

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **September 19, 2012**

HOVNANIAN ENTERPRISES, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other
Jurisdiction
of Incorporation)

1-8551
(Commission File Number)

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

110 West Front Street
P.O. Box 500
Red Bank, New Jersey 07701
(Address of Principal Executive Offices) (Zip Code)

(732) 747-7800
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if Changed Since
Last Report)

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

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

Item 1.01. Entry Into a Material Definitive Agreement.

On September 19, 2012, Hovnanian Enterprises, Inc. (the "Company"), K. Hovnanian Enterprises, Inc., the Company's wholly-owned subsidiary ("K. Hovnanian"), and the subsidiary guarantors named therein entered into an Underwriting Agreement (the "Underwriting Agreement"), with J.P. Morgan Securities LLC, Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC (collectively, the "Underwriters"), relating to a public offering of 90,000 6.00% Exchangeable Note Units (the "Underwritten Units"), each with a stated amount of \$1,000. Pursuant to the terms of the Underwriting Agreement, K. Hovnanian granted the Underwriters a 13-day option to purchase up to an additional 10,000 Exchangeable Note Units (the "Optional Units" and, together with the Underwritten Units, the "Units") to cover over-allotments, if any (which option was exercised in full by the Underwriters on September 24, 2012). The sale of the Units is being made pursuant to the Company's, K. Hovnanian's and the subsidiary guarantors' Registration Statement on Form S-3 (File No. 333-173365) (the "Registration Statement") and the prospectus supplement, dated September 19, 2012, to the prospectus contained therein dated April 18, 2011.

The Underwriting Agreement relating to the offering of the Units is filed herewith as Exhibit 1.6 and is incorporated herein by reference.

Also on September 19, 2012, the Company, K. Hovnanian and the subsidiary guarantors named therein entered into a Purchase Agreement (the "Purchase Agreement"), with Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities LLC (collectively, the "Initial Purchasers"), relating to a private placement pursuant to Rule 144A and Regulation S under the Securities Act of 1933 of \$577,000,000 aggregate principal amount of 7.25% Senior Secured First Lien Notes due 2020 (the "First Lien Notes") and \$220,000,000 aggregate principal amount of 9.125% Senior Secured Second Lien Notes due 2020 (the "Second Lien Notes") guaranteed by the Company and certain of its subsidiaries (the "Notes Offering"). The First Lien Notes and the guarantees thereof will be secured by a first-priority lien on substantially all of K. Hovnanian's, the Company's and the other guarantors' assets and the Second Lien Notes and the guarantees thereof will be secured by a second-priority lien on substantially all of K. Hovnanian's, the Company's and the other guarantors' assets, in both cases subject to permitted liens and certain exceptions.

Item 8.01. Other Events.

In connection with the offering of the Units, as described in response to Item 1.01 of this Current Report on Form 8-K, the Underwriting Agreement is filed with this Current Report on Form 8-K as Exhibit 1.6 and is incorporated by reference herein and into the Registration Statement.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

Exhibit 1.1 Purchase Agreement, dated September 19, 2012, among the Company, K. Hovnanian, the subsidiary guarantors named therein and Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities LLC.

Exhibit 1.6 Underwriting Agreement, dated September 19, 2012, among the Company, K. Hovnanian, the subsidiary guarantors named therein and J.P. Morgan Securities LLC, Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC.

SIGNATURES

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

HOVNANIAN ENTERPRISES, INC.
(Registrant)

By: /s/ J. Larry Sorsby
Name: J. Larry Sorsby
Title: Executive Vice President and Chief Financial Officer

Date: September 25, 2012

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit</u>
Exhibit 1.1	Purchase Agreement, dated September 19, 2012, among the Company, K. Hovnanian, the subsidiary guarantors named therein and Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities LLC.
Exhibit 1.6	Underwriting Agreement, dated September 19, 2012, among the Company, K. Hovnanian, the subsidiary guarantors named therein and J.P. Morgan Securities LLC, Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC.

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

\$577,000,000 7.250% Senior Secured Notes due 2020
\$220,000,000 9.125% Senior Secured Notes due 2020

PURCHASE AGREEMENT

September 19, 2012

CREDIT SUISSE SECURITIES (USA) LLC
CITIGROUP GLOBAL MARKETS INC.
J.P. MORGAN SECURITIES LLC
As Representatives of the Several Purchasers (the “**Representatives**”),

CREDIT SUISSE SECURITIES (USA) LLC
Eleven Madison Avenue
New York, New York 10010-3629

CITIGROUP GLOBAL MARKETS INC.
388 Greenwich Street
New York, New York 10013

J.P. MORGAN SECURITIES LLC
383 Madison Avenue
New York, New York 10179

Dear Sirs:

1. *Introductory.* K. Hovnianian Enterprises, Inc., a California corporation (the “**Company**”), agrees with the several initial purchasers named in Schedule A hereto (the “**Purchasers**”) subject to the terms and conditions stated herein, to issue and sell to the several Purchasers U.S.\$ 577,000,000 principal amount of its 7.250% Senior Secured First Lien Notes due 2020 (the “**First Lien Notes**”) to be issued under an indenture, to be dated as of the Closing Date (the “**First Lien Indenture**”), among the Company, the Guarantors (as defined below) and Wilmington Trust, National Association, a Delaware banking corporation, as trustee (the “**First Lien Trustee**”) and U.S. \$220,000,000 principal amount of its 9.125% Senior Secured Second Lien Notes due 2020 (the “**Second Lien Notes**”) and together with the First Lien Notes, the “**Offered Securities**”) to be issued under an indenture, to be dated as of the Closing Date (the “**Second Lien Indenture**”) and together with the First Lien Indenture, the “**Indentures**”), among the Company, the Guarantors and Wilmington Trust, National Association, as trustee (the “**Second Lien Trustee**”) and together with the First Lien Trustee, the “**Trustees**”. The Offered Securities will be unconditionally guaranteed on a secured basis as to the payment of principal and interest by Hovnianian Enterprises, Inc., a Delaware corporation (“**Hovnianian**”) and the subsidiary guarantors listed on Schedule B hereto (together with Hovnianian, the “**Guarantors**”) and such guarantees, the “**Guarantees**”). The First Lien Notes and the Guarantees thereof will be secured by a first-priority lien on the Collateral (as defined in the General Disclosure Package referred to below). The Second Lien Notes and the Guarantees thereof will be secured by a second-priority lien on the Collateral. As used herein, the term “**Security Documents**” has the meaning assigned to it in the

General Disclosure Package. To the extent there are no additional Purchasers listed on Schedule A hereto other than you, the term Representatives as used herein shall mean you, as Purchasers, and the terms Representatives and Purchasers shall mean either the singular or plural as the context requires.

Each of the Company and each Guarantor hereby agrees with the several Purchasers as follows:

2. *Representations and Warranties of the Company and Hovnianian.* The Company and Hovnianian, jointly and severally, represent and warrant to, and agree with, the several Purchasers that:

(a) *Offering Circulars; Certain Defined Terms.* The Company has prepared or will prepare a Preliminary Offering Circular and a Final Offering Circular.

For purposes of this Agreement:

“**Applicable Time**” means 4:45 p.m. (Eastern time) on the date of this Agreement.

“**Closing Date**” has the meaning set forth in Section 3 hereof.

“**Commission**” means the Securities and Exchange Commission.

“**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended.

“**Final Offering Circular**” means the final offering circular relating to the Offered Securities to be offered by the Purchasers that discloses the offering price and other final terms of each series of the Offered Securities and is dated as of the date of this Agreement (even if finalized and issued

subsequent to the date of this Agreement).

“**Free Writing Communication**” means a written communication (as such term is defined in Rule 405 as promulgated under the Securities Act) that constitutes an offer to sell or a solicitation of an offer to buy the Offered Securities and is made by means other than the Preliminary Offering Circular or the Final Offering Circular.

“**General Disclosure Package**” means the Preliminary Offering Circular together with any Issuer Free Writing Communication existing at the Applicable Time and the information in which is intended for general distribution to prospective investors, as evidenced by its being specified in Schedule C hereto.

“**Issuer Free Writing Communication**” means a Free Writing Communication prepared by or on behalf of the Company, used or referred to by the Company or containing a description of the final terms of the Offered Securities or of their offering, in the form retained in the Company’s records.

“**Preliminary Offering Circular**” means the preliminary offering circular, dated September 18, 2012, relating to the Offered Securities to be offered by the Purchasers.

“**Rules and Regulations**” means the rules and regulations of the Commission.

“**Securities Act**” means the United States Securities Act of 1933, as amended.

“**Securities Laws**” means, collectively, the Sarbanes-Oxley Act of 2002 (“**Sarbanes-Oxley**”), the Securities Act, the Exchange Act, the Rules and Regulations, the auditing principles, rules, standards and practices applicable to auditors of “issuers” (as defined in Sarbanes-Oxley) promulgated or approved by the Public Company Accounting Oversight Board and, as applicable, the rules of the New York Stock Exchange and the NASDAQ Stock Market (“**Exchange Rules**”).

“**Supplemental Marketing Material**” means any Issuer Free Writing Communication other than any Issuer Free Writing Communication specified in Schedule C hereto. Supplemental Marketing Materials include, but are not limited to, the electronic Bloomberg roadshow slides and the accompanying audio recording.

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Unless otherwise specified, a reference to a “rule” is to the indicated rule under the Securities Act.

(b) *Disclosure.* As of the date of this Agreement, the Final Offering Circular does not, and as of the Closing Date, the Final Offering Circular will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the Applicable Time, and as of the Closing Date, neither (i) the General Disclosure Package, nor (ii) any individual Supplemental Marketing Material, when considered together with the General Disclosure Package, included, or will include, any untrue statement of a material fact or omitted, or will omit, to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding two sentences do not apply to statements in or omissions from the Preliminary or Final Offering Circular, the General Disclosure Package or any Supplemental Marketing Material based upon written information furnished to the Company by any Purchaser through the Representatives specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 8(b) hereof. The documents incorporated by reference in the General Disclosure Package and the Final Offering Circular, at the time they were or hereafter are filed with the Commission and except as otherwise subsequently disclosed therein, complied and will comply in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder and, when read together and with the other information in the General Disclosure Package and the Final Offering Circular, did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were or are made, not misleading. No stop order preventing the use of the Offering Memorandum, or any amendment or supplement thereto, or any order asserting that any of the transactions contemplated by this Agreement are subject to the registration requirements of the Securities Act, has been issued.

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

(d) *Capital Stock.* All outstanding shares of capital stock of the Company and Hovnanian have been duly authorized and validly issued and are fully paid, nonassessable and not subject to any preemptive or similar rights, except, for the avoidance of doubt, with respect to the Rights Plan of Hovnanian, as described in the General Disclosure Package and Final Offering Circular; all of the outstanding shares of capital stock of each of Hovnanian’s direct and indirect subsidiaries have been duly authorized and validly issued and are fully paid and nonassessable and such shares that are owned by Hovnanian are owned by Hovnanian, directly or indirectly through one or more subsidiaries, free and clear of any security interest, claim, lien, encumbrance or adverse interest of any nature (each, a “**Lien**”) other than Liens securing obligations under (A) the Offered Securities and the Guarantees, (B) the Company’s 2.00% Senior Secured Notes due 2021 and 5.00% Senior Secured Notes due 2021 issued pursuant to the indenture, dated as of November 1, 2011, by and among the Company, Hovnanian, the other guarantors named therein and Wilmington Trust, National Association, as trustee, (C) the Company’s 10³/₈% Senior Secured Notes due 2016 issued pursuant to the indenture, dated as of October 20, 2009, by and among the Company, Hovnanian, the other guarantors named therein and Wilmington Trust Company, as trustee (the “**Existing First Lien Notes**”) and (D) “Permitted Liens” as defined in such aforementioned indentures.

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(e) *Indentures.* Each Indenture has been duly authorized by the Company and each Guarantor; when the applicable Indenture has been duly executed and delivered by the Company and each Guarantor, and, assuming that the applicable Indenture is a valid and binding obligation of the applicable Trustee, each Indenture will be, a valid and binding agreement of the Company and each Guarantor, enforceable against the Company and each Guarantor in accordance with its terms except as the enforceability thereof may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equity principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(f) *Offered Securities.* The Offered Securities have been duly authorized and, on the Closing Date, will have been validly executed and delivered by the Company. When the Offered Securities have been issued, executed and authenticated in accordance with the provisions of the applicable Indenture and delivered to and paid for by the Purchasers in accordance with the terms of this Agreement, the Offered Securities will be entitled to the benefits of such Indenture, and will be valid and binding obligations of the Company, enforceable in accordance with their terms except as the enforceability thereof may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing. On the Closing Date, the Offered Securities will conform as to legal matters to the descriptions thereof contained in the General Disclosure Package.

(g) *Security Documents.* Each of the Security Documents to be entered into on the Closing Date has been duly authorized by the Company (if it is a party thereto) and the applicable Guarantors that are parties thereto; and on the Closing Date, such Security Documents will have been duly executed and delivered by the Company (if it is a party thereto) and each Guarantor that is a party thereto, will constitute valid and binding obligations of such parties, enforceable in accordance with its terms except as the enforceability thereof may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equity principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing; the Security Documents, when duly executed and delivered, will create valid and perfected security interests or mortgage liens in the Collateral to which they relate, subject to no prior liens other than Permitted Liens (as defined in the Indentures); and each of the representations and warranties made by the Company and the Guarantors in each Security Document to which it is a party will be true and correct in all material respects as of the Closing Date upon such Security Document's execution. On the Closing Date, such Security Documents will conform in all material respects as to legal matters to the descriptions thereof in the General Disclosure Package.

(h) *Guarantees.* Each Guarantee to be endorsed on the Offered Securities by each Guarantor has been duly authorized by such Guarantor; when the Offered Securities have been issued, executed and authenticated in accordance with the applicable Indenture and delivered to and paid for by the Purchasers in accordance with the terms of this Agreement, the Guarantee of each Guarantor endorsed thereon will be entitled to the benefits of such Indenture and will be the valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms, except as the enforceability thereof may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equity principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing. On the closing date, the Guarantee to be endorsed on the Offered Securities by each Guarantor will conform as to legal matters to the description thereof contained in the General Disclosure Package.

(i) *No Registration Rights.* There are no contracts, agreements or understandings between the Company or Hovnanian and any person granting such person the right to require the Company or Hovnanian to file a registration statement under the Securities Act with respect to any securities of the Company or Hovnanian.

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(j) *Absence of Further Requirements.* The execution, delivery and performance of this Agreement, the Indentures and the Security Documents (collectively, the "**Transaction Documents**") by the Company and each of the Guarantors, as applicable, compliance by the Company and each of the Guarantors with all provisions hereof and thereof and the consummation of the transactions contemplated hereby and thereby will not require any consent, approval, authorization or other order of, or qualification with, any court or governmental body or agency except for (i) such consents as may be required under the securities or Blue Sky laws of the various states and (ii) the filing of UCC-1s, the recording of any mortgages or deeds of trust, and any other filing or recording necessary to perfect the interest in the Collateral pursuant to the Security Documents.

(k) *Title to Property.* Except as would not have a Material Adverse Effect, (i) each of the Company and the Guarantors has good and marketable title to or a valid leasehold interest in all properties, assets and other rights which it purports to own or lease or which are reflected as owned or leased on its books and records, free and clear of all liens and encumbrances, except Permitted Liens (as defined in the General Disclosure Package), and subject to the terms and conditions of the applicable leases and (ii) all leases of property are in full force and effect without the necessity for any consent which has not previously been obtained upon consummation of the transactions contemplated hereby.

(l) *Absence of Defaults and Conflicts Resulting from Transaction.* The execution, delivery and performance of the Transaction Documents by the Company and each of the Guarantors, as applicable, compliance by the Company and each of the Guarantors with all provisions hereof and thereof and the consummation of the transactions contemplated hereby and thereby will not (i) conflict with or constitute a breach of any of the terms or provisions of, or a default under, the charter or by-laws or other organizational documents of the Company or any Guarantor or any indenture, loan agreement, mortgage, lease or other agreement or instrument that is material to the Company or Hovnanian and its subsidiaries, taken as a whole, to which the Company or the Guarantors is a party or by which the Company or the Guarantors or their respective property is bound, (ii) violate or conflict with any applicable law or any rule, regulation, judgment, order or decree of any court or any governmental body or agency having jurisdiction over the Company, Hovnanian or any of its subsidiaries or their respective property, (iii) result in the imposition or creation of (or the obligation to create or impose) a Lien under, any agreement or instrument to which the Company, Hovnanian or any of its subsidiaries is a party or by which the Company, Hovnanian or any of its subsidiaries or their respective property is bound, other than as contemplated by the Transaction Documents or (iv) result in the termination, suspension or revocation of any Authorization (as defined below) of the Company, Hovnanian or any of its subsidiaries or result in any other impairment of the rights of the holder of any such Authorization.

(m) *Absence of Existing Defaults and Conflicts.* None of the Company, Hovnanian or any of their direct or indirect subsidiaries is in violation of its respective charter, by-laws and/or other applicable organizational documents, as the case may be, or in default in the performance of any obligation, agreement, covenant or condition contained in any indenture, loan agreement, mortgage, lease or other agreement or instrument that

is material to the Company, or Hovnanian and its subsidiaries, taken as a whole, to which the Company, Hovnanian or any of its subsidiaries is a party or by which the Company, Hovnanian or any of its subsidiaries or their respective property is bound.

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

(o) *Possession of Licenses and Permits.* Except as disclosed in the General Disclosure Package, each of the Company, Hovnanian and its subsidiaries has such permits, licenses, consents, exemptions, franchises, authorizations and other approvals (each, an “**Authorization**”) of, and has made all filings with and notices to, all governmental or regulatory authorities and self-regulatory organizations and all courts and other tribunals, including without limitation, under any applicable Environmental Laws, as are necessary to own, lease, license and operate its respective properties and to conduct its business, except where the failure to have any such Authorization or to make any such filing or notice would not, singly or in the aggregate, have a Material Adverse Effect. Each such Authorization is valid and in full force and

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effect and each of the Company, Hovnanian and its subsidiaries is in compliance with all the terms and conditions thereof and with the rules and regulations of the authorities and governing bodies having jurisdiction with respect thereto; and no event has occurred (including, without limitation, the receipt of any notice from any authority or governing body) which allows or, after notice or lapse of time or both, would allow, revocation, suspension or termination of any such Authorization or results or, after notice or lapse of time or both, would result in any other impairment of the rights of the holder of any such Authorization; except where such failure to be valid and in full force and effect or to be in compliance, the occurrence of any such event or the presence of any such restriction would not, singly or in the aggregate, have a Material Adverse Effect.

