held of record by 500 or more persons (determined as provided in Section 605 of the Code) on the record date for the shareholders' meeting, notice may be sent by third class mail, or other means of written communication, addressed to the shareholder at the address of that shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given, notice shall be deemed to have been given if sent to that shareholder at the corporation's principal executive office, or if published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication.

If any notice or report addressed to the shareholder at the address of such shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the shareholder at such address, all future notices or reports shall be deemed to have been duly given without further mailing if the same shall be available for the shareholder upon written demand of the shareholder at the principal executive office of the corporation for a period of one year from the date of the giving of the notice or report to all other shareholders.

An affidavit of the mailing of any notice or report in accordance with the provisions of this Section 5, executed by the secretary, assistant secretary, or any transfer agent of the corporation shall be prima facie evidence of the giving of the notice or report and shall be filed and maintained in the minute book of the corporation.

Section 6. QUORUM. The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 7. ADJOURNED MEETING; NOTICE. Any shareholders meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum (except as set forth in Section 6 of this Article), no other business may be transacted at that meeting. Notice need not be given of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken, unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than 45 days from the date set for the original meeting, in which case notice of any such adjourned meeting shall be given in the same manner as notice of the original meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

Section 8. VOTING. The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 11 of this Article II, subject to the provisions of Section 702 to 704, inclusive, of the Code (relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership). The shareholders' vote may be by voice vote or by ballot; provided, however, that any election for directors must be by ballot if demanded by any shareholder at the meeting and before the voting has begun. On any matter other than elections of directors, any shareholder may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares which he is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares that the shareholder is entitled to vote.

The affirmative vote of the majority of the shares represented and voting at a duly held meeting at which a quorum is present (which shares voting affirmatively also constitute at least a majority of the required quorum) shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by the Code or by the articles of incorporation.

At a shareholders' meeting at which directors are to be elected, a shareholder shall be entitled to cumulate votes either (i) by giving one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are normally entitled or (ii) by distributing the shareholder's votes on the same principle among as many candidates as the shareholder thinks fit if the candidates' names have been placed in nomination prior to commencement of the voting and the shareholder has given notice at the meeting and prior to the voting of the shareholder's intention to cumulate the shareholder's votes. If any one shareholder has given such notice, all shareholders may so cumulate their votes for the candidates in nomination. The candidates receiving the highest number of affirmative votes, up to the number of directors to be elected, shall be elected; votes against any candidate and votes withheld shall have no legal effect.

Section 9. WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS. The transactions of any meeting of shareholders, either annual or special, however called and noticed, and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of shareholders, except that if action is taken or proposed to be taken for approval of any of those matters specified in the second paragraph of Section 4 of this Article, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened, and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by the Code to be included in the notice of the meeting, but not so included, if that objection is expressly made at the meeting.

Section 10. SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING. Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all shares entitled to vote on that action were present and voted.

In the case of election of directors, such a consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the board of directors (that has not been filled by action of the directors) by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors.

All such consents shall be filed with the secretary of the corporation and shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holders, or a transferee of the shares or a personal representative of the shareholder or their respective proxy holders, may revoke the consent by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary of the corporation, but may not do so thereafter. Such revocation is effective upon its receipt by the secretary of the corporation.

If the consents of all shareholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such shareholders shall not have been required, the secretary shall give prompt notice (in the same manner specified in Section 5 of this Article II) of the corporate action approved by the shareholders without a meeting to those shareholders entitled to vote who have not consented to in writing. In the case of approval of (i) contracts or transactions in which a director has a direct or indirect financial interest, pursuant to Section 310

of the code, (ii) indemnification of "agents" of the corporation, pursuant to Section 317 of the Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of the Code, and (iv) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of the Code, the notice shall be given at least 10 days before the consummation of any action authorized by that approval, unless the consents of all shareholders entitled to vote have been solicited in writing.

Section 11. RECORD DATE FOR SHAREHOLDER NOTICE, VOTING AND GIVING CONSENTS. For purposes of determining the shareholders entitled to notice of any meeting or to vote or entitled to give consent to corporate action without a meeting, the board of directors may fix, in advance, a record date, which shall not be more than 60 days nor less than 10 days before the date of any such meeting nor more than 60 days before any such action without a meeting, and in such event only shareholders of record at the close of business on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date.

If the board of directors does not so fix a record date:

(a) The record date for determining shareholders entitled to notice or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the date on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(b) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting, (i) when no prior action by the board has been taken, shall be the day on which the first written consent is given, or (ii) when prior action of the board has been taken, shall be at the close of business on the day on which the board adopts the resolution relating to that action, or the 60th day before the date of such other action, whichever is later.

A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting unless the board fixes a new record date for the adjourned meeting, but the board shall fix a new record date if the meeting is adjourned for more than 45 days from the date set for the original meeting.

The record date for any other purpose shall be as provided in Article VII, Section 1 of these bylaws.

Section 12. PROXIES. Every person entitled to vote shares shall have the right to do so either in person or by one or more agents authorized by a written proxy signed or an electronic transmission authorized by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the shareholder's name or other authorization is placed on the proxy (whether by manual signature, typewriting, telegraphic or electronic transmission or otherwise) by the shareholder or the shareholder's attorney-in-fact. A proxy may be transmitted by an oral telephonic transmission if it is submitted with information from which it may be determined that the proxy was authorized by the shareholder, or his or her attorney in fact.

A duly executed proxy shall continue in full force and effect unless revoked by the person executing it before the vote pursuant to that proxy, by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or if written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of 11 months from the date of the proxy, unless otherwise expressly provided in the proxy. The revocability of a proxy that states on its face it is irrevocable shall be governed by the provisions of Section 705(e) and 705(f) of the Code.

Section 13. **INSPECTORS OF ELECTION.** Prior to any meeting of shareholders, the board of directors may appoint any persons to act as inspectors of election at the meeting and any adjournment thereof. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more shareholders or proxies, the majority of shares represented in person or by proxy shall determine whether one or three inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

The duties of the inspectors shall include:

- (a) Determining the number of shares outstanding and the voting power of each; the shares represented at the meeting; the existence of a quorum; and the authenticity, validity, and effect of proxies;
- (b) Receiving votes, ballots, or consents;
- (c) Hearing and determining all challenges and questions in any way arising in connection with the right to vote;
- (d) Counting and tabulating all votes or consents;
- (e) Determining when the polls shall close;
- (f) Determining the result; and
- (g) Doing any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

ARTICLE III

DIRECTORS

Section 1. **POWERS.** Subject to the Code and any limitations in the articles of incorporation and these bylaws relating to action required to be approved by the shareholders or by the outstanding shares, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the board of directors.

Without prejudice to such general powers, and subject to the same limitations, the board shall have the power to:

- (a) Select and remove all officers, agents and employees of the corporation; prescribe any powers and duties for them that are consistent with the law, with the articles of incorporation, and with these bylaws; fix their compensation; and require from them security for faithful service;
- (b) Conduct, manage and control the affairs and business of the corporation;
- (c) Adopt, make, and use a corporate seal; prescribe the forms of certificates of stock; and alter the form of the seal and certificates;
- (d) Authorize the issuance of shares of stock of the corporation from time to time, upon such terms and for such consideration as may be lawful; and
- (e) Borrow money and incur indebtedness on behalf of the corporation, and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

Section 2. **NUMBER AND QUALIFICATIONS OF DIRECTORS.** The authorized number of directors shall be six (6). After the issuance of shares, this number may be changed only by an amendment to the articles of incorporation or the bylaws approved by the affirmative vote or written consent of a majority of the outstanding shares entitled to vote. After the issuance of shares, a bylaw specifying or changing a fixed number of directors or the maximum or minimum number or changing from a fixed to a variable board or vice versa may only be adopted by approval of the outstanding shares; provided, further, that an amendment to these bylaws reducing the fixed number or the minimum number of directors from a number greater than or equal to 5 to a number less than 5 cannot be adopted if the votes cast against the adoption at a meeting, or the shares not consenting in the case of action by written consent, are equal to more than 16-2/3% of the outstanding shares entitled to vote.

Section 3. **ELECTION AND TERM OF OFFICE.** Directors shall be elected at each annual meeting of the shareholders. If any such annual meeting is not held or the directors are not elected at an annual meeting, the directors may be elected at any special meeting of shareholders held for that purpose. Each director shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. REMOVAL. The entire board of directors or any individual director may be removed from office without cause by the affirmative vote of a majority of the outstanding shares entitled to vote on such removal; provided, however, that unless the entire board is removed, no individual director may be removed when the votes cast against such director's removal, or not consenting in writing to such removal, would be sufficient to elect that director if voted cumulatively at an election at which the same total number of votes cast were (or, if such action is taken by written consent, all shares entitled to vote were voted) and the entire number of directors authorized at the time of such director's most recent election were then being elected.

Section 5. RESIGNATION AND VACANCIES. Any director may resign effective upon giving written notice to the chairman of the board, the president, the secretary, or the board of directors, unless the notice specifies a later time for that resignation to become effective. If the resignation is effective at a future time, the board of directors may elect a successor to take office when the resignation becomes effective. Vacancies on the board of directors may be filled by a majority of the remaining directors, or if the number of directors then in office is less than a quorum by (i) unanimous written consent of the directors then in office, (ii) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice, or (iii) a sole remaining director; however, a vacancy created by the removal of a director by the vote or written consent of the shareholders or by court order may be filled only by the affirmative vote of a majority of the shares represented and voting at a duly held meeting at which a quorum is present (which shares voting affirmatively also constitute at least a majority of the required quorum), or by the unanimous written consent of all shares entitled to vote thereon. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified, or until the director's death, resignation or removal.

A vacancy or vacancies in the board of directors shall be deemed to exist in the event of the death, resignation, or removal of any director, if the board of directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of directors is increased, or if the shareholders fail, at any meeting of shareholders at which any director or directors are elected, to elect the full authorized number of directors to be elected at that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent, other than to fill a vacancy created by removal, shall require the consent of a majority of the outstanding shares entitled to vote. A director may not be elected by written consent to fill a vacancy created by removal except by unanimous consent of all shares entitled to vote for the election of directors.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 6. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE. Regular and special meetings of the board of directors may be held at any place within or outside of the State of California which has been designated from time to time by the board or by the person calling the meeting. In the absence of such designation, meetings shall be held at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone

or similar communications equipment, so long as all directors participating in the meeting can hear one another. Participation in a meeting pursuant to this paragraph constitutes presence in person at such meeting.

Section 7. ANNUAL MEETING. Immediately following each annual meeting of shareholders, the board of directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of this meeting shall not be required.

Section 8. OTHER REGULAR MEETINGS. Other regular meetings of the board of directors shall be held without notice at such place and time as shall from time to time be fixed by the board of directors.

Section 9. SPECIAL MEETINGS. Special meetings of the board for any purpose or purposes may be called at any time by the chairman of the board, the president, the secretary or any two directors. Special meetings shall be held upon four days' written notice by mail, or 48 hours' notice given personally or by telephone, telegraph, telex, or other similar means, addressed or delivered to each director as appears on the records of the corporation or as may have been designated by the director for purposes of notice. Such notice need not specify the purpose of the meeting.

Section 10. QUORUM. A majority of the authorized number of directors constitutes a quorum for the transaction of business, except to adjourn as provided in Section 12 of this Article. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board subject to the provisions of Section 310 of the Code (as to approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 311 of the Code (as to appointment of committees), and Section 317 (e) of the Code (as to indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 11. WAIVER OF NOTICE. Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. A waiver of notice need not specify the purpose of any regular or special meeting of the board of directors.

Section 12. ADJOURNMENT. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 13. NOTICE OF ADJOURNMENT. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 14. ACTION WITHOUT MEETING. Any action required or permitted to be taken by the board may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. Such written consent or consents shall have the same force and effect as a unanimous vote of the board of directors and shall be filed with the minutes of the proceedings of the board.

Section 15. FEES AND COMPENSATION OF DIRECTORS. Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be fixed or determined by the board from time to time.

Section 16. COMMITTEES OF DIRECTORS. The board may, by resolution adopted by a majority of the authorized number of directors, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. The board may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the authorized number of directors. The board may delegate to such committees any of the authority of the board, except with respect to:

- (a) The approval of any action which, under the Code, also requires shareholders' approval or approval of the outstanding shares;
- (b) The filling of vacancies on the board or on any committee;
- (c) The fixing of compensation of the directors for serving on the board or on any committee;
- (d) The amendment or repeal of bylaws or the adoption of new bylaws;
- (e) The amendment or repeal of any resolution of the board of directors which by its express terms is not so amendable or repealable;
- (f) A distribution to the shareholders of the corporation, except at a rate or in a periodic amount or within a price range determined by the board; or
- (g) The appointment of any other committees of the board or the members thereof.

ARTICLE IV

OFFICERS

Section 1. OFFICERS. The officers of the corporation shall be a president, a secretary, and a chief financial officer. The corporation may also have, at the discretion of the board, a chairman of the board, one or more vice presidents, one or more assistant secretaries, a treasurer, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. Any number of offices may be held by the same person.

10

Section 2. ELECTION OF OFFICERS. The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article, shall be chosen by, or if appointed by the Incorporator, ratified (or replaced) by the board of directors, and each shall serve at the pleasure of the board, subject to the rights, if any, of an officer under any contract of employment.

Section 3. SUBORDINATE OFFICERS. The board may appoint, and may empower the president to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the board may from time to time determine.

Section 4. REMOVAL AND RESIGNATION OF OFFICERS. Without prejudice to the rights, if any, under any contract of employment, any officer may be removed, either with or without cause, by the board of directors or, except in case of an officer chosen by the board of directors, by any officer upon whom such power of removal may be conferred by the board.

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

Section 5. VACANCIES IN OFFICES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to that office.

Section 6. CHAIRMAN OF THE BOARD. The chairman of the board, if such an officer be elected, shall, if present, preside at meetings of the board and exercise and perform such other powers and duties as may from time to time be assigned to him by the board. If there is no president, the chairman of the board shall also be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article.

Section 7. PRESIDENT. Subject to such supervisory powers, if any, as may be given by the board of directors to the chairman of the board, if there be such an officer, the president is the general manager and chief executive officer of the corporation, and subject to the control of the board of directors, has general supervision, direction, and control of the business and the officers of the corporation. The president shall preside at all meetings of the shareholders and, in the absence of the chairman of the board, or if there be none, at all meetings of the board. The president shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the board.

Section 8. VICE PRESIDENTS. In the absence or disability of the president, the vice presidents, if any, in order of their rank as fixed by the board or, if not ranked, the vice president designated by the board, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice

presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the board of directors.

Section 9. SECRETARY. The secretary shall keep or cause to be kept, at the principal executive office and such other place as the board may direct, a copy of these Bylaws and a book of minutes of all meetings of directors, committees of directors, and shareholders, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at directors' meetings or committee meetings, the number of shares present or represented at shareholders' meetings, and the proceedings.

The secretary shall keep or cause to be kept at the principal executive office or at the office of the corporation's transfer agent or registrar, as determined by the board, a share register, or a duplicate share register, showing the names of all shareholders and their addresses, the number and classes of shares held by each, the number and date of certificates issued for the same, and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give, or cause to be given, notice of all meetings of the shareholders and of the board required by these bylaws or by law to be given, and shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the board of directors.

Section 10. CHIEF FINANCIAL OFFICER. The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, and shall send or cause to be sent to the shareholders such financial statements as are required by law or these Bylaws.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the board. The chief financial officer shall disburse the funds of the corporation as may be ordered by the board, shall render to the president and directors, whenever they request it, an account of all of his or her transactions as chief financial officer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the board of directors.

The chief financial officer shall, unless otherwise designated by the Board, be the Treasurer of the corporation.

ARTICLE V

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

Section 1. DEFINITIONS. For the purposes of this Article V, "agent" means any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor

corporation of the corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Section 4 of this Article V or paragraph (3) of Section 5 of this Article V.

Section 2. ACTIONS BY THIRD PARTIES. The corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor) by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. ACTIONS BY OR IN THE RIGHT OF THE CORPORATION. The corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith and in a manner such person believed to be in the best interests of the corporation and its shareholders.

No indemnification shall be made pursuant to this Section 3:

(1) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation and its shareholders, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for expenses and then only to the extent that the court shall determine;

(2) Of amounts paid in settling or otherwise disposing of a pending action without court approval; or

(3) Of expenses incurred in defending a pending action which is settled or otherwise disposed of without court approval.

Section 4. MANDATORY INDEMNIFICATION. To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or Section 3 of this Article V or in defense of any claim, issue or matter therein, the agent shall

be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 5. AUTHORIZATION OF INDEMNIFICATION. With respect to indemnification under Section 2 or Section 3 of this Article V (but not with respect to indemnification under Section 4 of this Article V), a determination whether indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or Section 3 of this Article V, shall be made by any of the following within ninety (90) days following the conclusion, termination, settlement or other resolution of a proceeding with respect to an agent:

- (1) A majority vote of a quorum consisting of directors who were not parties to such proceeding; or
- (2) If such a quorum of directors is not obtainable, by independent legal counsel in a written opinion; or
- (3) Approval of the shareholders (as defined in Section 153 of the Code), with the shares owned by the person to be indemnified not being entitled to vote thereon; or
- (4) The court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the corporation.

Section 6. ADVANCED EXPENSES. Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount if it shall be determined ultimately that the agent is not entitled to be indemnified as authorized in this Article V.

Section 7. LIMITATIONS. Except as provided in Section 4 of this Article V or paragraph (3) of Section 5 of this Article V, no indemnification or advance shall be made by the corporation in any circumstance where it appears:

- (1) That it would be inconsistent with a provision of the articles of incorporation of the corporation, these bylaws, a resolution of the shareholders or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 8. OTHER RIGHTS AND REMEDIES. The indemnification provided by this Article V shall not be deemed exclusive of, and shall not affect, any other rights to which an agent seeking indemnification may be entitled under any law, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and

as to action in another capacity while holding such office; provided, however, that no indemnification shall be provided pursuant to this Article V or otherwise for any acts or omissions or transactions from which a director may not be relieved of liability as set forth in Section 204(a)(10) of the Code or as to circumstances in which indemnification is expressly prohibited by Section 317 of the Code. The indemnification provided by this Article V shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors and administrators of such person. All rights to indemnification under this Article V shall be deemed to be provided by a contract between the corporation and the agent who serves in such capacity at any time while these bylaws and other relevant provisions of the Code and other applicable law, if any, are in effect. Any repeal or modification of these bylaws or any such law shall not affect any rights or obligations existing at the time of such repeal or modification.

Section 9. FUNDING OF INDEMNIFICATION. The corporation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this Article V. The company issuing such a policy of insurance may be owned in whole or in part by the corporation if:

- (1) The policy issued is limited to the extent provided by Section 204(a)(11) of the Code; or
- (2) (A) The company issuing the insurance policy is organized, licensed, and operated in a manner that complies with the insurance laws and regulations applicable to its jurisdiction of organization, (B) the company issuing the policy provides procedures for processing claims that do not permit that company to be subject to the direct control of the corporation that purchased the policy, and (C) the policy issued provides for some manner of risk sharing between the issuer and purchaser of the policy, on the one hand, and some unaffiliated person or persons, on the other hand, such as by providing for more than one unaffiliated owner of the company issuing the policy or by providing that a portion of the coverage furnished will be obtained from some unaffiliated insurer or reinsurer. The corporation may create a trust fund, grant a security interest or use other means (including, but not limited to, a letter of credit or a pledge of cash or cash equivalent) to ensure the payment of such sums as may be needed to fund indemnification as provided herein.

Section 10. INDEMNIFICATION OF THIRD PARTIES. Nothing contained in this Article V shall affect any right to indemnification to which persons other than directors and officers of the corporation may be entitled by contract or otherwise.

Section 11. SAVINGS CLAUSE. If this Article V or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each agent as to expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any proceeding, including an action by or in the right of the corporation to procure a judgment in its favor, to the full extent permitted by any applicable portion of this Article V or as permitted by any other applicable law, agreement, vote of stockholders or disinterested directors or otherwise.

ARTICLE VI

RECORDS AND REPORTS

Section 1. INSPECTION OF SHARE REGISTER. The corporation shall keep either at its principal executive office or at the office of its transfer agent or registrar (if either be appointed), as determined by resolution of the board of directors, a record of its shareholders listing the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least 5% in the aggregate of the outstanding voting shares of the corporation (or who hold at least 1% of such voting shares and have filed a schedule 14-B with the S.E.C.) relating to the election of directors of the corporation can (i) inspect and copy the records of shareholders' names and addresses and shareholdings during usual business hours on five business days' prior written demand upon the corporation, and/or (ii) obtain from the transfer agent of the corporation, upon written demand and upon the tender of such transfer agent's usual charges for such list, a list of the shareholders' names and addresses, who are entitled to vote for election of directors, and their shareholdings, as of the most recent record date for which that list has been compiled or as of a date specified by the shareholder after the date of demand. This list shall be made available to any such shareholder by the transfer agent on or before the later of five business days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection and copying on the written demand of any shareholder or holder of a voting trust certificate, at any time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as the holder of a voting trust certificate. Any inspection and copying under this Section may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Section 2. MAINTENANCE AND INSPECTION OF BYLAWS. The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in the State of California, the original or a copy of these Bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in the State of California, the secretary of the corporation shall, upon the written request of any shareholder, furnish to that shareholder a copy of these Bylaws as amended to date.

