
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): **July 27, 2017**

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry Into a Material Definitive Agreement.

Notes Offerings

On July 27, 2017, K. Hovnanian Enterprises, Inc. (“K. Hovnanian”), a wholly owned subsidiary of Hovnanian Enterprises, Inc. (the “Company”), completed a private placement pursuant to Rule 144A and Regulation S under the Securities Act of 1933, as amended, of \$440,000,000 aggregate principal amount of 10.000% senior secured notes due 2022 (the “2022 Notes”) and \$400,000,000 aggregate principal amount of 10.500% senior secured notes due 2024 (the “2024 Notes” and, together with the 2022 Notes, the “Notes”). The Notes are guaranteed by the Company and substantially all of its subsidiaries, other than K. Hovnanian, its home mortgage subsidiaries, certain of its title insurance subsidiaries, joint ventures, subsidiaries holding interests in joint ventures and its foreign subsidiary (the “Notes Subsidiary Guarantors”).

In connection with the issuance of the Notes, K. Hovnanian, the Company and the Notes Subsidiary Guarantors entered into an Indenture (the “Indenture”), dated as of July 27, 2017, with Wilmington Trust, National Association, as trustee (the “Trustee”) and collateral agent (the “Notes Collateral Agent”). The Notes and the guarantees thereof will be secured by liens on substantially all the assets of K. Hovnanian and the Notes Subsidiary Guarantors, subject to permitted liens and certain exceptions. The liens securing the Notes rank junior to the liens securing K. Hovnanian’s \$75.0 million senior secured term loan facility and any other future secured obligations that are senior in priority with respect to the assets securing the Notes.

The 2022 Notes bear interest at 10.000% per annum and mature on July 15, 2022. The 2024 Notes bear interest at 10.500% per annum and mature on July 15, 2024. Interest on the Notes is payable semi-annually on January 15 and July 15 of each year, beginning on January 15, 2018, to holders of record at the close of business on January 1 or July 1, as the case may be, immediately preceding each such interest payment date.

The Indenture contains restrictive covenants that limit among other things, the ability of the Company and certain of its subsidiaries, including K. Hovnanian, to incur additional indebtedness, pay dividends and make distributions on common and preferred stock, repurchase subordinated indebtedness and common and preferred stock, make other restricted payments, including investments, sell certain assets (including in certain land banking transactions), incur liens, consolidate, merge, sell or otherwise dispose of all or substantially all of its assets, enter into certain transactions with affiliates and make cash repayments of certain existing unsecured indebtedness. The Indenture also contains customary events of default which would permit the holders of the applicable series of Notes to declare those Notes to be immediately due and payable if not cured within applicable grace periods, including the failure to make timely payments on the applicable series of Notes or other material indebtedness, the failure to satisfy covenants, the failure of the documents granting security for the applicable series of Notes to be in full force and effect, the failure of the liens on any material portion of the collateral securing the applicable series of Notes to be valid and perfected and specified events of bankruptcy and insolvency.