(p) *Environmental Laws, ERISA and FCPA.* Except as disclosed in the General Disclosure Package, neither the Company, Hovnanian nor any of its subsidiaries has (i) violated any foreign, federal, state or local law or regulation relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (“**Environmental Laws**”), and, to the knowledge of the Company and Hovnanian, there are no pending or threatened liabilities relating to Environmental Laws, (ii) violated any provisions of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) or (iii) violated any provisions of the Foreign Corrupt Practices Act or the rules and regulations promulgated thereunder, except in the cases of clauses (i) and (ii) for such violations or liabilities, as the case may be, which, singly or in the aggregate, would not have a Material Adverse Effect.

(q) *Insurance.* Hovnanian, the Company and each of their subsidiaries maintains insurance covering their properties, assets, operations, personnel and businesses, and, in the good faith estimate of management, such insurance is of such type and in such amounts as is in accordance with customary industry practice in the locations where Hovnanian, the Company and each subsidiary conduct operations, taking into account the costs and availability of such insurance.

(r) *Sarbanes-Oxley.* Hovnanian and its officers and directors, in their capacities as such, are in compliance with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder.

(s) *Internal Control Over Financial Reporting.* Hovnanian maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that complies with the requirements of the Exchange Act and has been designed by Hovnanian’s principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and Hovnanian’s internal control over financial reporting is effective in all material respects to perform the functions for which it was established and Hovnanian is not aware of any material weaknesses in its internal control over financial reporting.

(t) *Disclosure Controls.* Hovnanian maintains “disclosure controls and procedures” (as such term is defined in Rule 13a-15(e) under the Exchange Act); such disclosure controls and procedures are effective in all material respects to perform the functions for which they were established.

(u) *Litigation.* Except as disclosed in the General Disclosure Package, there are no legal or governmental proceedings pending or threatened to which the Company, Hovnanian or any of its subsidiaries is or could be a party or to which any of their respective property is or could be subject, which might result, singly or in the aggregate, in a Material Adverse Effect.

(v) *Financial Statements.* The historical financial statements, together with related notes, incorporated by reference in the General Disclosure Package, present fairly the consolidated financial position, results of operations and changes in financial position of Hovnanian and its subsidiaries, on the basis stated in the documents incorporated by reference in the General Disclosure Package at the respective dates or for the respective periods to which they apply; such financial statements and related notes have been prepared in accordance with generally accepted accounting principles consistently applied throughout

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the periods involved, except as disclosed therein; and the other financial and statistical information and data set forth or incorporated by reference in the General Disclosure Package are, in all material respects, accurately presented and prepared on a basis consistent with such financial statements and the books and records of Hovnanian; and such financial statements, together with the related notes, from the documents incorporated by reference in the General Disclosure Package, meet the requirements of the Rules and Regulations and the Exchange Act.

(w) *No Material Adverse Change in Business.* Since the respective dates as of which information is given in the General Disclosure Package, other than as set forth in the General Disclosure Package (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), (i) there has not occurred any material adverse change or any development involving a prospective material adverse change in the condition, financial or otherwise, or the earnings, business, management or operations of the Company, or Hovnanian and its subsidiaries, taken as a whole, (ii) there has not been any material adverse change or any development involving a prospective material adverse change in the capital stock

or in the long-term debt of Hovnanian or any of its subsidiaries and (iii) neither Hovnanian nor any of its subsidiaries has incurred any material liability or obligation, direct or contingent.

(x) *Investment Company Act.* Each of the Company and the Guarantors is not and, after giving effect to the offering and sale of the Offered Securities and the application of the net proceeds thereof as described in the General Disclosure Package, will not be, an “investment company,” as such term is defined in the Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

(y) *Regulations T, U, X.* Neither the Company nor any Guarantor nor any of their respective subsidiaries nor any agent thereof acting on their behalf has taken, and none of them will take, any action that might cause this Agreement or the issuance or sale of the Offered Securities to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System.

(z) *Ratings.* No “nationally recognized statistical rating organization” (as such term is defined in Section 3(a)(62) of the Exchange Act) (i) has indicated to the Company or Hovnanian that it is considering (A) the downgrading, suspension, or withdrawal of, or any review for a possible change that does not indicate the direction of the possible change in, any rating so assigned or (B) any change in the outlook (other than a positive change) for any rating of the Company, any Guarantor or any securities of the Company or Hovnanian and (ii) rates the debt of any subsidiary of Hovnanian (other than the Company).

(aa) *Class of Securities Not Listed.* When the Offered Securities and the Guarantees are issued and delivered pursuant to this Agreement, none of the Offered Securities or the Guarantees will be of the same class (within the meaning of Rule 144A) as any security of the Company or Hovnanian that is listed on a national securities exchange registered under Section 6 of the Exchange Act or that is quoted in a United States automated inter-dealer quotation system.

(bb) *No Registration.* No registration under the Securities Act of the Offered Securities or the Guarantees is required for the sale of the Offered Securities and the Guarantees to the Purchasers in the manner contemplated by this Agreement or the exempt resale thereof on the terms set forth herein and in the General Disclosure Package, assuming the accuracy of the Purchasers’ representations and warranties and agreements set forth in Section 4 hereof; and it is not necessary to qualify an indenture in respect of the Offered Securities under the Trust Indenture Act.

(cc) *No General Solicitation; No Directed Selling Efforts.* Neither the Company, nor any Guarantor, nor any of their respective affiliates, nor any person acting on its or their behalf (other than the Purchasers, as to whom the Company, Hovnanian and the other Guarantors make no representation or warranty) (i) has, within the six-month period prior to the date hereof, offered or sold in the United States or to any U.S. person (as such terms are defined in Regulation S under the Securities Act) the Offered Securities or any security of the same class or series as the Offered Securities or (ii) has offered or will offer or sell the Offered Securities (A) in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) or (B) with respect to any such securities sold in

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reliance on Rule 903 of Regulation S (“**Regulation S**”) under the Securities Act, by means of any directed selling efforts within the meaning of Rule 902(c) of Regulation S. The Company, the Guarantors, their respective affiliates and any person acting on its or their behalf (other than the Purchasers, as to whom the Company, Hovnanian and the Guarantors make no representation or warranty) have complied and will comply with the offering restrictions requirement of Regulation S applicable to the transactions contemplated hereby. Neither the Company nor any Guarantor has entered and neither the Company nor any Guarantor will enter into any contractual arrangement with respect to the distribution of the Offered Securities except for this Agreement.

(dd) *Reporting Status.* Hovnanian is subject to Section 13 or 15(d) of the Exchange Act.

(ee) *Accountants.* Deloitte & Touche LLP, which has certified the financial statements included or incorporated by reference in the General Disclosure Package and Final Offering Circular, is an independent registered public accounting firm with respect to the Company and the Guarantors, as required by the Securities Act and the Exchange Act and the rules and regulations of the Public Company Accounting Oversight Board.

3. *Purchase, Sale and Delivery of Offered Securities.* On the basis of the representations, warranties and agreements and subject to the terms and conditions set forth herein, the Company agrees to sell to the several Purchasers, and each of the Purchasers agrees, severally and not jointly, to purchase from the Company, at a purchase price of (i) 98.5% of the principal amount thereof in the case of the First Lien Notes and (ii) 98.5% of the principal amount thereof in the case of the Second Lien Notes, plus, in each case, accrued interest from October 2, 2012 to the Closing Date (as hereinafter defined) the respective principal amounts of Offered Securities set forth opposite the names of the several Purchasers in Schedule A hereto.

The Company will deliver against payment of the purchase price of each series of the Offered Securities such Offered Securities to be offered and sold by the Purchasers in reliance on Regulation S (“**Regulation S Securities**”) in the form of one or more permanent global Securities in registered form without interest coupons (the “**Regulation S Global Securities**”) which will be deposited with the applicable Trustee as custodian for The Depository Trust Company (“**DTC**”) for the respective accounts of the DTC participants for Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”), and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and registered in the name of Cede & Co., as nominee for DTC. The Company will deliver against payment of the purchase price of each series of the Offered Securities such Offered Securities to be purchased by each Purchaser hereunder and to be offered and sold by each Purchaser in reliance on Rule 144A (“**144A Securities**”) in the form of one permanent global security in definitive form without interest coupons (“**Restricted Global Securities**”) deposited with the applicable Trustee as custodian for DTC and registered in the name of Cede & Co., as nominee for DTC. The Regulation S Global Securities and the Restricted Global Securities of each series of Offered Securities shall be assigned separate CUSIP numbers. The Restricted Global Securities shall include the legend regarding restrictions on transfer set forth under “Transfer Restrictions” in the Final Offering Circular. Until the termination of the distribution compliance period (as defined in Regulation S) with respect to the offering of the Offered Securities, interests in the Regulation S Global Securities may only be held by the DTC participants for Euroclear and Clearstream, Luxembourg. Interests in any permanent global securities will be held only in book-entry form through Euroclear, Clearstream, Luxembourg or DTC, as the case may be, except in the limited circumstances described in the Final Offering Circular.

Payment for the Regulation S Securities and the 144A Securities shall be made by the Purchasers in Federal (same day) funds by wire transfer to an account at a bank acceptable to the Representatives drawn to the order of the Company at the office of Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York, 10017 at 9:30 a.m., (New York time), on October 2, 2012, or at such other time not later than seven full business days thereafter as the

Representatives and the Company determine, such time being herein referred to as the “**Closing Date**”, against delivery to the Trustee as custodian for DTC of (i) the Regulation S Global Securities representing all of the Regulation S Securities for the respective accounts of the DTC participants for Euroclear and Clearstream, Luxembourg and (ii) the Restricted Global Securities representing all of the 144A Securities. The Regulation S Global Securities and the Restricted Global Securities will be made available for checking at the above office of Davis Polk & Wardwell LLP at least 24 hours prior to the Closing Date.

4. *Representations by Purchasers; Resale by Purchasers.* (a) Each Purchaser severally represents and warrants to the Company and the Guarantors that it is a “qualified institutional buyer” (as defined in Rule 144A) with such knowledge and experience in financial and business matters as is necessary in order to evaluate the merits and risks of an investment in the Offered Securities and Guarantees.

(b) Each Purchaser severally acknowledges that the Offered Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Each Purchaser severally represents and agrees that it has offered and sold the Offered Securities and Guarantees, and will offer and sell the Offered Securities and Guarantees (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, only in accordance with Rule 903 or Rule 144A. Accordingly, neither such Purchaser nor its affiliates, nor any persons acting on its or their behalf, have engaged or will engage in any directed selling efforts with respect to the Offered Securities or the Guarantees, and such Purchaser, its affiliates and all persons acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S. Each Purchaser severally agrees that, at or prior to confirmation of sale of the Offered Securities and Guarantees, other than a sale pursuant to Rule 144A, such Purchaser will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Offered Securities and Guarantees from it during the restricted period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the date of the commencement of the offering and the closing date, except in either case in accordance with Regulation S (or Rule 144A if available) under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used in this subsection (b) have the meanings given to them by Regulation S.

(c) Each Purchaser severally agrees that it and each of its affiliates has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities and Guarantees except for any such arrangements with the other Purchasers or affiliates of the other Purchasers or with the prior written consent of the Company and the Guarantors.

(d) Each Purchaser severally agrees that it and each of its affiliates will not offer or sell the Offered Securities and Guarantees in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c), including, but not limited to (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. Each Purchaser severally agrees, with respect to resales made in reliance on Rule 144A of any of the Offered Securities and Guarantees, to deliver either with the confirmation of such resale or otherwise prior to settlement of such resale a notice to the effect that the resale of such Offered Securities and Guarantees has been made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

(e) Each of the Purchasers acknowledges that the Company and the Guarantors and, for purposes of the opinions to be delivered to each Purchaser pursuant to Section 7 hereof, counsel to the Company and the Guarantors and counsel to the Purchasers will rely upon the accuracy and truth of the foregoing representations and such Purchaser hereby consents to such reliance.

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

(a) *Amendments and Supplements to Offering Circulars.* The Company and Hovnanian will promptly advise the Representatives of any proposal to amend or supplement the Preliminary or Final Offering Circular and will not effect such amendment or supplementation without the Representatives’ consent (such consent not to be unreasonably withheld). If, at any time prior to the completion of the resale of the Offered Securities and Guarantees by the Purchasers, there occurs an event or development as a result of which any document included in the Preliminary or Final Offering Circular, the General Disclosure Package or any Supplemental Marketing Material, if republished immediately following such event or development, included or would include an untrue statement of a material fact or omitted or would omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Company and Hovnanian promptly will notify the Representatives of such event and promptly will prepare and furnish, at their own expense, to the Purchasers and the dealers and to any other dealers at the request of the Representatives, an amendment or supplement which will correct such statement or omission. Neither the Representatives’ consent to, nor the Purchasers delivery to offerees or investors of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 7.

(b) *Furnishing of Offering Circulars.* The Company and Hovnanian will furnish to the Representatives copies of the Preliminary Offering Circular, each other document comprising a part of the General Disclosure Package, the Final Offering Circular, all amendments and supplements to such documents and each item of Supplemental Marketing Material, in each case as soon as available and in such quantities as the Representatives reasonably request. At any time when the Offered Securities remain outstanding and the Company and the Guarantors are not subject to Section 13 or 15(d), the Company and Hovnanian will make available to any holder in connection with any sale thereof and prospective purchasers from such holder of the Offered Securities and Guarantees copies of the information required to be delivered to holders and prospective purchasers of the Offered Securities and Guarantees pursuant to Rule 144A(d)(4) (or any successor provision thereto) in order to permit compliance with Rule 144A in

connection with resales by such holders of the Offered Securities and Guarantees. The Company will pay the expenses of printing and distributing to the Purchasers all such documents.

(c) *Blue Sky Qualifications.* Prior to the sale of all Offered Securities and Guarantees as contemplated hereby, the Company and the Guarantors will cooperate with the Purchasers and counsel for the Purchasers to arrange for the qualification of the Offered Securities for sale and the determination of their eligibility for investment under the laws of such jurisdictions in the United States and Canada as the Representatives designate and to continue such qualifications in effect so long as required for the resale of the Offered Securities by the Purchasers and to file such consents to service of process or other documents as may be necessary in order to effect such registration or qualification, *provided* that neither the Company nor any Guarantor shall be required in connection therewith to qualify as a foreign corporation in any jurisdiction in which it is not now so qualified or to take any action that would subject it to general consent to service of process or taxation other than as to matters and transactions relating to the General Disclosure Package and Final Offering Circular or sale of the Offered Securities and Guarantees as contemplated hereby, in any jurisdiction in which it is not now so subject.

(d) *Reporting Requirements.* So long as any of the Offered Securities and Guarantees are outstanding, to furnish to the Purchasers as soon as available copies of all reports or other communications furnished by the Company or any of the Guarantors to its security holders or furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company or any of the Guarantors is listed and such other publicly available information concerning the Company, Hovnanian and/or its subsidiaries as the Purchasers may reasonably request.

(e) *Transfer Restrictions.* During the period of one year after the Closing Date, the Company will, upon request, furnish to the Representatives, each of the other Purchasers and any holder of Offered Securities a copy of the restrictions on transfer applicable to the Offered Securities.

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(f) *No Resales by Affiliates.* The Company will not, and will use its reasonable best efforts not to permit any of its affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Offered Securities of such series and the related Guarantees that have been acquired by any of them, except for Offered Securities of such series and the related Guarantees purchased by the Company or any of its affiliates and resold in a transaction registered under the Securities Act.

(g) *Payment of Expenses.* The Company and the Guarantors will pay all expenses incidental to the performance of their respective obligations under this Agreement, the Indentures and the Security Documents, including but not limited to (i) the fees and expenses of the Trustees and their counsel in connection with the Indentures, the Offered Securities and the Guarantees; (ii) all fees, disbursements and expenses of counsel to the Company and Guarantors and accountants of the Company and Guarantors in connection with the execution, issue, authentication, packaging and initial delivery of the Offered Securities to the Purchasers and all other fees and expenses in connection with the printing and distribution of this Agreement, the Offered Securities, the Indentures, the Preliminary Offering Circular, any other documents comprising any part of the General Disclosure Package, the Final Offering Circular, the Security Documents, all amendments and supplements thereto, each item of Supplemental Marketing Material and any other document relating to the issuance, offer, sale and delivery of the Offered Securities; (iii) the cost of any advertising approved by the Company in connection with the issue of the Offered Securities; (iv) any expenses (including fees and disbursements of counsel to the Purchasers) incurred in connection with qualification of the Offered Securities for sale under the laws of such jurisdictions in the United States and Canada as the Representatives designate and the preparation and printing of memoranda relating thereto; (v) any fees charged by investment rating agencies for the rating of the Offered Securities; (vi) expenses incurred in distributing the Preliminary Offering Circular, any other documents comprising any part of the General Disclosure Package, the Final Offering Circular (including any amendments and supplements thereto) and any Supplemental Marketing Material to the Purchasers; (vii) the fees and expenses of each Collateral Agent (as defined in the applicable Indenture) and its professional advisers and (viii) any costs relating to the creation or perfection of the liens under the Security Documents (including, to the extent that counsel paid by the Purchasers performs work in connection with such creation or perfection of liens, the fees, disbursements and expenses of such counsel in an amount not in excess of \$150,000). The Company and the Guarantors will also pay or reimburse the Purchasers (to the extent incurred by them) for costs and expenses of the Company's officers and employees and any other expenses of the Company and the Guarantors relating to investor presentations on any "road show" in connection with the offering and sale of the Offered Securities.

(h) *Absence of Manipulation.* In connection with the offering, until the Representatives shall have notified the Company and the other Purchasers of the completion of the resale of the Offered Securities, neither the Company, the Guarantors, nor any of their affiliates will, either alone or with one or more other persons, bid for or purchase for any account in which it or any of its affiliates has a beneficial interest any Offered Securities or attempt to induce any person to purchase any Offered Securities; and neither it nor any of their affiliates will make bids or purchases for the purpose of creating actual, or apparent, active trading in, or of raising the price of, the Offered Securities.

