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MAY 05 2009

BY:.....

May 1, 2009

Mark Knorringa, Executive Officer
BIA of Riverside County
3891 11th Street
Riverside, CA 92501

Dear Mark:

K. Hovnanian Homes would like to express our gratitude for the exemplary way in which your government affairs team has consistently been proactive with the issue of Western Riverside County.

We deeply appreciate the promptness in which the government affairs team addressed fee increases, requested deferrals and reductions in cities, county, agencies, and schools districts. Your continued success in this area has enabled us to continue to provide homes to more families in our current communities.

The ongoing commitment to work with the County of Riverside Strike force Team has provided an opportunity in the spirit of cooperation, for the County officials, BIA, Developers and Builders to meet around one table to find solutions and ways of improving how the County does business. Though many of the proposed changes will take time, I know processes are improving already. Just getting the county to account for all the fee deposits in the millions they hold of the builders and developers was monumental and has helped us to manage our refunds and bond exonerations.

With any and all government affairs issues like fees, water, and legislative activities, your team is willing to lead the way to change and continued growth. I appreciate that you include the builders & developers like ourselves in the planning, processes & continued communication of these activities.

Again we thank you for your hard work and dedication and look forward to many more opportunities to work with you and your team.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Angela Wilson'.

Angela Wilson
VP, Land Planning
Southern California Division, K. Hovnanian Homes