Section 3. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS. The accounting books and records and minutes of proceedings of the shareholders and the board of directors and any committee or committees of the board shall be kept at the principal executive office of the corporation or at the office of the corporation's transfer agent or registrar. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interest as a shareholder or

16

as a holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Section 4. INSPECTION BY DIRECTORS. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 5. ANNUAL REPORT TO SHAREHOLDERS. The annual report to shareholders referred to in Section 1501 of the California Corporations Code is expressly waived (so long as this corporation has less than 100 shareholders), but nothing herein shall be interpreted as prohibiting the board from issuing annual or other periodic reports to shareholders of the corporation.

ARTICLE VII

GENERAL CORPORATE MATTERS

Section 1. RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING. For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful action (other than with respect to notice or voting at a shareholders meeting or action by shareholders by written consent without a meeting), the board of directors may fix, in advance, a record date, which shall not be more than 60 days before any such action, and in that case only shareholders of record at the close of business on the date so fixed are entitled to receive the dividend, distribution, or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the Code.

If the board of directors does not so fix a record date, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board adopts the applicable resolution or the 60th day before the date of that action, whichever is later.

Section 2. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by the board of directors.

Section 3. CORPORATE CONTRACTS AND INSTRUMENTS: HOW EXECUTED. The board of directors, except as otherwise provided in these bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and this authority may be general or confined to specific instances; and, unless so authorized or ratified by the board or within the agency power of an officer, no officer, agent, or employee shall have any power or authority to bind the corporation

17

by any contract or engagement or to pledge its credit or to render it liable for any purposes or for any amount.

Section 4. CERTIFICATES FOR SHARES. A certificate or certificates for shares of the capital stock of the corporation shall be issued to each shareholder when any of these shares are fully paid, and the board may authorize the issuance of certificates for shares as partly paid provided that these certificates shall state the amount of the consideration to be paid for them and the amount paid. All certificates shall be signed in the name of the corporation by the chairman of the board, president, or vice president, and by the chief financial officer or an assistant treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be by facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that officer, transfer agent, or registrar before that certificate is issued, it may be issued by the corporation with the same effect as if that person were an officer, transfer agent, or registrar at the date of issue.

Section 5. LOST CERTIFICATES. Except as provided in this Section, no new certificates for shares shall be issued to replace an old certificate unless the latter is surrendered to the corporation and cancelled at the same time. The board, in case any share certificate or certificate for any other security is lost, stolen or destroyed, may authorize the issuance of a replacement certificate on such terms and conditions as the board may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft, or destruction of the certificate or the issuance of the replacement certificate.

Section 6. REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The chairman of the board, the president, or any vice president, or any other person authorized by resolution of the board of directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to these officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy duly executed by these officers.

Section 7. CONSTRUCTION AND DEFINITIONS. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Code shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

ARTICLE VIII

AMENDMENTS

Section 1. AMENDMENT BY SHAREHOLDERS. New bylaws may be adopted or these bylaws may be amended or repealed by the vote or written consent of holders of a majority

of the outstanding shares entitled to vote; provided, however, that if the articles of incorporation of the corporation set forth the number of authorized directors of the corporation, the authorized number of directors may be changed only by an amendment of the articles of incorporation.

Section 2. AMENDMENT BY DIRECTORS. Subject to the rights of the shareholders as provided in Section 1 of this Article, bylaws, other than a bylaw or an amendment of bylaws changing the authorized number of directors (except to fix the authorized number of directors pursuant to a bylaw providing for a variable number of directors), may be adopted, amended, or repealed by the board of directors.

Section 3. RECORD OF AMENDMENTS. Whenever an amendment or new bylaw is adopted, it shall be copied in the minute book with the original bylaws. If any bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written consent was filed, shall be stated in the minute book.

BY LAWS

OF

[]

[]

(ADOPTED EFFECTIVE AS OF [])

1

ARTICLE I
OFFICES

Section 1.1 REGISTERED OFFICE. The registered office of the Company within the State of Texas shall be located at either (a) the principal place of business of the Company in the State of Texas or (b) the office of the corporation or individual acting as the Company's registered agent in Texas.

Section 1.2 ADDITIONAL OFFICES. The Company may, in addition to its registered office in the State of Texas, have such other offices and places of business, both within and without the State of Texas, as the Board of Directors of the Company (the "Board") may from time to time determine or as the business and affairs of the Company may require.

ARTICLE II
SHAREHOLDERS MEETINGS

Section 2.1 ANNUAL MEETINGS. Annual meetings of shareholders shall be held at a place and time on any weekday that is not a holiday and that is not more than 120 days after the end of the fiscal year of the Company as shall be designated by the Board and stated in the notice of the meeting, at which the shareholders shall elect the directors of the Company and transact such other business as may properly be brought before the meeting.

Section 2.2 SPECIAL MEETINGS. Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by law or by the articles of incorporation, (a) may be called by the chairman of the board or the president and (b) shall be called by the president or secretary at the request in writing of a majority of the Board or shareholders owning capital stock of the Company representing at least ten percent of the votes of all capital stock of the Company entitled to vote thereat. Such request of the Board or the shareholders shall state the purpose or purposes of the proposed meeting.

Section 2.3 NOTICES. Written or printed notice of each shareholders meeting stating the place, date and hour of the meeting shall be given to each shareholder of record entitled to vote thereat by or at the direction of the president, the secretary or the officer or person calling such meeting not less than ten nor more than sixty days before the date of the meeting. If said notice is for a shareholders meeting other than an annual meeting, it shall in addition state the purpose or purposes for which said meeting is called, and the business transacted at such meeting shall be limited to the matters so stated in said notice and any matters reasonably related thereto. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to each shareholder at his or her address as it appears on the stock transfer books of the Company, with postage thereon prepaid.

Section 2.4 QUORUM. The presence at a shareholders meeting of the holders, present in person or represented by proxy, of capital stock of the Company representing a majority of the votes of all capital stock of the Company entitled to vote thereat shall constitute a quorum at such meeting for the transaction of business except as otherwise provided by law, the articles of incorporation or these Bylaws. If a quorum shall not be present or represented at any meeting of

2

the shareholders, a majority of the shareholders entitled to vote thereat and present in person or represented by proxy shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At any such reconvened meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the reconvened meeting, a notice of said reconvened meeting shall be given to each shareholder entitled to vote at said meeting. The shareholders present at a duly convened meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

Section 2.5 VOTING OF SHARES.

Section 2.5.1. VOTING LISTS. The officer or agent who has charge of the stock transfer books of the Company shall prepare, at least ten days before every meeting of shareholders, a complete list of the shareholders entitled to vote thereat arranged in alphabetical order and showing the address and the number of shares held by of each shareholder. Such list shall be open to the examination of any such shareholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held and at the registered office of the Company. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder who is present. The original stock transfer books shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders. Failure to comply with the requirements of this section shall not affect the validity of any action taken at said meeting.

Section 2.5.2. VOTES PER SHARE. Unless otherwise provided by law or in the articles of incorporation, each shareholder shall be entitled to one vote, in person or by proxy, on each matter submitted to a vote at a meeting of the shareholders, for each share of capital stock held by such shareholder.

Section 2.5.3. PROXIES. Every shareholder entitled to vote at a meeting or to express consent or dissent without a meeting or a shareholder's duly authorized attorney-in-fact may authorize another person or persons to act for him by proxy. Each proxy shall be in writing, executed by the shareholder group, the proxy or by his or her duly authorized attorney. No proxy shall be voted on or after eleven months from its date, unless the proxy provides for a longer period. Each proxy shall be revocable unless expressly provided therein to be irrevocable and the proxy is coupled with an interest, unless otherwise made irrevocable by law.

Section 2.5.4. REQUIRED VOTE. When a quorum is present at any meeting, the vote of the holders of capital stock of the Company representing a majority of the votes of all capital stock of the Company entitled to vote thereat and present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of law or the articles of incorporation or these Bylaws, a different

3

vote is required, in which case such express provision shall govern and control the decision of such question.

Section 2.6 CONSENTS IN LIEU OF MEETING. Any action required to be or that may be taken at any meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. Such signed consent shall have the same force and effect as a unanimous vote of shareholders and shall be filed with the minutes of proceedings of the shareholders.

ARTICLE III DIRECTORS

Section 3.1 PURPOSE. The business and affairs of the Company shall be managed by or under the direction of the Board, which may exercise all such powers of the Company and do all such lawful acts and things as are not by applicable law, the articles of incorporation or these Bylaws directed or required to be exercised or done by the shareholders. Directors need not be shareholders or residents of the State of Texas.

Section 3.2 NUMBER. The number of directors constituting the Board shall never be less than one and shall be determined by resolution of the Board, except for the number of directors constituting the initial Board, which number is fixed by the articles of incorporation.

Section 3.3 ELECTION. Directors shall be elected by the shareholders by plurality vote at each annual meeting of shareholders, except as hereinafter provided, and each director so elected shall hold office until his or her successor has been duly elected and qualified or until his or her earlier resignation or removal.

Section 3.4 VACANCIES AND NEWLY-CREATED DIRECTORSHIPS.

Section 3.4.1. VACANCIES. Any vacancy occurring in the Board may be filled in accordance with subsection 3.4.3 of this Section 3.4 or may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Section 3.4.2. NEWLY-CREATED DIRECTORSHIPS. A directorship to be filled by reason of an increase in the number of directors may be filled in accordance with subsection 3.4.3 of this Section 3.4 or may be filled by the Board for a term of office continuing only until the next election of one or more directors by the shareholders; provided that the Board may not fill more than two such directorships during the period between any two successive annual meetings of shareholders.

Section 3.4.3. ELECTION BY SHAREHOLDERS. Any vacancy occurring in the Board or any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual or special meeting of shareholders called for that purpose.

4

Section 3.5 REMOVAL. Unless otherwise restricted by applicable law, the articles of incorporation or these Bylaws, any director or the entire Board may be removed, with or without cause, by a majority vote of the shares then entitled to vote at an election of directors, if notice of the intention to act upon such matter shall have been given in the notice calling such meeting.

Section 3.6 COMPENSATION. Unless otherwise restricted by the articles of incorporation or these Bylaws, the Board shall have the authority to fix the compensation of directors. The directors may be reimbursed for their expenses, if any, of attendance at each meeting of the Board and may be paid either a fixed sum for attendance at each meeting of the Board or a stated salary as director. No such payment shall preclude any director from serving the Company in any other capacity and receiving compensation therefor. Members of committees of the Board may be allowed like compensation for attending committee meetings.

ARTICLE IV BOARD MEETINGS

Section 4.1 ANNUAL MEETINGS. The Board shall meet as soon as practicable after the adjournment of each annual shareholders meeting at the place of such shareholders meeting. No notice to the directors shall be necessary to legally convene this meeting, provided a quorum is present.

Section 4.2 REGULAR MEETINGS. Regularly scheduled, periodic meetings of the Board may be held without notice at such times and places as shall from time to time be determined by resolution of the Board and communicated to all directors.

Section 4.3 SPECIAL MEETINGS. Special meetings of the Board (a) may be called by the chairman of the board or president and (b) shall be called by the president or secretary on the written request of two directors or the sole director, as the case may be. Notice of each special meeting of the Board shall be given, either personally or as hereinafter provided, to each director at least (a) twenty-four hours before the meeting if such notice is delivered personally or by means of telephone, telegram, telex or facsimile transmission delivery; (b) two days before the meeting if such notice is delivered by a recognized express delivery service; and (c) three days before the meeting if such notice is delivered through the United States mail. Any and all business may be transacted at a regular meeting of the Board may be transacted at a special meeting. Except as may be otherwise expressly provided by law, the articles of incorporation or these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice or waiver of notice of such meeting.

Section 4.4 QUORUM REQUIRED VOTE. A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the Board, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by law, the articles of incorporation or these Bylaws. If a quorum shall not be present at any meeting, a majority of the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

5

Section 4.5 CONSENT IN LIEU OF MEETING. Unless otherwise restricted by the articles of incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting, if a consent in writing, setting forth the action so taken, is signed by all of the members of the Board or committee, as the case may be. Such signed consent shall have the same force and effect as a unanimous vote at a meeting and shall be filed with the minutes of proceedings of the Board or committee.

ARTICLE V COMMITTEES OF DIRECTORS

Section 5.1 ESTABLISHMENT; STANDING COMMITTEES. The Board may by resolution establish, name or dissolve one or more committees, each committee to consist of one or more of the directors. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

Section 5.1.1. FINANCE COMMITTEE. The Finance Committee shall, from time to time, meet to review the Company's consolidated operating and financial affairs and to report its findings and recommendations to the Board for final action. The Finance Committee shall not be empowered to approve any corporate action, of whatever kind or nature, and the recommendations of the Finance Committee shall not be binding on the Board, except when, pursuant to the provisions of Section 5.2 hereof, such power and authority have been specifically delegated to such committee by the Board by resolution. In addition to the foregoing, the specific duties of the Finance Committee shall be determined by the Board by resolution.

Section 5.1.2. AUDIT COMMITTEE. The Audit Committee shall, from time to time, but no less than two times per year, meet to review and monitor the financial and cost accounting practices and procedures of the Company, and to report its findings and recommendations to the Board for final action. The Audit Committee shall not be empowered to approve any corporate action, of whatever kind or nature, and the recommendations of the Audit Committee shall not be binding on the Board, except when, pursuant to the provisions of Section 5.2 hereof, such power and authority have been specifically delegated to such committee by the Board by resolution. In addition to the foregoing, the specific duties of the Audit Committee shall be determined by the Board by resolution.

Section 5.1.3. COMPENSATION COMMITTEE. The Compensation Committee shall, from time to time, meet to review the various compensation plans, policies and practices of the Company, and to report its findings and recommendations to the Board for final action. The Compensation Committee shall not be empowered to approve any corporate action, of whatever kind or nature, and the recommendations of the Compensation Committee shall not be binding on the Board, except when, pursuant to the provisions of Section 5.2 hereof, such power and authority have been specifically delegated to such committee by the Board by resolution. In addition to the foregoing, the specific duties of the Compensation Committee shall be determined by the Board by resolution.

Section 5.2 AVAILABLE POWERS. Any committee established pursuant to Section 5.1 hereof, including the Finance Committee, the Audit Committee and the Compensation

6

Committee, but only to the extent provided in the resolution of the Board establishing such committee or otherwise delegating specific power and authority to such committee and as limited by applicable law, the articles of incorporation and these Bylaws, shall have and may exercise all of the powers and authority of the Board in the management of the business and affairs of the Company, and may authorize the seal of the Company to be affixed to all papers that may require it.

Section 5.3 ALTERNATE MEMBERS. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee.

Section 5.4 PROCEDURES. Time, place and notice, if any, of meetings of a committee shall be determined by the members of such committee. At meetings of a committee, a majority of the number of members designated by the Board shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the committee, except as otherwise specifically provided by applicable law, the articles of incorporation or these Bylaws. If a quorum is not present at a meeting of a committee, the members present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present.

ARTICLE VI OFFICERS

Section 6.1 ELECTED OFFICERS. The Board shall elect a chairman of the board, a president and a secretary (collectively, the "Required Officers") having the respective duties enumerated below and may elect such other officers having the titles and duties set forth below that are not reserved for the Required Officers or such other titles and duties as the Board may by resolution from time to time establish:

Section 6.1.1. CHAIRMAN OF THE BOARD. The chairman of the board, or in the chairman's absence, the president, shall preside when present at all meetings of the shareholders and the Board. The chairman of the board shall advise and counsel the president and other officers and shall exercise such powers and perform such duties as shall be assigned to or required of him or her from time to time by the Board or these Bylaws. The chairman of the board may execute bonds, mortgages and other contracts requiring a seal under the seal of the Company, except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Company. The chairman of the board may delegate all or any of his or her powers or duties to the president, if and to the extent deemed by the chairman of the board to be desirable or appropriate.

7

Section 6.1.2. PRESIDENT. The president shall be the chief executive officer of the Company, shall have general and active management of the business and affairs of the Company and shall see that all orders and resolutions of the Board are carried into effect. In the absence of the chairman of the board or in the event of his or her inability or refusal to act, the president shall perform the duties and exercise the powers of the chairman of the board.

Section 6.1.3. VICE PRESIDENTS. In the absence of the president or in the event of his or her inability or refusal to act, the vice president (or in the event there be more than one vice president, the vice presidents in the order designated by the Board, or in the absence of any designation, then in the order of their election or appointment) shall perform the duties of the president, and when so acting, shall have all of the powers of and be subject to all of the restrictions upon the president. The vice presidents shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 6.1.4. SECRETARY. The secretary shall attend all meetings of the shareholders, the Board and (as required) committees of the Board and shall record all of the proceedings of such meetings in minute books to be kept for that purpose. The secretary shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the Board and shall perform such other duties as may be prescribed by the Board or the president. The secretary shall have custody of the corporate seal of the Company and the secretary, or an assistant secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The Board may give general authority to any other officer to affix the seal of the Company and to attest the affixing thereof by his or her signature.

Section 6.1.5. ASSISTANT SECRETARIES. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board (or if there be no such determination, then in the order of their election or appointment) shall, in the absence of the secretary or in the event of the secretary's inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 6.1.6. TREASURER. Unless the Board by resolution otherwise provides, the treasurer shall be the chief accounting and financial officer of the Company. The Treasurer shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board. The treasurer shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the president and the Board, at its regular meetings, or when the Board so requires, an account of all of his or her transactions as treasurer and of the financial condition of the Company.

Section 6.1.7. ASSISTANT TREASURERS. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board (or if there be no such determination, then in the order of their election or appointment) shall, in the absence of the treasurer or in the event of the treasurer's inability or refusal to act, perform the duties and

8

exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 6.1.8. DIVISIONAL OFFICERS. Each division of the Company, if any, may have a president, secretary, treasurer or controller and one or more vice presidents, assistant secretaries, assistant treasurers and other assistant officers. Any number of such offices may be held by the same person. Such divisional officers shall be appointed by, report to and serve at the pleasure of the Board and such other officers that the Board may place in authority over them. The officers of each division shall have such authority with respect to the business and affairs of that division as may be granted from time to time by the Board, and in the regular course of business of such division may sign contracts and other documents in the name of the division where so authorized; provided that in no case and under no circumstances shall an officer of one division have authority to bind any other division of the Company except as necessary in the pursuit of the normal and usual business of the division of which he or she is an officer.

Section 6.2. ELECTION. All elected officers shall serve until their successors are duly elected and qualified or until their earlier death, resignation or removal from office.

Section 6.3. APPOINTED OFFICERS. The Board may also appoint or delegate the power to appoint such other officers, assistant officers and agents, and may also remove such officers and agents or delegate the power to remove same, as it shall from time to time deem necessary, and the titles and duties of such appointed officers may be as described in Section 6.1 hereof for elected officers; provided that the officers and any officer possessing authority over or responsibility for any functions of the Board shall be elected officers.

Section 6.4. MULTIPLE OFFICEHOLDERS; SHAREHOLDER AND DIRECTOR OFFICERS. Any number of offices may be held by the same person, unless the articles of incorporation or these Bylaws otherwise provide. Officers need not be shareholders or residents of the State of Texas. Officers, such as the chairman of the board, possessing authority over or responsibility for any function of the Board must be directors.

Section 6.5 COMPENSATION; VACANCIES. The compensation of elected officers shall be set by the Board. The Board shall also fill any vacancy in an elected office. The compensation of appointed officers and the filling of vacancies in appointed offices may be delegated by the Board to the same extent as permitted by these Bylaws for the initial filling of such offices.

Section 6.6 ADDITIONAL POWERS AND DUTIES. In addition to the foregoing especially enumerated powers and duties, the several elected and appointed officers of the Company shall perform such other duties and exercise such further powers as may be provided by applicable law, the articles of incorporation or these Bylaws or as the Board may from time to time determine or as may be assigned to them by any competent committee or superior officer.

Section 6.7 REMOVAL. Any officer or agent or member of a committee elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the Company will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent or member of a committee shall not of itself create contract rights.

ARTICLE VII
SHARE CERTIFICATES

Section 7.1 ENTITLEMENT TO CERTIFICATES. Every holder of the capital stock of the Company, unless and to the extent the Board by resolution provides that any or all classes or series of stock shall be uncertificated, shall be entitled to have a certificate, in such form as is approved by the Board and conforms with applicable law, certifying the number of shares owned by the holder. Each certificate representing shares shall state upon the face thereof:

- (1) that the corporation is organized under the laws of the State of Texas;
- (2) the name of the person to whom issued;
- (3) the number and class of shares and the designation of the series, if any, which such certificate represents; and
- (4) the par value of each share represented by such certificate, or a statement that the shares are without par value.