(i) *Restriction on Sale of Securities.* During the period beginning on the date hereof and continuing to and including the date 10 days following the Closing Date, not to offer, sell, contract to sell or otherwise transfer or dispose of any debt securities of the Company or any Guarantor or any warrants, rights or options to purchase or otherwise acquire debt securities of the Company or any Guarantor that are substantially similar to the Offered Securities and the Guarantees (other than (A) the Offered Securities and the Guarantees, (B) commercial paper issued in the ordinary course of business (C) borrowings under any of the Company's bank loan agreements) or (D) the issuance of Units (including the underlying exchangeable note and amortizing note) as described in the General Disclosure Package and Final Offering Circular, without the prior written consent of the Representatives.

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(j) *DTC.* To obtain the approval of DTC for "book-entry" transfer of the Offered Securities and to comply with all of its agreements set forth in the representation letters of the Company and the Guarantors to DTC relating to the approval of the Offered Securities by DTC for "book-entry" transfer.

(k) *Integration.* Not to sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Exchange Act) that would be integrated with the sale of the Offered Securities to the Purchasers in a manner that would require the registration of such sale of the Offered Securities under the Exchange Act.

(l) *Usury Laws*. Not to voluntarily claim, and to actively resist any attempts to claim, the benefit of any usury laws against the holders of any Offered Securities and their related Guarantees thereof.

(m) *Further Actions*. To use its best efforts to do and perform all things required or necessary to be done and performed under this Agreement by it prior to the Closing Date and to satisfy all conditions precedent to the delivery of the Offered Securities and the Guarantees thereof.

(n) *Security Documents*. To deliver, or cause to be delivered, within the time period set forth in the Indentures, each Security Document required pursuant to the Transaction Documents that is not delivered on the Closing Date.

6. *Free Writing Communications*. (a) *Issuer Free Writing Communications*. The Company and each Guarantor each represents and agrees that, unless it obtains the prior consent of Representatives, and each Purchaser represents and agrees that, unless it obtains the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Offered Securities that would constitute an Issuer Free Writing Communication.

(b) *Term Sheets*. The Company consents to the use by any Purchaser of a Free Writing Communication that (i) contains only (A) information describing the preliminary terms of the Offered Securities or their offering that is consistent with the Preliminary Offering Circular or (B) information that describes the final terms of the Offered Securities or their offering and that is included in or is subsequently included in the Final Offering Circular, including by means of a pricing term sheet in the form of Exhibit A hereto, or (ii) any Supplemental Marketing Materials approved by the Company, it being understood and agreed that the Company and each Guarantor shall not be responsible to any Purchaser for liability arising from any inaccuracy in such Free Writing Communications referred to in clause (i) or (ii) as compared with the information in the Preliminary Offering Circular, the Final Offering Circular or the General Disclosure Package.

7. *Conditions of the Obligations of the Purchasers*. The obligations of the several Purchasers to purchase and pay for the Offered Securities will be subject to the accuracy when made and on the Closing Date of the representations and warranties on the part of the Company and Hovnanian herein (as though made on the Closing Date), to the accuracy of the statements of officers of the Company and the Guarantors made pursuant to the provisions hereof, to the performance by the Company and the Guarantors in all material respects of their obligations hereunder and to the following additional conditions precedent:

(a) *Accountant's Comfort Letter*. The Purchasers shall have received letters, in form and substance satisfactory to you, dated, respectively, the date hereof on the General Disclosure Package and the Closing Date on the Final Offering Circular, of Deloitte & Touche LLP, the current independent registered public accounting firm with respect to the Company, Hovnanian and the Guarantors, containing the information and statements of the type ordinarily included in accountants' "comfort letters" to Purchasers with respect to the financial statements and certain financial information contained in or incorporated by reference into the General Disclosure Package and the Final Offering Circular.

(b) *No Material Adverse Change*. Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of Hovnanian and its

subsidiaries taken as one enterprise which, in the reasonable judgment of the Representatives, is material and adverse and makes it impractical or inadvisable to proceed with completion of the offering or the sale of and payment for the Offered Securities; (ii) any downgrading in the rating of any debt securities of Hovnanian or the Company by any "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of Hovnanian or the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating) or any announcement that Hovnanian or the Company has been placed on negative outlook; (iii) any change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the reasonable judgment of the Representatives, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Offered Securities, whether in the primary market or in respect of dealings in the secondary market, (iv) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange or any suspension of trading of any securities of Hovnanian or the Company on any exchange or in the over-the-counter market; (v) any banking moratorium declared by U.S. federal or New York authorities; (vi) any major disruption of settlements of securities or clearance services in the United States if, in the reasonable judgment of the Representatives, the effect of such disruption makes it impractical or inadvisable to proceed with completion of the offering or the sale of, and payment for, the Offered Securities or (vii) any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States, any declaration of war by Congress or any other national or international calamity or emergency if, in the reasonable judgment of the Representatives, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the offering or sale of, and payment for, the Offered Securities.

(c) *Opinion of Counsel for Company*. The Purchasers shall have received an opinion, dated the Closing Date, of Simpson Thacher & Bartlett LLP, New York, New York, counsel for the Company and the Guarantors substantially to the effect, that:

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

(ii) assuming, except with respect to Hovnanian and any Guarantors incorporated or organized under the laws of Delaware or New York, that the Guarantees of the Offered Securities have been duly authorized, executed and issued by the Guarantors and, assuming due authentication of the Offered Securities by the applicable Trustee and upon payment for and delivery of the Offered Securities in accordance with this Agreement, the Guarantees will constitute valid and legally binding obligations of the Guarantors enforceable against the Guarantors in accordance with their terms and entitled to the benefits of the applicable Indenture, except as may be limited by the effects of

bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing;

(iii) assuming, except with respect to Hovnanian and any Guarantors incorporated or organized under the laws of Delaware or New York, that each Indenture has been duly authorized, executed and delivered by the Company and the Guarantors and, assuming that each Indenture is the valid and legally binding obligation of the applicable Trustee, each Indenture constitutes a valid and legally binding obligation of the Company and the Guarantors enforceable against the Company and

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the Guarantors in accordance with its terms, except as may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing (it being understood that such counsel need not express any opinion as to the validity, legally binding effect or enforceability of any provision of such Indenture that requires or relates to payment of any interest at a rate or in an amount that a court would determine in the circumstances under applicable law to be commercially unreasonable or a penalty or a forfeiture);

(iv) no registration under the Securities Act of the Offered Securities or the Guarantees and no qualification of the Indentures under the Trust Indenture Act is required for the offer and sale of the Offered Securities and the Guarantees by the Company and the Guarantors to the Purchasers or the reoffer and resale of the Offered Securities by the Purchasers therefrom solely in the manner contemplated by the Final Offering Circular, this Agreement and the applicable Indenture;

(v) this Agreement has been duly authorized, executed and delivered by Hovnanian;

(vi) each the Company and the Guarantors is not and, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Final Offering Circular, will not be, an "investment company" within the meaning of and subject to regulation under the Investment Company Act of 1940, as amended;

(vii) the statements made in the Final Offering Circular under the caption "Description of Notes", insofar as they purport to constitute summaries of certain terms of documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects;

(viii) the statements made in the Final Offering Circular under the caption "Certain United States Federal Income and Estate Tax Consequences," insofar as they purport to constitute summaries of matters of United States federal tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries of the matters described therein in all material respects;

(ix) no consent, approval, authorization, order, registration or qualification of or with any federal or New York governmental agency or body or any Delaware governmental agency or body acting pursuant to the Delaware General Corporation Law, the Delaware Limited Liability Company Act or, to our knowledge, any federal or New York court or any Delaware court acting pursuant to the Delaware General Corporation Law or the Delaware Limited Liability Company Act is required for the issue and sale of the Offered Securities by the Company, the issue of the Guarantees by the Guarantors and the compliance by the Company and the Guarantors with all of the provisions of this Agreement, the Indentures and the Security Documents (it being understood that no opinion is given in this paragraph (x) with respect to any federal or state securities law or any rule or regulation issued pursuant to any federal or state securities law); and

(x) the issue and sale of the Offered Securities by the Company, the issue of the Guarantees by the Guarantors, the execution, delivery and performance by the Company and the Guarantors of this Agreement and the Security Documents to which the Company and the Guarantors are a party, and the execution and delivery of the Indentures will not breach or result in a default under any indenture relating to securities of the Company outstanding on the Closing Date.

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

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The opinion of Simpson Thacher & Bartlett LLP described in Section 7(c) above shall be rendered to you at the request of the Company and the Guarantors. In addition, you shall have received a negative assurance statement, dated the Closing Date, of Simpson Thacher & Bartlett LLP substantially to the effect that although such counsel has not independently verified the accuracy, completeness or fairness of the statements made or included in the General Disclosure Package or the Final Offering Circular or the Exchange Act documents incorporated by reference or deemed to be incorporated by reference in the General Disclosure Package or the Final Offering Circular (collectively, the "Exchange Act Documents"), and such counsel takes no responsibility therefor, except as and to the extent set forth in numbered paragraphs (vii) and (viii) of such counsel's opinion letter to you dated the Closing Date, nothing has come to such counsel's attention that causes such counsel to believe that:

the General Disclosure Package (including the Exchange Act Documents), as of the Applicable Time, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or that the Final Offering Circular (including the Exchange Act Documents), as of its date or as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that such counsel expresses no belief with respect to the financial statements or other financial or accounting data contained in, incorporated or deemed incorporated by reference in, or omitted from the General Disclosure Package or the Final Offering Circular or the Exchange Act Documents.

(d) *Opinion of Corporate Counsel of the Company.* You shall have received on the Closing Date an opinion (satisfactory to you and counsel to the Purchasers), dated the Closing Date, of Michael Discafani, Esq., Vice President and Corporate Counsel for the Company, substantially to the effect that:

(i) each of the specified subsidiaries of Hovnanian that is listed on Schedule D hereto (the “**Specified Subsidiaries**”) and each of the Company, Hovnanian and the Specified Subsidiaries has been duly incorporated or formed, as the case may be, is validly existing as a corporation, limited partnership or limited liability company in good standing under the laws of its jurisdiction of incorporation or formation and has the corporate power, or its equivalent in the case of limited partnerships and limited liability companies, and authority to carry on its business as described in the Final Offering Circular and to own, lease and operate its properties;

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

(iii) all the outstanding shares of capital stock of the Company, Hovnanian and the Specified Subsidiaries have been duly authorized and validly issued and are fully paid, non-assessable and except with respect to Hovnanian’s Rights Plan as disclosed in the General Disclosure Package, are not subject to any preemptive or similar rights;

(iv) the Offered Securities have been duly authorized, executed and issued by the Company;

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

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(vi) each Indenture and each of the Security Documents have been duly authorized, executed and delivered by the Company and the Guarantors, as applicable, and this Agreement has been duly authorized, executed and delivered by the Company and each of the Guarantors other than Hovnanian;

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

(viii) the execution, delivery and performance of this Agreement, the Indentures, the Offered Securities and the Security Documents by the Company, the execution, delivery and performance of this Agreement, the Indentures, and Guarantees of the Offered Securities and the Security Documents to which they are party by the Guarantors, the compliance by the Company and the Guarantors with all the provisions hereof and thereof and the consummation of the transactions contemplated hereby and thereby will not (A) require any consent, approval, authorization or other order of, or qualification with, any court or governmental body or agency, (B) conflict with or constitute a breach of any of the terms or provisions of, or a default under, the charter, or by-laws or formation or organization documents, as applicable, of the Company or any of the Guarantors or any indenture, loan agreement, mortgage, lease or other agreement or instrument that is material to the Company, Hovnanian and its subsidiaries, taken as a whole, to which the Company, Hovnanian or the other Guarantors is a party or by which the Company, Hovnanian or the other Guarantors or their respective property is bound, (C) violate or conflict with any applicable law or any rule, regulation, judgment, order or decree of any court or any governmental body or agency having jurisdiction over the Company, Hovnanian, any of its subsidiaries or their respective property, (D) except as contemplated thereby, result in the imposition or creation of (or the obligation to create or impose) a Lien under any agreement or instrument to which the Company, Hovnanian or any of its subsidiaries is a party or by which the Company, Hovnanian or any of its subsidiaries or their respective property is bound or (E) result in the suspension, termination or revocation of any Authorization of the Company, Hovnanian or any of its subsidiaries or any other impairment of the rights of the holder of any such Authorization; except where the failure to be valid and in full force and effect or to be in compliance, the occurrence of any such event or the presence of any such restriction or to have any such Authorization (in each case, other than with respect to the charter or by-laws or formation or organization documents) would not, singly or in the aggregate, have a Material Adverse Effect (it being understood that no opinion is given in this paragraph (ix) with respect to any federal or state securities law or any rule or regulation issued pursuant to any federal or state securities law);

(ix) after due inquiry, such counsel does not know of any legal or governmental proceedings pending or threatened to which the Company, Hovnanian or any of its subsidiaries is or could be a party or to which any of their respective property is or could be subject, which might result, singly or in the aggregate, in a Material Adverse Effect, except as disclosed in the Final Offering Circular;

(x) except as disclosed in the Final Offering Circular, neither the Company, Hovnanian nor any of its subsidiaries has violated any (i) Environmental Law, (ii) any provisions of the Employee Retirement Income Security Act of 1974, as amended, or (iii) any provisions of the Foreign Corrupt Practices Act or the rules and regulations promulgated thereunder, except with respect to (i) and (ii), for such violations which, singly or in the aggregate, would not have a Material Adverse Effect;

(xi) each of the Company, Hovnanian and its subsidiaries has such Authorizations of, and has made all filings with and notices to, all governmental or regulatory authorities and self-regulatory

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

(xii) to the best of such counsel's knowledge after due inquiry, there are no contracts, agreements or understandings between the Company or Hovnanian and any person granting such person the right to require the Company or Hovnanian to file a registration statement under the Exchange Act with respect to any securities of the Company or Hovnanian; and

(xiii) each document, if any, filed pursuant to the Exchange Act and incorporated by reference in the Final Offering Circular (except for financial statements and other financial or accounting data included therein as to which no opinion need be expressed) complied when so filed as to form with the Exchange Act.

In addition, such counsel shall state that although such counsel has not independently verified the accuracy, completeness or fairness of the statements made or included in the General Disclosure Package or the Final Offering Circular or the Exchange Act Documents, and such counsel takes no responsibility therefor, nothing has come to such counsel's attention that causes such counsel to believe that the General Disclosure Package (including the Exchange Act Documents) as of the Applicable Time contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Final Offering Circular (including the Exchange Act Documents), as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that such counsel expresses no belief with respect to the financial statements or other financial or accounting data contained in, incorporated or deemed incorporated by reference in, or omitted from the General Disclosure Package or the Final Offering Circular or the Exchange Act Documents.

In rendering such opinion, such counsel may rely as to matters involving the application of laws of any jurisdiction other than the State of New Jersey and the State of New York, to the extent he deems proper and specified in such opinion, upon the opinion of Simpson Thacher & Bartlett LLP, counsel for the Company.

(e) *Collateral Opinions.* You shall have received on the Closing Date opinions, dated the Closing Date, with respect to the Collateral and the Security Documents in respect of each Indenture, consistent with those opinions previously delivered to the initial purchasers in respect of the Existing First Lien Notes with respect to the security agreements and collateral for the Existing First Lien Notes, all in form and substance reasonably satisfactory to the Purchasers and to the Collateral Agent (as defined in the applicable Indenture) for each Indenture for the benefit of the applicable Trustee and the holders of the Offered Securities.

(f) *Opinion of Counsel for Purchasers.* You shall have received on the Closing Date an opinion, dated the Closing Date, of Davis Polk & Wardwell LLP, New York, New York, counsel for the Purchasers, in form and substance reasonably satisfactory to the Purchasers.

(g) *Officer's Certificate.* You shall have received on the Closing Date a certificate dated the Closing Date, signed by J. Larry Sorsby, in his capacity as Executive Vice President and Chief Financial Officer of Hovnanian,

confirming (i) the matters set forth in Sections 2(w) and 2(z), (ii) that all the representations and warranties of the Company and Hovnanian contained in this Agreement are true and correct on the Closing Date with the same force and effect as if made on and as of the Closing Date, (iii) that, in all material respects, the Company and Hovnanian have complied with all of the agreements and satisfied all of the conditions herein contained and required to be complied with or satisfied by the Company and Hovnanian on or prior to the Closing Date and (iv) since the date of the most recent financial statements incorporated by reference in the General Disclosure Package and the Final Offering Circular (exclusive of any supplement thereto), there has been no material adverse effect on the business, prospects, financial condition or results of operations of the Company and its subsidiaries, taken as a whole, except as set forth in or contemplated in the General Disclosure Package and the Final Offering Circular (exclusive of any supplement thereto).

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

(i) *Certificate of Chief Financial or Chief Accounting Officer.* The Representatives shall have received a certificate of the chief financial or chief accounting officer of the Company, dated as of the date hereof and as of the Closing Date, substantially in the form of Exhibit B hereto.

(j) *Security Documents.* The Purchasers shall have received fully executed original copies of each Security Document required to be executed on the Closing Date (to the extent described in the General Disclosure Package and Indentures) and such evidence as they may reasonably require of the effectiveness of the security contemplated thereby and the perfection of the security interest created thereby (including, without limitation, the filing of UCC-1s, the recordation of mortgages or deeds of trust, recordations with the United States Patent and Trademark Office, delivery of certificated securities or other possessory collateral and the execution and delivery of control agreements).

(k) *Existing Indenture.* The indenture governing the Existing First Lien Notes shall have been discharged.

(l) *Concurrent Offering.* The offering of Units, as described in the General Disclosure Package, shall have been consummated.

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

8. *Indemnification and Contribution.* (a) *Indemnification of Purchasers.* The Company and each of the Guarantors will jointly and severally indemnify and hold harmless each Purchaser, its partners, directors and officers and each person, if any, who controls such Purchaser within the meaning of Section 15 of the Securities Act (each, an “**Indemnified Party**”), against any losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Preliminary Offering Circular or the Final Offering Circular, in each case as amended or supplemented, or any Issuer Free Writing Communication (including, without limitation, any Supplemental Marketing Material), or arise out of or are based upon the omission or alleged omission of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and will reimburse each Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; *provided, however*, that the Company and the Guarantors will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents made in reliance upon and in conformity with written information furnished to the Company by any Purchaser through the Representatives specifically for use therein, it being understood and agreed that the only such information consists of the information described as such in subsection (b) below.