In connection with the issuance of the Notes and execution of the Indenture, (i) K. Hovnanian, the Company and the Notes Subsidiary Guarantors entered into a collateral agency agreement (the “Collateral Agency Agreement”), dated as of July 27, 2017, pursuant to which Wilmington Trust, National Association was appointed joint collateral agent for the Trustee, the Notes Collateral Agent and the holders of the Notes (the “Joint Collateral Agent”), (ii) K. Hovnanian, the Company and the Notes Subsidiary Guarantors entered into a security agreement (the “Security Agreement”) and a pledge agreement (the “Pledge Agreement”), each dated as of July 27, 2017, by and among K. Hovnanian, the Company, the Notes Subsidiary Guarantors, as applicable, and the Joint Collateral Agent, pursuant to which K. Hovnanian, the Company and the Notes Subsidiary Guarantors pledged substantially all of their assets to secure their obligations under the Notes and the Indenture, subject to certain exceptions as set forth in such agreements, and K. HOV IP II, Inc. and the Joint Collateral Agent entered into a Trademark Security Agreement (the “Trademark Security Agreement”), dated as of July 27, 2017, (iii) K. Hovnanian, the Company and the Notes Subsidiary Guarantors, the Trustee, the Notes Collateral Agent, the senior credit agreement administrative agent (the “Senior Credit Agreement Administrative Agent”) under the Company’s term loan credit agreement, dated as of September 8, 2016, the Joint Collateral Agent and Wilmington Trust, National Association, as the mortgage tax collateral agent (the “Mortgage Tax Collateral Agent”) entered into a Joinder to the Amended and Restated Intercreditor Agreement (the “Joinder to the Intercreditor Agreement”), dated September 8, 2016, and (iv) K. Hovnanian, the Company and the Notes Subsidiary Guarantors, the Senior Credit Agreement Administrative Agent, the Mortgage Tax Collateral Agent, the Notes Collateral Agent and the Joint Collateral Agent entered into an Amended and Restated Mortgage Tax Collateral Agency Agreement (the “Mortgage Tax Collateral Agency Agreement”), dated as of July 27, 2017, pursuant to which Wilmington Trust, National Association was appointed Mortgage Tax Collateral Agent.

A copy of the Indenture, the Collateral Agency Agreement, the Security Agreement, the Pledge Agreement, the Trademark Security Agreement, the Joinder to the Intercreditor Agreement and the Mortgage Tax Collateral Agency Agreement are each attached as Exhibits hereto and are incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

The information set forth under Item 8.01 below, as to the satisfaction and discharge of the Existing Secured Notes Indentures (as defined below) governing the Existing Secured Notes (as defined below) and the related security documents, is incorporated by reference into this Item 1.02.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth above under Item 1.01 with respect to the Notes is hereby incorporated by reference into this Item 2.03.

Item 3.03 Material Modification to Rights of Security Holders.

The information set forth under Item 8.01 below, as to the satisfaction and discharge of the Existing Secured Notes Indentures governing the Existing Secured Notes and the related security documents, is incorporated by reference into this Item 3.03.

Item 8.01. Other Events.

On July 27, 2017, the Company issued a press release relating to K. Hovnanian's previously announced offers (the "Tender Offers") and related consent solicitations (the "Consent Solicitations") to purchase for cash any and all of its \$75 million 10.000% Senior Secured Second Lien Notes due 2018 (the "2018 Notes"), \$145 million 9.125% Senior Secured Second Lien Notes due 2020 (the "2020 9.125% Notes") and \$577 million 7.250% Senior Secured First Lien Notes due 2020 (the "2020 7.25% Notes", and, together with the 2018 Notes and the 2020 9.125% Notes, the "Existing Secured Notes"). In the press release, the Company announced, among other things, the expiration of the Tender Offers and Consent Solicitations as of 11:59 p.m., New York City time, on July 26, 2017 (the "Expiration Time"). K. Hovnanian used the proceeds from the issuances of the Notes described in Item 1.01 above to purchase \$75,000,000 aggregate principal amount of its 2018 Notes, \$87,321,000 aggregate principal amount of its 2020 9.125% Notes, and \$575,912,000 aggregate principal amount of the 2020 7.25% Notes that were tendered and accepted for purchase pursuant to the Tender Offers. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In addition, on July 27, 2017:

(1) K. Hovnanian satisfied and discharged its obligations under the indenture under which the 2018 Notes were issued (the "2018 Notes Indenture") and the related security documents in accordance with the satisfaction and discharge provisions of the 2018 Notes Indenture. Upon the satisfaction and discharge of the 2018 Notes Indenture on July 27, 2017, all of the liens on the collateral securing the 2018 Notes were released and K. Hovnanian, the Company and the other guarantors were discharged from their respective obligations under the 2018 Notes and the guarantees thereof;