Section 7.2 MULTIPLE CLASSES OF STOCK; PREEMPTIVE RIGHTS. In the event the Company shall be authorized to issue shares of more than one class, each certificate representing shares issued by the Company (1) shall conspicuously set forth on the face or back of the certificate a full statement of (a) all of the designations, preferences, limitations and relative rights of the shares of each class authorized to be issued and, (b) if the Company is authorized to issue shares of any preferred or special class in series, the variations in the relative rights and preferences of the shares of each such series to the extent they have been fixed and determined and the authority of the Board to fix and determine the relative rights and preferences of subsequent series; or (2) shall conspicuously state on the face or back of the certificate that (a) such a statement is set forth in the articles of incorporation on file in the office of the Secretary of State of the State of Texas and (b) the Company will furnish a copy of such statement to the record holder of the certificate without charge on written request to the Company at its principal place of business or registered office. In the event the Company has by its articles of incorporation limited or denied the preemptive right of shareholders to acquire unissued or treasury shares of the Company, each certificate representing shares issued by the Company (1) shall conspicuously set forth on the face or back of the certificate a full statement of the limitation or denial of preemptive rights contained in the articles of incorporation, or (2) shall conspicuously state on the face or back of the certificate that (a) such a statement is set forth in the articles of incorporation on file in the office of the Secretary of State of the State of Texas and (b) the Company will furnish a copy of such statement to the record holder of the certificate without charge on request to the Company at its principal place of business or registered office.

Section 7.3 SIGNATURES. Each certificate representing capital stock of the Company shall be signed by or in the name of the Company by (a) the chairman of the board, the president or a vice president; and (b) the treasurer, an assistant treasurer, the secretary or an assistant secretary of the Company. The signatures of the officers of the Company may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon a certificate

shall have ceased to hold such office before such certificate is issued, it may be issued by the Company with the same effect as if he or she held such office on the date of issue.

Section 7.4 ISSUANCE AND PAYMENT. The Board or, in the case of shares to be issued pursuant to a plan of conversion by a corporation that is a converted entity, the plan of conversion, or, in the case of shares to be issued pursuant to a plan of merger by a corporation created pursuant to the plan of merger, the plan of merger may authorize shares to be issued for consideration consisting of any tangible or intangible benefit to the Company or other property of any kind or nature, including, cash, promissory notes, services performed, contracts for services to be performed, other securities of the Company, or securities of any other corporation, domestic or foreign, or other entity. Shares may not be issued until the full amount of the consideration, fixed as provided by law, has been paid or delivered as required in connection with the authorization of the shares. When such consideration shall have been paid or delivered the shares shall be deemed to have been issued and the subscriber or shareholder entitled to receive such issue shall be a shareholder with respect to such shares, and the shares shall be considered fully paid and non-assessable. In the absence of fraud in the transaction, the judgment of the Board or the shareholders, or the party or parties approving the plan of conversion or the plan of merger, as the case may be, as to the value of the consideration received for shares shall be conclusive.

Section 7.5 LOST CERTIFICATES. The Board may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Company alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to advertise the same in such manner as it shall require and/or to give the Company a bond in such sum as it may direct as indemnity against any claim that may be made against the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 7.6 TRANSFER OF STOCK. Upon surrender to the Company or its transfer agent, if any, of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer and of the payment of all taxes applicable to the transfer of said shares, the Company shall be obligated to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books; provided, however, that the Company shall not be so obligated unless such transfer was made in compliance with applicable state and federal securities laws.

Section 7.7 REGISTERED SHAREHOLDERS. The Company shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, vote and be held liable for calls and assessments and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any person other than such registered owner, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

ARTICLE VIII INDEMNIFICATION

Section 8.1 DEFINITIONS. FOR PURPOSES OF THIS ARTICLE VIII:

- (1) "Corporation" includes any domestic or foreign predecessor entity of the Company in a merger, conversion or other transaction in which some or all of the liabilities of the predecessor are transferred to the Company by operation of law and in any other transaction in which the Company assumes the liabilities of the predecessor but does not specifically exclude liabilities that are the subject matter of this article;
- (2) "Director" means any person who is or was a director of the Company and any person who, while a director of the Company, is or was serving at the request of the Company as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, employee benefit plan, other enterprise or other entity;
- (3) "Expenses" include court costs and attorneys' fees;
- (4) "Official capacity" means
 - (i) when used with respect to a Director, the office of Director in the Company, but does not include service for any other foreign or domestic corporation or any employee benefit plan, other enterprise or other entity;
 - (ii) when used with respect to a person other than a Director, the elective or appointive office in the Company held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Company, but does not include service for any other foreign or domestic corporation, employee benefit plan, other enterprise or other entity; and
- (5) "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, any appeal in such an action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding.

Section 8.2 MANDATORY INDEMNIFICATION. The Company shall indemnify a person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a Director only if it is determined in accordance with Section 8.6 hereof that the person:

- (1) conducted himself or herself in good faith;
- (2) reasonably believed:
 - (i) in the case of conduct in his or her official capacity as a Director of the Company, that his or her conduct was in the Company's best interests; and

- (ii) in all other cases, that his or her conduct was at least not opposed to the Company's best interests; and
- (3) in the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 8.3 PROHIBITED INDEMNIFICATION. Except to the extent permitted by Section 8.5 hereof, a Director may not be indemnified under Section 8.2 hereof in respect of a proceeding:

- (1) in which the person is found liable on the basis that personal benefit was improperly received by him or her, whether or not the benefit resulted from an action taken in the person's official capacity; or
- (2) in which the person is found liable to the Company.

Section 8.4 TERMINATION OF PROCEEDINGS. The termination of a proceeding by judgment, order, settlement, or conviction, or on a plea of nolo contendere or its equivalent is not of itself determinative that the person did not meet the requirements set forth in Section 8.2 hereof. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

Section 8.5 JUDGMENTS; EXPENSES. A person may be indemnified under Section 8.2 hereof against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by the person in connection with the proceeding; but if the person is

found liable to the Company or is found liable on the basis that personal benefit was improperly received by the person, the indemnification (a) is limited to reasonable expenses actually incurred by the person in connection with the proceeding and (b) shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his or her duty to the Company.

Section 8.6 DETERMINATION OF INDEMNIFICATION. A determination of indemnification under Section 8.2 hereof must be made:

- (1) by a majority vote of a quorum consisting of directors who at the time of the vote are not named defendants or respondents in the proceeding;
- (2) if such a quorum cannot be obtained, by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding;
- (3) by special legal counsel selected by the Board or a committee thereof by vote as set forth in subsection (1) or (2) of this Section 8.6, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors; or

13

- (4) by the shareholders of the Company in a vote that excludes the shares held by Directors who are named defendants or respondents in the proceeding.

Section 8.7 DETERMINATION OF REASONABLENESS OF EXPENSES. Determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified by subsection (3) of Section 8.6 hereof for the selection of special legal counsel.

Section 8.8 INDEMNIFICATION AGAINST REASONABLE EXPENSES. The Company shall indemnify a Director against reasonable expenses incurred by the Director in connection with a proceeding in which the Director is a named defendant or respondent because the Director is or was a Director if the Director has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

Section 8.9 PAYMENTS IN ADVANCE OF DISPOSITION. Reasonable expenses incurred by a Director who was, is or is threatened to be made a named defendant or respondent in a proceeding shall be paid or reimbursed by the Company, in advance of the final disposition of the proceeding and without any of the determinations specified in Section 8.6 and Section 8.7 hereof, after the Company receives a written affirmation by the Director of the Director's good faith belief that the Director has met the standard of conduct necessary for indemnification under this Article VIII and a written undertaking by or on behalf of the Director to repay the amount paid or reimbursed if it is ultimately determined that the Director has not met those requirements.

Section 8.10 WRITTEN UNDERTAKING. The written undertaking required by Section 8.9 hereof must be an unlimited general obligation of the Director but need not be secured. It may be accepted without reference to financial ability to make repayment.

Section 8.11 CONSISTENCY WITH ARTICLES OF INCORPORATION. Any provision for the Company to indemnify or to advance expenses to a Director who was, is or is threatened to be made a named defendant or respondent in a proceeding, whether contained in the articles of incorporation, these Bylaws, a resolution of shareholders or Directors, an agreement or otherwise, except in accordance with Section 8.16 hereof, is valid only to the extent it is consistent with this Article VIII as limited by the articles of incorporation, if such a limitation exists.

Section 8.12 OTHER EXPENSES. Notwithstanding any other provision of this Article VIII, the Company may pay or reimburse expenses incurred by a Director in connection with his or her appearance as a witness or other participation in a proceeding at a time when he or she is not a named defendant or respondent in the proceeding.

Section 8.13 OFFICERS, EMPLOYEES AND AGENTS. An officer, employee or agent of the Company shall be indemnified as, and to the same extent, provided by Section 8.8 hereof for a Director and is entitled to seek indemnification under such section to the same extent as a Director. The Company shall advance expenses to an officer and may advance expenses to an

14

employee or agent of the Company to the same extent that it shall advance expenses to Directors under this Article VIII.

Section 8.14 OTHER CAPACITIES. A corporation may indemnify and advance expenses to persons who are not or were not officers, employees or agents of the Company, but who are or were serving at the request of the Company as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, employee benefit plan, other enterprise or other entity to the same extent that it shall indemnify and advance expenses to Directors under this Article VIII.

Section 8.15 FURTHER INDEMNIFICATION. The Company may indemnify and advance expenses to an officer, employee, agent or person identified in Section 8.14 hereof and who is not a Director to such further extent, consistent with applicable law, as may be provided by the articles of incorporation, these Bylaws, general or specific action of the Board, or contract or as permitted or required by common law.

Section 8.16 INSURANCE. The Company may purchase and maintain insurance or another arrangement on behalf of any person who is or was a Director, officer, employee or agent of the Company or who is or was serving at the request of the Company as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, employee benefit plan, other enterprise or other entity against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the Company would have the power to indemnify him or her against that liability under this Article VIII. If the insurance or other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement may provide for payment of a liability with respect to which the Company would not have the power to indemnify the person only if including coverage for the additional liability has been approved by the shareholders of the Company. Without limiting the power of the Company to procure or maintain any kind of insurance or other arrangement, the Company may, for the benefit of persons indemnified by the Company, (a) create a trust fund; (b) establish any form of self-insurance; (c) secure its

indemnity obligation by grant of a security interest or other lien on the assets of the Company; or (d) establish a letter of credit, guaranty or surety arrangement. The insurance or other arrangement may be procured, maintained or established within the Company or with any insurer or other person deemed appropriate by the Board regardless of whether all or part of the stock or other securities of the insurer or other person are owned in whole or part by the Company. In the absence of fraud, the judgment of the Board as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement shall be conclusive and the insurance or arrangement shall not be voidable and shall not subject the Directors approving the insurance or arrangement to liability, on any ground, regardless of whether Directors participating in the approval are beneficiaries of the insurance or arrangement.

Section 8.17 REPORT TO SHAREHOLDERS. Any indemnification of or advance of expenses to a Director in accordance with this Article VIII shall be reported in writing to the shareholders with or before the notice or waiver of notice of the next shareholders meeting or with or before the next submission to shareholders of a consent to action without a meeting pursuant to Section A,

15

Article 9.10, of the Texas Business Corporation Act and, in any case, within the twelve month period immediately following the date of the indemnification or advance.

Section 8.18 EMPLOYEE BENEFIT PLANS. For purposes of this Article VIII, the Company is deemed to have requested a Director to serve as a trustee, employee, agent or similar functionary of an employee benefit plan whenever the performance by the Director of his or her duties to the Company also imposes duties on or otherwise involves services by him or her to the plan or participants or beneficiaries of the plan. Excise taxes assessed on a Director with respect to an employee benefit plan pursuant to applicable law are deemed fines. Action taken or omitted by a Director with respect to an employee benefit plan in the performance of his or her duties for a purpose reasonably believed by the Director to be in the interest of the participants and beneficiaries of the plan is deemed to be for a purpose that is not opposed to the best interests of the Company.

Section 8.19 CHANGE IN GOVERNING LAW. In the event of any amendment or addition to Article 2.02-1 of the Texas Business Corporation Act or the addition of any other section to such law that shall limit indemnification rights thereunder, the Company shall, to the extent permitted by the Texas Business Corporation Act, indemnify to the fullest extent authorized or permitted hereunder, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of the Company), by reason of the fact that he or she is or was a Director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorneys' fees and court costs) actually and reasonably incurred by him or her in connection with such action, suit or proceeding.

ARTICLE IX INTERESTED DIRECTORS, OFFICERS AND SHAREHOLDERS

Section 9.1 VALIDITY; DISCLOSURE; APPROVAL. An otherwise valid contract or transaction between the Company and one or more of its directors or officers, or between the Company and any other domestic or foreign corporation, or other entity in which one or more of its directors or officers are directors or officers or have a financial interest, shall be valid notwithstanding whether the director or officer is present at or participates in the meeting of the Board or committee thereof that authorizes the contract or transaction, or solely because his or her or their votes are counted for such purpose, if any one of the following is satisfied:

- (1) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or

16

- (2) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the shareholders; or
- (3) the contract or transaction is fair as to the Company as of the time it is authorized, approved or ratified by the Board, a committee thereof or the shareholders.

Section 9.2 QUORUM. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or by a committee that authorizes the contract or transaction.

Section 9.3 NONEXCLUSIVE. This Article IX shall not be construed to invalidate any contract or transaction that would be valid in the absence of this Article IX.

ARTICLE X MISCELLANEOUS

Section 10.1 PLACE OF MEETINGS. All shareholders, directors and committee meetings shall be held at such place or places, within or without the State of Texas, as shall be designated from time to time by the Board or such committee and stated in the notices thereof. If no such place is so designated, said meetings shall be held at the principal business office of the Company.

Section 10.2 FIXING RECORD DATES.

- (1) In order that the Company may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, to receive payment of any dividend or other distribution or allotment of any rights, to exercise any rights in respect of any change, conversion or exchange of stock or to effect any other lawful action, or to make a determination of shareholders for any other proper purpose (other than determining shareholders entitled to consent to action by shareholders proposed to be taken without a meeting of shareholders), the Board may fix, in advance, a record date for any such determination of shareholders, which shall not be more than sixty nor less than ten days prior to the date on which the particular action requiring such determination of shareholders is to be taken. In the absence of any action by the Board, the date on which a notice of meeting is given, or the date the Board adopts the resolution declaring a dividend or other distribution or allotment or approving any change, conversion or exchange, as the case may be, shall be the record date. A record date validly fixed for any meeting of shareholders and the determination of shareholders entitled to vote at such meeting shall be valid for any adjournment of said meeting except where such determination has been made through the closing of stock transfer books and the stated period of closing has expired.
- (2) In order that the Company may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date,

17

which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is otherwise required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Company by delivery to its registered office in the State of Texas, its principal place of business, or an officer or agent of the Company having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Company's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board and prior action by the Board is required, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

Section 10.3 WAIVER OF NOTICE. Whenever any notice is required to be given under applicable law, the articles of incorporation or these Bylaws, a written waiver of such notice, signed before or after the date of such meeting by the person or persons entitled to said notice, shall be deemed equivalent to such required notice. All such waivers shall be filed with the corporate records. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 10.4 ATTENDANCE VIA COMMUNICATIONS EQUIPMENT. Unless otherwise restricted by applicable law, the articles of incorporation or these Bylaws, members of the Board, members of any committee thereof or the shareholders may hold a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can effectively communicate with each other. Such participation in a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 10.5 DIVIDENDS. Dividends on the capital stock of the Company, paid in cash, property or securities of the Company, or any combination thereof, and as may be limited by applicable law and applicable provisions of the articles of incorporation (if any), may be declared by the Board at any regular or special meeting.

Section 10.6 RESERVES. Before payment of any dividend, there may be set aside out of any funds of the Company available for dividends such sum or sums as the Board from time to time, in its absolute discretion, thinks proper as a reserve or reserves to meet contingencies, for equalizing dividends, for repairing or maintaining any property of the Company, or for such other purpose as the Board shall determine to be in the best interest of the Company; and the Board may modify or abolish any such reserve in the manner in which it was created.

18

Section 10.7 REPORTS TO SHAREHOLDERS. The Board shall present at each annual meeting of shareholders, and at any special meeting of shareholders when called for by vote of the shareholders, a statement of the business and condition of the Company.

Section 10.8 CONTRACTS AND NEGOTIABLE INSTRUMENTS. Except as otherwise provided by applicable law or these Bylaws, any contract or other instrument relative to the business of the Company may be executed and delivered in the name of the Company and on its behalf by the chairman of the board, the president or any vice president; and the Board may authorize any other officer or agent of the Company to enter into any contract or execute and deliver any contract in the name and on behalf of the Company, and such authority may be general or confined to specific instances as the Board may by resolution determine. All bills, notes, checks or other instruments for the payment of money shall be signed or countersigned by such officer, officers, agent or agents and in such manner as are permitted by these Bylaws and/or as, from time to time, may be prescribed by resolution (whether general or special) of the Board. Unless authorized so to do by these Bylaws or by the Board, no officer, agent or employee shall have any power or authority to bind the Company by any contract or engagement, or to pledge its credit, or to render it liable pecuniarily for any purpose or to any amount.

Section 10.9 FISCAL YEAR. The fiscal year of the Company shall be fixed by resolution of the Board.

Section 10.10 SEAL. The seal of the Company shall be in such form as shall from time to time be adopted by the Board. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

Section 10.11 BOOKS AND RECORDS. The Company shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders, Board and committees and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its shareholders, giving the names and addresses of all shareholders and the number and class of the shares held by each.

Section 10.12 RESIGNATION. Any director, committee member, officer or agent may resign by giving written notice to the chairman of the board, the president or the secretary. The resignation shall take effect at the time specified therein, or immediately if no time is specified. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 10.13 SURETY BONDS. Such officers and agents of the Company (if any) as the chairman of the board, the president or the Board may direct, from time to time, shall be bonded for the faithful performance of their duties and for the restoration to the Company, in case of their death, resignation or removal from office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the Company, in such amounts and by such surety companies as the chairman of the board, the president or the Board may determine. The premiums on such bonds shall be paid by the Company and the bonds so furnished shall be in the custody of the Secretary.

19

Section 10.14 PROXIES IN RESPECT OF SECURITIES OF OTHER CORPORATIONS. The chairman of the board, the president, any vice president or the secretary may from time to time appoint an attorney or attorneys or an agent or agents for the Company to exercise, in the name and on behalf of the Company, the powers and rights that the Company may have as the holder of stock or other securities in any other corporation to vote or consent in respect of such stock or other securities, and the chairman of the board, the president, any vice president or the secretary may instruct the person or persons so appointed as to the manner of exercising such powers and rights; and the chairman of the board, the president, any vice president or the secretary may execute or cause to be executed, in the name and on behalf of the Company and under its corporate seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper in order that the Company may exercise such powers and rights.

Section 10.15 AMENDMENTS. These Bylaws may be altered, amended, repealed or replaced by the shareholders, or by the Board when such power is conferred upon the Board by the articles of incorporation, at any annual shareholders meeting or annual or regular meeting of the Board, or at any special meeting of the shareholders or of the Board if notice of such alteration, amendment, repeal or replacement is contained in the notice of such special meeting. If the power to adopt, amend, repeal or replace these Bylaws is conferred upon the Board by the articles of incorporation, the power of the shareholders to so adopt, amend, repeal or replace these Bylaws shall not be divested or limited thereby.

20

BYLAWS

OF

[] , Inc
an Arizona corporation

Dated August , 2003

TABLE OF CONTENTS

ARTICLE I

Offices

Section 1.01 Principal Office.

ARTICLE II

Meetings of Shareholders

Section 2.01 Annual Meeting.
Section 2.02 Special Meetings.
Section 2.03 Notice and Purpose of Meetings; Waiver.
Section 2.04 Quorum, Manner of Acting and Adjournment.
Section 2.05 Record Date.
Section 2.06 Presiding Officer; Order of Business.
Section 2.07 Voting.
Section 2.08 Voting Lists.
Section 2.09 Participation in Shareholders' Meeting.
Section 2.10 Consent of Shareholders in Lieu of Meeting.

ARTICLE III

Board of Directors

Section 3.01 Powers.
Section 3.02 Number and Term of Office.
Section 3.03 Qualification and Election.
Section 3.04 Presiding Officer.
Section 3.05 Resignations.
Section 3.06 Vacancies.
Section 3.07 Removal.
Section 3.08 Place of Meeting.
Section 3.09 Regular Meetings.
Section 3.10 Special Meetings.
Section 3.11 Quorum, Manner of Acting, Adjournment, and Action Without Meeting.
Section 3.12 Super Majority.
Section 3.13 Committees.
Section 3.14 Compensation.
Section 3.15 Dividends.
Section 3.16 Minutes.

ARTICLE IV

Notice - Waivers

Section 4.01 Notice, What Constitutes.
Section 4.02 Waiver of Notice.