(b) *Indemnification of Company.* Each Purchaser will severally and not jointly indemnify and hold harmless the Company, each Guarantor, their respective directors and officers and each person, if any, who

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controls the Company or any Guarantor within the meaning of Section 15 of the Securities Act (each, a “**Purchaser Indemnified Party**”), against any losses, claims, damages or liabilities to which such Purchaser Indemnified Party may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Preliminary Offering Circular or the Final Offering Circular, in each case as amended or supplemented, or any Issuer Free Writing Communication, or arise out of or are based upon the omission or the alleged omission of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company or Hovnanian by such Purchaser through the Representatives specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by such Purchaser Indemnified Party in connection with investigating or defending against any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by any Purchaser through the Representatives consists of the following information in the Preliminary and Final Offering Circular furnished on behalf of each Purchaser: under the caption “Plan of Distribution” paragraphs 3, 9 and 10 and the second and third sentences of paragraph 8; *provided, however*, that the Purchasers shall not be liable for any losses, claims, damages or liabilities arising out of or based upon the Company’s or Hovnanian’s failure to perform its obligations under Section 5(a) of this Agreement.

(c) *Actions against Parties; Notification.* Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve it from any liability that it may have under subsection (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided further* that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes (i) an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(d) *Contribution.* If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors on the one hand and the Purchasers on the other from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors on the one hand and the Purchasers on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors on the one hand and the Purchasers on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company and the Guarantors bear to the total discounts and commissions received by the Purchasers from the Company under this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and

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the Guarantors or the Purchasers and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection

(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Purchaser shall be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Purchaser exceeds the amount of any damages which such Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Purchasers' obligations in this subsection (d) to contribute are several in proportion to their respective purchase obligations and not joint.

(e) The obligations of the Company and the Guarantors under this Section shall be in addition to any liability which the Company and the Guarantors may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Purchaser within the meaning of the Securities Act; and the obligations of the Purchasers under this Section shall be in addition to any liability which the respective Purchasers may otherwise have and shall extend, upon the same terms and conditions, to each director and officer of the Company and each Guarantor and each person, if any, who controls the Company or any Guarantor within the meaning of the Securities Act or the Exchange Act.

9. *Default of Purchasers.* If any Purchaser or Purchasers default(s) in its or their obligations to purchase Offered Securities hereunder on the Closing Date and the aggregate principal amount of Offered Securities that such defaulting Purchaser or Purchasers agreed but failed to purchase does not exceed 10% of the aggregate principal amount of Offered Securities that the Purchasers are obligated to purchase on the Closing Date, the Representatives may make arrangements satisfactory to the Company for the purchase of such Offered Securities by other persons, including any of the Purchasers, but if no such arrangements are made by the Closing Date, the non-defaulting Purchasers shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Offered Securities that such defaulting Purchasers agreed but failed to purchase on the Closing Date. If any Purchaser or Purchasers so default(s) and the aggregate principal amount of Offered Securities with respect to which such default or defaults occur exceeds 10% of the aggregate principal amount of Offered Securities that the Purchasers are obligated to purchase on the Closing Date and arrangements satisfactory to the Representatives and the Company and Hovnanian for the purchase of such Offered Securities by other persons are not made within 48 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Purchaser or the Company or Hovnanian, except as provided in Section 10. As used in this Agreement, the term "Purchaser" includes any person substituted for a Purchaser under this Section. Nothing herein will relieve a defaulting Purchaser from liability for its default.

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

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11. *Notices.* All communications hereunder will be in writing and, if sent to the Purchasers will be mailed, delivered or telegraphed and confirmed to the Purchasers c/o Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, New York 10010-3629, Attention: LCD-IBD; Citigroup Global Markets Inc., faxed to the Citigroup General Counsel (fax no.: (212) 816-7912) and confirmed at 388 Greenwich Street, New York, New York 10013, Attention: General Counsel; and J.P. Morgan Securities LLC 383 Madison Avenue, New York, New York 10179, Attention: Brian Tramontozzi, or, if sent to the Company or the Guarantors, will be mailed, delivered or telegraphed and confirmed to it at K. Hovnanian Enterprises Inc., 10 Highway 35, P.O. Box 500, Red Bank, New Jersey 07701, fax. no. (732) 747-6835 and confirmation number (732)-747-7800, Attention: General Counsel; *provided, however*, that any notice to a Purchaser pursuant to Section 8 will be mailed, delivered or telegraphed and confirmed to such Purchaser.

12. *Successors.* This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 8, and no other person will have any right or obligation hereunder, except that holders of Offered Securities shall be entitled to enforce the agreements for their benefit contained in the second and third sentences of Section 5(b) hereof against the Company as if such holders were parties thereto.

13. *Representation of Purchasers.* You will act for the several Purchasers in connection with this purchase, and any action under this Agreement taken by you will be binding upon all the Purchasers.

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

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

16. *Applicable Law.* This Agreement, and any claim, controversy or dispute arising under or related to this Agreement, shall be governed by, and construed in accordance with, the laws of the State of New York.

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

Very truly yours,

K. HOVNANIAN ENTERPRISES, INC.

By: /s/ J. Larry Sorsby
 Name: J. Larry Sorsby
 Title: Executive Vice President, Chief Financial Officer

HOVNANIAN ENTERPRISES, INC.

By: /s/ J. Larry Sorsby
 Name: J. Larry Sorsby
 Title: Executive Vice President, Chief Financial Officer

On behalf of each entity named in
 Schedule B hereto

By: /s/ J. Larry Sorsby
 Name: J. Larry Sorsby
 Title: Executive Vice President, Chief Financial Officer

[Signature Page to Purchase Agreement]

The foregoing Purchase Agreement
 is hereby confirmed and accepted
 as of the date first above written.

CREDIT SUISSE SECURITIES (USA) LLC

By: Katie Stein
 Name: Katie Stein
 Title: Director

CITIGROUP GLOBAL MARKETS INC.

By: Richard Moriarty
 Name: Richard Moriarty
 Title: Managing Director

J.P. MORGAN SECURITIES LLC

By: Dan Pombo
 Name: Dan Pombo
 Title: Executive Director

Acting on behalf of themselves
 and as Representatives of
 the several Purchasers

[Signature Page to Purchase Agreement]

SCHEDULE A

Credit Suisse Securities (USA) LLC	\$	230,800,000	\$	73,334,000
Citigroup Global Markets Inc.		173,100,000		73,333,000
J.P. Morgan Securities LLC		173,100,000		73,333,000
Total	\$	577,000,000	\$	220,000,000

SCHEDULE B

GUARANTORS

ARBOR TRAILS, LLC
AUDDIE ENTERPRISES, L.L.C.
BUILDER SERVICES NJ, L.L.C.
BUILDER SERVICES PA, L.L.C.
DULLES COPPERMINE, L.L.C.
EASTERN NATIONAL TITLE AGENCY, LLC
EASTERN TITLE AGENCY, INC.
F&W MECHANICAL SERVICES, L.L.C.
FOUNDERS TITLE AGENCY OF MARYLAND, L.L.C.
FOUNDERS TITLE AGENCY, INC.
GLENRISE GROVE, L.L.C.
GOVERNOR'S ABSTRACT CO., INC.
HOMEBUYERS FINANCIAL SERVICES, L.L.C.
HOVNANIAN DEVELOPMENTS OF FLORIDA, INC.
HOVNANIAN ENTERPRISES, INC. (PARENT COMPANY)
HOVNANIAN LAND INVESTMENT GROUP OF FLORIDA, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP OF MARYLAND, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP, L.L.C.
K. HOV IP, II, INC.
K. HOV IP, INC.
K. HOVNANIAN ACQUISITIONS, INC.
K. HOVNANIAN AT 4S, LLC
K. HOVNANIAN AT ACQUA VISTA, LLC
K. HOVNANIAN AT ALISO, LLC
K. HOVNANIAN AT ALLENTOWN, L.L.C.
K. HOVNANIAN AT ANDALUSIA, LLC
K. HOVNANIAN AT ARBOR HEIGHTS, LLC
K. HOVNANIAN AT AVENUE ONE, L.L.C.
K. HOVNANIAN AT BAKERSFIELD 463, L.L.C.
K. HOVNANIAN AT BARNEGAT I, L.L.C.
K. HOVNANIAN AT BARNEGAT II, L.L.C.
K. HOVNANIAN AT BELLA LAGO, LLC
K. HOVNANIAN AT BENSLEM, LLC
K. HOVNANIAN AT BERKELEY, L.L.C.
K. HOVNANIAN AT BLUE HERON PINES, L.L.C.
K. HOVNANIAN AT BRANCHBURG, L.L.C.
K. HOVNANIAN AT BRIDGEPORT, INC.
K. HOVNANIAN AT BRIDGEWATER I, L.L.C.
K. HOVNANIAN AT BROAD AND WALNUT, L.L.C.
K. HOVNANIAN AT CAMERON CHASE, INC.
K. HOVNANIAN AT CAMP HILL, L.L.C.
K. HOVNANIAN AT CAPISTRANO, L.L.C.
K. HOVNANIAN AT CARLSBAD, LLC
K. HOVNANIAN AT CEDAR GROVE III, L.L.C.
K. HOVNANIAN AT CEDAR GROVE V, L.L.C.
K. HOVNANIAN AT CHARTER WAY, LLC
K. HOVNANIAN AT CHESTER I, L.L.C.
K. HOVNANIAN AT CHESTERFIELD, L.L.C.
K. HOVNANIAN AT CIELO, L.L.C.
K. HOVNANIAN AT CLIFTON, L.L.C.
K. HOVNANIAN AT COASTLINE, L.L.C.
K. HOVNANIAN AT CORTEZ HILL, LLC

K. HOVNANIAN AT CRANBURY, L.L.C.
K. HOVNANIAN AT DENVILLE, L.L.C.
K. HOVNANIAN AT DEPTFORD TOWNSHIP, L.L.C.
K. HOVNANIAN AT DOMINGUEZ HILLS, INC.
K. HOVNANIAN AT EAST BRANDYWINE, L.L.C.
K. HOVNANIAN AT EASTLAKE, LLC
K. HOVNANIAN AT EDGEWATER II, L.L.C.

K. HOVNANIAN AT EDGEWATER, L.L.C.
K. HOVNANIAN AT EGG HARBOR TOWNSHIP II, L.L.C.
K. HOVNANIAN AT EGG HARBOR TOWNSHIP, L.L.C.
K. HOVNANIAN AT EL DORADO RANCH II, L.L.C.
K. HOVNANIAN AT EL DORADO RANCH, L.L.C.
K. HOVNANIAN AT ENCINITAS RANCH, LLC
K. HOVNANIAN AT EVERGREEN, L.L.C.
K. HOVNANIAN AT FIDDYMENT RANCH, LLC
K. HOVNANIAN AT FIFTH AVENUE, L.L.C.
K. HOVNANIAN AT FLORENCE I, L.L.C.
K. HOVNANIAN AT FLORENCE II, L.L.C.
K. HOVNANIAN AT FOREST MEADOWS, L.L.C.
K. HOVNANIAN AT FRANKLIN II, L.L.C.
K. HOVNANIAN AT FRANKLIN III, LLC
K. HOVNANIAN AT FRANKLIN, L.L.C.
K. HOVNANIAN AT FREEHOLD TOWNSHIP, L.L.C.
K. HOVNANIAN AT FRESNO, LLC
K. HOVNANIAN AT GASLAMP SQUARE, L.L.C.
K. HOVNANIAN AT GILROY, LLC
K. HOVNANIAN AT GREAT NOTCH, L.L.C.
K. HOVNANIAN AT GUTTENBERG, L.L.C.
K. HOVNANIAN AT HACKETTSTOWN II, L.L.C.
K. HOVNANIAN AT HAMBURG, L.L.C.
K. HOVNANIAN AT HAWTHORNE, L.L.C.
K. HOVNANIAN AT HERSHEY'S MILL, INC.
K. HOVNANIAN AT HIGHLAND SHORES, L.L.C.
K. HOVNANIAN AT HOWELL, LLC
K. HOVNANIAN AT HUDSON POINTE, L.L.C.
K. HOVNANIAN AT JACKSON I, L.L.C.
K. HOVNANIAN AT JACKSON, L.L.C.
K. HOVNANIAN AT JAEGER RANCH, LLC
K. HOVNANIAN AT JERSEY CITY IV, L.L.C.
K. HOVNANIAN AT JERSEY CITY V URBAN RENEWAL COMPANY, L.L.C.
K. HOVNANIAN AT KEYPORT, L.L.C.
K. HOVNANIAN AT LA COSTA GREENS, L.L.C.
K. HOVNANIAN AT LA COSTA, LLC
K. HOVNANIAN AT LA HABRA KNOLLS, LLC
K. HOVNANIAN AT LA LAGUNA, L.L.C.
K. HOVNANIAN AT LAKE RANCHO VIEJO, LLC
K. HOVNANIAN AT LAKE TERRAPIN, L.L.C.
K. HOVNANIAN AT LAWRENCE V, L.L.C.
K. HOVNANIAN AT LEE SQUARE, L.L.C.
K. HOVNANIAN AT LITTLE EGG HARBOR TOWNSHIP II, L.L.C.
K. HOVNANIAN AT LITTLE EGG HARBOR, L.L.C.
K. HOVNANIAN AT LONG HILL, L.L.C.
K. HOVNANIAN AT LOWER MACUNGIE TOWNSHIP I, L.L.C.
K. HOVNANIAN AT LOWER MACUNGIE TOWNSHIP II, L.L.C.
K. HOVNANIAN AT LOWER MAKEFIELD TOWNSHIP I, L.L.C.
K. HOVNANIAN AT LOWER MORELAND I, L.L.C.

K. HOVNANIAN AT LOWER MORELAND II, L.L.C.
K. HOVNANIAN AT MAHWAH VI, INC.
K. HOVNANIAN AT MALAN PARK, L.L.C.
K. HOVNANIAN AT MANALAPAN III, L.L.C.
K. HOVNANIAN AT MANSFIELD I, L.L.C.
K. HOVNANIAN AT MANSFIELD II, L.L.C.
K. HOVNANIAN AT MANSFIELD III, L.L.C.
K. HOVNANIAN AT MANTECA, LLC
K. HOVNANIAN AT MAPLE AVENUE, L.L.C.
K. HOVNANIAN AT MARLBORO TOWNSHIP IX, L.L.C.
K. HOVNANIAN AT MARLBORO TOWNSHIP V, L.L.C.
K. HOVNANIAN AT MARLBORO TOWNSHIP VIII, L.L.C.
K. HOVNANIAN AT MARLBORO VI, L.L.C.
K. HOVNANIAN AT MARLBORO VII, L.L.C.
K. HOVNANIAN AT MELANIE MEADOWS, LLC
K. HOVNANIAN AT MENDHAM TOWNSHIP, L.L.C.
K. HOVNANIAN AT MENIFEE, LLC
K. HOVNANIAN AT MIDDLE TOWNSHIP II, L.L.C.
K. HOVNANIAN AT MIDDLE TOWNSHIP, L.L.C.
K. HOVNANIAN AT MIDDLETOWN II, L.L.C.
K. HOVNANIAN AT MILLVILLE I, L.L.C.
K. HOVNANIAN AT MILLVILLE II, L.L.C.

K. HOVNANIAN AT MONROE II, INC.
K. HOVNANIAN AT MONROE IV, L.L.C.
K. HOVNANIAN AT MONROE NJ, L.L.C.
K. HOVNANIAN AT MONTVALE II, LLC
K. HOVNANIAN AT MONTVALE, L.L.C.
K. HOVNANIAN AT MOSAIC, LLC
K. HOVNANIAN AT MUIRFIELD, LLC
K. HOVNANIAN AT NEW WINDSOR, L.L.C.
K. HOVNANIAN AT NORTH BERGEN. L.L.C.
K. HOVNANIAN AT NORTH BRUNSWICK VI, L.L.C.
K. HOVNANIAN AT NORTH CALDWELL II, L.L.C.
K. HOVNANIAN AT NORTH CALDWELL III, L.L.C.
K. HOVNANIAN AT NORTH CALDWELL IV, L.L.C.
K. HOVNANIAN AT NORTH HALEDON, L.L.C.
K. HOVNANIAN AT NORTH WILDWOOD, L.L.C.
K. HOVNANIAN AT NORTHAMPTON, L.L.C.
K. HOVNANIAN AT NORTHERN WESTCHESTER, INC.
K. HOVNANIAN AT NORTHFIELD, L.L.C.
K. HOVNANIAN AT OCEAN TOWNSHIP, INC
K. HOVNANIAN AT OCEAN WALK, INC.
K. HOVNANIAN AT OCEANPORT, L.L.C.
K. HOVNANIAN AT OLD BRIDGE, L.L.C.
K. HOVNANIAN AT OLDE ORCHARD, LLC
K. HOVNANIAN AT PARAMUS, L.L.C.
K. HOVNANIAN AT PARK LANE, LLC
K. HOVNANIAN AT PARKSIDE, LLC
K. HOVNANIAN AT PARSIPPANY, L.L.C.
K. HOVNANIAN AT PARSIPPANY-TROY HILLS, L.L.C.
K. HOVNANIAN AT PIAZZA D'ORO, L.L.C.
K. HOVNANIAN AT PIAZZA SERENA, L.L.C.
K. HOVNANIAN AT PITTSBORO, L.L.C.
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL IV, L.L.C.
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL V, L.L.C.
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL VI, L.L.C.