(2) K. Hovnanian satisfied and discharged its obligations under the indenture under which the 2020 9.125% Notes were issued (the "2020 9.125% Notes Indenture") and the related security documents in accordance with the satisfaction and discharge provisions of the 2020 9.125% Notes Indenture and in connection therewith will call for redemption on November 15, 2017 all 2020 9.125% Notes that were not validly tendered and purchased in the applicable Tender Offer in accordance with the redemption provisions of the 2020 9.125% Notes Indenture. Upon the satisfaction and discharge of the 2020 9.125% Notes Indenture on July 27, 2017, all of the liens on the collateral securing the 2020 9.125% Notes were released and K. Hovnanian, the Company and the other guarantors were discharged from their respective obligations under the 2020 9.125% Notes and the guarantees thereof; and

(3) on July 27, 2017, K. Hovnanian satisfied and discharged its obligations under the indenture under which the 2020 7.25% Notes were issued (the “2020 7.25% Notes Indenture” and together with the 2018 Notes Indenture and the 2020 9.125% Notes Indenture, the “Existing Secured Notes Indentures”) and the related security documents in accordance with the satisfaction and discharge provisions of the 2020 7.25% Notes Indenture and in connection therewith will call for redemption on October 15, 2017 all 2020 7.25% Notes that were not validly tendered and purchased in the applicable Tender Offer in accordance with the redemption provisions of the 2020 7.25% Notes Indenture. Upon the satisfaction and discharge of the 2020 7.25% Notes Indenture on July 27, 2017, all of the liens on the collateral securing the 2020 7.25% Notes were released and K. Hovnanian, the Company and the other guarantors were discharged from their respective obligations under the 2020 7.25% Notes and the guarantees thereof.

All statements in this Form 8-K that are not historical facts should be considered as “Forward-Looking Statements.” Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such forward-looking statements include but are not limited to statements related to the Company’s goals and expectations with respect to its financial results for future financial periods. Although the Company believes that its plans, intentions and expectations reflected in, or suggested by, such forward-looking statements are reasonable, it can give no assurance that such plans, intentions or expectations will be achieved. By their nature, forward-looking statements: (1) speak only as of the date they are made, (2) are not guarantees of future performance or results and (3) are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from those forward-looking statements as a result of a variety of factors. Such risks, uncertainties and other factors include, but are not limited to, (1) changes in general and local economic, industry and business conditions and impacts of a sustained homebuilding downturn; (2) adverse weather and other environmental conditions and natural disasters; (3) levels of indebtedness and restrictions on the Company’s operations and activities imposed by the agreements governing the Company’s outstanding indebtedness; (4) the Company’s sources of liquidity; (5) changes in credit ratings; (6) changes in market conditions and seasonality of the Company’s business; (7) the availability and cost of suitable land and improved lots; (8) shortages in, and price fluctuations of, raw materials and labor; (9) regional and local economic factors, including dependency on certain sectors of the economy, and employment levels affecting home prices and sales activity in the markets where the Company builds homes; (10) fluctuations in interest rates and the availability of mortgage financing; (11) changes in tax laws affecting the after-tax costs of owning a home; (12) operations through joint ventures with third parties; (13) government regulation, including regulations concerning development of land, the home building, sales and customer financing processes, tax laws and the environment; (14) product liability litigation, warranty claims and claims made by mortgage investors; (15) levels of competition; (16) availability and terms of financing to the Company; (17) successful identification and integration of acquisitions; (18) significant influence of the Company’s controlling stockholders; (19) availability of net operating loss carryforwards; (20) utility shortages and outages or rate fluctuations; (21) geopolitical risks, terrorist acts and other acts of war; (22) increases in cancellations of agreements of sale; (23) loss of key management personnel or failure to attract qualified personnel; (24) information technology failures and data security breaches; (25) legal claims brought against the Company and not resolved in the Company’s favor; and (26) certain risks, uncertainties and other factors described in detail in the Company’s Annual Report on Form 10-K for the fiscal year ended October 31, 2016 and subsequent filings with the Securities and Exchange Commission. Except as otherwise required by applicable securities laws, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