ARTICLE V

[Officers](#)

Section 5.01	Number, Qualifications and Designation.
Section 5.02	Election and Term of Office.
Section 5.03	Subordinate Officers.
Section 5.04	Resignations.
Section 5.05	Removal.
Section 5.06	Vacancies.
Section 5.07	General Powers.
Section 5.08	The Chair and Vice Chair of the Board.
Section 5.09	The Chief Executive Officer.
Section 5.10	The President.
Section 5.11	The Vice Presidents.
Section 5.12	The Secretary.
Section 5.13	The Treasurer.
Section 5.14	Officers' Bonds.
Section 5.15	Salaries.

[ARTICLE VI](#)

[Stock](#)

Section 6.01	Issuance.
Section 6.02	Shares Without Certificates.
Section 6.03	Subscriptions for Shares.
Section 6.04	Transfers.
Section 6.05	Share Certificates; Share Record Books.
Section 6.06	Lost, Destroyed, Mutilated or Stolen Certificates.
Section 6.07	Transfer Agent and Registrar.

[ARTICLE VII](#)

[Indemnification](#)

Section 7.01	Directors and Officers; Third Party Actions.
Section 7.02	Employees and Agents.
Section 7.03	Advancing Expenses.
Section 7.04	Scope of Article.

[ARTICLE VIII](#)

[Miscellaneous](#)

Section 8.01	Corporate Seal.
Section 8.02	Checks.
Section 8.03	Contracts.
Section 8.04	Deposits.
Section 8.05	Financial Statements.
Section 8.06	Corporate Records.
Section 8.07	Voting Securities Held by the Corporation.
Section 8.08	Amendment of Bylaws.

BYLAWS

OF

[] , INC.

ARTICLE I

Offices

Section 1.01 Principal Office. The principal office of the Corporation in the State of Arizona shall be located in Maricopa County, Arizona, or at such other location as may be established by the board of directors.

ARTICLE II

Meetings of Shareholders

Section 2.01 Annual Meeting. The board of directors may determine the place, date and time of the annual meetings of the shareholders, but if no such place, date and time is fixed, the meeting for any calendar year shall be held at the Corporation's known place of business at 2:00 p.m. on the second Tuesday in December of each year. If that day is not a "Business day" (as that term is defined in the Arizona Business Corporation Act, as amended from time to time (the "BCA")), the meeting shall be held on the next succeeding Business day. At that meeting the shareholders entitled to vote shall elect such directors and transact such business as may properly be brought before the meeting.

Section 2.02 Special Meetings. Special meetings of the shareholders of the Corporation may be called at any time by the president, the secretary, two or more directors, or the holders of not fewer than one-tenth (1/10) of all the shares entitled to vote at the meeting, unless otherwise prohibited by Section 10-2703 of the Arizona Revised Statutes, as it may be amended from time to time, or by law.

Section 2.03 Notice and Purpose of Meetings; Waiver.

1. Written notice stating the date, time and place of meetings and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by an officer of the Corporation at the direction of the person or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when mailed to the shareholder at the shareholder's address as it appears on the stock transfer books of the Corporation.

2. A shareholder may waive any notice required by the BCA, the articles of incorporation or these bylaws before or after the date and time stated in the notice. The waiver shall be in writing, signed by the shareholder entitled to the notice and delivered to the

Corporation for inclusion in the minutes or filing with the corporate records. A shareholder's attendance at or participation in a meeting (i) waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; or (ii) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

Section 2.04 Quorum, Manner of Acting and Adjournment.

(a) Shares entitled to vote as a separate voting group may take action on a matter at a meeting of shareholders only if the quorum of those shares exists with respect to that matter. Unless otherwise provided by law or the articles of incorporation, a majority of the votes entitled to be cast on the matter by the voting group constitutes a quorum of that voting group for action on that matter. Unless otherwise provided in the articles of incorporation or these bylaws, once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting. If a quorum exists, action on a matter, other than the election of directors, by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the articles of incorporation or the BCA require a greater number of affirmative votes.

(b) Absent special circumstances, the shares of the Corporation are not entitled to vote if they are owned directly or indirectly by a second corporation, domestic or foreign, and the Corporation owns directly or indirectly a majority of the shares entitled to vote for directors of the second corporation. This section does not limit the power of the Corporation to vote any shares, including its own shares, held by it in a fiduciary capacity.

(c) The affirmative vote of the holders of a majority of the shares then present is sufficient in all cases to adjourn a meeting to another date, time and place. Notice need not be given of the adjourned meeting if the date, time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than one hundred twenty (120) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

Section 2.05 Record Date.

(a) In order that the Corporation may determine the shareholders entitled to notice of a shareholders' meeting, to demand a special meeting, to vote or to take any other action, the board of directors may fix a future date as the record date, which may not be more than seventy (70) days before the meeting or action requiring a determination of shareholders. If not otherwise fixed, the record date for determining shareholders entitled to notice of and to vote at an annual or special shareholders' meeting is the day before the effective date of the first notice to shareholders.

(b) A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the board of directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.

Section 2.06 Presiding Officer; Order of Business. Meetings of the shareholders shall be presided over by the chair of the board of directors, if there be one, or if the chair is not present, by the vice chair of the board of directors, if there be one, or if the vice chair is not present, by the president, or if the president is not present, by a vice president in the order designated by the board of directors, or if the vice president is not present, by a chair to be chosen by a majority of the shareholders entitled to vote at the meeting who are present in person or by proxy. The secretary of the Corporation, or, in the secretary's absence, an assistant secretary, shall act as secretary of every meeting, but if neither the secretary nor an assistant secretary is present, the presiding officer shall choose any person present to act as recording secretary of the meeting.

Section 2.07 Voting.

(a) Except with respect to the election of directors, each shareholder of record (except the holder of shares that have been called for redemption and with respect to which an irrevocable deposit of funds sufficient to redeem such shares has been made) shall have the right, at every shareholders' meeting, to one vote for every share, and to a corresponding fraction of a vote with respect to every fractional share, of stock of the Corporation standing in his or her name on the books of the Corporation, subject, however, to any provisions respecting voting rights as may be contained in the articles of incorporation or any amendments thereto.

(b) Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy. Every proxy shall be executed in writing by the shareholder or by his or her duly authorized attorney-in-fact and shall be filed with the secretary or an assistant secretary of the Corporation before the taking of any vote on the issue as to which the proxy intends to act.

Section 2.08 Voting Lists.

(a) After fixing a record date for a meeting, the Corporation shall prepare an alphabetical list of the names of all of its shareholders who are entitled to notice of a shareholders' meeting. The list shall be arranged by voting group, and within each voting group by class or series of shares, and shall show the address of and number of shares held by each shareholder.

(b) The shareholders' list shall be available for inspection by any shareholder, beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, at the Corporation's principal office, the office of the Corporation's transfer agent if specified in the meeting notice or at another place identified in the meeting notice in the city where the meeting will be held. A shareholder, its agent or its attorney on written demand may inspect and, subject to the requirements of Section 10-1602 of

3

the BCA, may copy the list, during regular business hours and at its expense, during the period it is available for inspection.

(c) The Corporation shall make the shareholders' list available at the meeting, and any shareholder, its agent or its attorney may inspect the list at any time during the meeting or any adjournment.

(d) Refusal or failure to prepare or make available the shareholders' list does not affect the validity of action taken at the meeting.

Section 2.09 Participation in Shareholders' Meeting. Unless the articles of incorporation or these bylaws provide otherwise, the board of directors may permit any or all shareholders to participate in an annual or special shareholders' meeting by or conduct the meeting through use of any means of communication by which all shareholders participating may simultaneously hear each other during the meeting. If the board of directors in its sole discretion elects to permit participation by such means of communication, the notice of the meeting shall specify how a shareholder may participate in the meeting by such means of communication. The participation may be limited by the board of directors in its sole discretion to specified locations or means of communications. A shareholder participating in a meeting by this means is deemed to be present in person at the meeting.

Section 2.10 Consent of Shareholders in Lieu of Meeting. Action required or permitted by law to be taken at a shareholder's meeting may be taken without a meeting if the action is taken by all of the shareholders entitled to vote on the action. The action must be evidenced by one or more written consents describing the action taken, signed by all of the shareholders entitled to vote on the action and delivered to the Corporation for inclusion in the minutes or filing with the corporate records. A consent signed under this section has the effect of a meeting vote.

If not otherwise fixed in accordance with Section 2.05 hereof or by law, the record date for determining shareholders entitled to take action without a meeting is the date the first shareholder signs the consent. Unless otherwise specified in the consent or consents, the action is effective on the date that the last shareholder signs the consent or consents. Any shareholder may revoke its consent by delivering a signed revocation of the consent to the president or secretary before the date that the last shareholder signs the consent or consents.

ARTICLE III

Board of Directors

Section 3.01 Powers. The Corporation shall have a board of directors, which shall have full power to conduct, manage, and direct the business and affairs of the Corporation, except as specifically reserved or granted to the shareholders or otherwise limited by law, the articles of incorporation, these bylaws or an agreement authorized under Section 10-732 of the BCA.

Section 3.02 Number and Term of Office. The board of directors shall consist of five directors or, subject to Section 3.12(b) below, such other number as may be determined

4

from time to time by resolution of the board of directors. Except as hereinafter provided, directors shall be elected at the annual meeting of the shareholders and each director shall serve until his or her successor shall be elected and qualified, or until his or her earlier resignation or removal.

Section 3.03 Qualification and Election.

(a) All directors of the Corporation shall be natural persons of at least 18 years of age, and need not be residents of Arizona or shareholders of the Corporation, unless the articles of incorporation provide otherwise. Except in the case of vacancies, directors shall be elected by the shareholders. Upon the demand of any shareholder at any meeting of shareholders for the election of directors, the chair of the meeting shall call for and shall afford a reasonable opportunity for the making of nominations for the office of director. If the board of directors is classified with respect to the power of shareholders and/or voting groups to elect directors or with respect to the terms of directors and if, due to a vacancy or vacancies or otherwise, directors of more than one class are to be elected, each class of directors to be elected at the meeting shall be nominated and elected separately. Any shareholder may

nominate as many persons for the office of director as there are positions to be filled. If nominations for the office of director have been called for as herein provided, only candidates who have been nominated in accordance herewith shall be eligible for election.

(b) At each election for directors every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by the shareholder for as many persons as there are directors to be elected and for whose election the shareholder has a right to vote, or to cumulate the shareholder's votes by giving one candidate as many votes as the number of such directors multiplied by the number of the shareholder's shares shall equal, or by distributing such votes on the same principle among any number of such candidates. The candidates receiving the highest number of votes from each class or group of classes entitled to elect directors separately up to the number of directors to be elected in the same election by such class or group of classes shall be elected.

Section 3.04 Presiding Officer. Meetings of the board of directors shall be presided over by the chair of the board, if there be one, or if the chair is not present, by the vice chair of the board, if there be one, or if the vice chair is not present, by the president, or if the president is not present, by a vice president, in the order designated by the board of directors, or if the vice president is not present, by a chair to be chosen by a majority of the board of directors at the meeting. The secretary of the corporation, or, in the secretary's absence, an assistant secretary, shall act as secretary of every meeting, but if neither the secretary nor an assistant secretary is present, the chair of the meeting shall choose any person present to act as recording secretary of the meeting.

Section 3.05 Resignations. Any director of the Corporation may resign at any time by giving written notice to the board of directors or its chair, or to the president or secretary of the Corporation. Such resignation shall be effective when it is delivered unless the notice specifies a later effective date or event. The acceptance of a resignation shall not be necessary to make it effective.

5

Section 3.06 Vacancies.

(a) Unless the articles of incorporation provide otherwise, if a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors, either the shareholders may fill the vacancy or the board of directors may fill the vacancy. If the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all of the directors remaining in office. Except, however, if the vacant office was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group are entitled to vote to fill the vacancy if it is filled by the shareholders.

(b) A vacancy that will occur at a specific later date by reason of a resignation effective at a later date may be filled before the vacancy occurs. However, the new director may not take office until the vacancy occurs.

(c) If at any time be reason of death or resignation or other cause, the Corporation has no directors in office, any officer or any shareholder may call a special meeting of shareholders.

Section 3.07 Removal.

(a) The shareholders may remove one or more directors with or without cause unless the articles of incorporation provide that directors may be removed only for cause. If a director is elected by a voting group of shareholders, only the shareholders of that voting group may participate in the vote to remove the director. If less than the entire board is to be removed, a director shall not be removed if the number of votes sufficient to elect the director under cumulative voting is voted against the director's removal.

(b) A director may be removed by the shareholders only at a meeting, and the meeting notice shall state that the purpose or one of the purposes of the meeting is removal of the director.

Section 3.08 Place of Meeting.

(a) The board of directors may hold its meetings within or without the State of Arizona at such place or places as the board of directors may from time to time appoint, or as may be designated in the notice calling the meeting.

(b) Meetings may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can simultaneously hear each other during the meeting, and participation in such a meeting shall constitute presence in person at such meeting.

Section 3.09 Regular Meetings. Within thirty (30) days after each annual election of directors or other meeting at which the entire board of directors is elected, the newly elected board of directors shall meet for the purpose of organization, for the election of such officers as they wish to consider at the time and for the transaction of any other business. Other regular meetings of the board of directors shall be held at such times and places as shall be

6

designated from time to time by resolution of the board of directors. If the date fixed for any regular meeting is a legal holiday under the laws of the place where such meeting is to be held, then the meeting shall be held on the next succeeding business day, or at such other time as may be determined by resolution of the board of directors. At regular meetings, the directors shall transact such business as may properly be brought before the meeting. Notice of regular meetings need not be given.

Section 3.10 Special Meetings. Special meetings of the board of directors shall be held whenever called by the chair of the board, the president or two or more of the directors. Notice of each such meeting shall be given to each director by telephone or in writing at least twenty-four hours (in the case of notice by telephone) or forty-eight hours (in the case of notice by telegram) or three days (in the case of notice by mail) before the time at which the meeting is to be held. Every such notice shall state the date, time and place of the meeting, but need not describe the purpose of the meeting unless required by the articles of incorporation, these bylaws or provided by law.

Section 3.11 Quorum, Manner of Acting, Adjournment and Action Without Meeting. A majority of the directors in office immediately before the meeting begins shall constitute a quorum for the transaction of business. Except as otherwise specified in the articles of incorporation, Section 3.12 below or as provided by law, the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the board of directors. The directors shall act only as a board and the individual directors shall have no power as such; provided, however, that any action that may be taken at a meeting of the board or of a committee may be taken without a meeting if all directors or committee members, as the case may be, consent thereto in writing. Such consent shall have the same effect as a unanimous meeting vote, and is effective when the last director signs the consent, unless the consent specifies a different effective date.

Section 3.12 Super Majority. Notwithstanding anything in these bylaws to the contrary, the actions described below shall require the authorization of directors who in the aggregate either own or who were appointed by shareholders of the Corporation who own 61% or more of the issued and outstanding shares of common stock of the Corporation as of the time such vote is taken. The acts requiring a super majority vote are as follows:

- (a) amending or restating the Articles of Incorporation or adopting, amending, restating or repealing the bylaws of the Corporation;
- (b) expanding or contracting the size of the board of directors;
- (c) authorizing distributions to shareholders with respect to their stock;
- (d) changing the compensation of or terminating any shareholder employed by the Corporation;
- (e) approving a plan of merger or consolidation;
- (f) liquidating the corporation or ceasing its business activities;

7

- (g) authorizing or approving the issuance, sale or contract for sale of, or redemption of, the Corporation's shares of stock;
- (h) authorizing the incurrence of indebtedness or credit in excess of \$100,000;
- (i) loaning the Corporation's funds to any individual or entity;
- (j) acting as a guarantor or surety for any obligation;
- (k) mortgaging, pledging, hypothecating or otherwise encumbering or granting security interests in all or any part of the assets of the Corporation;
- (l) selling, exchanging, granting options with respect to or leasing any asset of the Corporation having a value of \$100,000 or more; or
- (m) bringing and defending actions at law or in equity or to pay, collect, settle, compromise, distribute, resort to legal action to assert or defend claims or demands of or against the Corporation.

Section 3.13 Committees.

(a) The board of directors may create one or more committees and may appoint members of the board of directors to serve on them. Each committee member shall serve at the pleasure of the board of directors. The creation of committees, the designation of authority of committees, the dissolution of committees and the appointment and removal of members of committees shall be approved by the greater of (i) a majority of all of the directors in office when the action is taken and (ii) a majority of the directors present at a meeting at which a quorum is present. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee.

(b) Except as otherwise provided in this Section, each committee shall have and exercise all or any of the authority of the board of directors in the management of the business and affairs of the Corporation, as provided in a resolution of the board of directors.

(c) No committee of the board of directors shall have the authority of the board of directors with respect to:

- (i) Authorizing distributions;
- (ii) Approving or submitting to shareholders any action that requires shareholder approval;
- (iii) Filling vacancies on the board of directors or on any of its committees;
- (iv) Amending the articles of incorporation;

8

- (v) Adopting, amending or repealing bylaws;
- (vi) Approving a plan of merger not requiring shareholder approval;

- (vii) Authorizing or approving reacquisition of the Corporation's shares, except according to a formula or method prescribed by the board of directors;
 - (viii) Authorizing or approving the issuance, sale or contract for sale of shares or determining the designation and relative rights, preferences and limitations of a class or series of shares, except according to a formula or method specifically prescribed by the board of directors; or
 - (ix) Fixing the compensation of directors for serving on the board of directors or on any committee of the board of directors; or
 - (x) Doing any of the actions described in Section 3.12.
- (d) Sections 3.08, 3.10, 3.11, 3.12 and 3.14 shall be applicable to committees of the board of directors.

Section 3.14 Compensation. Directors, and members of any committee of the board of directors, shall be entitled to such reasonable compensation for their services as directors and members of any such committee as may be fixed from time to time by resolution of the board of directors, and also shall be entitled to reimbursement for any reasonable expenses incurred in attending such meetings. Any director or member of any committee of the board of directors receiving compensation under these provisions shall not be barred from serving the Corporation in any other capacity and receiving reasonable compensation for such other services.

Section 3.15 Dividends. Except as limited by law and the articles of incorporation, the board of directors shall have full power to determine whether any, and, if so, what part, of the funds legally available for the payment of dividends shall be declared in dividends and paid to the shareholders of the Corporation. The board of directors may fix a sum that may be set aside for working capital or as a reserve for any proper purpose, and from time to time may increase, diminish or vary such fund.

Section 3.16 Minutes. The Corporation shall keep minutes of the proceedings of its board of directors and committees thereof.

Section 3.16 Notice. A director may waive any notice required by the BCA, the articles of incorporation or these bylaws before or after the date and time stated in the Notice. Except as described below, the waiver shall be in writing, signed by the director entitled to notice and filed with the minutes or corporate records. A director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the director at the beginning of the meeting or promptly on his or her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

ARTICLE IV

Notice - Waivers

Section 4.01 Notice, What Constitutes. Whenever any written notice to any person is required by the articles of incorporation, these bylaws, or law, it may be given to such person either personally or by sending a copy thereof through the mail to his or her address appearing on the books of the Corporation, or supplied by him or her to the Corporation for the purpose of notice. If the notice is sent by mail it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail.

Section 4.02 Waiver of Notice. Whenever any notice is required to be given to any shareholder or director by the articles of incorporation, these bylaws, or law, a waiver of notice in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Written waivers shall be placed with the minutes of the meeting or in the corporate records.

ARTICLE V

Officers

Section 5.01 Number, Qualifications and Designation. The officers of the Corporation shall be as designated by resolution of the board of directors. Any two or more offices may be held by the same person. Officers may, but need not, be directors or shareholders of the Corporation. The board of directors may elect from among the members of the board a chair of the board and a vice chair of the board, who shall be considered officers of the Corporation unless the board specifically determines otherwise at the time of election.

Section 5.02 Election and Term of Office. The officers of the Corporation, except those elected by delegated authority pursuant to Section 5.03 hereof, shall be elected by the board of directors, and each such officer shall hold office until such officer's successor shall have been duly elected and qualified, or until such officer's death, resignation or removal. Election or appointment of an officer shall not itself create contract rights.

Section 5.03 Subordinate Officers. The board of directors from time to time may elect such other officers as the business of the Corporation may require, including, without limitation, one or more vice presidents, one or more assistant secretaries and one or more assistant treasurers, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these bylaws, or as the board of directors from time to time may determine. The directors may delegate to any officer or committee the power to elect subordinate officers.

Section 5.04 Resignations. An officer may resign at any time by delivering written notice to the board of directors, or to the president or the secretary of the Corporation. Any resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date or event. If a resignation is made effective at a later date or event and the Corporation accepts the future effective date, the board of directors may fill the pending vacancy

before the effective date if the board of directors provides that the successor does not take office until the effective date.

Section 5.05 Removal. Any officer of the Corporation may be removed by the board of directors with or without cause. Such removal shall not affect the contract rights, if any, of the person so removed.

Section 5.06 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by the board of directors or by the officer or committee to which the power to fill such office has been delegated pursuant to Section 5.03 hereof, as the case may be.

Section 5.07 General Powers. All officers of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided in these bylaws, or as may be determined by resolution of the board of directors not inconsistent with these bylaws.