K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL VII, L.L.C.
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL VIII, L.L.C.
K. HOVNANIAN AT POSITANO, LLC
K. HOVNANIAN AT PRADO, L.L.C.
K. HOVNANIAN AT RANCHO SANTA MARGARITA, LLC
K. HOVNANIAN AT RANDOLPH I, L.L.C.
K. HOVNANIAN AT RAPHO, L.L.C
K. HOVNANIAN AT RIDGEMONT, L.L.C.
K. HOVNANIAN AT RIVERBEND, LLC
K. HOVNANIAN AT RODERUCK, L.L.C.
K. HOVNANIAN AT ROSEMARY LANTANA, L.L.C.
K. HOVNANIAN AT SAGE, L.L.C.
K. HOVNANIAN AT SANTA NELLA, LLC
K. HOVNANIAN AT SAWMILL, INC.
K. HOVNANIAN AT SAYREVILLE, L.L.C.
K. HOVNANIAN AT SCOTCH PLAINS, L.L.C.
K. HOVNANIAN AT SEASONS LANDING, LLC
K. HOVNANIAN AT SHELDON GROVE, LLC
K. HOVNANIAN AT SHREWSBURY, LLC
K. HOVNANIAN AT SILVER SPRING, L.L.C.
K. HOVNANIAN AT SKYE ISLE, LLC
K. HOVNANIAN AT SMITHVILLE, INC.
K. HOVNANIAN AT SOMERS POINT, L.L.C.
K. HOVNANIAN AT SOUTH BRUNSWICK II, LLC
K. HOVNANIAN AT SOUTH BRUNSWICK, L.L.C.
K. HOVNANIAN AT STANTON, LLC
K. HOVNANIAN AT STATION SQUARE, L.L.C.
K. HOVNANIAN AT SUNRIDGE PARK, LLC
K. HOVNANIAN AT SYCAMORE, INC.
K. HOVNANIAN AT THE CROSBY, LLC
K. HOVNANIAN AT THE GABLES, LLC
K. HOVNANIAN AT THE MONARCH, L.L.C.
K. HOVNANIAN AT THE PRESERVE, LLC
K. HOVNANIAN AT THOMPSON RANCH, LLC
K. HOVNANIAN AT THORNBURY, INC.
K. HOVNANIAN AT TRAIL RIDGE, LLC
K. HOVNANIAN AT UPPER FREEHOLD TOWNSHIP II, L.L.C.

K. HOVNANIAN AT UPPER FREEHOLD TOWNSHIP III, L.L.C.
K. HOVNANIAN AT UPPER MAKEFIELD I, INC.
K. HOVNANIAN AT UPPER PROVIDENCE, LLC
K. HOVNANIAN AT UPPER UWCHLAN II, L.L.C.
K. HOVNANIAN AT UPPER UWCHLAN, L.L.C.
K. HOVNANIAN AT VALLE DEL SOL, LLC
K. HOVNANIAN AT VERONA URBAN RENEWAL, L.L.C.
K. HOVNANIAN AT VICTORVILLE, L.L.C.
K. HOVNANIAN AT VINELAND, L.L.C.
K. HOVNANIAN AT VISTA DEL SOL, L.L.C.
K. HOVNANIAN AT WARREN TOWNSHIP, L.L.C.
K. HOVNANIAN AT WASHINGTON, L.L.C.
K. HOVNANIAN AT WATERSTONE, LLC
K. HOVNANIAN AT WAYNE IX, L.L.C.
K. HOVNANIAN AT WAYNE, VIII, L.L.C.
K. HOVNANIAN AT WEST VIEW ESTATES, L.L.C.
K. HOVNANIAN AT WEST WINDSOR, L.L.C.
K. HOVNANIAN AT WESTSHORE, LLC
K. HOVNANIAN AT WHEELER RANCH, LLC

K. HOVNANIAN AT WILDWOOD BAYSIDE, L.L.C.
K. HOVNANIAN AT WILLOW BROOK, L.L.C.
K. HOVNANIAN AT WINCHESTER, LLC
K. HOVNANIAN AT WOODCREEK WEST, LLC
K. HOVNANIAN AT WOOLWICH I, L.L.C.
K. HOVNANIAN CAMBRIDGE HOMES, L.L.C.
K. HOVNANIAN CENTRAL ACQUISITIONS, L.L.C.
K. HOVNANIAN CLASSICS, L.L.C.
K. HOVNANIAN COMMUNITIES, INC.
K. HOVNANIAN COMPANIES OF CALIFORNIA, INC.
K. HOVNANIAN COMPANIES OF MARYLAND, INC.
K. HOVNANIAN COMPANIES OF NEW YORK, INC.
K. HOVNANIAN COMPANIES OF PENNSYLVANIA, INC.
K. HOVNANIAN COMPANIES OF SOUTHERN CALIFORNIA, INC.
K. HOVNANIAN COMPANIES, LLC
K. HOVNANIAN CONSTRUCTION II, INC
K. HOVNANIAN CONSTRUCTION III, INC
K. HOVNANIAN CONSTRUCTION MANAGEMENT, INC.
K. HOVNANIAN CRAFTBUILT HOMES OF SOUTH CAROLINA, L.L.C.
K. HOVNANIAN DEVELOPMENTS OF ARIZONA, INC.
K. HOVNANIAN DEVELOPMENTS OF CALIFORNIA, INC.
K. HOVNANIAN DEVELOPMENTS OF D.C., INC.
K. HOVNANIAN DEVELOPMENTS OF DELAWARE, INC.
K. HOVNANIAN DEVELOPMENTS OF GEORGIA, INC.
K. HOVNANIAN DEVELOPMENTS OF ILLINOIS, INC.
K. HOVNANIAN DEVELOPMENTS OF KENTUCKY, INC.
K. HOVNANIAN DEVELOPMENTS OF MARYLAND, INC.
K. HOVNANIAN DEVELOPMENTS OF MINNESOTA, INC.
K. HOVNANIAN DEVELOPMENTS OF NEW JERSEY II, INC.
K. HOVNANIAN DEVELOPMENTS OF NEW JERSEY, INC.
K. HOVNANIAN DEVELOPMENTS OF NEW YORK, INC.
K. HOVNANIAN DEVELOPMENTS OF NORTH CAROLINA, INC.
K. HOVNANIAN DEVELOPMENTS OF OHIO, INC.
K. HOVNANIAN DEVELOPMENTS OF PENNSYLVANIA, INC.
K. HOVNANIAN DEVELOPMENTS OF SOUTH CAROLINA, INC.
K. HOVNANIAN DEVELOPMENTS OF TEXAS, INC.
K. HOVNANIAN DEVELOPMENTS OF VIRGINIA, INC.
K. HOVNANIAN DEVELOPMENTS OF WEST VIRGINIA, INC.
K. HOVNANIAN EASTERN PENNSYLVANIA, L.L.C.
K. HOVNANIAN ENTERPRISES, INC.
K. HOVNANIAN ESTATES AT REGENCY, L.L.C.
K. HOVNANIAN FAIRWAYS AT WESTWORTH, LLC
K. HOVNANIAN FIRST HOMES, L.L.C.
K. HOVNANIAN FLORIDA REALTY, L.L.C.
K. HOVNANIAN FOUR SEASONS @ HISTORIC VIRGINIA, LLC
K. HOVNANIAN FOUR SEASONS AT GOLD HILL, LLC
K. HOVNANIAN GREAT WESTERN BUILDING COMPANY, LLC
K. HOVNANIAN GREAT WESTERN HOMES, LLC
K. HOVNANIAN HAMPTONS AT OAK CREEK II, L.L.C.
K. HOVNANIAN HOLDINGS NJ, L.L.C.
K. HOVNANIAN HOMES - DFW, L.L.C.
K. HOVNANIAN HOMES AT CAMERON STATION, LLC

K. HOVNANIAN HOMES AT CAMP SPRINGS, L.L.C.
K. HOVNANIAN HOMES AT FAIRWOOD, L.L.C.
K. HOVNANIAN HOMES AT FOREST RUN, L.L.C.
K. HOVNANIAN HOMES AT GREENWAY FARM PARK TOWNS, L.L.C.

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K. HOVNANIAN HOMES AT GREENWAY FARM, L.L.C.
K. HOVNANIAN HOMES AT JONES STATION 1, L.L.C.
K. HOVNANIAN HOMES AT MAXWELL PLACE, L.L.C.
K. HOVNANIAN HOMES AT RENAISSANCE PLAZA, L.L.C.
K. HOVNANIAN HOMES AT RUSSETT, L.L.C.
K. HOVNANIAN HOMES AT THE HIGHLANDS, LLC
K. HOVNANIAN HOMES NORTHERN CALIFORNIA, INC.
K. HOVNANIAN HOMES OF D.C., L.L.C.
K. HOVNANIAN HOMES OF DELAWARE, L.L.C.
K. HOVNANIAN HOMES OF GEORGIA, L.L.C.
K. HOVNANIAN HOMES OF HOUSTON, L.L.C.
K. HOVNANIAN HOMES OF MARYLAND, L.L.C.
K. HOVNANIAN HOMES OF MINNESOTA, L.L.C.
K. HOVNANIAN HOMES OF NORTH CAROLINA, INC.
K. HOVNANIAN HOMES OF PENNSYLVANIA, L.L.C.
K. HOVNANIAN HOMES OF SOUTH CAROLINA, LLC
K. HOVNANIAN HOMES OF VIRGINIA, INC.
K. HOVNANIAN HOMES OF WEST VIRGINIA, L.L.C.
K. HOVNANIAN LIBERTY ON BLUFF CREEK, LLC
K. HOVNANIAN MANALAPAN ACQUISITION, LLC
K. HOVNANIAN NORTH CENTRAL ACQUISITIONS, L.L.C.
K. HOVNANIAN NORTH JERSEY ACQUISITIONS, L.L.C.
K. HOVNANIAN NORTHEAST SERVICES, L.L.C.
K. HOVNANIAN OF HOUSTON II, L.L.C.
K. HOVNANIAN OHIO REALTY, L.L.C.
K. HOVNANIAN OSTER HOMES, L.L.C.
K. HOVNANIAN PA REAL ESTATE, INC.
K. HOVNANIAN PENNSYLVANIA ACQUISITIONS, L.L.C.
K. HOVNANIAN PORT IMPERIAL URBAN RENEWAL, INC.
K. HOVNANIAN PROPERTIES OF RED BANK, INC.
K. HOVNANIAN SHORE ACQUISITIONS, L.L.C.
K. HOVNANIAN SOUTH JERSEY ACQUISITIONS, L.L.C.
K. HOVNANIAN SOUTHERN NEW JERSEY, L.L.C.
K. HOVNANIAN STANDING ENTITY, L.L.C.
K. HOVNANIAN SUMMIT HOLDINGS, L.L.C.
K. HOVNANIAN SUMMIT HOMES OF KENTUCKY, L.L.C.
K. HOVNANIAN SUMMIT HOMES OF PENNSYLVANIA, L.L.C.
K. HOVNANIAN SUMMIT HOMES OF WEST VIRGINIA, L.L.C.
K. HOVNANIAN SUMMIT HOMES, L.L.C.
K. HOVNANIAN T&C HOMES AT FLORIDA, L.L.C.
K. HOVNANIAN T&C HOMES AT ILLINOIS, L.L.C.
K. HOVNANIAN TIMBRES AT ELM CREEK, LLC
K. HOVNANIAN VENTURE I, L.L.C.
K. HOVNANIAN WINDWARD HOMES, LLC
K. HOVNANIAN'S FOUR SEASONS AT ASHBURN VILLAGE, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT BAKERSFIELD, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT BEAUMONT, LLC
K. HOVNANIAN'S FOUR SEASONS AT CHARLOTTESVILLE, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT HEMET, LLC
K. HOVNANIAN'S FOUR SEASONS AT KENT ISLAND CONDOMINIUMS, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT KENT ISLAND, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT LOS BANOS, LLC
K. HOVNANIAN'S FOUR SEASONS AT MORENO VALLEY, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT NEW KENT VINEYARDS, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT PALM SPRINGS, LLC
K. HOVNANIAN'S FOUR SEASONS AT RENAISSANCE, L.L.C.

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K. HOVNANIAN'S FOUR SEASONS AT RUSH CREEK II, LLC
K. HOVNANIAN'S FOUR SEASONS AT RUSH CREEK, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT SILVER MAPLE FARM, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT ST. MARGARETS LANDING, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT VINT HILL, L.L.C.
K. HOVNANIAN'S FOUR SEASONS, LLC

K. HOVNANIAN'S PARKSIDE AT TOWNGATE, L.L.C.
KHIP, L.L.C.
LANDARAMA, INC.
M&M AT CHESTERFIELD, LLC
M&M AT CRESCENT COURT, L.L.C.
M&M AT WEST ORANGE, L.L.C.
M&M AT WHEATENA URBAN RENEWAL, L.L.C.
MATZEL & MUMFORD AT EGG HARBOR, L.L.C.
MATZEL & MUMFORD AT SOUTH BOUND BROOK URBAN RENEWAL, L.L.C.
MCNJ, INC.
MIDWEST BUILDING PRODUCTS & CONTRACTOR SERVICES OF PENNSYLVANIA, L.L.C.
MIDWEST BUILDING PRODUCTS & CONTRACTOR SERVICES OF WEST VIRGINIA, L.L.C.
MIDWEST BUILDING PRODUCTS & CONTRACTOR SERVICES, L.L.C.
MMIP, L.L.C.
NEW LAND TITLE AGENCY OF TEXAS, LLC
NEW LAND TITLE AGENCY, L.L.C.
PADDOCKS, L.L.C.
PARK TITLE COMPANY, LLC
PINE AYR, LLC
RIDGEMORE UTILITY, L.L.C.
SEABROOK ACCUMULATION CORPORATION
STONEBROOK HOMES, INC.
TERRAPIN REALTY, L.L.C.
THE MATZEL & MUMFORD ORGANIZATION, INC
WASHINGTON HOMES AT COLUMBIA TOWN CENTER, L.L.C.
WASHINGTON HOMES, INC.
WESTMINSTER HOMES, INC.
WH PROPERTIES, INC.
WOODLAND LAKE CONDOMINIUMS AT BOWIE NEW TOWN, L.L.C.

K. HOVNIANIAN ENTERPRISES, INC.**90,000 6.00% Exchangeable Note Units****UNDERWRITING AGREEMENT**

September 19, 2012

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

J.P. MORGAN SECURITIES LLC
 383 Madison Avenue
 New York, New York 10179

CITIGROUP GLOBAL MARKETS INC.
 388 Greenwich Street
 New York, New York 10013

CREDIT SUISSE SECURITIES (USA) LLC
 Eleven Madison Avenue,
 New York, New York 10010-3629

Ladies and Gentlemen:

1. *Introductory.* K. Hovnianian Enterprises, Inc., a California corporation (“**Hovnianian**” or the “**Issuer**”), a wholly-owned subsidiary of Hovnianian Enterprises, Inc., a Delaware corporation (the “**Company**”), proposes to issue and sell to the several Underwriters named in Schedule A hereto (the “**Underwriters**”) 90,000 6.00% Exchangeable Note Units (the “**Units**”) of the Company and Hovnianian (“**Underwritten Securities**”) and also propose to issue and sell to the Underwriters, at the option of the Underwriters, an aggregate of not more than 10,000 Units (“**Optional Securities**”) as set forth below. The Underwritten Securities and the Optional Securities are herein collectively called the “**Securities**”. Each Security has a stated amount of \$1,000 (the “**Stated Amount**”) and consists of (1) a senior exchangeable note with a maturity date of December 1, 2017 (the “**Exchangeable Notes**”), issued by Hovnianian and to be guaranteed (collectively, the “**Exchangeable Notes Guarantees**”) by the Company and the subsidiary guarantors listed on Schedule B hereto (together with the Company, the “**Exchangeable Notes Guarantors**”), which will have an initial principal amount of \$768.51 and will accrete at a rate of 5.17% per year, and which will be initially exchangeable for 185.5288 shares of Class A common stock of the Company, par value \$0.01 per share (the “**Common Stock**”) (subject to adjustment) and (2) a senior amortizing note with a final installment payment date of December 1, 2017 (the “**Amortizing Notes**”) issued by Hovnianian and to be guaranteed (collectively, the “**Amortizing Notes Guarantees**”) by the Company and the subsidiary guarantors listed on Schedule B hereto (together with the Company, the “**Amortizing Notes Guarantors**”), each of which will have an initial principal amount of \$231.49 and will pay equal quarterly cash installments of \$30.00 (except for the installment payment on June 1, 2013, which will be \$39.83), which in the aggregate would be equivalent to 6.00% per year on the Stated Amount per Security. The Exchangeable Notes Guarantees and the Amortizing Notes Guarantees are herein collectively called the “**Guarantees**”, and the Exchangeable Notes Guarantors and the

Amortizing Notes Guarantors are herein collectively called the “**Guarantors**”. All references herein to the Securities include references to the Exchangeable Notes and the Amortizing Notes, comprising the Units, and the Guarantees, unless the context otherwise requires.

The Exchangeable Notes will be issued pursuant to an indenture, dated as of February 14, 2011 (the “**Base Indenture**”), among the Company, Hovnianian, the subsidiary guarantors party thereto, and Wilmington Trust, National Association (f/k/a Wilmington Trust Company), as trustee (the “**Base Indenture Trustee**”), as supplemented by that certain supplemental indenture, among Hovnianian, the Exchangeable Notes Guarantors and Wilmington Trust, National Association, as trustee (the “**Exchangeable Notes Trustee**”), dated as of the Closing Date (the “**Exchangeable Notes Supplemental Indenture**”) and, together with the Base Indenture, the “**Exchangeable Notes Indenture**”). The Exchangeable Notes will be unconditionally guaranteed by the Exchangeable Notes Guarantors.

The Amortizing Notes will be issued pursuant to the Base Indenture, as supplemented by that certain supplemental indenture, among Hovnianian, the Amortizing Notes Guarantors and Wilmington Trust, National Association, as trustee (the “**Amortizing Notes Trustee**” and, together with the Exchangeable Notes Trustee, the “**Trustees**”), dated as of the Closing Date (the “**Amortizing Notes Supplemental Indenture**” and, together with the Base Indenture, the “**Amortizing Notes Indenture**”). The Amortizing Notes will be unconditionally guaranteed by the Amortizing Note Guarantors. The Exchangeable Notes Supplemental Indenture and the Amortizing Notes Supplemental Indenture are herein collectively called the “**Supplemental Indentures**”. The Exchangeable Notes Indenture and the Amortizing Notes Indenture are herein collectively called the “**Indentures**”. The Units will be issued pursuant to the Units Agreement (the “**Units Agreement**”), dated as of the Closing Date, among the Company, Hovnianian, Wilmington Trust, National Association, as units agent and attorney-in-fact for the holders of the Securities (the “**Units Agent**”) and the Trustees. This Agreement, the Securities, the Units Agreement and the Indentures are referred to herein collectively as the “**Securities Documents**.”

