

ASSIGNMENT OF SPECIAL DECLARANT RIGHTS

THIS ASSIGNMENT OF SPECIAL DECLARANT RIGHTS (this "Assignment") is made and entered into as of the 17th day of May, 2011, by and between K.HOVNANIAN'S FOUR SEASONS AT CHARLOTTESVILLE L.L.C., a Virginia limited liability company ("Assignor"), Grantor for indexing purposes, and CHARLOTTESVILLE LAND INVESTMENT GROUP L.L.C., a Virginia limited liability company ("CLIG"), and CHARLOTTESVILLE LAND DEVELOPMENT GROUP L.L.C., a Virginia limited liability company ("CLDG", and CLIG and CLDG are collectively referred to herein as "Assignee"), Grantees for indexing purposes.

RECITALS:

A. By virtue of that certain Declaration of Covenants, Conditions, and Restrictions, Four Seasons at Charlottesville, Greene County, Virginia, dated January 10, 2007, and recorded in Deed Book 1072, at page 1, among the Greene County, Virginia, land records (including any amendments thereto, the "Declaration"), Assignor and North Charlottesville Development, LLC, a Delaware limited liability company ("NCD") established certain rules and regulations for the benefit of those certain parcels of land containing in the aggregate approximately 203.905 acres, together with a 50' ingress/egress easement (collectively, the "Property"), intended for development as a community of approximately five hundred thirty-five (535) age-restricted, single family detached homes to be known as Four Seasons (the "Project") (it being acknowledged, however, that the current zoning/proffers for the Property allow for the development of up to six hundred fifty (650) "age – restricted single family units" within the Property).

B. The Declaration named Assignor and NCD as co-Declarant under the Declaration; however, NCD no longer holds such status because it no longer satisfies the requirement of Section 1.17 of the Declaration for Declarant status in that it no longer holds title to any property within the Project, nor has it recorded a Termination Statement as described in such section. Therefore, Assignor is the sole Declarant under the Declaration.

C. Section 1.9 of the Declaration defines "Builder" as a person or entity "which purchases one or more parcels of land within the [Property] for subdivision, development, construction of homes and/or resale in the ordinary course of... business". In Article XIII of the Declaration, the Declarant reserves certain rights and powers defined as "Special Declarant Rights", and Section 13.2 (a) of the Declaration allows the assignment of any Special Declarant Rights to a Builder.

D. By virtue of that certain Substitute Trustee's Deed dated May 27, 2009, and recorded in Deed Book 1217, page 152, CLIG acquired twenty-four (24) finished and subdivided lots within Phase One of the Project (the "CLIG Lots"). By virtue of that certain

Substitute Trustee's Deed dated May 27, 2009, and recorded in Deed Book 1217, page 155, CLDG acquired that portion of the Property which had not yet been subdivided into lots (the "Additional Land"). In connection with such acquisitions, and based upon Assignee's intention to acquire the foregoing property for subdivision, development, construction of homes and/or resale in the ordinary course of Assignee's business, Assignee is a Builder under the Declaration, and Assignor has agreed to assign certain Special Declarant Rights to Assignee as allowed by Section 13.2(a) of the Declaration.

E. As required by Section 13.2 of the Declaration, Assignor wishes to enter into this Assignment to evidence the assignment of certain Special Declarant Rights to Assignee.

WITNESSETH:

NOW, THEREFORE, in consideration of the premises and the sum of Ten Dollars (\$10.00), cash in hand paid and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. The foregoing recitals are hereby incorporated into and made a part of this Assignment as if fully set forth in this first paragraph. Unless otherwise defined in this Assignment, capitalized terms used herein shall have the same meanings ascribed to them in the Declaration.

2. Assignor hereby assigns and transfers to Assignee the following Special Declarant Rights as non-exclusive rights, to be retained by and shared with Assignor (in its capacity as the Declarant under the Declaration):

(a) To complete any improvements indicated on Plats, development plans filed with the Declaration, or the Master Plan;

(b) To furnish maintenance services, including, without limitation, watering of grass and other landscaping on portions of the Properties at Assignee's expense; and

(c) To exercise the reserved easement rights in Sections 11.1 to 11.5 (inclusive) of the Declaration.

Assignor agrees and acknowledges that Assignee may exercise any of the above Special Declarant Rights even if the Additional Land is not developed subject to the Declaration.

3. Assignee hereby accepts the assignment and transfer of the Special Declarant Rights as set forth herein and acknowledges that there is no assignment of Special Declarant Rights that are not specifically enumerated above. The parties acknowledge that the assignment and transfer of the Special Declarant Rights as set forth herein is not and shall not be considered a novation or transfer of any duties of Declarant set forth in the

Declaration, nor does Assignee, solely by this Assignment, succeed generally to the rights, obligations and liability of Assignor as Declarant under the Declaration, or otherwise, as the Declarant.

4. Assignee shall have the right to transfer the foregoing assignment, in whole or in part, to (i) any successor and assign of CLIG, as owner of any of the CLIG Lots if such owner qualifies as a "Builder" under the Declaration, or (ii) any successor or assign of CLDG, as owner of one or more parcels of the Additional Land if such owner qualifies as a "Builder" under the Declaration.

5. The parties will cooperate with one another, in good faith, to keep each other reasonably informed as to their exercise of their respective Special Declarant Rights.

6. In the event any of the terms or provisions of this Assignment are deemed unenforceable or invalid for any reason, the remaining terms and provisions hereof shall not be affected, and shall remain in full force and effect. The parties hereto agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the purposes of this Assignment.

7. This Assignment shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

WITNESS the following signatures and seals.

ASSIGNOR: K. HOVNANIAN'S FOUR SEASONS AT CHARLOTTESVILLE, L.L.C., a Virginia limited liability company