Section 5.08 The Chair and Vice Chair of the Board. The chair of the board, or in the chair's absence, the vice chair of the board, shall preside at all meetings of the shareholders and the board of directors, and shall perform such other duties as may from time to time be requested by the board of directors.

Section 5.09 The Chief Executive Officer. The board of directors may designate a chief executive officer who shall perform such duties as from time to time may be requested by the board of directors.

Section 5.10 The President. The president shall have general supervision over the business and operations of the Corporation, subject to the control of the board of directors. The president shall sign, execute, and acknowledge, in the name of the Corporation, deeds, mortgages, bonds, contracts or other proper instruments, except in cases where the board of directors or these bylaws delegate to, or authorize the signing and execution thereof by, some other officer or agent of the Corporation. In general, the president shall perform all duties incident to the office of president, and such other duties as from time to time may be assigned by the board of directors.

Section 5.11 The Vice Presidents. Vice presidents shall perform all duties incident to the office of vice president and such other duties as from time to time may be assigned to them by the board of directors or the president. The vice presidents, in the order designated by the board of directors, shall perform the duties of the president in the president's absence or disability. Notwithstanding the foregoing, those individuals who are appointed vice president of a certain area or department, such as vice president of marketing, shall perform only those duties incident to such area or department, and such other duties as from time to time may be assigned to them by the board of directors or the president.

Section 5.12 The Secretary. The secretary or an assistant secretary shall, to the extent possible, (a) attend all meetings of the shareholders and the board of directors, (b) record all the votes of the shareholders and the directors and prepare the minutes of the meetings of the shareholders, the board of directors and committees of the board in a book or books to be kept

11

for that purpose, (c) see that notices are given and records and reports are properly kept and filed by the Corporation as required by law, (d) authenticate records of the Corporation, and, in general, (e) perform all duties incident to the office of secretary, and such other duties as from time to time may be assigned by the board of directors or the president.

Section 5.13 The Treasurer. The treasurer or an assistant treasurer shall (a) have or provide for the custody of the funds or other property of the Corporation and keep a separate book account of the same, (b) collect and receive or provide for the collection and receipts of monies earned by or in any manner due to or received by the Corporation, (c) deposit all funds in his or her custody as treasurer in such banks or other places of deposit as the board of directors from time to time may designate, (d) whenever so required by the board of directors, render an accounting showing his or her transactions as treasurer and the financial condition of the Corporation, and, (e) in general, (f) discharge such other duties as from time to time may be assigned by the board of directors or the president.

Section 5.14 Officers' Bonds. Any officer shall give a bond for the faithful discharge of such officer's duties in such sum, if any, and with such surety or sureties, as the board of directors shall require.

Section 5.15 Salaries. The salaries of the officers elected by the board of directors may be fixed from time to time by the board of directors or by such officer as may be designated by resolution of the board. The salaries or other compensation of any other officers, employees and other agents may be fixed from time to time by the officer or committee to which the power to elect such officers or to retain or appoint such employees or other agents has been delegated pursuant to Section 5.03 hereof. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that such officer also is a director of the Corporation.

ARTICLE VI

Stock

Section 6.01 Issuance. The interest of each shareholder of the Corporation may be evidenced, but need not be represented, by certificates for shares of stock. All share certificates of the Corporation shall be signed either manually or in facsimile by one or more officers of the Corporation designated in the articles of incorporation or by the board of directors, and may bear the corporate seal, which may be a facsimile, engraved or printed. If a person who signed either manually or in facsimile a share certificate no longer holds office when the certificate is issued, the certificate is nonetheless valid.

Section 6.02 Shares Without Certificates. Unless the articles of incorporation or these bylaws provide otherwise, the board of directors of the Corporation may authorize the issuance of some or all of the shares of any or all of its classes or series without certificates. Notwithstanding such authorization by the board of directors, every holder of uncertificated shares is entitled to receive a certificate that complies with the requirements in the BCA, on request to the Corporation. The authorization does not affect shares already represented by certificates until such certificates are surrendered to the Corporation.

12

Section 6.03 Subscriptions for Shares. The board of directors may determine the payment terms of subscriptions of shares, unless the subscription agreement specifies them. Any call made by the board of directors for payment on subscriptions shall be uniform as far as practicable as to all shares of the same class or series, unless the subscription agreement specifies otherwise. A subscription for shares, whether entered into before or after incorporation, is not enforceable unless it is in writing and signed by the party to be charged or its agent.

Section 6.04 Transfers. Transfers of shares of stock of the Corporation by the registered owner thereof, or by his or her duly authorized attorney, shall be made on the books of the Corporation on surrender of the certificate or certificates, if any, for such shares properly endorsed and with all taxes thereon paid. No transfer shall be made that is inconsistent with the provisions of the Uniform Commercial Code as adopted in Arizona.

Section 6.05 Share Certificates; Share Record Books. Certificates for shares of the Corporation, if any, shall be in such form as provided by law and approved by the board of directors. The share record books and the blank share certificate books shall be kept by the secretary or by any agency designated by the board of directors for that purpose. The Corporation or an agent shall maintain a record of its shareholders in a form that permits preparation of a list of the names and addresses of all shareholders and in alphabetical order by class of shares showing the number and class of shares held by each. Every certificate exchanged or returned to the Corporation shall be marked "Cancelled," with the date of cancellation.

Section 6.06 Lost, Destroyed, Mutilated or Stolen Certificates. The holder of any certificates representing shares of stock of the Corporation shall immediately notify the Corporation of any loss, destruction, mutilation or theft of the certificate therefor, and the board of directors may, in its discretion, cause a new certificate or certificates to be issued to such holder in case of mutilation of the certificate, upon the surrender of the mutilated certificate, or, in case of loss, destruction or theft of the certificate, upon satisfactory proof of such loss, destruction or theft, and, if the board of directors shall so determine, the submission of a properly executed lost security affidavit and indemnity agreement, or the deposit of a bond in such form and in such sum, and with such surety or sureties, as the board of directors may direct.

Section 6.07 Transfer Agent and Registrar. The board of directors may appoint one or more transfer agents or transfer clerks and one or more registrars, and may require all certificates for shares to bear the signature or signatures of any of them.

ARTICLE VII

Indemnification

Section 7.01 Directors and Officers: Third Party Actions. The corporation shall indemnify any director or officer of the corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed actions, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was an authorized representative of the corporation (which, for the purposes of this Article, shall mean a director, officer, employee or

13

agent of another corporation, partnership, joint venture, trust or other enterprise) against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding to the maximum extent allowed under the BCA and not prohibited by the articles of incorporation.

Section 7.02 Employees and Agents. To the extent that an authorized representative of the corporation who neither was nor is a director or officer of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 7.01 of this Article or in defense of any claim, issue or matter therein, he shall be indemnified by the corporation against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. Such an authorized representative may, at the discretion of the corporation, be indemnified by the corporation in any other circumstances to any extent if the corporation would be required by Section 7.01 of this Article to indemnify such person in such circumstances to such extent if he were or had been a director or officer of the corporation.

Section 7.03 Advancing Expenses. Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding to the extent permitted under the BCA and not prohibited under the articles of incorporation.

Section 7.04 Scope of Article.

(a) Each person who shall act as an authorized representative of the corporation, shall be deemed to be doing so in reliance upon such rights of indemnification as are provided in the articles of incorporation or in this Article.

(b) The indemnification provided in the articles of incorporation or by this Article shall not be deemed exclusive of any other rights which those seeking indemnification may be entitled under any agreement, vote of shareholders or disinterested directors, statute or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the corporation and shall inure to the benefit of the heirs and personal representative of such person.

ARTICLE VIII

Miscellaneous

Section 8.01 Corporate Seal. The Corporation may have a corporate seal in the form of a circle containing the name of the Corporation, the year of incorporation and such other details as may be approved by the board of directors. Nothing in these bylaws shall require the impression of a corporate seal to establish the validity of any document executed on behalf of the Corporation.

Section 8.02 Checks. All checks, notes, bills of exchange or other orders in writing shall be signed by such person or persons as the board of directors from time to time may designate.

Section 8.03 Contracts. The board of directors may authorize any officer or officers, agent or agents to enter into any contract or to execute or deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 8.04 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the board of directors may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the board of directors from time to time shall determine.

Section 8.05 Financial Statements.

(a) The Corporation shall furnish to the shareholders annual financial statements of the Corporation (and, if applicable, its subsidiaries) that include a balance sheet as of the end of the Corporation's fiscal year, an income statement for the year then-ended and a statement of changes in shareholders' equity for the year then ended, unless that information appears elsewhere in the financial statements. Such financial statements shall be prepared in accordance with generally accepted accounting principles if financial statements are prepared for the Corporation on that basis. If such financial statements are reported on by a certified public accountant, such report shall accompany such financial statements. If such financial statements are not reported on by a certified public accountant, such financial statements shall be accompanied by a statement of the president or the person responsible for the Corporation's accounting records:

(i) Stating that person's reasonable belief whether such financial statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation; and

(ii) Describing any respects in which such financial statements were not prepared on a basis of accounting consistent with the prior years' financial statements.

Such financial statements shall be mailed to each shareholder within one hundred and twenty (120) days after the end of the Corporation's fiscal year. On written request from a shareholder, the Corporation shall mail that shareholder the latest annual financial statements.

(b) If the Corporation indemnifies or advances expenses to a director pursuant to the BCA, the Corporation shall report the indemnification or advance in writing to the shareholders with or before the annual financial statements required by Section 7.05(a) above. Failure to report under this section does not invalidate otherwise valid indemnification.

Section 8.06 Corporate Records.

(a) There shall be kept at the Corporation's known place of business or at the office of an agent an original or duplicate record of:

(i) The articles of incorporation (as amended);

(ii) The bylaws (as amended);

15

(iii) Resolutions adopted by the board of directors creating one or more classes or series of shares and fixing their relative rights, preferences and limitations, if shares issued pursuant to those resolutions are outstanding;

(iv) Minutes of all shareholders' meetings and records of all action taken by shareholders without a meeting, for the past three years;

(v) All written communications to shareholders generally within the past three years, including financial statements furnished within such period;

(vi) A list of the names and business addresses of the Corporation's current directors and officers;

(vii) The most recent annual report delivered to the Arizona Corporation Commission; and

(viii) Any agreement among shareholders pursuant to Section 10-732 of the BCA.

(b) The Corporation shall maintain appropriate accounting records.

(c) All corporate records shall be in written form, or another form capable of conversion into written form within a reasonable period of time.

(d) Any shareholder who shall have been a holder of record of shares or of a voting trust beneficial interest therefor at least six (6) months immediately preceding a demand, or will be the holder of record of, or the holder of record of a voting trust beneficial interest for, at least five percent (5%) of all the outstanding shares of the Corporation, upon five (5) business days' written demand directed to the Corporation, is entitled to inspect and copy, during regular business hours, at the Corporation's principal office, the Corporation's books and records set forth in section 8.06(a).

(e) Any shareholder who shall have been a holder of record of shares or of a voting trust beneficial interest therefor at least six (6) months immediately preceding its demand, or will be the holder of record of, or the holder of record of a voting trust beneficial interest for, at least five percent (5%) of all the outstanding shares of the Corporation, upon five (5) business days' written demand directed to the Corporation, is entitled to inspect and copy, during regular business hours, at the principal office of the Corporation, the following books and records of the Corporation:

- (i) Excerpts from minutes of any meeting of the board of directors, records of any action of committees, minutes of any shareholders' meetings and records of action taken by the shareholders or board of directors without a meeting, to the extent not subject to inspection in accordance with section 8.06(e);

- (ii) Accounting records of the Corporation;
- (iii) The record of shareholders; and
- (iv) The Corporation's most recent financial statements showing in reasonable detail its assets and liabilities and the results of its operations

if such shareholder's demand is made in good faith and for a proper purpose, such shareholder describes with reasonable particularity its purpose and the records it desires to inspect and the records are directly connected with the shareholder's purpose.

(g) A shareholder's agent or attorney shall have the same inspection and copying rights as the shareholder he or she represents.

(h) The Corporation may impose a reasonable charge to cover the costs of labor and material for copies of documents provided to such shareholder, which charge shall not exceed the estimated cost of production or reproduction of the records.

Section 8.07 Voting Securities Held by the Corporation. Unless otherwise ordered by the board of directors, the president shall have full power and authority on behalf of the Corporation to attend and to act and to vote at any meeting of security holders of other corporations in which the Corporation may hold securities. At such meeting the president shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Corporation might have possessed and exercised if it had been present. The board of directors from time to time may confer similar powers upon any other person or persons.

Section 8.08 Amendment of Bylaws.

(a) Except as may otherwise be provided in the articles of incorporation or the BCA, these bylaws may be amended or repealed by the board of directors of the Corporation at any regular or special meeting of directors, subject to the shareholders, in amending or repealing a particular bylaw, expressly providing that the board of directors may not amend or repeal that bylaw. The shareholders of the Corporation may amend or repeal these bylaws even though the bylaws may also be amended or repealed by the board of directors.

(b) Bylaw provisions that require super majority voting to effectuate shareholder or director action shall only be amended in accordance with Sections 10-1021 and 10-1022 of the BCA.

CERTIFICATION

I hereby certify that the foregoing bylaws were duly adopted by the board of directors of the Corporation as of the _____ day of August, 2003.

* * * * *
REGULATIONS
of

* * * * *

ARTICLE I
OFFICES

Section 1. The principal office shall be in the City of _____, County of _____, State of Ohio.

Section 2. The corporation may also have offices at such other places as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II
SHAREHOLDERS' MEETINGS

Section.1. Meetings of the shareholders shall be in the City of _____, County of _____, State of Ohio.

Section 2. An annual meeting of the shareholders, commencing with the year _____, shall be held on the _____ in each year if not a legal holiday, and, if a legal holiday, then on the next secular day following at _____, when they shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Written notice stating the time, place and purpose of a meeting of the shareholders shall be given either by personal delivery or by mail not less than _____ nor more than _____ days before the date of the meeting to each shareholder of record entitled to notice of the meeting by or at the direction of the president or a vice president or the secretary or an assistant secretary. If mailed, such notice shall be addressed to the shareholder at his address as it appears on the records of the corporation. Notice of adjournment of a meeting need not be given if the time and place to which it is adjourned are fixed and announced at such meeting.

Section 4. Meetings of the shareholders may be called by the president or a vice president, or the directors by action at a meeting, or a majority of the directors acting without meeting or by the secretary of the corporation upon the order of the board of directors, or by the persons who hold twenty-five per cent of all the shares outstanding and entitled to vote thereat. Upon the request in writing delivered either in person or by registered mail to the president or secretary by any persons entitled to call a meeting of the shareholders, such officer shall forthwith cause notice to be given to the shareholders entitled thereto. If such request be refused, then the persons making such request may call a meeting by giving notice in the manner provided in these regulations.

Section 5. Business transacted at any special meeting of shareholders

shall be confined to the purposes stated in the notice.

Section 6. Upon request of any shareholders at any meeting of shareholders, there shall be produced at such meeting an alphabetically arranged list, or classified lists, of the shareholders of record as of the record date of such meeting, who are entitled to vote, showing their respective addresses and the number and class of shares held by each. Such list or lists when certified by the officer or agent in charge of the transfers of shares shall be prima-facie evidence of the facts shown therein.

Section 7. The holders of _____ of the shares issued and outstanding having voting power, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of shareholders for the transaction of business, except that at any meeting of shareholders called to take any action which is authorized or regulated by statute, in order to constitute a quorum, there shall be present in person or represented by proxy the holders of record of shares entitling them to exercise the voting power required by statute, the articles of incorporation, or these regulations, to authorize or take the action proposed or stated in the notice of the meeting. If, however, such quorum shall not be present or represented at any meeting of the shareholders, the shareholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 8. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the stock having voting power, present in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statutes or of the articles of incorporation or of these regulations, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 9. At every meeting of shareholders, each outstanding share having voting power shall entitle the holder thereof to one vote on each matter properly submitted to the shareholders, subject to the provisions with respect to cumulative voting set forth in this section. If notice in writing is given by any shareholder to the president, a vice president or the secretary, not less than forty-eight hours before the time fixed for holding a meeting of the shareholders for the purpose of electing directors if notice of such meeting shall have been given at least ten days prior thereto, and otherwise not less than twenty-four hours before such time, that he desires that the voting at such election shall be cumulative, and if an announcement of the giving of such notice is made upon the convening of the meeting by the chairman or secretary or by or on behalf of the shareholder giving such notice, each shareholder shall have the right to cumulate such voting power as he possesses and to give one candidate as many votes as the number of directors to be elected multiplied by the number of his votes equals, or to distribute his votes on the same principle among two or more

candidates, as he sees fit. A shareholder shall be entitled to vote even though his shares have not been fully paid, but shares upon which an installment of the purchase price is overdue and unpaid shall not be voted.

Section 10. A person who is entitled to attend a shareholders' meeting, to vote thereat, or to execute consents, waivers, or releases, may be represented at such meeting or vote thereat, and execute consents, waivers, and releases, and exercise any of his other rights, by proxy or proxies appointed by a writing signed by such person. A telegram or cablegram appearing to have been transmitted by such person, or a photographic, photostatic, or equivalent reproduction of a writing, appointing a proxy is sufficient writing. No appointment of a proxy shall be valid after the expiration of eleven months after it is made unless the writing specifies the date on which it is to expire or the length of time it is to continue in force.

Section 11. Unless the articles or these regulations prohibit the authorization or taking of any action of the shareholders without a meeting, any action which may be authorized or taken at a meeting of the shareholders may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by all the shareholders who would be entitled to notice of a meeting of the shareholders held for such purpose, which writing or writings shall be filed with or entered upon the records of the corporation.

ARTICLE III DIRECTORS

Section 1. The number of directors, which shall not be less than three, may be fixed or changed at a meeting of shareholders called for the purpose of electing directors. The first board shall consist of _____ directors. Except where the law, the articles of incorporation, or these regulations require any action to be authorized or taken by shareholders, all of the authority of the corporation shall be exercised by the directors. The directors shall be elected at the annual meeting of shareholders, except as provided in Section 2 of this article, and each director shall hold office until the next annual meeting of the shareholders and until his successor is elected and qualified, or until his earlier resignation, removal from office, or death. When the annual meeting is not held or directors are not elected thereat, they may be elected at a special meeting called for that purpose. Directors need not be shareholders.

Section 2. If the office of any director or directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, the remaining directors, though less than a quorum, shall by a vote of a majority of their number, choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred.

Section 3. For their own government the directors may adopt by-laws not inconsistent with the articles of incorporation or these regulations.

Section 4. The directors may hold their meeting, and keep the books of the corporation, outside the State of Ohio, at such places as they may from time to time determine but, if no transfer agent is appointed to act for the corporation

in Ohio, it shall keep an office in Ohio at which shares shall be transferable and at which it shall keep books in which shall be recorded the names and addresses of all shareholders and all transfers of shares.

COMMITTEES

Section 5. The directors may at any time elect three or more of their number as an executive committee or other committees, which shall, in the interval between meetings of the board of directors, exercise such powers and perform such duties as may from time to time be prescribed by the board of directors. Any such committee shall be subject at all times to the control and direction of the board of directors. Unless otherwise ordered by the board of directors, any such committee may act by a majority of its members at a meeting or by a writing or writings signed by all its members. An act or authorization of an act by any such committee within the authority delegated to it shall be as effective for all purposes as the actor authorization of the board of directors.

Section 6. The committee shall keep regular minutes of their proceedings and report the same to the board when required.

COMPENSATION OF DIRECTORS

Section 7. Directors, as such, shall not receive any stated salary for their services but, by resolution of the board, a fixed sum, and expenses of attendance if any, may be allowed for attendance at each regular or special meeting of the board; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 8. Members of the executive committee or other committees may be allowed like compensation for attending committee meetings.

MEETINGS OF THE BOARD

Section 9. The first meeting of each newly elected board shall be held at such time and place, either within or without the State of Ohio, as shall be fixed by the vote of the shareholders at the annual meeting, of which two days' notice shall be delivered personally or sent by mail or telegram to each newly elected director. Such meeting may be held at any place or time as may be fixed by the consent in writing of all the directors, given either before or after the meeting.

OR

MEETINGS OF THE BOARD

Section 9. The first meeting of each newly elected board other than the board first elected shall be held at such time and place, either within or without the State of Ohio, as shall be fixed by the vote of the shareholders at the annual meeting, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be

present, or they may meet at such place and time as shall be fixed by the consent in writing of all the directors given either before or after the meeting.

Section 10. Regular meetings of the board may be held at such time and place, either within or without the State of Ohio, as shall be determined by the board.

Section 11. Special meetings of the board may be called by the president, any vice president, or by two directors on two days' notice to each director, either delivered personally or sent by mail, telegram or cablegram. The notice need not specify the purposes of the meeting.

Section 12. At all meetings of the board directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the articles of incorporation or by these regulations. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, until a quorum shall be present. Notice of adjournment of a meeting need not be given to absent directors if the time and place are fixed at the meeting adjourned.

Section 13. Unless the articles or these regulations prohibit the authorization or taking of any action of the directors without a meeting, any action which may be authorized or taken at a meeting of the directors may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by all the directors, which writing or writings shall be filed with or entered upon the records of the corporation.