Each of the Company, Hovnianian and each Guarantor hereby agrees with the several Underwriters as follows:

2. *Representations and Warranties of the Company and Hovnianian.* Each of the Company and Hovnianian, jointly and severally, represents and warrants to, and agrees with the several Underwriters that:

(a) A registration statement on Form S-3 (File No. 333-173365) relating to the Securities, the Underlying Common Stock (as defined below), the Exchangeable Notes and the Amortizing Notes, including a base prospectus dated April 18, 2011 (the “**Base Prospectus**”), has been filed with the Securities and Exchange Commission (the “**Commission**”) under the Securities Act of 1933, as amended (the “**Act**”), and has been declared effective under the Act. For purposes of this agreement (the “**Agreement**”), “**Effective Date**” means the “effective date of the registration statement” (within the meaning of Rule 158(c) under the Act) of the Registration Statement or the most recent post-effective amendment thereto (if any) filed prior to the execution and delivery of this Agreement. Such registration statement, as amended at the Effective Date, including the information, if any, deemed pursuant to Rule 430B under the Act to be part of the registration statement at the time of its effectiveness (“**Rule 430 Information**”), is hereinafter referred to as the “**Registration Statement**.” The term “**Preliminary Prospectus**” means each preliminary prospectus supplement to the Base Prospectus which is used in connection with the offering of the Securities prior to the filing of the Prospectus, together with the Base Prospectus, and the term “**Prospectus**” means the prospectus supplement in the form first used (or made available upon request of purchasers pursuant to Rule 173 under the Act) in connection with confirmation of sales of the Securities, together with the Base Prospectus. Any reference in this Agreement to the Registration Statement, the Base Prospectus, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the effective date of the Registration Statement or the date of such Base Prospectus, Preliminary Prospectus or the Prospectus, as the case may be and any reference to “**amend**”, “**amendment**” or “**supplement**” with respect to the Registration Statement, the Base Prospectus, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after such date under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission

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thereunder (collectively, the “**1934 Act**”) that are deemed to be incorporated by reference therein. As of the Effective Date, the Issuer and the Company were eligible to use Form S-3 under the Act. No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose or pursuant to Section 8A of the Act against the Issuer or the Company or related to the offering shall have been instituted or, to the knowledge of the Company or Hovnanian, shall be contemplated by the Commission.

(b) At or prior to 8:45 P.M. on September 19, 2012 (the “**Time of Sale**”), the Issuer had prepared the following information (collectively, the “**Time of Sale Information**”): a Preliminary Prospectus dated September 18, 2012, and each “free-writing prospectus” (as defined pursuant to Rule 405 under the Act) listed on Schedule C hereto.

(c) The Time of Sale Information, when taken together as a whole, at the Time of Sale did not, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that the Issuer makes no representation and warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company or Hovnanian in writing by such Underwriter through the Representatives expressly for use in such Time of Sale Information.

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

(e) (i) On the Effective Date, the Registration Statement conformed in all material respects to the requirements of the Act, the Trust Indenture Act of 1939 (the “**Trust Indenture Act**”) and the rules and regulations of the Commission under the Act (“**Rules and Regulations**”) and did not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (ii) on the date of this Agreement, the Registration Statement conforms, and at the time of filing of the Prospectus pursuant to Rule 424(b) under the Act, the Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act, the Trust Indenture Act, the Rules and Regulations and neither of the Registration Statement or the Prospectus includes, or will include, any untrue statement of a material fact or omits, or will omit, to state any material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading except that the foregoing does not apply to statements in or omissions from the Registration Statement or the Prospectus based upon written information furnished to the Company or Hovnanian by any Underwriter through the Representatives, if any, specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 8(b) hereof.

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

(g) Each of the Company and its subsidiaries has been duly incorporated or formed, as the case may be, is validly existing as a corporation, limited liability company or limited partnership, as the case may be, in good standing under the laws of its jurisdiction of incorporation or

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

(h) All outstanding shares of capital stock of the Company and Hovnanian have been duly authorized; the authorized equity capitalization of the Company is as set forth in the Time of Sale Information; all outstanding shares of capital stock of the Company and Hovnanian are validly issued and are fully paid, non-assessable and except, for the avoidance of doubt, with respect to the Company’s Rights Plan, as disclosed in the Time of Sale Information, not subject to any preemptive or similar rights.

(i) All of the outstanding shares of capital stock of each of Hovnanian’s direct and indirect subsidiaries have been duly authorized and validly issued and are fully paid and non-assessable, and such shares that are owned by the Company are owned by the Company, directly or indirectly through one or more subsidiaries, free and clear of any security interest, claim, lien, encumbrance or adverse interest of any nature (each, a “**Lien**”) other than Liens securing obligations under (A) Hovnanian’s 2.00% Senior Secured Notes due 2021 and 5.00% Senior Secured Notes due 2021 issued pursuant to the indenture, dated as of November 1, 2011, by and among the Company, Hovnanian, the other guarantor’s named therein and Wilmington Trust, National Association (f/k/a Wilmington Trust Company), as trustee, (B) Hovnanian’s 10⁵/₈% Senior Secured Notes due 2016 issued pursuant to the indenture, dated as of October 20, 2009, by and among the Company, Hovnanian, the other guarantors named therein and Wilmington Trust, National Association, as trustee (f/k/a Wilmington Trust Company) (the “**Existing First Lien Notes**”), (C) on the Closing Date, the Secured Notes and the related guarantees offered concurrently with the Securities, as described in the Time of Sale Information and (D) “**Permitted Liens**” as defined in such aforementioned indentures.

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

(k) Each of the Company, Hovnanian and each other Guarantor has all requisite corporate power and authority to execute, deliver and perform all of its obligations under each of the Securities Documents to which it is a party and to consummate the transactions contemplated by each of the Securities Documents to which it is a party to be consummated on its part and, without limitation, the Company, Hovnanian and each other Guarantor have all requisite corporate power and authority to issue, sell and deliver the Securities, and the Company has all requisite corporate power and authority to deliver the shares of Common Stock deliverable upon exchange of the Exchangeable Notes pursuant to the terms thereof (the “**Underlying Common Stock**”). Each of the Company, Hovnanian and each other Guarantor has duly authorized the execution, delivery and performance of each of the Securities Documents to which it is a party. The Securities Documents conform in all material respects to the descriptions thereof in the Time of Sale Information and the Prospectus.

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(l) The Units Agreement, when duly executed and delivered by the Company and Hovnanian (assuming the due authorization, execution and delivery thereof by the Units Agent and the Trustees), will be a legally binding and valid obligation of each of the Company and Hovnanian, enforceable against each of the Company and Hovnanian in accordance with its terms, except as the enforceability thereof may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors’ rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

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

(n) The Exchangeable Notes Indenture has been duly qualified under the Trust Indenture Act with respect to the Exchangeable Notes, and the Amortizing Notes Indenture has been duly qualified under the Trust Indenture Act with respect to the Amortizing Notes.

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

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

(q) The Exchangeable Notes have been duly authorized and, on the Closing Date, will have been validly executed and delivered by Hovnanian. When the Exchangeable Notes have been issued, executed and authenticated in accordance with the provisions of the Exchangeable Notes Indenture and delivered to and paid for by the Underwriters in accordance with the terms of this Agreement, the Exchangeable Notes will be entitled to the benefits of the Exchangeable Notes Indenture and will be valid and binding obligations of Hovnanian, enforceable against Hovnanian in accordance with their terms except as the enforceability thereof may be limited by the effects of bankruptcy, insolvency, fraudulent conveyance,

reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing. On the Closing Date, the Exchangeable Notes will conform as to legal matters to the descriptions thereof contained in the Time of Sale Information and the Prospectus.

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

(s) The maximum number of shares of Underlying Common Stock deliverable upon exchange of the Exchangeable Notes (including the maximum number of additional shares of Common Stock that may be deliverable upon exchange of the Exchangeable Notes in connection with a make-whole fundamental change) (the "**Maximum Number of Underlying Securities**") have been duly authorized and reserved for issuance by the Company and, when issued and delivered by the Company upon exchange of the Exchangeable Notes in accordance with the terms of the Exchangeable Notes and the Exchangeable Notes Indenture, will be validly issued, fully paid and nonassessable and not issued in violation of any preemptive or similar right.

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

(u) The execution, delivery and performance of this Agreement and each of the other Securities Documents, the compliance by the Company, Hovnanian and each of the Guarantors, as applicable, with all provisions hereof and thereof and the consummation of the transactions contemplated hereby and thereby, including the issuance of the Units by the Company and Hovnanian, the issuance of the Exchangeable Notes by Hovnanian, the delivery of any Underlying Common Stock by the Company upon exchange of the Exchangeable Notes in accordance with the terms of the Exchangeable Notes and Exchangeable Notes Indenture, the issuance of the Amortizing Notes by Hovnanian and the issuance of the Guarantees by each of the Guarantors, will not (i) require any consent, approval, authorization or other order of, or qualification with, any court or governmental body or agency (except such consents as have been obtained under the Act and the Trust Indenture Act and except as may be required under securities or Blue Sky laws of the various states and under the 1934 Act), (ii) conflict with or constitute a breach of any of the terms or provisions of, or a default under, the charter, by-laws or applicable organizational documents of the Company, Hovnanian or any Guarantor or any indenture, loan agreement, mortgage, lease or other agreement or instrument that is material to the Company and its subsidiaries, taken as a whole to which the Company, Hovnanian or any of the Guarantors is a party or by which the Company, Hovnanian or the Guarantors or their respective property is bound, (iii) violate or conflict with any applicable law or any rule, regulation, judgment, order or decree of any court or any governmental body or agency having jurisdiction over the Company or any of its subsidiaries or their respective property, (iv) result in the imposition or creation of (or the obligation to create or impose) a Lien under, any agreement or instrument to which the Company or any of its

subsidiaries is a party or by which the Company or any of its subsidiaries or their respective property is bound other than as described in the Time of Sale Information and the Prospectus, or (v) result in the termination, suspension or revocation of any Authorization (as defined below) of the Company or any of its subsidiaries or result in any other impairment of the rights of the holder of any such Authorization.

(v) Except as disclosed in the Time of Sale Information and the Prospectus, there are no legal or governmental proceedings pending or threatened to which the Company or any of its subsidiaries is or could be a party or to which any of their respective property is or could be subject, which might result, singly or in the aggregate, in a Material Adverse Effect.

(w) Except as disclosed in the Time of Sale Information and the Prospectus, neither the Company nor any of its subsidiaries has (i) violated any foreign, federal, state or local law or regulation relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), and, to the knowledge of the Company and Hovnanian, there are no pending or threatened liabilities relating to Environmental Laws, (ii) violated any provisions of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or (iii) violated any provisions of the Foreign Corrupt Practices Act or the rules and regulations promulgated thereunder, except, with respect to (i) and (ii) for such violations or liabilities, as the case may be, which, singly or in the aggregate, would not have a Material Adverse Effect.

(x) Hovnanian, the Company and each of their subsidiaries maintains insurance covering their properties, assets, operations, personnel and businesses, and, in the good faith estimate of management, such insurance is of such type and in such amounts as is in accordance with customary industry practice in the locations where Hovnanian, the Company and each subsidiary conduct operations, taking into account the costs and availability of such insurance.

(y) The Company and its officers and directors, in their capacities as such, are in compliance with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder.

(z) The Company maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the 1934 Act) that complies with the requirements of the 1934 Act and has been designed by the Company's principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and the Company's internal control over financial reporting is effective in all material respects to perform the functions for which it was established and the Company is not aware of any material weaknesses in its internal control over financial reporting.

(aa) The Company maintains "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) under the 1934 Act); such disclosure controls and procedures are effective in all material respects to perform the functions for which they were established.

(bb) The Company has not taken, directly or indirectly, any action designed to or that has constituted or that might reasonably be expected to cause or result in, under the 1934 Act or otherwise, stabilization or manipulation of the price of the Common Stock or any "reference security" of the Company or Hovnanian (as defined in Rule 100 under the Act) to facilitate the sale or resale of the Securities in connection with the offering contemplated hereby.

(cc) Except as disclosed in the Time of Sale Information and the Prospectus, each of the Company and its subsidiaries has such permits, licenses, consents, exemptions, franchises, authorizations and other approvals (each, an "Authorization") of, and has made all filings with and notices to, all governmental or regulatory authorities and self-regulatory organizations and all courts and other tribunals, including without limitation, under any applicable Environmental Laws, as are necessary to own, lease, license and operate its respective properties and to conduct its business, except where the failure to have any such Authorization or to make any such filing or notice would not, singly or in the aggregate, have a Material Adverse Effect.

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Each such Authorization is valid and in full force and effect and each of the Company and its subsidiaries is in compliance with all the terms and conditions thereof and with the rules and regulations of the authorities and governing bodies having jurisdiction with respect thereto; and no event has occurred (including, without limitation, the receipt of any notice from any authority or governing body) which allows or, after notice or lapse of time or both, would allow, revocation, suspension or termination of any such Authorization or results or, after notice or lapse of time or both, would result in any other impairment of the rights of the holder of any such Authorization; except where such failure to be valid and in full force and effect or to be in compliance, the occurrence of any such event or the presence of any such restriction would not, singly or in the aggregate, have a Material Adverse Effect.

(dd) Deloitte & Touche LLP, which has certified financial statements incorporated by reference in the Time of Sale Information and the Prospectus, is an independent registered public accounting firm with respect to the Company, Hovnanian and the Guarantors as required by the Act and the 1934 Act and the rules and regulations of the Public Company Accounting Oversight Board.

(ee) The historical financial statements, together with related notes, incorporated by reference from the Company's Annual Report on Form 10-K and the Company's Quarterly Reports on Form 10-Q in the Prospectus, Time of Sale Information and the Registration Statement (and any amendment or supplement thereto) present fairly the consolidated financial position, results of operations and changes in financial position of the Company and its subsidiaries on the basis stated in the documents incorporated by reference in the Prospectus, Time of Sale Information and the Registration Statement at the respective dates or for the respective periods to which they apply; such financial statements and related notes have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except as disclosed therein; and the other financial and statistical information and data set forth or incorporated by reference in the Prospectus, Time of Sale Information and Registration Statement (and any amendment or supplement thereto) are, in all material respects, accurately presented and prepared on a basis consistent with such financial statements and the books and records of the Company; and such financial statements, together with related notes incorporated by reference in the Prospectus, Time of Sale Information and Registration Statement (and any amendment or supplement thereto) meet the requirements of the Rules and Regulations and the 1934 Act.

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

(gg) None of the Company, Hovnanian or any other Guarantor or any of their respective subsidiaries or any agent thereof acting on their behalf has taken, and none of them will take, any action that might cause this Agreement or the issuance or sale of the Securities to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System.

(hh) No "nationally recognized statistical rating organization" (as such term is defined in Section 3(a)(62) of the 1934 Act) (i) has indicated to the Company or Hovnanian that it is considering (A) the downgrading, suspension, or withdrawal of, or any review for a possible change that does not indicate the direction of the possible change in, any rating so assigned or (B) any change in the outlook (other than a positive change) for any rating of Hovnanian, any Guarantor or any securities of the Company or Hovnanian and (ii) rates the debt of any subsidiary of the Company (other than Hovnanian).

(ii) Since the respective dates as of which information is given in the Prospectus and Time of Sale Information except as disclosed in the Prospectus and Time of Sale Information (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), (i) there has not occurred any material adverse change or any development involving a prospective material adverse change in the condition, financial or otherwise, or the earnings, business, management or operations of the Company and its subsidiaries, taken as a whole, (ii) there has not been any material adverse change or any development involving a prospective material adverse change in the capital stock or in the long-term debt of the

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Company or any of its subsidiaries, and (iii) neither the Company nor any of its subsidiaries has incurred any material liability or obligation, direct or contingent.

(jj) Neither the Company nor Hovnanian is an ineligible issuer, as defined under the Act, at the times specified in the Act in connection with the offering of the Securities. The Company or Hovnanian has paid the registration fee for this offering as required under the Act.

(kk) The Company is subject to Section 13 or 15(d) of the Exchange Act.

Any certificate signed by any officer of the Company or Hovnanian and delivered to the Representatives or counsel for the Underwriters pursuant to the last sentence of Section 3(d) or Section 7 of this Agreement shall be deemed a representation and warranty by the Company or Hovnanian, as applicable, as to matters covered thereby, to each Underwriter.

3. *Purchase, Sale and Delivery of the Securities.* (a) On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company and Hovnanian agree to sell to the Underwriters the Underwritten Securities and the Underwriters agree, severally and not jointly, to purchase from the Company and Hovnanian, the respective number of Underwritten Securities set forth opposite such Underwriter's name in Schedule A hereto at a purchase price of \$970 per Unit.

(b) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company and Hovnanian hereby grant an option to the several Underwriters to purchase, severally and not jointly, up to 10,000 Units of Optional Securities at the same purchase price per Unit as the Underwriters shall pay for the Underwritten Securities. Said option may be exercised in whole or in part upon written or telegraphic notice by the Representatives to the Company setting forth the number of Optional Securities as to which the several Underwriters are exercising the option and the settlement date. The number of Optional Securities to be purchased by each Underwriter shall be the same percentage of the total number of Optional Securities to be purchased by the several Underwriters as such Underwriter is purchasing of the Underwritten Securities, subject to such adjustments as you in your absolute discretion shall make to eliminate any fractional Units.

(c) Delivery of and payment for the Underwritten Securities and the Optional Securities (if the option provided for in Section 3(b) hereof shall have been exercised on or before 4:30 P.M. on the third business day immediately preceding the Closing Date) shall be made on October 2, 2012 at 10:00 A.M. or at such time on such later date not more than three business days after the foregoing date as the Representatives shall designate, which date and time may be postponed by agreement between the Representatives and the Company or as provided in Section 9 hereof (such date and time of delivery and payment for the Securities being herein called the "**Closing Date**"). Delivery of the Securities shall be made to the Representatives for the respective accounts of the several Underwriters in such names and in such denominations as the Representatives shall request against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company by wire transfer payable in same-day funds to an account specified by the Company. Delivery of the Underwritten Securities and the Optional Securities shall be made through the facilities of The Depository Trust Company ("**DTC**") unless the Representatives shall otherwise instruct. The certificates for the Securities will be made available for checking at the office of Davis Polk & Wardwell LLP at least 24 hours prior to the Closing Date or the time and date for payment for the Optional Securities as the case may be

(d) If the option provided for in Section 3(b) hereof is exercised after 4:30 P.M. on the third business day immediately preceding the Closing Date, the Company will deliver the Optional Securities (at the expense of the Company) to the Representatives, at the offices of Davis Polk & Wardwell LLP, on the date specified by the Representatives (which shall be within three Business Days after exercise of said option, unless said option is exercised after 4:30 P.M. in which case such date shall be within four business days of said option, but which shall in no event be later than the 13th day from, and including, the Closing Date) for the respective accounts of the several Underwriters, against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company by wire transfer payable in same-day funds to an account specified by the Company. If settlement for the Optional Securities occurs after the Closing Date, the Company will deliver to the Representatives on the settlement date for the Optional Securities, and the obligation of the Underwriters to purchase

the Optional Securities shall be conditioned upon receipt of, supplemental opinions, certificates and letters confirming as of such date the opinions, certificates and letters delivered on the Closing Date pursuant to Section 7 hereof.