(d) *Exhibits.*

Exhibit Number	Exhibit
Exhibit 4.1	Indenture dated as of July 27, 2017, relating to the 10.000% Senior Secured Notes due 2022 and the 10.500% Senior Secured Notes due 2024, among K. Hovnanian, the Company, the Notes Subsidiary Guarantors and Wilmington Trust, National Association, as Trustee and Collateral Agent, including the forms of 10.000% Senior Secured Note due 2022 and the 10.500% Senior Secured Note due 2024.
Exhibit 10.1	Collateral Agency Agreement, dated as of July 27, 2017, among K. Hovnanian, the Company, the Notes Subsidiary Guarantors, Wilmington Trust, National Association, as Notes Collateral Agent and Wilmington Trust, National Association, as Collateral Agent
Exhibit 10.2	Security Agreement, dated as of July 27, 2017, among K. Hovnanian, the Company, the Notes Subsidiary Guarantors and Wilmington Trust, National Association, as Collateral Agent
Exhibit 10.3	Pledge Agreement, dated as of July 27, 2017, among K. Hovnanian, the Company, the Notes Subsidiary Guarantors and Wilmington Trust, National Association, as Collateral Agent
Exhibit 10.4	Joinder to the Amended and Restated Intercreditor Agreement, dated as of July 27, 2017, among K. Hovnanian, the Company, the Notes Subsidiary Guarantors, Wilmington Trust, National Association, as Trustee and Notes Collateral Agent, Wilmington Trust, National Association, as Senior Credit Agreement Administrative Agent, Wilmington Trust, National Association, as Junior Joint Collateral Agent and Wilmington Trust, National Association, as Mortgage Tax Collateral Agent
Exhibit 10.5	Second Amended and Restated Mortgage Tax Collateral Agency Agreement, dated as of July 27, 2017, among K. Hovnanian, the Company, the Notes Subsidiary Guarantors, Wilmington Trust, National Association, as Notes Collateral Agent, Wilmington Trust, National Association, as Senior Credit Agreement Administrative Agent, Wilmington Trust, National Association, as Junior Joint Collateral Agent and Wilmington Trust, National Association, as Mortgage Tax Collateral Agent
Exhibit 10.6	Trademark Security Agreement, dated as of July 27, 2017, between K. HOV IP II, Inc. and Wilmington Trust, National Association, as Collateral Agent.
Exhibit 99.1	Press Release issued July 27, 2017 relating to the Tender Offers and Consent Solicitations.

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/	Michael Discafani
Name:		Michael Discafani
Title:		Vice President, Corporate Counsel and Secretary

Date: July 28, 2017

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**K. HOVNANIAN ENTERPRISES, INC.,
as Issuer**

**HOVNANIAN ENTERPRISES, INC.
and
the other Guarantors party hereto**

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee and Collateral Agent**

Indenture

Dated as of July 27, 2017

**10.000% Senior Secured Notes Due 2022
10.500% Senior Secured Notes Due 2024**

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EXHIBITS

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INDENTURE, dated as of July 27, 2017, among K. HOVNANIAN ENTERPRISES, INC., a California corporation (the “**Issuer**”), HOVNANIAN ENTERPRISES, INC., a Delaware corporation (the “**Company**”), each of the other Guarantors (as defined hereafter) and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, as Trustee (the “**Trustee**”) and as Collateral Agent (the “**Collateral Agent**”).

RECITALS

The Issuer has duly authorized the execution and delivery of this Indenture to provide for the issuance on the Issue Date of \$440,000,000 aggregate principal amount of the Issuer’s 10.000% Senior Secured Notes due 2022 and, if and when issued, any Additional Notes of such series (together, the “**2022 Notes**”) and \$400,000,000 aggregate principal amount of the Issuer’s 10.500% Senior Secured Notes due 2024 and, if and when issued, any Additional Notes of such series (together, the “**2024 Notes**” and, together with the 2022 Notes, each of which constitutes a separate series hereunder, the “**Notes**”). All things necessary to make this Indenture a valid agreement of the Issuer, in accordance with its terms, have been done, and the Issuer has done all things necessary to make the Notes (in the case of any Additional Notes, when duly authorized), when duly issued and executed by the Issuer and authenticated and delivered by the Trustee, the valid obligations of the Issuer as hereinafter provided.