REMOVAL OF DIRECTORS

Section 14. All the directors, or all the directors of a particular class, if any, or any individual director may be removed from office, without assigning any cause, by the vote of the holders of a majority of the voting power entitling them to elect directors in place of those to be removed, provided that unless all the directors, or all the directors of a particular class, if any, are removed, no individual director shall be removed in case the votes of a sufficient number of shares are cast against his removal which, if cumulatively voted at an election of all the directors, or all the directors of a particular class, if any, as the case may be, would be sufficient to elect at least one director. In case of any such removal, a new director may be elected at the same meeting for the unexpired term of each director removed. Failure to elect a director to fill the unexpired term of any director removed shall be deemed to create a vacancy in the board.

ARTICLE IV NOTICES

Section 1. Notices to directors and shareholders shall be in writing and delivered personally or mailed to the directors or shareholders at their addresses appearing on the books of the corporation. Notice by mail shall be deemed to be given at the time when the same shall be mailed. Notice to directors and shareholders may also be given by telegram or telephone.

Section 2. Notice of the time, place and purposes of any meeting of shareholders or directors as the case may be, whether required by law, the articles of incorporation or these regulations, may be waived in writing, either before or after the holding of such meeting, by any shareholder, or by any director, which writing shall be filed with or entered upon the records of the meeting.

ARTICLE V OFFICERS

Section 1. The officers of the corporation shall be chosen by the directors and shall be a president, a vice president, a secretary and a treasurer. The board of directors may also choose additional vice presidents, and one or more assistant secretaries and assistant treasurers. Any two or more of such offices except the offices of president and vice president, may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law or by these regulations to be executed, acknowledged or verified by any two or more officers.

Section 2. The board of directors at its first meeting after each annual meeting of shareholders shall choose a president, a vice president, a secretary and a treasurer, none of whom need be a member of the board.

Section 3. The board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officer and agents of the corporation shall be fixed by the board of directors.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the whole board of directors. If the office of any officer or officers becomes vacant for any reason, the vacancy shall be filled by the board of directors.

THE PRESIDENT

Section 6. The president shall be the chief executive officer of the corporation; he shall preside at all meetings of the shareholders and directors, shall be ex officio a member of the executive committee or any other committee, shall have general and active management of the business of the corporation, and shall see that all orders and resolutions of the board are carried into effect.

Section 7. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

THE VICE PRESIDENTS

Section 8. The vice presidents in the order of their seniority, unless otherwise determined by the board of directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president. They shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARIES

Section 9. The secretary shall attend all meetings of the board of directors and all meetings of the shareholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall keep in safe custody the seal of the corporation and, when authorized by the board of directors, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of the treasurer or an assistant secretary.

Section 10. The assistant secretaries in the order of their seniority unless otherwise determine by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary. They shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

20 THE TREASURER AND ASSISTANT TREASURERS

Section 11. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 12. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 13. If required by the board of directors, he shall give the

corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 14. The assistant treasurers in the order of their seniority, unless otherwise determined by the board of directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE VI CERTIFICATES OF STOCK

Section 1. Each holder of shares is entitled to one or more certificates, signed by the president or a vice president and by the secretary, an assistant secretary, the treasurer, or an assistant treasurer of the corporation, which shall certify the number and class of shares held by him in the corporation. Every certificate shall state that the corporation is organized under the laws of Ohio, the name of the person to whom the shares represented by the certificate are issued, the number of shares represented by the certificate, and the par value of each share represented by it or that the shares are without par value, and if the shares are classified, the designation of the class, and the series, if any, of the shares represented by the certificate. There shall also be stated on the face or back of the certificate the express terms, if any, of the shares represented by the certificate and of the other class or classes and series of shares, if any, which the corporation is authorized to issue, or a summary of such express terms, or that the corporation will mail to the shareholder a copy of such express terms without charge within five days after receipt of written request therefor, or that a copy of such express terms is attached to and by reference made a part of such certificate and that the corporation will mail to the shareholder a copy of such express terms without charge within five days after receipt of written request therefor if the copy has become detached from the certificate.

Section 2. In case of any restriction on transferability of shares or reservation of lien thereon, the certificate representing such shares shall set forth on the face or back thereof the statements required by the General Corporation Law of Ohio to make such restrictions or reservations effective.

Section 3. Where a certificate is countersigned by an incorporated transfer agent or registrar, the signature of any of the officers specified in Section 1 of this article may be fac- simile, engraved, stamped, or printed. Although any officer of the corporation, whose manual or facsimile signature has been placed upon such certificate, ceases to be such officer before the certificate is delivered, such certificate nevertheless shall be effective in all respects when delivered.

LOST CERTIFICATES

Section 4. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

TRANSFERS OF STOCK

Section 5. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 6. For any lawful purpose, including without limitation, (1) the determination of the shareholders who are entitled to receive notice of or to vote at a meeting of shareholders; (2) receive payment of any dividend or distribution; (3) receive or exercise rights of purchase of or subscription for, or exchange or conversion of, shares or other securities, subject to contract rights with respect thereto; or (4) participate in the execution of written consents, waivers, or releases, the directors may fix a record date which shall not be a date earlier than the date on which the record date is fixed and, in the cases provided for in clauses (1), (2) and (3) above, shall not be more than sixty days, preceding the date of the meeting of the shareholders, or the date fixed for the payment of any dividend or distribution, or the date fixed for the receipt or the exercise of rights, as the case may be.

Section 7. If a meeting of the shareholders is called by persons entitled to call the same, or action is taken by shareholders without a meeting, and if the directors fail or refuse, within such time as the persons calling such meeting or initiating such other action may request, to fix a record date for the purpose of determining the shareholders entitled to receive notice of or vote at such meeting, or to participate in the execution of written consents, waivers, or releases, then the persons calling such meeting or initiating such other action may fix a record date for such purposes, subject to the limitations set forth in Section 6 of this article.

Section 8. The record date for the purpose of clause (1) of Section 6 of this article shall continue to be the record date for all adjournments of such meeting, unless the directors or the persons who shall have fixed the original record date shall, subject to the limitations set forth in Section 6 of this article, fix

another date, and in case a new record date is so fixed, notice thereof and of the date to which the meeting shall have been adjourned shall be given to shareholders of record as of said date in accordance with the same requirements as those applying to a meeting newly called.

Section 9. The directors may close the share transfer books against transfers of shares during the whole or any part of the period provided for in Section 6 of this article, including the date of the meeting of the shareholders and the period ending with the date, if any, to which adjourned. If no record date is fixed therefor, the record date for determining the shareholders who are entitled to receive notice of, or who are entitled to vote at, a meeting of shareholders, shall be the date next preceding the day on which notice is given, or the date next preceding the day on which the meeting is held, as the case may be.

Section 10. The corporation shall be entitled to recognize the exclusive rights of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Ohio.

ARTICLE VII GENERAL PROVISIONS DIVIDENDS

Section 1. The board of directors may declare and the corporation may pay dividends and distributions on its outstanding shares in cash, property, or its own shares pursuant to law and subject to the provisions of its articles of incorporation.

Section 2. Before payment of any dividend or distribution, there may be set aside out of any funds of the corporation available for dividends or distributions such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends or distributions, or for repairing or maintaining any property of the corporation, or for such other purposes as the directors shall think conducive to the interests of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

ANNUAL STATEMENT

Section 3. At the annual meeting of shareholders, or the meeting held in lieu of it, the corporation shall prepare and lay before the shareholders a financial statement consisting of: A balance sheet containing a summary of the assets, liabilities, stated capital, if any, and surplus (showing separately any capital surplus arising from unrealized appreciation of assets, other capital surplus, and earned surplus) of the corporation as of a date not more than four months before such meeting; if such meeting is an adjourned meeting, the balance sheet may be as of a date not more than four months before the date of the meeting as

originally convened; and a statement of profit and loss and surplus, including a summary of profits, dividends or distributions paid, and other changes in the surplus accounts of the corporation for the period commencing with the date marking the end of the period for which the last preceding statement of profit and loss required under this section was made and ending with the date of the balance sheet, or in the case of the first statement of profit and loss, from the incorporation of the corporation to the date of the balance sheet.

The financial statement shall have appended to it a certificate signed by the president or a vice president or the treasurer or an assistant treasurer or by a public accountant or firm of public accountants to the effect that the financial statement presents fairly the position of the corporation and the results of its operations in conformity with generally accepted accounting principles applied on a basis consistent for the period covered thereby, or to the effect that the financial statements have been prepared on the basis of accounting practices and principles that are reasonable in the circumstances.

Section 4. Upon the written request of any shareholder made within sixty days after notice of any such meeting has been given, the corporation, not later than the fifth day after receiving such request or the fifth day before such meeting, whichever is the later date, shall mail to such shareholder a copy of such financial statement.

CHECKS

Section 5. All checks or demands for money and notes of the corporation shall be signed by such officer or officers as the board of directors may from time to time designate.

FISCAL YEAR

Section 6. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SEAL

Section 7. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Ohio." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

ARTICLE VIII AMENDMENTS

Section 1. These regulations may be amended or new regulations adopted by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power on such proposal, at any regular meeting of the shareholders, or at any special meeting of the shareholders if notice of the proposal to amend or add to the regulations be contained in the notice of the meeting, or, without a meeting, by the written consent of the holders of record of shares entitling them to exercise a majority of the voting power on such proposal.

**BY-LAWS
OF
[], INC.**

Article I. Shareholders

Section 1. Meetings of the shareholders shall be held at the registered office of the Corporation unless another place shall have been determined by the directors and stated in the notice of meeting. Annual meetings shall be held at 10:00 a.m. on the first Monday of May unless a holiday and then on the next business day or at such other time and date as the Board of Directors may designate.

Article II. Directors

Section 1. The number of directors shall be three.

Section 2. A regular meeting of the Board of Directors shall be held without notice immediately following the annual meeting of shareholders and at the same place. The Board of Directors may provide for the holding without notice of additional regular meetings.

Section 3. Special meetings of the Board of Directors may be called by the President or any two directors on 24-hour notice given personally or by telephone or telegraph or on four (4) days notice by mail, Special meetings shall be held at the place fixed by the Board of Directors for the holding of meetings, or if no such place has been fixed, at the principal business office of the Corporation.

Article III. Office

Section 1. The officers of the Corporation shall be a Chairman of the Board, a President, one or more Vice President, a Secretary, and a Treasurer who shall be elected annually at a regular meeting of the Board of Directors held after the annual meeting of shareholders and shall hold office so long as they are satisfactory to the Board of Directors. In the event that the President is absent or unable to act, a Vice President shall be elected by the Board of Directors to perform the duties of the President. The Corporation may also have such other officers as are elected by the Board of Directors.

Section 2. The President shall be the principal executive officer of the Corporation to put into effect the decisions of the Board of Directors. Subject to such decisions, he shall supervise and control the business and affairs of the Corporation.

Section 3. Subject to any specific assignments of duties made by the Board of Directors, the Vice President, the Secretary and Treasurer shall act under the direction of the President. The Secretary shall prepare and keep minutes of the meetings of the shareholders and the directors and shall have general charge of the stock records of the Corporation. The Treasurer shall have custody of the funds of the Corporation and keep its financial records.

Article IV. Miscellaneous

Section 1. The Board of Directors may authorize any officer or agent to enter into any contract or to execute any instrument for the Corporation. Such authority may be general or be confined to specific instances.

Section 2. Certificates representing shares of the Corporation shall be in such form as the Board of Directors shall determine. Transfers of shares shall be made only on the stock transfer books of the Corporation,

Article V. Action Without Meeting

Section 1. Any action required or permitted to be taken by the Board of Directors or the shareholders at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all directors, shareholders or members, as the case may be.

Article VI. Amendments

Section 1. These By-Laws may be altered, amended or repealed and new by-laws may be adopted by the Board of Directors or by the shareholders.

BY-LAWS OF

[], INC.

ARTICLE I - OFFICES

The principal office of the corporation shall be established and maintained at []. The corporation may also have offices at such places within or without the State of Florida as the board may from time to time establish.

ARTICLE II - STOCKHOLDERS

1. PLACE OF MEETING

Meetings of stockholders shall be held at the principal office of the corporation or at such place within or without the State of Florida as the board shall authorize.

2. ANNUAL MEETING

The annual meeting of stockholders shall be held on the 1st day of March, at 10 AM. in each year; however, if such day falls on a Sunday or a legal holiday, then on the next business day following at the same time, the stockholders shall elect a board of directors and transact such other business as may properly come before the meeting.

3. SPECIAL MEETINGS

Special meetings of the stockholders may be called by the board or by the president or at the written request of stockholders owning a majority of the stock entitled to vote at such meeting. A meeting requested by stockholders shall be called for a date not less than ten nor more than sixty days after the request is made. The secretary shall issue the call for the meeting unless the president, the board or the stockholders shall designate another to make said call.

4. NOTICE OF MEETINGS

Written notice of each meeting of stockholders shall state the purpose of the meeting and the time and place of the meeting. Notice shall be mailed to each stockholder having the right and entitled to vote at such meetings at his last address as it appears on the records of the corporation, not less than ten nor more than sixty days before the date set for such meeting. Such notice shall be sufficient for the meeting and any adjournment thereof. If any stockholder shall transfer his stock after notice, it shall not be necessary to notify the transferee. Any stockholder may waive notice of any meeting either before, during or after the meeting.

5. RECORD DATE

The board may fix a record date not more than forty days prior to the date set for a meeting of stockholders as the date as of which the stockholders of record who have the right to

and are entitled to notice of and to vote at such meeting and any adjournment thereof shall be determined. Notice that such date has been fixed shall be published in the city, town or county where the principal office of the corporation is located and in each city or town where a transfer agent of the stock of the corporation is located.

6. VOTING

Every stockholder shall be entitled at each meeting and upon each proposal presented at each meeting to one vote for each share of voting stock recorded in his name on the books of the corporation on the record date as fixed by the board and if no record date was fixed on the date of the meeting. The books of records of stockholders shall be produced at the meeting upon the request of any stockholder. Upon the demand of any stockholder, the vote for directors and the vote upon any question before the meeting shall be by ballot. All elections for directors shall be decided by plurality vote; all other questions shall be decided by majority vote.

7. QUORUM

The presence, in person or by proxy, of stockholders holding a majority of the stock of the corporation entitled to vote shall constitute a quorum at all meetings of the stockholders. In case a quorum shall not be present at any meeting, a majority in interest of the stockholders entitled to vote thereat present in person or by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the requisite amount of stock entitled to vote shall be present. At any such adjourned meeting at which the requisite amount of stock entitled to vote shall be represented, any business may be transacted which might have been transacted at the meeting as originally noticed; but only those stockholders entitled to vote at the meeting as originally notices shall be entitled to vote at any adjournment or adjournments thereof.

8. PROXIES

At any stockholders meetings or any adjournment thereof, any stockholder of record having the right and entitled to vote thereat may be represented and vote by proxy appointed in a written instrument. No such proxy shall be voted after three years from the date of the instrument unless the instrument provides for a longer period. In the event that any such instrument provides for two or more persons to act as proxies, a majority of such persons present at the meeting, or if only one be present, that one, shall have all the powers conferred by the instrument upon all the persons so designated unless the instrument shall otherwise provide.

1. BOARD OF DIRECTORS

The business of the corporation shall be managed and its corporate powers exercised by a board of directors each of whom shall be of full age. It shall not be necessary for directors to be stockholders.

2

2. ELECTION AND TERM OF DIRECTORS

Directors shall be elected at the annual meeting of stockholders and each director elected shall hold office until his successor has been elected and qualified, or until his prior resignation or removal.

3. VACANCIES

If the office of any director, member of a committee or other office becomes vacant the remaining directors in office, by a majority vote, may appoint any qualified person to fill such vacancy, who shall hold office for the unexpired term and until his successor shall be duly chosen.

4. REMOVAL OF DIRECTORS

Any or all of directors may be removed with or without cause by vote of a majority of all the stock outstanding and entitled to vote at a special meeting of stockholders called for that purpose.

5. NEWLY CREATED DIRECTORSHIPS

The number of directors may be increased by amendment of these By-Laws by the affirmative vote of a majority of the directors, though less than a quorum, or, by the affirmative vote of a majority in interest of the stockholders, at the annual meeting or at a special meeting called for that purpose, and by like vote the additional directors may be chosen at such meeting to hold office until the next annual election and until their successors are elected and qualify.

6. RESIGNATION

A director may resign at any time by giving written notice to the board, the president or the secretary of the corporation.. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

7. QUORUM OF DIRECTORS

A majority of the directors shall constitute a quorum for the transaction of business. If at any meeting of the board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained and no further notice thereof need be given other than by announcement at the meeting which shall be so adjourned.

8. PLACE AND TIME OF BOARD MEETINGS

The board may hold its meetings at the office of the corporation or at such other places either within or without the State of Florida as it may from time to time determine.

3

9. REGULAR ANNUAL MEETING

A regular annual meeting of the board shall be held immediately following the annual meeting of stockholders at the place of such annual meeting of stockholders.

10. NOTICE OF MEETINGS OF THE BOARD

Regular meetings of the board may be held without notice at such time and place as it shall from time to time determine. Special meetings of the board shall be held upon notice to the directors and may be called by the president upon three days notice to each director either personally or by mail or by wire; special meetings shall be called by the president or by the secretary in a like manner on written request of two directors. Notice of a meeting need not be given to any director who submits a Waiver of Notice whether before or after the meeting or who attends the meeting without protesting prior thereto or at its commencement, the lack of notice to him.

11. EXECUTIVE AND OTHER COMMITTEES

The board, by resolution, may designate two or more of their number to one or more committees, which, to the extent provided in said resolution or these By-Laws may exercise the powers of the board in the management of the business of the corporation.

12. COMPENSATION

No compensation shall be paid to directors, as such, for their services, but by resolution of the board a fixed sum and expenses for actual attendance, at each regular or special meeting of the board may be authorized. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE IV - OFFICERS

1. OFFICERS, ELECTION AND TERM

- (a) The board may elect or appoint a chairman, a president, one or more vice-presidents, a secretary, an assistant secretary, a treasurer and an assistant treasurer and such other officers as it may determine who shall have duties and powers as hereinafter provided.
- (b) All officers shall be elected or appointed to hold office until the meeting of the board following the next annual meeting of stockholders and until their successors have been elected or appointed and qualified.

2. REMOVAL, RESIGNATION, SALARY, ETC.

- (a) Any officer elected or appointed by the board may be removed by the board with or without cause.
- (b) In the event of the death, resignation or removal of an officer, the board in its discretion may elect or appoint a successor to fill the unexpired term.

4

- (c) Any two or more offices may be held by the same person.
- (d) The salaries of all officers shall be fixed by the board.
- (e) The directors may require any officer to give security for the faithful performance of his duties.

3. CHAIRMAN

The chairman of the board, if one be elected, shall preside at all meetings of the board and he shall have and perform such other duties as from time to time may be assigned to him by the board or the executive committee.

4. PRESIDENT

The president shall be the chief executive officer of the corporation and shall have the general powers and duties of supervision and management usually vested in the office of president of a corporation. He shall preside at all meetings of the stockholders if present thereat, and in the absence or nonelection of the chairman of the board, at all meetings of the board, and shall have general supervision direction and control of the business of the corporation. Except as the board shall authorize the execution thereof in some other manner, he shall execute bonds mortgages and other contracts in behalf of the corporation and shall cause the seal to be affixed to any instrument requiring it and when so affixed, the seal shall be attested by the signature of the secretary or the treasurer or an assistant secretary or an assistant treasurer.

5. VICE-PRESIDENTS

During the absence or disability of the president, the vice-president, or if there are more than one the executive vice-president, shall have all the powers and functions of the president. Each vice-president shall perform such other duties as the board shall prescribe.

6. SECRETARY

The secretary shall attend all meetings of the board and of the stockholders, record all votes and minutes of all proceedings in a book to be kept for that purpose, give or cause to be given notice of all meetings of stockholders and of special meetings of the board, keep in safe custody the seal of the corporation and affix it to any instrument when authorized by the board, when required prepare cause to be prepared and available at each meeting of stockholders a certified list in alphabetical order of the names of stockholders entitled to vote thereat, indicating the number of shares of each respective class held by each, keep all the documents and records of the corporation as required by law or otherwise in a proper and safe manner, and perform such other duties as may be prescribed by the board or assigned to him by the president.

7. ASSISTANT-SECRETARIES

During the absence or disability of the secretary, the assistant-secretary, or if there are more than one the one so designated by the secretary or by the board, shall have all the powers and functions of the secretary

5

8. TREASURER

The treasurer shall have the custody of the corporate funds and securities, keep full and accurate accounts of receipts and disbursements in the corporate books, deposit all money and other valuables in the name and to the credit of the corporation in such depositories as may be designated by the board, disburse the funds of the corporation as may be ordered or authorized by the board and preserve proper vouchers for such disbursements, render to the president and board at the regular meetings of the board, or whenever they require it, an account of all his transactions as treasurer and of the financial condition of the corporation render a full financial report at the annual meeting of the stockholders if so requested, be furnished by all corporate officers and agents at his request with such reports and statements as he may require as to all financial transactions of the corporation, and perform such other duties as are given to him by these By-Laws or as from time to time are assigned to him by the board or the president.