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

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

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

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

(c) Before preparing, using, authorizing, approving, referring to or filing any Issuer Free Writing Prospectus, and before filing any amendment or supplement to the Registration Statement or the Prospectus, whether before or after the time that the Registration Statement becomes effective, the Company will furnish to the Representatives and counsel for the Underwriters a copy of the proposed Issuer Free Writing Prospectus, amendment or

supplement for review and will not prepare, use, authorize, approve, refer to or file any such Issuer Free Writing Prospectus or file any such proposed amendment or supplement to which the Representatives reasonably object.

(d) If, at any time when a prospectus relating to the Securities is required to be (or but for the exemption in Rule 172 under the Act would be required to be) delivered under the Act in connection with sales by any Underwriter or dealer, any event occurs as a result of which the Time of Sale Information, Prospectus or any Free Writing Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Time of Sale Information, Prospectus or any Free Writing Prospectus to comply with the Act, the Company will promptly notify the Representatives of such event and will promptly prepare and file with the Commission, at the Company's own expense, an amendment or supplement that will correct such statement or omission or an amendment that will effect such compliance. Neither the Representatives' consent to, nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 7 hereof.

(e) As soon as practicable, but not later than the Availability Date (as defined below), the Company will make generally available to its securityholders an earnings statement (which need not be audited) covering a period of at least 12 months beginning after the Effective Date that will satisfy the provisions of Section 11(a) of the Act. For the purpose of the preceding sentence, "**Availability Date**" means the 40th day after the end of the fourth fiscal quarter following the fiscal quarter that includes such Effective Date, except that, if such fourth fiscal quarter is the last quarter of the Company's fiscal year, "**Availability Date**" means the 60th day after the end of such fourth fiscal quarter.

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

(g) The Company will cooperate with the Underwriters and counsel to the Underwriters in connection with the qualification of the Securities for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Representatives designate and will continue such qualifications in effect so long as required for the distribution; *provided, however*, that none of the Company, Hovnanian or any Guarantor shall be required in connection therewith to qualify as a foreign corporation in any jurisdiction in which it is not now so qualified or to take any action that would subject it to general consent to service of process or taxation other than as to matters and transactions relating to the Registration Statement and the Prospectus, in any jurisdiction in which it is not now so subject.

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

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

(j) The Company will not, without the prior written consent of J.P. Morgan Securities LLC, Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC, offer, sell, contract to sell, pledge, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any affiliate of the Company or any person in privity with the Company or any affiliate of the Company), directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the 1934 Act, any shares of Common Stock or any securities convertible into, or exercisable, or exchangeable for, shares of Common Stock; or publicly announce an intention to effect any such transaction, until after 90 days from the date hereof, except for (i) the registration of the Securities and the sales to the Underwriters pursuant to this Agreement, (ii) the issuance and sale of Common Stock or options exercisable into Common Stock pursuant to any employee benefit or incentive plan, stock ownership plan or dividend reinvestment plan of the Company in effect at the Time of Sale and (iii) the issuance of Common

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Stock upon exchange of the Exchangeable Notes or the conversion of securities or the exercise of warrants outstanding at the Time of Sale.

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

(l) The Issuer will prepare a final term sheet, containing solely a description of final terms of the Securities and the offering thereof, in the form approved by the Representatives and attached as Schedule D hereto and will file such term sheet pursuant to Rule 433(d) under the Act within the time required by such Rule.

(m) The Company will reserve and keep available at all times, free of preemptive rights (for the avoidance of doubt, other than those rights provided to holders of Common Stock pursuant to the Company's Rights Plan, as described in the Time of Sale Information), the Maximum Number of Underlying Securities.

(n) The Issuer and the Company will use their reasonable best efforts to cause the Underlying Common Stock to be listed and admitted and authorized for trading on the New York Stock Exchange within 30 days of the Closing Date, and to provide satisfactory evidence of such actions to the Representatives.

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

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

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

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

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

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

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(b) The Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and Section 5(a) hereof. No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose or pursuant to Section 8A under the Act shall have been instituted or, to the knowledge of the Company, Hovnanian or any Underwriter, shall be contemplated by the Commission.

(c) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as one enterprise that, in the reasonable judgment of the Representatives, is material and adverse and makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Securities; (ii) any downgrading in the rating of any debt securities of the Company or Hovnanian by any "nationally recognized statistical rating organization" (as defined under Section 3(a)(62) of the 1934 Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of Hovnanian or the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating) or any announcement that the Company or Hovnanian has been placed on negative outlook; (iii) any change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the reasonable judgment of the Representatives, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Securities, whether in the primary market or in respect of dealings in the secondary market; (iv) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of Hovnanian or the Company on any exchange or in the over-the-counter market; (v) any banking moratorium declared by U.S. federal or New York authorities; (vi) any major disruption of settlements of securities or clearance services in the United States if, in the reasonable judgment of the Representatives, the effect of such disruption makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Securities; or (vii) any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States, any declaration of war by Congress or any other national or international calamity or emergency if, in the reasonable judgment of the Representatives, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Securities.

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

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

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

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

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statements incorporated by reference in the Time of Sale Information and the Prospectus (exclusive of any supplement thereto), there has been no material adverse effect on the business, prospects, financial condition or results of operations of the Company and its subsidiaries, taken as a whole, except as set forth in or contemplated in the Time of Sale Information and the Prospectus (exclusive of any supplement thereto).

(h) The Representatives shall have received lockup letters in the form of Exhibit D hereto from each of the executive officers and directors of the Company.

(i) The Company, Hovnanian, the Units Agent and the Trustees shall have executed and delivered the Units Agreement and the Underwriters shall have received copies, conformed as executed, thereof.

(j) Hovnanian, the Guarantors and the applicable Trustee shall have executed and delivered each of the Supplemental Indentures and the Underwriters shall have received copies, conformed as executed, thereof.

(k) An application for listing the Underlying Common Stock shall have been submitted to the New York Stock Exchange and satisfactory evidence of such actions shall have been provided to the Representatives.

(l) The Representatives shall have received a certificate of the chief financial or chief accounting officer of the Company, dated as of the date hereof and as of the Closing Date, substantially in the form of Exhibit E hereto.

(m) The indenture governing the Existing First Lien Notes shall have been discharged.

(n) The offering of Secured Notes, as described in the Time of Sale Information, shall have been consummated.

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

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

(b) Each Underwriter will severally and not jointly indemnify and hold harmless the Company, Hovnanian, each Guarantor and their respective directors and officers and each person, if any, who controls the Company, Hovnanian or any Guarantor within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities to which the Company, Hovnanian or the Guarantors may become subject, under the Act or the 1934 Act or

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otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus or any Time of Sale Information, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, any Issuer Free Writing Prospectus or any Time of Sale Information, in the light of the circumstances under which they were made) not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company or Hovnanian by such Underwriter through the Representatives specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by any Underwriter through the Representatives consists of the following information in the Prospectus: the second sentence of the sixth paragraph and the ninth through eleventh paragraphs under the caption "Underwriting"; *provided, however*, that the Underwriters shall not be liable for any losses, claims, damages or liabilities arising out of or based upon the Company's or Hovnanian's failure to perform its obligations under Section 5(f) of this Agreement.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under Section 8(a) or 8(b) hereof, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve it from any liability that it may have under Section 8(a) or 8(b) hereof except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided further* that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under Section 8(a) or 8(b) hereof. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable or insufficient to hold harmless an indemnified party under Section 8(a) or 8(b) hereof, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in Section 8(a) or 8(b) hereof (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, Hovnanian and the Guarantors on the one hand and the Underwriters on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, Hovnanian and the Guarantors on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company, Hovnanian and the Guarantors on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company, Hovnanian and the Guarantors bear to the total underwriting discounts and commissions received by the Underwriters from the Company under this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, Hovnanian and the Guarantors or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an

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indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this Section 8(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim that is the subject of this Section 8(d). Notwithstanding the provisions of this Section 8(d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this Section 8(d) to contribute are several in proportion to their respective underwriting obligations and not joint.

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

9. *Default of Underwriters.* If any Underwriter or Underwriters default(s) in its or their obligations to purchase Securities hereunder on the Closing Date and the aggregate amount of Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the aggregate amount of Securities that the Underwriters are obligated to purchase on the Closing Date, the Representatives may make arrangements satisfactory to the Company for the purchase of such Securities by other persons, including any of the Underwriters, but if no such arrangements are made by the Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase on the Closing Date. If any Underwriter or Underwriters so default(s) and the number of Securities with respect to which such default or defaults occur(s) exceeds 10% of the number of Securities that the Underwriters are obligated to purchase on the Closing Date and arrangements satisfactory to the Representatives, the Company and Hovnanian for the purchase of such Securities by other persons are not made within 48 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company and Hovnanian, except as provided in Section 10 hereof. As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

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

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

12. *Notices.* All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or telegraphed and confirmed to the Representatives c/o J.P. Morgan Securities LLC, 383 Madison Avenue, New York, NY 10179, Attn: Equity Syndicate Desk, Fax: (212) 622-8358; Citigroup Global Markets Inc., 388 Greenwich Street, New York, NY 10013, Attn: Corporate Counsel, Fax: 212-816-7912; and Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, NY 10010-3629, Attn: LCD-IBD, Tel: 212-538-2640, Fax: 212-325-4296, or, if sent to the Company, Hovnanian or any Guarantor, will be mailed, delivered or telegraphed and confirmed to Hovnanian Enterprises, Inc., 110 West Front Street, P.O. Box 500, Red Bank, New Jersey 07701, fax no. 732-747-6835 and confirmation number 732-747-7800, Attention: General Counsel; *provided, however*, that any notice to an Underwriter pursuant to Section 8 hereof will be mailed, delivered or telegraphed and confirmed to such Underwriter as set forth in Exhibit C.

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

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

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

16. *Applicable Law.* This Agreement, and any claim, controversy or dispute arising under or related to this Agreement, shall be governed by, and construed in accordance with, the laws of the State of New York.

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

Very truly yours,

HOVNANIAN ENTERPRISES, INC.

By: J. Larry Sorsby
Name: J. Larry Sorsby
Title: Executive Vice President, Chief Financial Officer

K. HOVNANIAN ENTERPRISES, INC.

By: J. Larry Sorsby
Name: J. Larry Sorsby
Title: Executive Vice President, Chief Financial Officer

On behalf of each entity named in Schedule B hereto

By: J. Larry Sorsby
Name: J. Larry Sorsby
Title: Executive Vice President, Chief Financial Officer

[Signature Page to Underwriting Agreement]

By: J.P. MORGAN SECURITIES LLC

By: /s/ Santosh Sreenivasan
Name: Santosh Sreenivasan
Title: Managing Director

By: CITIGROUP GLOBAL MARKETS INC.

By: /s/ Richard Moriarty
Name: Richard Moriarty
Title: Managing Director

By: CREDIT SUISSE SECURITIES (USA) LLC

By: /s/ Katie Stein
Name: Katie Stein
Title: Director

Acting on behalf of themselves and the other several Underwriters.

[Signature Page to Underwriting Agreement]

Schedule A

<u>Underwriter</u>	<u>Number of Underwritten Securities to be Purchased</u>
J.P. Morgan Securities LLC	30,000
Citigroup Global Markets Inc.	30,000
Credit Suisse Securities (USA) LLC	30,000
Total	90,000

Schedule B

Guarantors

ARBOR TRAILS, LLC
AUDDIE ENTERPRISES, L.L.C.
BUILDER SERVICES NJ, L.L.C.
BUILDER SERVICES PA, L.L.C.
DULLES COPPERMINE, L.L.C.
EASTERN NATIONAL TITLE AGENCY, LLC
EASTERN TITLE AGENCY, INC.
F&W MECHANICAL SERVICES, L.L.C.
FOUNDERS TITLE AGENCY OF MARYLAND, L.L.C.
FOUNDERS TITLE AGENCY, INC.
GOVERNOR'S ABSTRACT CO., INC.
HOMEBUYERS FINANCIAL SERVICES, L.L.C.
HOVNANIAN DEVELOPMENTS OF FLORIDA, INC.
HOVNANIAN ENTERPRISES, INC. (PARENT COMPANY)
HOVNANIAN LAND INVESTMENT GROUP OF FLORIDA, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP OF MARYLAND, L.L.C.
HOVNANIAN LAND INVESTMENT GROUP, L.L.C.
K. HOV IP, II, INC.
K. HOV IP, INC.
K. HOVNANIAN ACQUISITIONS, INC.

K. HOVNANIAN AT 4S, LLC
K. HOVNANIAN AT ACQUA VISTA, LLC
K. HOVNANIAN AT ALISO, LLC
K. HOVNANIAN AT ALLENTOWN, L.L.C.
K. HOVNANIAN AT ANDALUSIA, LLC
K. HOVNANIAN AT ARBOR HEIGHTS, LLC
K. HOVNANIAN AT AVENUE ONE, L.L.C.
K. HOVNANIAN AT BAKERSFIELD 463, L.L.C.
K. HOVNANIAN AT BARNEGAT I, L.L.C.
K. HOVNANIAN AT BARNEGAT II, L.L.C.
K. HOVNANIAN AT BELLA LAGO, LLC
K. HOVNANIAN AT BENSLEM, LLC
K. HOVNANIAN AT BERKELEY, L.L.C.
K. HOVNANIAN AT BLUE HERON PINES, L.L.C.
K. HOVNANIAN AT BRANCHBURG, L.L.C.
K. HOVNANIAN AT BRIDGEPORT, INC.
K. HOVNANIAN AT BRIDGEWATER I, L.L.C.
K. HOVNANIAN AT BROAD AND WALNUT, L.L.C.
K. HOVNANIAN AT CAMERON CHASE, INC.
K. HOVNANIAN AT CAMP HILL, L.L.C.
K. HOVNANIAN AT CAPISTRANO, L.L.C.
K. HOVNANIAN AT CARLSBAD, LLC
K. HOVNANIAN AT CEDAR GROVE III, L.L.C.
K. HOVNANIAN AT CEDAR GROVE V, L.L.C.
K. HOVNANIAN AT CHARTER WAY, LLC
K. HOVNANIAN AT CHESTER I, L.L.C.
K. HOVNANIAN AT CHESTERFIELD, L.L.C.
K. HOVNANIAN AT CIELO, L.L.C.
K. HOVNANIAN AT CLIFTON, L.L.C.
K. HOVNANIAN AT COASTLINE, L.L.C.

K. HOVNANIAN AT CORTEZ HILL, LLC
K. HOVNANIAN AT CRANBURY, L.L.C.
K. HOVNANIAN AT DENVILLE, L.L.C.
K. HOVNANIAN AT DEPTFORD TOWNSHIP, L.L.C.
K. HOVNANIAN AT DOMINGUEZ HILLS, INC.
K. HOVNANIAN AT EAST BRANDYWINE, L.L.C.
K. HOVNANIAN AT EASTLAKE, LLC
K. HOVNANIAN AT EDGEWATER II, L.L.C.
K. HOVNANIAN AT EDGEWATER, L.L.C.
K. HOVNANIAN AT EGG HARBOR TOWNSHIP II, L.L.C.
K. HOVNANIAN AT EGG HARBOR TOWNSHIP, L.L.C.
K. HOVNANIAN AT EL DORADO RANCH II, L.L.C.
K. HOVNANIAN AT EL DORADO RANCH, L.L.C.
K. HOVNANIAN AT ENCINITAS RANCH, LLC
K. HOVNANIAN AT EVERGREEN, L.L.C.
K. HOVNANIAN AT FIDDYMENT RANCH, LLC
K. HOVNANIAN AT FIFTH AVENUE, L.L.C.
K. HOVNANIAN AT FLORENCE I, L.L.C.
K. HOVNANIAN AT FLORENCE II, L.L.C.
K. HOVNANIAN AT FOREST MEADOWS, L.L.C.
K. HOVNANIAN AT FRANKLIN II, L.L.C.
K. HOVNANIAN AT FRANKLIN, L.L.C.
K. HOVNANIAN AT FREEHOLD TOWNSHIP, L.L.C.
K. HOVNANIAN AT FRESNO, LLC
K. HOVNANIAN AT GASLAMP SQUARE, L.L.C.
K. HOVNANIAN AT GILROY, LLC
K. HOVNANIAN AT GREAT NOTCH, L.L.C.
K. HOVNANIAN AT GUTTENBERG, L.L.C.
K. HOVNANIAN AT HACKETTSTOWN II, L.L.C.
K. HOVNANIAN AT HAMBURG, L.L.C.
K. HOVNANIAN AT HAWTHORNE, L.L.C.
K. HOVNANIAN AT HERSHEY'S MILL, INC.
K. HOVNANIAN AT HIGHLAND SHORES, L.L.C.
K. HOVNANIAN AT HOWELL, LLC
K. HOVNANIAN AT HUDSON POINTE, L.L.C.
K. HOVNANIAN AT JACKSON I, L.L.C.
K. HOVNANIAN AT JACKSON, L.L.C.
K. HOVNANIAN AT JAEGER RANCH, LLC
K. HOVNANIAN AT JERSEY CITY IV, L.L.C.
K. HOVNANIAN AT JERSEY CITY V URBAN RENEWAL COMPANY, L.L.C.
K. HOVNANIAN AT KEYPORT, L.L.C.
K. HOVNANIAN AT LA COSTA GREENS, L.L.C.

K. HOVNANIAN AT LA COSTA, LLC
K. HOVNANIAN AT LA HABRA KNOLLS, LLC
K. HOVNANIAN AT LA LAGUNA, L.L.C.
K. HOVNANIAN AT LAKE RANCHO VIEJO, LLC
K. HOVNANIAN AT LAKE TERRAPIN, L.L.C.
K. HOVNANIAN AT LAWRENCE V, L.L.C.
K. HOVNANIAN AT LEE SQUARE, L.L.C.
K. HOVNANIAN AT LITTLE EGG HARBOR TOWNSHIP II, L.L.C.
K. HOVNANIAN AT LITTLE EGG HARBOR, L.L.C
K. HOVNANIAN AT LOWER MACUNGIE TOWNSHIP I, L.L.C.
K. HOVNANIAN AT LOWER MACUNGIE TOWNSHIP II, L.L.C.
K. HOVNANIAN AT LOWER MAKEFIELD TOWNSHIP I, L.L.C.
K. HOVNANIAN AT LOWER MORELAND I, L.L.C.
K. HOVNANIAN AT LOWER MORELAND II, L.L.C.

K. HOVNANIAN AT MAHWAH VI, INC.
K. HOVNANIAN AT MALAN PARK, L.L.C.
K. HOVNANIAN AT MANALAPAN III, L.L.C.
K. HOVNANIAN AT MANSFIELD I, L.L.C.
K. HOVNANIAN AT MANSFIELD II, L.L.C.
K. HOVNANIAN AT MANSFIELD III, L.L.C.
K. HOVNANIAN AT MANTECA, LLC
K. HOVNANIAN AT MAPLE AVENUE, L.L.C.
K. HOVNANIAN AT MARLBORO TOWNSHIP IX, L.L.C.
K. HOVNANIAN AT MARLBORO TOWNSHIP V, L.L.C.
K. HOVNANIAN AT MARLBORO TOWNSHIP VIII, L.L.C.
K. HOVNANIAN AT MARLBORO VI, L.L.C.
K. HOVNANIAN AT MARLBORO VII, L.L.C.
K. HOVNANIAN AT MELANIE MEADOWS, LLC
K. HOVNANIAN AT MENDHAM TOWNSHIP, L.L.C.
K. HOVNANIAN AT MENIFEE, LLC
K. HOVNANIAN AT MIDDLE TOWNSHIP II, L.L.C.
K. HOVNANIAN AT MIDDLE TOWNSHIP, L.L.C.
K. HOVNANIAN AT MIDDLETOWN II, L.L.C.
K. HOVNANIAN AT MILLVILLE I, L.L.C.
K. HOVNANIAN AT MILLVILLE II, L.L.C.
K. HOVNANIAN AT MONROE II, INC.
K. HOVNANIAN AT MONROE IV, L.L.C.
K. HOVNANIAN AT MONROE NJ, L.L.C.
K. HOVNANIAN AT MONTVALE II, LLC
K. HOVNANIAN AT MONTVALE, L.L.C.
K. HOVNANIAN AT MOSAIC, LLC
K. HOVNANIAN AT MUIRFIELD, LLC
K. HOVNANIAN AT NEW WINDSOR, L.L.C.
K. HOVNANIAN AT NORTH BERGEN. L.L.C.
K. HOVNANIAN AT NORTH BRUNSWICK VI, L.L.C.
K. HOVNANIAN AT NORTH CALDWELL II, L.L.C.
K. HOVNANIAN AT NORTH CALDWELL III, L.L.C.
K. HOVNANIAN AT NORTH CALDWELL IV, L.L.C.
K. HOVNANIAN AT NORTH HALEDON, L.L.C.
K. HOVNANIAN AT NORTH WILDWOOD, L.L.C.
K. HOVNANIAN AT NORTHAMPTON, L.L.C.
K. HOVNANIAN AT NORTHERN WESTCHESTER, INC.
K. HOVNANIAN AT NORTHFIELD, L.L.C.
K. HOVNANIAN AT OCEAN TOWNSHIP, INC
K. HOVNANIAN AT OCEAN WALK, INC.
K. HOVNANIAN AT OCEANPORT, L.L.C.
K. HOVNANIAN AT OLD BRIDGE, L.L.C.
K. HOVNANIAN AT OLDE ORCHARD, LLC
K. HOVNANIAN AT PARAMUS, L.L.C.
K. HOVNANIAN AT PARK LANE, LLC
K. HOVNANIAN AT PARKSIDE, LLC
K. HOVNANIAN AT PARSIPPANY, L.L.C.
K. HOVNANIAN AT PARSIPPANY-TROY HILLS, L.L.C.
K. HOVNANIAN AT PIAZZA D'ORO, L.L.C.
K. HOVNANIAN AT PIAZZA SERENA, L.L.C
K. HOVNANIAN AT PITTSBORO, L.L.C.
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL IV, L.L.C.
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL V, L.L.C.
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL VI, L.L.C.
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL VII, L.L.C.

K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL VIII, L.L.C.
K. HOVNANIAN AT POSITANO, LLC
K. HOVNANIAN AT PRADO, L.L.C.
K. HOVNANIAN AT RANCHO SANTA MARGARITA, LLC
K. HOVNANIAN AT RANDOLPH I, L.L.C.
K. HOVNANIAN AT RAPHO, L.L.C
K. HOVNANIAN AT RIDGEMONT, L.L.C.
K. HOVNANIAN AT RIVERBEND, LLC
K. HOVNANIAN AT RODERUCK, L.L.C.
K. HOVNANIAN AT ROSEMARY LANTANA, L.L.C.
K. HOVNANIAN AT SAGE, L.L.C.
K. HOVNANIAN AT SANTA NELLA, LLC
K. HOVNANIAN AT SAWMILL, INC.
K. HOVNANIAN AT SAYREVILLE, L.L.C.
K. HOVNANIAN AT SCOTCH PLAINS, L.L.C.
K. HOVNANIAN AT SEASONS LANDING, LLC
K. HOVNANIAN AT SHELDON GROVE, LLC
K. HOVNANIAN AT SHREWSBURY, LLC
K. HOVNANIAN AT SILVER SPRING, L.L.C.
K. HOVNANIAN AT SKYE ISLE, LLC
K. HOVNANIAN AT SMITHVILLE, INC.
K. HOVNANIAN AT SOMERS POINT, L.L.C.
K. HOVNANIAN AT SOUTH BRUNSWICK II, LLC
K. HOVNANIAN AT SOUTH BRUNSWICK, L.L.C.
K. HOVNANIAN AT STANTON, LLC
K. HOVNANIAN AT STATION SQUARE, L.L.C.
K. HOVNANIAN AT SUNRIDGE PARK, LLC
K. HOVNANIAN AT SYCAMORE, INC.
K. HOVNANIAN AT THE CROSBY, LLC
K. HOVNANIAN AT THE GABLES, LLC
K. HOVNANIAN AT THE MONARCH, L.L.C.
K. HOVNANIAN AT THE PRESERVE, LLC
K. HOVNANIAN AT THOMPSON RANCH, LLC
K. HOVNANIAN AT THORNBURY, INC.
K. HOVNANIAN AT TRAIL RIDGE, LLC
K. HOVNANIAN AT UPPER FREEHOLD TOWNSHIP II, L.L.C.
K. HOVNANIAN AT UPPER FREEHOLD TOWNSHIP III, L.L.C.
K. HOVNANIAN AT UPPER MAKEFIELD I, INC.
K. HOVNANIAN AT UPPER PROVIDENCE, LLC
K. HOVNANIAN AT UPPER UWCHLAN II, L.L.C.
K. HOVNANIAN AT UPPER UWCHLAN, L.L.C.
K. HOVNANIAN AT VALLE DEL SOL, LLC
K. HOVNANIAN AT VERONA URBAN RENEWAL, L.L.C.
K. HOVNANIAN AT VICTORVILLE, L.L.C.
K. HOVNANIAN AT VINELAND, L.L.C.
K. HOVNANIAN AT VISTA DEL SOL, L.L.C.
K. HOVNANIAN AT WARREN TOWNSHIP, L.L.C.
K. HOVNANIAN AT WASHINGTON, L.L.C.
K. HOVNANIAN AT WATERSTONE, LLC
K. HOVNANIAN AT WAYNE IX, L.L.C.
K. HOVNANIAN AT WAYNE, VIII, L.L.C.
K. HOVNANIAN AT WEST VIEW ESTATES, L.L.C.
K. HOVNANIAN AT WEST WINDSOR, L.L.C.
K. HOVNANIAN AT WESTSHORE, LLC
K. HOVNANIAN AT WHEELER RANCH, LLC
K. HOVNANIAN AT WILDWOOD BAYSIDE, L.L.C.

K. HOVNANIAN AT WILLOW BROOK, L.L.C.
K. HOVNANIAN AT WINCHESTER, LLC
K. HOVNANIAN AT WOODCREEK WEST, LLC
K. HOVNANIAN AT WOOLWICH I, L.L.C.
K. HOVNANIAN CAMBRIDGE HOMES, L.L.C.
K. HOVNANIAN CENTRAL ACQUISITIONS, L.L.C.
K. HOVNANIAN CLASSICS, L.L.C.
K. HOVNANIAN COMMUNITIES, INC.
K. HOVNANIAN COMPANIES OF CALIFORNIA, INC.
K. HOVNANIAN COMPANIES OF MARYLAND, INC.
K. HOVNANIAN COMPANIES OF NEW YORK, INC.

K. HOVNANIAN COMPANIES OF PENNSYLVANIA, INC.
K. HOVNANIAN COMPANIES OF SOUTHERN CALIFORNIA, INC.
K. HOVNANIAN COMPANIES, LLC
K. HOVNANIAN CONSTRUCTION II, INC
K. HOVNANIAN CONSTRUCTION III, INC
K. HOVNANIAN CONSTRUCTION MANAGEMENT, INC.
K. HOVNANIAN CRAFTBUILT HOMES OF SOUTH CAROLINA, L.L.C.
K. HOVNANIAN DEVELOPMENTS OF ARIZONA, INC.
K. HOVNANIAN DEVELOPMENTS OF CALIFORNIA, INC.
K. HOVNANIAN DEVELOPMENTS OF D.C., INC.
K. HOVNANIAN DEVELOPMENTS OF DELAWARE, INC.
K. HOVNANIAN DEVELOPMENTS OF GEORGIA, INC.
K. HOVNANIAN DEVELOPMENTS OF ILLINOIS, INC.
K. HOVNANIAN DEVELOPMENTS OF KENTUCKY, INC.
K. HOVNANIAN DEVELOPMENTS OF MARYLAND, INC.
K. HOVNANIAN DEVELOPMENTS OF MINNESOTA, INC.
K. HOVNANIAN DEVELOPMENTS OF NEW JERSEY II, INC.
K. HOVNANIAN DEVELOPMENTS OF NEW JERSEY, INC.
K. HOVNANIAN DEVELOPMENTS OF NEW YORK, INC.
K. HOVNANIAN DEVELOPMENTS OF NORTH CAROLINA, INC.
K. HOVNANIAN DEVELOPMENTS OF OHIO, INC.
K. HOVNANIAN DEVELOPMENTS OF PENNSYLVANIA, INC.
K. HOVNANIAN DEVELOPMENTS OF SOUTH CAROLINA, INC.
K. HOVNANIAN DEVELOPMENTS OF TEXAS, INC.
K. HOVNANIAN DEVELOPMENTS OF VIRGINIA, INC.
K. HOVNANIAN DEVELOPMENTS OF WEST VIRGINIA, INC.
K. HOVNANIAN EASTERN PENNSYLVANIA, L.L.C.
K. HOVNANIAN ENTERPRISES, INC.
K. HOVNANIAN FIRST HOMES, L.L.C.
K. HOVNANIAN FLORIDA REALTY, L.L.C.
K. HOVNANIAN FOUR SEASONS @ HISTORIC VIRGINIA, LLC
K. HOVNANIAN FOUR SEASONS AT GOLD HILL, LLC
K. HOVNANIAN GREAT WESTERN BUILDING COMPANY, LLC
K. HOVNANIAN GREAT WESTERN HOMES, LLC
K. HOVNANIAN HAMPTONS AT OAK CREEK II, L.L.C.
K. HOVNANIAN HOLDINGS NJ, L.L.C.
K. HOVNANIAN HOMES - DFW, L.L.C.
K. HOVNANIAN HOMES AT CAMERON STATION, LLC
K. HOVNANIAN HOMES AT CAMP SPRINGS, L.L.C.
K. HOVNANIAN HOMES AT FAIRWOOD, L.L.C.
K. HOVNANIAN HOMES AT FOREST RUN, L.L.C.
K. HOVNANIAN HOMES AT GREENWAY FARM PARK TOWNS, L.L.C.
K. HOVNANIAN HOMES AT GREENWAY FARM, L.L.C.
K. HOVNANIAN HOMES AT JONES STATION 1, L.L.C.
K. HOVNANIAN HOMES AT MAXWELL PLACE, L.L.C.

K. HOVNANIAN HOMES AT RENAISSANCE PLAZA, L.L.C.
K. HOVNANIAN HOMES AT RUSSETT, L.L.C.
K. HOVNANIAN HOMES AT THE HIGHLANDS, LLC
K. HOVNANIAN HOMES NORTHERN CALIFORNIA, INC.
K. HOVNANIAN HOMES OF D.C., L.L.C.
K. HOVNANIAN HOMES OF DELAWARE, L.L.C.
K. HOVNANIAN HOMES OF GEORGIA, L.L.C.
K. HOVNANIAN HOMES OF HOUSTON, L.L.C.
K. HOVNANIAN HOMES OF MARYLAND, L.L.C.
K. HOVNANIAN HOMES OF MINNESOTA, L.L.C.
K. HOVNANIAN HOMES OF NORTH CAROLINA, INC.
K. HOVNANIAN HOMES OF PENNSYLVANIA, L.L.C.
K. HOVNANIAN HOMES OF SOUTH CAROLINA, LLC
K. HOVNANIAN HOMES OF VIRGINIA, INC.
K. HOVNANIAN HOMES OF WEST VIRGINIA, L.L.C.
K. HOVNANIAN LIBERTY ON BLUFF CREEK, LLC
K. HOVNANIAN NORTH CENTRAL ACQUISITIONS, L.L.C.
K. HOVNANIAN NORTH JERSEY ACQUISITIONS, L.L.C.
K. HOVNANIAN NORTHEAST SERVICES, L.L.C.
K. HOVNANIAN OF HOUSTON II, L.L.C.
K. HOVNANIAN OHIO REALTY, L.L.C.
K. HOVNANIAN OSTER HOMES, L.L.C.
K. HOVNANIAN PA REAL ESTATE, INC.
K. HOVNANIAN PENNSYLVANIA ACQUISITIONS, L.L.C.
K. HOVNANIAN PORT IMPERIAL URBAN RENEWAL, INC.
K. HOVNANIAN PROPERTIES OF RED BANK, INC.

K. HOVNANIAN SHORE ACQUISITIONS, L.L.C.
K. HOVNANIAN SOUTH JERSEY ACQUISITIONS, L.L.C.
K. HOVNANIAN SOUTHERN NEW JERSEY, L.L.C.
K. HOVNANIAN STANDING ENTITY, L.L.C.
K. HOVNANIAN SUMMIT HOLDINGS, L.L.C.
K. HOVNANIAN SUMMIT HOMES OF KENTUCKY, L.L.C.
K. HOVNANIAN SUMMIT HOMES OF PENNSYLVANIA, L.L.C.
K. HOVNANIAN SUMMIT HOMES OF WEST VIRGINIA, L.L.C.
K. HOVNANIAN SUMMIT HOMES, L.L.C.
K. HOVNANIAN T&C HOMES AT FLORIDA, L.L.C.
K. HOVNANIAN T&C HOMES AT ILLINOIS, L.L.C.
K. HOVNANIAN TIMBRES AT ELM CREEK, LLC
K. HOVNANIAN VENTURE I, L.L.C.
K. HOVNANIAN WINDWARD HOMES, LLC
K. HOVNANIAN'S FOUR SEASONS AT ASHBURN VILLAGE, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT BAKERSFIELD, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT BEAUMONT, LLC
K. HOVNANIAN'S FOUR SEASONS AT CHARLOTTESVILLE, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT HEMET, LLC
K. HOVNANIAN'S FOUR SEASONS AT KENT ISLAND CONDOMINIUMS, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT KENT ISLAND, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT LOS BANOS, LLC
K. HOVNANIAN'S FOUR SEASONS AT MORENO VALLEY, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT NEW KENT VINEYARDS, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT PALM SPRINGS, LLC
K. HOVNANIAN'S FOUR SEASONS AT RENAISSANCE, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT RUSH CREEK II, LLC
K. HOVNANIAN'S FOUR SEASONS AT RUSH CREEK, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT ST. MARGARETS LANDING, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT VINT HILL, L.L.C.

K. HOVNANIAN'S FOUR SEASONS, LLC
K. HOVNANIAN'S PARKSIDE AT TOWNGATE, L.L.C.
KHIP, L.L.C.
LANDARAMA, INC.
M&M AT CHESTERFIELD, LLC
M&M AT CRESCENT COURT, L.L.C.
M&M AT WEST ORANGE, L.L.C.
M&M AT WHEATENA URBAN RENEWAL, L.L.C.
MATZEL & MUMFORD AT EGG HARBOR, L.L.C.
MATZEL & MUMFORD AT SOUTH BOUND BROOK URBAN RENEWAL, L.L.C.
MCNJ, INC.
MIDWEST BUILDING PRODUCTS & CONTRACTOR SERVICES OF PENNSYLVANIA, L.L.C.
MIDWEST BUILDING PRODUCTS & CONTRACTOR SERVICES OF WEST VIRGINIA, L.L.C.
MIDWEST BUILDING PRODUCTS & CONTRACTOR SERVICES, L.L.C.
MMIP, L.L.C.
NEW LAND TITLE AGENCY, LLC
PADDOCKS, L.L.C.
PARK TITLE COMPANY, LLC
PINE AYR, LLC
RIDGEMORE UTILITY, L.L.C.
SEABROOK ACCUMULATION CORPORATION
STONEBROOK HOMES, INC.
TERRAPIN REALTY, L.L.C.
THE MATZEL & MUMFORD ORGANIZATION, INC
WASHINGTON HOMES AT COLUMBIA TOWN CENTER, L.L.C.
WASHINGTON HOMES, INC.
WESTMINSTER HOMES, INC.
WH PROPERTIES, INC.
WOODLAND LAKE CONDOMINIUMS AT BOWIE NEW TOWN, L.L.C.