9. ASSISTANT-TREASURERS

During the absence or disability of the treasurer, the assistant-treasurer, or if there are more than one, the one so designated by the secretary or by the board, shall have all the powers and functions of the treasurer.

10. SURETIES AND BONDS

In case the board shall so require, any officer or agent of the corporation shall execute to the corporation a bond in such sum and with such surety or sureties as the board may direct, conditioned upon the faithful performance of his duties to the corporation and including responsibility for negligence and for the accounting for all property, funds or securities of the corporation which may come into his hands.

ARTICLE V - CERTIFICATES FOR SHARES

1. CERTIFICATES

The shares of the corporation shall be represented by certificates. They shall be numbered and entered in the books of the corporation as they are issued. They shall exhibit the holder's name and the number of shares and shall be signed by the president and the secretary and shall bear the corporate seal. When such certificates are signed by a transfer agent or an assistant transfer agent or by a transfer clerk acting on behalf of the corporation and a registrar, the signatures of such officers may be facsimiles.

2. LOST OR DESTROYED CERTIFICATES

The board may direct a new certificate or certificates to be issued in place of any certificates theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the board may, in its discretion and as a condition precedent to the issuance thereof require the owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and /or give the corporation a bond in such sum and with such surety or sureties as

6

it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

3. TRANSFERS OF SHARES

Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, and cancel the old certificate; every such transfer shall be entered on the transfer book of the corporation which shall be kept at its principal office. Whenever a transfer shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer. No transfer shall be made within ten days next preceding the annual meeting of the stockholders.

4. CLOSING TRANSFER BOOKS

The board shall have the power to close the share transfer books of the corporation for a period of not more than ten days during the thirty day period immediately preceding (a) any stockholder's meeting, or (b) any date upon which stockholders shall be called upon to or have a right to take action without a meeting, or (c) any date fixed for the payment of a dividend or any other form of distribution, and only those stockholders of records at the time the transfer books are closed, shall be recognized as such for the purpose of (a) receiving notice of or voting at such meeting or (b) allowing them to take appropriate action, or (c) entitling them to receive any dividend or other form of distribution.

ARTICLE VI - DIVIDENDS

The board may out of funds legally available, at any regular or special meeting, declare dividends upon the capital stock of the corporation as and when it deems expedient. Before declaring any dividend there may be set apart out of any funds of the corporation available for dividends, such sum or sums as the board from time to time in their discretion deem proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends or for such other purposes as the board shall deem conducive to the interest of the corporation.

ARTICLE VII - CORPORATE SEAL

The seal of the corporation shall be circular in form and bear the name of the corporation the year of its organization and the words "CORPORATE SEAL, FLORIDA." The seal may be used by causing it to be impressed directly on the instrument or writing to be sealed, or upon adhesive substance affixed thereto. The seal on the certificates for shares or on any corporate obligation for the payment of money may be facsimile, engraved or printed.

ARTICLE VIII - EXECUTION OF INSTRUMENTS

All corporate instruments and documents shall be signed or countersigned, executed, verified or acknowledged by such officer or officers or other person or persons as the board may from time to time designate.

7

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner as shall be determined from time to time by resolution of the board.

ARTICLE IX - FISCAL YEAR

The fiscal year shall begin the first day of March in each year.

ARTICLE X - NOTICE AND WAIVER OF NOTICE

Whenever any notice is required by these By-Laws to be given, personal notice is not meant unless expressly so stated, and any notice so required shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed post-paid wrapper, addressed to the person entitled thereto at his last known post office address, and such notice shall be deemed to have been given on the day of such mailing. Stockholders not entitled to vote shall not be entitled to receive notice of any meetings except as otherwise provided by Statute.

Whenever any notice whatever is required to be given under the provisions of any law, or under the provisions of the Articles of Incorporation of the corporation or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein shall be deemed equivalent thereto.

ARTICLE XI - CONSTRUCTION

Whenever a conflict arises between the language of these By-Laws and the Articles of Incorporation the Articles of Incorporation shall govern.

ARTICLE XII - CLOSE CORPORATION

1. CONDUCT OF BUSINESS WITHOUT MEETINGS

Any action of the stockholders, directors or committee may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all persons who would be entitled to vote on such action at a meeting and filed with the secretary of the corporation as part of the proceedings of the stockholders, directors or committees as the case may be.

2. MANAGEMENT BY STOCKHOLDERS

In the event the stockholders are named in the Articles of Incorporation and are empowered therein to manage the affairs of the corporation in lieu of directors, the stockholders of the corporation shall be deemed directors for the purposes of these By-laws and wherever the words "directors", "board of directors" or "board" appear in these By-laws those words shall be taken to mean stockholders.

The shareholders may, by majority vote, create a board of directors to manage the business of the corporation and exercise its corporate powers.

ARTICLE XIII - AMENDMENTS

These By-Laws may be altered or repealed and By-Laws may be made at any annual meeting of the stockholders or at any special meeting thereof if notice of the proposed alteration or repeal to be made contained in the notice of such special meeting, by the affirmative vote of a majority of the stock issued and outstanding and entitled to vote thereat, or by the affirmative vote of a majority of the board at any regular meeting of the board or at any special meeting of the board if notice of the proposed alteration or repeal to be made be contained in the notice of such special meeting.

* * * * *
 B Y - L A W S
 * * * * *

ARTICLE I
 OFFICES

Section 1. The registered office shall be in _____, Michigan.

Section 2. The corporation may also have offices at such other places both within and without the State of Michigan as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II
 ANNUAL MEETINGS OF SHAREHOLDERS

Section 1. All meetings of shareholders for the election of directors shall be held in _____, State of _____, at such place as may be fixed from time to time by the board of directors.

Section 2. Annual meetings of shareholders, commencing with the year _____, shall be held on _____, if not a legal holiday, and if a legal holiday, then on the next secular day following, at _____, at which they shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Written notice of the time, place and purposes of a meeting of shareholders shall be given not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, to each shareholder of record entitled to vote at the meeting.

ARTICLE III
 SPECIAL MEETINGS OF SHAREHOLDERS

Section 1. Special meetings of shareholders for any purpose other than the election of directors may be held at such time and place within or without the State of Michigan as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Special meetings of shareholders may be called at any time, for any purpose or purposes, by the board of directors or by such other persons as may be authorized by law.

Section 3. Written notice of the time, place and purposes of a special meeting of shareholders shall be given not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, to each shareholder of record entitled to vote at the meeting.

Section 4. The business transacted at any special meeting of shareholders shall be limited to the purposes stated in the notice.

ARTICLE IV
 QUORUM AND VOTING OF STOCK

Section 1. The holders of <<Quorum for Shareholder>> of the shares of stock issued and outstanding and entitled to vote, represented in person or by proxy, shall constitute a quorum at all meetings of the shareholders for the transaction of business except as otherwise provided by statute or by the articles of incorporation. The shareholders present in person or by proxy at such meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. Whether or not a quorum is present, the meeting may be adjourned by a vote of the shares present. When the holders of a class or series of shares, are entitled to vote separately on an item of business, this section applies in determining the presence of a quorum of such class or series for transaction of the item of business.

Section 2. If a quorum is present, the affirmative vote of a majority of the shares of stock represented at the meeting shall be the act of the shareholders unless the vote of a greater number of shares of stock is required by law or the articles of incorporation.

Section 3. Each outstanding share of stock, having voting power, shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders. A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact.

In all elections for directors every shareholder entitled to vote shall have the right to vote in person or by proxy, the number of shares of stock owned by him, for as many persons as there are directors to be elected, or to cumulate the vote of said shares, and give one candidate as many votes as the number of directors multiplied by the number of his shares of stock shall equal, or to distribute the votes on the same principle among as many candidates as he may see fit.

Section 4. Any action required or permitted to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if all the shareholders entitled to vote thereon consent thereto in writing.

OR

Section 4. Any action required or permitted to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders who have not consented in writing.

ARTICLE V
DIRECTORS

Section 1. The number of directors shall be _____ . Directors need not be residents of the State of Michigan nor shareholders of the corporation. The first board of directors shall hold office until the first annual meeting of shareholders. The directors, other than the first board of directors, shall be elected at the annual meeting of the shareholders, and shall hold office for the term for which he is elected and until his successor is elected and qualified.

OR

ARTICLE V
DIRECTORS

Section 1. The number of directors shall not be less than _____ nor more than _____. Directors need not be residents of the State of Michigan nor shareholders of the corporation. The first board shall consist of <<Initial Number of Directors>> directors. Thereafter, within the limits above specified, the number of directors shall be determined by resolution of the board of directors or by the shareholders at the annual meeting. The directors shall be elected at the annual meeting of the shareholders, except as provided in Section 2 of this Article, and shall hold office for the terms for which they are elected and until their successors are elected and qualified.

Section 2. Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. A directorship to be filled because of an increase in the number of directors or to fill a vacancy may be filled by the board for a term of office continuing only until the next election of directors by the shareholders.

Section 3. The business affairs of the corporation shall be managed by its board except as otherwise provided by statute or in the articles of incorporation or by these by-laws directed or required to be exercised or done by the shareholders.

Section 4. The directors may keep the books of the corporation, outside of the State of Michigan, at such place or places as they may from time to time determine.

Section 5. The board of directors, by the affirmative vote of a majority of the directors in office, and irrespective of any personal interest of any of them, may establish reasonable compensation of directors for services to the corporation as directors or officers.

ARTICLE VI
MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Regular or special meetings of the board of directors may be held either within or without the State of Michigan.

Section 2. The first meeting of each newly elected board of directors shall be held at such time and place as shall be fixed by the vote of the shareholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present, or it may convene at such place and time as shall be fixed by the consent in writing of all the directors.

Section 3. Regular meetings of the board of directors may be held upon such notice, or without notice, and at such time and at such place as shall from time to time be determined by the board.

Section 4. Special meetings of the board of directors may be called by the president on _____ days' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two directors.

Section 5. Attendance of a director at a meeting constitutes a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, a regular or special meeting need be specified in the notice or waiver of notice of the meeting.

Section 6. _____ of the members of the board then in office constitutes a quorum for transaction of business, unless the articles of incorporation provide for a larger or smaller number. The vote of the majority of members present at a meeting at which a quorum is present constitutes the action of the board unless the vote of a larger number is required by statute, the articles or these by-laws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 7. Unless otherwise provided by the articles of incorporation action required or permitted to be taken pursuant to authorization voted at a meeting of the board, may be taken without a meeting if, before or after the action, all members of the board consent thereto in writing. The written consents shall be filed with the minutes of the proceedings of the board. The consent has the same effect as a vote of the board for all purposes.

ARTICLE VII
COMMITTEES

Section 1. Unless otherwise provided in the articles of incorporation, the board may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of a committee, who may replace an absent or disqualified member at a meeting of the committee. In the absence or disqualification of a member of a committee, the members thereof present at a

meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the board to act at the meeting in place of such an absent or disqualified member. A committee, and each member thereof, shall serve at the pleasure of the board. A committee, to the extent provided in the resolution of the board or in the by-laws, may exercise all powers and authority of the board in management of the business and affairs of the corporation subject to any limitations by statute or in the articles of incorporation.

ARTICLE VIII NOTICES

Section 1. When a notice or communication is required or permitted by this act to be given by mail, it shall be mailed, except as otherwise provided in this act, to the person to whom it is directed at the address designated by him for that purpose or, if none is designated, at his last known address. The notice or communication is given when deposited, with postage thereon pre-paid, in a post office or official depository under the exclusive care and custody of the United States postal service. The mailing shall be registered, certified or other first class mail except where otherwise provided by statute.

Section 2. When, under statutory requirements or the articles of incorporation or these by-laws or by the terms of an agreement or instrument, a corporation or the board or any committee thereof may take action after notice to any person or after lapse of a prescribed period of time, the action may be taken without notice and without lapse of the period of time, if at any time before or after the action is completed the person entitled to notice or to participate in the action to be taken or, in case of a shareholder, by his attorney-in-fact, submits a signed waiver of such requirements.

ARTICLE IX OFFICERS

Section 1. The officers of the corporation shall be appointed by the board of directors and shall be a chairman of the board, a president, one or more vice-presidents, secretary, treasurer and such other officers as may be determined by the board.

Section 2. The board of directors at its first meeting after each annual meeting of shareholders shall choose a president, one or more vice-presidents, secretary, and treasurer, none of whom need be a member of the board.

Section 3. The board of directors may appoint such other officers, assistant officers, employees and agents as it deems necessary and prescribe their powers and duties.

Section 4. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 5. An officer elected or appointed shall hold office for the term for which he is elected or appointed and until his successor is elected or appointed

and qualified, or until his resignation or removal. An officer elected or appointed by the board may be removed by the board with or without cause.

THE PRESIDENT

Section 6. The president shall be the chief executive officer of the corporation, shall preside at all meetings of the shareholders and the board of directors, shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect.

Section 7. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

THE VICE-PRESIDENTS

Section 8. The vice-president, or if there shall be more than one, the vice-presidents in the order determined by the board of directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARIES

Section 9. The secretary shall attend all meetings of the board of directors and all meetings of the shareholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

Section 10. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

Section 11. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 12. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 13. If required by the board of directors, he shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 14. The assistant treasurer, or, if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE X CERTIFICATES FOR SHARES

Section 1. The shares of the corporation shall be represented by certificates signed by the chairman of the board, vice-chairman of the board, president or a vice-president and by the treasurer, assistant treasurer, secretary or assistant secretary of the corporation, and may be sealed with the seal of the corporation or a facsimile thereof. A certificate representing shares shall state upon its face that the corporation is formed under the laws of this state, the name of the person to whom issued, the number and class of shares, and the designation of the series, if any, which the certificate represents, the par value of each share represented by the certificate, or a statement that the shares are without par value and shall set forth on its face or back or state that the corporation will furnish to a shareholder upon request and without charge a full statement of the designation, relative rights, preferences and limitations of the shares of each class authorized to be issued, and if the corporation is authorized to issue any class of shares in series, the designation, relative rights, preferences and limitations of each series so far as the same have been prescribed and the authority of the board to designate and prescribe the relative rights, preferences and limitations of other series.

Section 2. The signatures of the officers may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other

than the corporation itself or its employee. In case any officer who has signed or whose facsimile signature has been placed upon a certificate ceases to be such officer before the certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of its issue.

LOST CERTIFICATES

Section 3. The board of directors may direct a new certificate to be issued in place of any certificate theretofore issued by the corporation alleged to have been lost or destroyed, and the board may require the owner of the lost or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against it on account of the alleged lost or destroyed certificate or the issuance of such a new certificate.

TRANSFERS OF SHARES

Section 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate representing shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, a new certificate shall be issued to the person entitled thereto, and the old certificate cancelled and the transaction recorded upon the books of the corporation.

FIXING OF RECORD DATE

Section 5. For the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders or an adjournment thereof, or to express consent or to dissent from a proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of a dividend or allotment of a right, or for the purpose of any other action, the board of directors may fix, in advance, a date as the record date for any such determination of shareholders. The date shall not be more than sixty nor less than ten days before the date of the meeting, not more than sixty days before any other action. If a record date is not fixed, the record date for determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall be the close of business on the day next preceding the day on which notice is given, or, if no notice is given, the day next preceding the day on which the meeting is held, and the record date for determining shareholders for any purpose shall be the close of business on the day on which the resolution of the board relating thereto is adopted. When a determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders has been made, the determination applies to any adjournment of the meeting, unless the board fixes a new record date for the adjourned meeting.

REGISTERED SHAREHOLDERS

Section 6. For the purpose of determining shareholders entitled to vote or receive payment of a dividend or allotment of a right, the corporation shall be authorized to accept the list of shareholders made and certified by the officer or agent having charge of the stock transfer books as prima facie evidence as to who are such shareholders on the designated record date.

LIST OF SHAREHOLDERS

Section 7. The officer or agent having charge of the stock transfer books for shares of a corporation shall make and certify a complete list of the shareholders entitled to vote at a shareholders' meeting or any adjournment thereof. The list shall be arranged alphabetically within each class and series, with

the address of, and the number of shares held by each shareholder, produced at the time and place of the meeting, subject to inspection by any share-holder during the whole time of the meeting and be prima facie evidence as to who are the shareholders entitled to examine the list or to vote at the meeting. A person who is a shareholder of record of a corporation, upon at least ten days' written demand may examine for any proper purpose in person or by agent or attorney, during usual business hours, its minutes of shareholders' meetings and record of shareholders and make extracts therefrom, at the places where they are kept.

ARTICLE XI DIVIDENDS

Section 1. The board of directors may declare and pay dividends or make other distributions in cash, bonds or property of the corporation, including the shares or bonds of other corporations, on its outstanding shares, except when currently the corporation is insolvent or would thereby be made insolvent, or when the declaration, payment or distribution would be contrary to any statutory restriction or restriction contained in the articles of incorporation.

Section 2. Before payment of any dividend, the board of directors may create reserves from its earned surplus or capital surplus for any proper purpose and may increase, decrease or abolish such reserve.

CHECKS

Section 3. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

FISCAL YEAR

Section 4. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SEAL

Section 5. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Michigan". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

ARTICLE XII AMENDMENTS

These by-laws may be amended or repealed or new by-laws may be adopted by the shareholders or board of directors except as may be provided in the articles of incorporation. The shareholders may prescribe in these by-laws that any by-law made by them shall not be altered or repealed by the board of directors. Amendment of the by-laws by the board requires a vote of not less than a majority of the members of the board then in office.

ARTICLE XIII DIRECTORS' ANNUAL STATEMENT

Section 1. At least once in each year the board of directors shall cause a financial report of the corporation for the preceding fiscal year to be made and distributed to each shareholder thereof within four months after the end of the fiscal year. The report shall include the corporation's statement of income, its year-end balance sheet and, if prepared by the corporation, its statement of source and application of funds and such other information as may be required by statute.

FINANCIAL STATEMENT TO SHAREHOLDERS

Section 2. Upon written request of a shareholder, the corporation shall mail to the shareholder its balance sheet as at the end of the preceding fiscal year; its statement of income for such fiscal year; and, if prepared by the corporation, its statement of source and application of funds for such fiscal year.

LIMITED LIABILITY COMPANY AGREEMENT

THE UNDERSIGNED are executing this Limited Liability Company Agreement (the “Agreement”) for the purpose of forming a limited liability company (the “Company”) pursuant to the provisions of the [State] Limited Liability Company Act (the “Act”) and do hereby agree as follows:

1. NAME. The name of the Company shall be [Company] or such other name as the members may from time to time hereafter designate.

2. DEFINITIONS. Capitalized terms not otherwise defined here shall have the meanings set forth therefore in Section [] of the Act.

3. PURPOSE. The Company is formed for the purpose of engaging in any lawful business permitted by the Act or the laws of any jurisdiction in which the Company may do business. The Company shall have the power to engage in all activities and transactions which the members deem necessary or advisable in connection with the foregoing.

4. OFFICES.

(a) The principal place of business and office of the Company shall be located at [Address1], [Address2], [City], [State] [PostalCode] and the Company’s business shall be conducted from, such place or places as the members may designate from time to time.

(b) The registered office of the Company in the State of [] shall be located at []. The name and address of the registered agent of the Company for service of process on the Company in the State of [] shall be []. The members may from time to time change the registered agent or office by an amendment to the certificate of formation of the Company.

5. MEMBERS AND MANAGEMENT. Unless otherwise determined by the then current members, the single member of the Company shall be [Parent]. The initial membership interests of [Parent] shall constitute [Percent]% of the membership interests in the Company. Except as otherwise provided herein, the business and affairs of the Company shall be managed by [Parent]. The member shall have the power to do any and all act necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members under the laws of the State of []. The member is hereby designated as an authorized person, within the meaning of the Act, to execute, deliver and file the certificate of formation of the Company (and any amendments and/or restatements thereof) and any other certificates (and any amendments and/or; restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business. The execution by the member of any of the foregoing certificates (and any amendments and/or restatements thereof) shall be sufficient.

6. TERM. The term of the Company shall commence on the date of filing of the certificate of formation of the Company in accordance with the Act and shall continue until the

Company is dissolved and its affairs are wound up in accordance with Section 12 of this Agreement and a certificate of cancellation is filed in accordance with the Act.

7. CAPITAL CONTRIBUTION. Members shall make capital contributions to the Company in such amounts and at such times as they shall mutually agree PRO RATA in accordance with profit sharing interests as set forth in Schedule A hereof (“Profit Sharing Interests”), which amounts shall be set forth in the books and records of the Company.

8. ASSIGNMENTS OF MEMBER INTEREST. Except as otherwise provided herein, no member shall sell, assign, pledge or otherwise transfer or encumber (collectively, a “Transfer”) any of its interest in the Company without the written consent of the other members, which consent may be granted or withheld in each of their sole and absolute discretion.

9. RESIGNATION. No member shall have the right to resign from the Company except with the consent of all of the members upon such terms and conditions as may be specifically agreed upon between the resigning member and the remaining members. The provisions hereof with respect to distributions upon resignation are exclusive and no member shall be entitled to claim any further or different distribution upon resignation under Section 39 of the Act or otherwise.

10. ALLOCATIONS AND DISTRIBUTIONS. Distributions of cash or other assets of the Company shall be made at such times and in such amounts as the members may determine. Distributions shall be made to (and profits and losses of the Company shall be allocated among) member PRO RATA in accordance with each of their Profit Sharing Interests, or in such other manner and in such amounts as all of the members shall agree from time to time and which shall be reflected in the books and records of the Company.

11. RETURN OF CAPITAL. No member has the right to receive any distributions which include a return of all or any part of such member’s capital contribution, provided that upon the dissolution and winding up of the Company, the assets of the Company shall be distributed as provided in Section 51 of the Act.

12. DISSOLUTION. The Company shall be dissolved and its affairs wound up upon the first to occur of the following:

(a) December 31, 2029; or

(b) The occurrence of an event causing a dissolution of the Company under the Act, except the Company shall not be dissolved upon the occurrence of an event that terminates the continued membership of a member if (1) at the time of the occurrence of such event there are at least two members of the Company, or (ii) within ninety (90) days after the occurrence of such event, all, remaining members agree in writing to continue the business of the Company and to the appointment, effective as of the date of such event, of one or more additional members.

13. AMENDMENTS. This agreement may be amended only upon the written consent to all of the members.

14. MISCELLANEOUS. The members shall not have any liability for the debts, obligations or liabilities of the Company except to the extent provided by the Act. This Agreement shall be governed by, and construed under, the laws of the State of [], without regard to conflict of law rules.

15. INDEMNIFICATION. To the fullest extent permitted by the laws of the State of []:

(a) The Company shall indemnify any current or former Member, any officer or Director of such Member, any officer or Director of the Company, and his heirs, executors and administrators, and may, at the discretion of the Managing Member, indemnify any current or former employee or agent of the Company and his heirs, executors and administrators, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or by his heirs, executors or administrators in connection with any threatened, pending or completed action, suit or proceeding (brought by or in the right of the Corporation or otherwise), whether civil, criminal, administrative or investigative, and whether formal or informal, including appeals, to which he was or is a party or is threatened to be made a party by reason of his current or former position with the Company or by reason of the fact that he is or was serving, at the request of the Company, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(b) The Company may pay expenses incurred in defending any action, suit or proceeding described in subsection (a) of this Article in advance of the final disposition of such action, suit or proceeding, including appeals.

(c) By action of its Board of Directors, notwithstanding any interest of the directors in the action, the Company may purchase and maintain insurance on behalf of any person described in subsection (a) of this Article, in such amounts as the Board of Directors deems appropriate, against any liability asserted against him, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Article or otherwise.

(d) The provisions of this Article shall be applicable to all actions, claims, suits or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after its adoption. The provisions of this Article shall be deemed to be a contract between the Company and each director, officer, employee or agent who serves in such capacity at any time while this Article and the relevant provisions of the laws of the State of [] and other applicable law, if any, are in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to an state of facts or any action, suit or proceeding then or theretofore existing, or any action, suit or proceeding thereafter brought or threatened based in whole or in part on any such state of facts. If any provisions of this Article shall be found to be invalid or limited in application by reason of any law or regulation, it shall not affect any other application of such provisions or the validity of the remaining provisions hereof. The rights of indemnification and advancement of expenses provided in this Article shall neither be exclusive of, nor be deemed in limitation of, any rights to which any such officer, director, employee or agent may otherwise be entitled or permitted by contract, the Certificate of Formation, vote of stockholders, members or directors or directors or otherwise, or as a matter of law, both as to actions in his official capacity and actions in any

other capacity while holding such office, it being the policy of the Company that indemnification of the specified individuals shall be made to the fullest extent permitted by law.

(e) For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves service by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries.

16. OFFICERS. (a) The Company, and the member on behalf of the Company, acting singly or jointly, may employ and retain persons as may be necessary or appropriate for the conduct of the Company's business (subject to the supervision and control of the members), including employees and agents who may be designated as officers with titles, including, but not limited to, "chairman," "chief executive officer," "president," "vice president," "treasurer," "secretary," "managing director," "chief financial officer," "assistant treasurer" and "assistant secretary" as and to the extent authorized by the member.

(b) Each of the individuals listed under the heading "Officers of the Company" in Appendix A shall be the initial officers of the Company with the title listed opposite its name. Each such officer shall be authorized to do and perform, or cause to be done and performed, all such acts, deeds and things directed by the member or which such officer deems appropriate to effectuate the purposes of this Agreement and to make, negotiate, approve, execute and deliver, or cause to be made, negotiated, approved, executed and delivered, all such agreements, undertakings, documents, instruments or certificates in the name and on behalf of the Company or otherwise as each such officer may deem necessary or appropriate to effectuate or carry out fully the purpose and intent of this Agreement.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of [Date].

By: Its member:
[Parent]

By: _____
Name: []
Title: []

The principal office address of the Partnership is located at [], or such other place as the General Partner designates from time to time. The registered office address and the name of the registered agent of the Partnership for service of process on the Partnership in the State of Texas is as stated in the Certificate or as designated from time to time by the General Partner.

2.4. Term of Partnership

The term of the Partnership commenced on the date hereof and shall continue until dissolved pursuant to Section 6.1 hereof. The legal existence of the Partnership as a separate legal entity continues until the cancellation of the Certificate.

2.5. Purpose of Partnership

The Partnership may engage in any and all lawful business for which limited partnerships may be organized under the Act.

2.6. Actions by Partnership

The Partnership may execute, deliver and perform all contracts, agreements and other undertakings and engage in all activities and transactions as may, in the opinion of the General Partner, be necessary or advisable to carry out its objects.

2.7. Reliance by Third Parties

Persons dealing with the Partnership are entitled to rely conclusively upon the power and authority of the General Partner as herein set forth.

**ARTICLE III
CAPITAL; TAX ALLOCATIONS; TAX MATTERS**

3.1. Initial Partnership Percentages

As of the date hereof, the Partners' Partnership Percentages shall be as set forth opposite such Partners' names on Schedule I hereto.

3.2. Capital Contributions

(a) No Partner shall be required to make any Capital Contribution.

(b) The Partnership may offer additional Partnership Interests to any Person with the approval of the General Partner. The names, addresses and Capital Contributions of the Partners shall be reflected in the books and records of the Partnership.

3.3. Loans

(a) No Partner shall be obligated to loan funds to the Partnership. Loans by a Partner to the Partnership shall not be considered Capital Contributions. The amount of any such loan shall be a debt of the Partnership owed to such Partner in accordance with the terms and conditions upon which such loan is made.

(b) A Partner may (but shall not be obligated to) guarantee a loan made to the Partnership. If a Partner guarantees a loan made to the Partnership and is required to make payment pursuant to such guarantee to the maker of the loan, then the amounts so paid to the maker of the loan shall be treated as a loan by such Partner to the Partnership and not as an additional Capital Contribution.

3.4. Allocations of Profits and Losses

The Partnership's profits and losses shall be allocated to the Partners in proportion to their relative Partnership Percentages.

3.5. Tax Year and Accounting Matters

The taxable year of the Partnership shall be the calendar year. The Partnership shall adopt such methods of accounting and file its tax returns on the methods of accounting as determined by the General Partner.

3.6. Tax Elections

The General Partner, in the exercise of its reasonable discretion, may cause the Partnership to make or revoke all tax elections provided for under the Code.

3.7. Distributions to Partners

(a) Distributions shall be made to the Partners at the times and in the aggregate amounts determined by the General Partner. Such distributions shall be allocated among the Partners in proportion to their relative Partnership Percentages.

(b) Notwithstanding any provision of this Agreement to the contrary, no distribution hereunder shall be permitted if such distribution would violate Section 6.07 of the Act or any other applicable law.

**ARTICLE IV
MANAGEMENT**

4.1. Duties and Powers of the General Partner

(a) The business and affairs of the Partnership shall be managed by the General Partner. Except for situations in which the approval of the Limited Partner is expressly required by this Agreement or by nonwaivable provisions of applicable law, the General Partner shall have full and complete authority, power and discretion to manage and control the business, affairs and property of the Partnership, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Partnership's business. Without limiting the generality of the foregoing, the General Partner has full power and authority to, among other things, (i) execute, deliver and perform such contracts, agreements and other undertakings on behalf of the Partnership, without the consent or approval of any other Partner, (ii) contract on behalf of the Partnership, without the consent or approval of any other Partner, for the employment and services of employees and/or independent contractors, and delegate (subject to the supervision and control of the General Partner) to such persons the duty to manage or supervise any of the assets or operations of the Partnership, and (iii) to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business and affairs of the Partnership.

4

(b) The General Partner is the tax matters partner for purposes of Section 6231 of the Code and analogous provisions of state law. The tax matters partner has the exclusive authority and discretion to make any elections required or permitted to be made by the Partnership under any provisions of the Code or any other applicable laws.

4.2. Indemnification of General Partner

The Partnership shall indemnify the General Partner, and the members, managers, directors, officers, agents and employees of the General Partner, against any losses, liabilities, damages and expenses to which any of such Persons may become subject, including attorneys' fees, judgments and amounts paid in settlement, actually and reasonably incurred by them, and advance all expenses to them, in connection with any threatened, pending or completed action, suit or proceeding to which any of them was or is a party or is threatened to be made a party by reason of the direct or indirect association by them with the Partnership to the maximum extent permitted by applicable law.

4.3. Rights of Limited Partner

Except as provided by law, the Limited Partner will not be personally liable for any obligations of the Partnership nor will it have any obligation to make contributions to the Partnership or have any liability for the repayment or discharge of the debts and obligations of the Partnership except to the extent provided herein or as required by law. The Limited Partner shall take no part in the management, control or operation of the Partnership's business and shall have no power to bind the Partnership and no right or authority to act for the Partnership or to vote on matters other than the matters set forth in this Agreement or as required by applicable law.

**ARTICLE V
TRANSFERS OF PARTNERSHIP INTERESTS**

5.1. Transfer of Limited Partnership Interests

The Limited Partner may not Transfer all or any part of its Partnership Interest to any Person unless the Limited Partner obtains the prior written consent of the General Partner, which may be withheld by the General Partner in its sole discretion. Except upon a Transfer of all of a Limited Partner's Partnership Interest in accordance with this Section 5.1, no Limited Partner shall have the right to withdraw as a Partner of the Partnership.

5.2. New/Substitute Limited Partners

One or more additional limited partners of the Partnership may be admitted to the Partnership with the prior written consent of the General Partner. As a condition to the admission of any new or substitute limited partner, such limited partner shall agree to be bound by the terms, provisions and conditions of this Agreement by signing a counterpart of this Agreement and shall pay the reasonable costs and expenses of the Partnership in connection with such admission.

5

5.3. Transfer of General Partnership Interest

The General Partner may Transfer all or any part of its Partnership Interest and may withdraw from the Partnership without the consent of the Limited Partner.

**ARTICLE VI
DISSOLUTION AND LIQUIDATION**

6.1. Dissolution of Partnership

- (a) The Partnership shall be dissolved and its affairs wound up upon the first to occur of the following events:
- (i) the written election of the General Partner, in its sole discretion, to dissolve the Partnership;
 - (ii) the entry of a decree of judicial dissolution under Section 8.02 of the Act.

(b) The death, dissolution, retirement, resignation, expulsion, liquidation or bankruptcy of a Partner, the admission to the Partnership of a new general partner or limited partner, the withdrawal of a Partner from the Partnership, or the Transfer by a Partner of its Partnership Interest to a third party shall not, in and of itself, cause the Partnership to dissolve.

6.2. Effect of Dissolution

Upon dissolution, the Partnership shall cease carrying on and begin winding up the Partnership business, but the Partnership is not terminated, and shall continue, until the winding up of the affairs of the Partnership is completed and a certificate of cancellation shall have been filed with the Texas Secretary of State.

6.3. Distribution of Assets upon Dissolution

Upon the winding up of the Partnership, the Property of the Partnership shall be distributed in accordance with Section 8.05 of the Act and in the following order of priority:

- (a) to the costs and expenses of such dissolution; then
- (b) to the payment of the other debts and liabilities of the Partnership, except debts and liabilities owing to a Partner; then
- (c) to the establishment of any reserves which the General Partner may deem necessary for any contingent or unforeseen liabilities or other obligation of the Partnership; then
- (d) to the repayment of any loans by a Partner to the Partnership and to the repayment of any sums paid by a Partner pursuant to a guaranty of any of the Partnership's obligations or any indemnity given by such Partner; then
- (e) the balance shall be distributed to the Partners in proportion to their relative positive capital account balances.

6

6.4. Termination of the Partnership

The Partnership shall terminate when all Properties of the Partnership, after payment or due provision for all debts, liabilities and obligations of the Partnership, shall have been distributed to the Partners in the manner provided for in this Article VI, and the Certificate shall have been canceled in the manner required by the Act.

ARTICLE VII GENERAL PROVISIONS

7.1. Entire Agreement; Amendment

This Agreement represents the entire agreement with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof. This Agreement may only be amended by a written instrument approved by the General Partner.

7.2. No Third Party Rights

Except as provided in Section 4.2, none of the provisions contained in this Agreement shall be for the benefit of or enforceable by any third parties, including creditors of the Partnership.

7.3. Severability

In the event any provision of this Agreement is held to be illegal, invalid or unenforceable to any extent, the legality, validity and enforceability of the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect and shall be enforced to the greatest extent permitted by law.

7.4. Nature of Interest in the Partnership

A Partner's Partnership Interest shall be personal property for all purposes.

7.5. Binding Agreement

Subject to the restrictions on the disposition of Partnership Interests contained herein, the provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

7.6. Headings

The headings of the sections of this Agreement are for convenience only and shall not be considered in construing or interpreting any of the terms or provisions hereof.

7.7. Counterparts

This Agreement may be executed in several counterparts, all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the same counterpart.

7

7.8. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of [_____] without regard to principles of conflict of laws.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first set forth above.

GENERAL PARTNER:

By: _____
Name:
Title:

LIMITED PARTNER:

By: _____
Name:
Title:

SCHEDULE I

Partners and Partnership Percentages

General Partner:	
Name and Address	Partnership <u>Percentage</u>
Limited Partner:	
Name and Address	Partnership <u>Percentage</u>

CHARTER

of

[], Inc. OF TENNESSEE, INC.

The undersigned person under the Tennessee Business Corporation Act adopts the following charter for the above listed corporation:

FIRST: The name of the corporation (which is hereinafter referred to as the "Corporation") is:

[], , Inc. OF TENNESSEE, INC.

SECOND: The total number of shares of stock which the Corporation has authority to issue is one thousand (1,000) shares of the par value of ten cents (\$.10) per share, all of one class designated as common stock and having an aggregate par value of one hundred dollars (\$100.00).

THIRD: (a) The complete address of the Corporation's initial registered office in Tennessee is:

(b) The name of the initial registered agent, to be located at the address listed above is CT Corporation System.

FOURTH: The name and complete address of the incorporator is

FIFTH: The complete address of the Corporation's principal office is

SIXTH: The Corporation is for profit.

SEVENTH: The purpose for which the Corporation is formed is to engage in any lawful act or activity for which corporations may be organized under the Tennessee Business Corporation Act.

EIGHTH: The number of directors of the Corporation shall be three (3) unless the number is increased or decreased in accordance with the by-laws of the Corporation. However, the number of directors shall never be less than the minimum number required by the Tennessee Business Corporation Act. The persons who will act as directors of the Corporation until the first meeting or until their successors are duly chosen and qualified are:

NINTH: To the maximum extent that Tennessee law in effect from time to time permits limitation of the liability of directors and officers, no director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages. Neither the amendment nor repeal of this Article, nor the adoption or amendment of any other provision of the charter or bylaws inconsistent with this Article, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

BY-LAWS
OF
[], Inc.

Article I. Shareholders

Section 1. Meetings of the shareholders shall be held at the registered office of the Corporation unless another place shall have been determined by the directors and stated in the notice of meeting. Annual meetings shall be held at 10:00 a.m. on the first Monday of May unless a holiday and then on the next business day or at such other time and date as the Board of Directors may designate.

Article II. Directors

Section 1. The number of directors shall be three.

Section 2. A regular meeting of the Board of Directors shall be held without notice immediately following the annual meeting of shareholders and at the same place. The Board of Directors may provide for the holding without notice of additional regular meetings.

Section 3. Special meetings of the Board of Directors may be called by the President or any two directors on 24-hour notice given personally or by telephone or telegraph or on four (4) days' notice by mail. Special meetings shall be held at the place fixed by the Board of Directors for the holding of meetings, or if no such place has been fixed, at the principal business office of the Corporation.

Article III. Officers

Section 1. The officers of the Corporation shall be a Chairman of the Board, a President, one or more Vice Presidents, a Secretary, and a Treasurer who shall be elected annually at a regular meeting of the Board of Directors held after the annual meeting of shareholders and shall hold office so long as they are satisfactory to the Board of Directors. In the event that the President is absent or unable to act, a Vice President shall be elected by the Board of Directors to perform the duties of the President. The Corporation may also have such other officers as are elected by the Board of Directors.

Section 2. The President shall be the principal executive officer of the Corporation to put into effect the decisions of the Board of Directors. Subject to such decisions, he shall supervise and control the business and affairs of the Corporation.

Section 3. Subject to any specific assignments of duties made by the Board of Directors, the Vice President, the Secretary and Treasurer shall act under the direction of the

President. The Secretary shall prepare and keep minutes of the meetings of the shareholders and the directors and shall have general charge of the stock records of the Corporation. The Treasurer shall have custody of the funds of the Corporation and keep its financial records.

Article IV. Miscellaneous

Section 1. The Board of Directors may authorize any officer or agent to enter into any contract or to execute any instrument for the Corporation. Such authority may be general or be confined to specific instances.

Section 2. Certificates representing shares of the Corporation shall be in such form as the Board of Directors shall determine. Transfers of shares shall be made only on the stock transfer books of the Corporation.

Article V. Action Without Meeting

Section 1. Any action required or permitted to be taken by the Board of Directors or the shareholders at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all directors, shareholders or members, as the case may be.

Article VI. Amendments

Section 1. These By-Laws may be altered, amended or repealed and new by-laws may be adopted by the Board of Directors or by the shareholders.

HOVNANIAN ENTERPRISES, INC.
Statement setting forth computation showing the ratio of earnings
to fixed charges, including wholly owned
mortgage banking and finance subsidiaries
(Dollars in Thousands)

	Six Months Ended April 2003 Actual	Year Ended October 2002 Actual	Year Ended October 2001 Actual	Year Ended October 2000 Actual	Year Ended October 1999 Actual	Year Ended October 1998 Actual
Net Income	97,329	137,696	63,686	33,163	30,075	25,403
Add:						
Federal and State Income Taxes	58,235	88,034	42,668	18,655	19,206	14,738
Interest Expensed Res & Comm	27,104	60,371	51,446	34,956	31,570	39,352
Interest Expensed Mortgage & Finance Subsidiaries	841	2,337	3,180	2,491	3,240	3,099
Amortization of Bond Prepaid Expenses	637	2,119	976	670	1,885	1,776
Amortization of Bond Discount	250	441	367	30	—	—
Total Earnings	<u>184,396</u>	<u>290,998</u>	<u>162,323</u>	<u>89,965</u>	<u>85,976</u>	<u>84,368</u>
Fixed Charges:						
Interest Incurred Res & Comm	30,425	57,406	47,272	38,878	24,594	28,947
Interest Incurred Mortgage & Finance Subsidiaries	841	2,337	3,180	2,491	3,240	3,099
Amortization of Bond Prepaid Expenses	637	2,119	976	670	1,885	1,776
Amortization of Bond Discount	250	441	367	30	—	—
Total Fixed Charges	<u>32,153</u>	<u>62,303</u>	<u>51,795</u>	<u>42,069</u>	<u>29,719</u>	<u>33,822</u>
Ratio	5.7	4.7	3.1	2.1	2.9	2.5

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in Amendment No. 1 to the Registration Statement (Form S-3, No. 333-106761) and related Prospectus of Hovnanian Enterprises, Inc. (the "Company"), K. Hovnanian Enterprises, Inc. and certain subsidiaries of the Company for the registration of \$377,000,000 of Preferred Stock, Class A Common Stock, Warrants to Purchase Preferred Stock, Warrants to Purchase Class A Common Stock, Debt Securities, Warrants to Purchase Debt Securities, Stock Purchase Contracts, Stock Purchase Units, Guaranteed Debt Securities and Guaranteed Warrants to Purchase Debt Securities and 7,643,312 shares of Class A Common Stock and to the incorporation by reference therein of our report dated December 6, 2002 (except Note 20, as to which the date is December 31, 2002), with respect to the consolidated financial statements of the Company included in its Annual Report (Form 10-K) for the year ended October 31, 2002, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

New York, New York
August 28, 2003

QuickLinks

[CONSENT OF INDEPENDENT AUDITORS](#)