In addition, the Guarantors party hereto have duly authorized the execution and delivery of this Indenture as guarantors of the Notes. All things necessary to make this Indenture a valid agreement of each Guarantor, in accordance with its terms, have been done, and each Guarantor has done all things necessary to make the Guarantees (in the case of the Guarantee of any Additional Notes, when duly authorized), when duly issued and executed by each Guarantor and when the Notes have been authenticated and delivered by the Trustee, the valid obligation of such Guarantor as hereinafter provided.

THIS INDENTURE WITNESSETH

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, the parties hereto covenant and agree, for the equal and proportionate benefit of all Holders, as follows:

ARTICLE I DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.1. Definitions.

“**2022 Notes**” has the meaning ascribed to it in the Recitals hereof.

“2024 Notes” has the meaning ascribed to it in the Recitals hereof.

“Acceptable Commitment” has the meaning ascribed to it in Section 4.10(c) hereof.

“Acquired Indebtedness” means (a) with respect to any Person that becomes a Restricted Subsidiary (or is merged into the Company, the Issuer or any Restricted Subsidiary) after the Issue Date, Indebtedness of such Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary (or is merged into the Company, the Issuer or any Restricted Subsidiary) that was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary (or being merged into the Company, the Issuer or any Restricted Subsidiary) and (b) with respect to the Company, the Issuer or any Restricted Subsidiary, any Indebtedness expressly assumed by the Company, the Issuer or any Restricted Subsidiary in connection with the acquisition of any assets from another Person (other than the Company, the Issuer or any Restricted Subsidiary), which Indebtedness was not incurred by such other Person in connection with or in contemplation of such acquisition. Indebtedness incurred in connection with or in contemplation of any transaction described in clause (a) or (b) of the preceding sentence shall be deemed to have been incurred by the Company or a Restricted Subsidiary, as the case may be, at the time such Person becomes a Restricted Subsidiary (or is merged into the Company, the Issuer or any Restricted Subsidiary) in the case of clause (a) or at the time of the acquisition of such assets in the case of clause (b), but shall not be deemed Acquired Indebtedness.

“Additional Notes” means any Notes of either series issued under this Indenture in addition to the Initial Notes of such series having the same terms in all respects as the Initial Notes of such series, except that interest may accrue on the Additional Notes from their date of issuance, and any notes issued in replacement therefor.

“Affiliate” means, when used with reference to a specified Person, any Person directly or indirectly controlling, or controlled by or under direct or indirect common control with, the Person specified.

“Affiliate Transaction” has the meaning ascribed to it in Section 4.13(a) hereof.

“Agent” means any Registrar, Paying Agent or Authenticating Agent.

“Agent Member” means a member of, or a participant in, the Depository.

“Applicable Debt” means all Indebtedness of the Company, the Issuer or any Guarantor (a) under Credit Facilities or (b) that is publicly traded (including in the Rule 144A market), including, without limitation, the Issuer’s senior notes outstanding on the Issue Date.

“Asset Acquisition” means (a) an Investment by the Company, the Issuer or any Restricted Subsidiary in any other Person if, as a result of such Investment, such Person shall become a Restricted Subsidiary or shall be consolidated or merged with or into the Company, the Issuer or any Restricted Subsidiary or (b) the acquisition by the Company, the Issuer or any Restricted Subsidiary of the assets of any Person, which constitute all or substantially all of the assets or of an operating unit or line of business of such Person or which is otherwise outside the ordinary course of business.

“Asset Disposition” means any sale, transfer, conveyance, lease or other disposition (including, without limitation, by way of merger, consolidation or sale and leaseback or sale of shares of Capital Stock in any Subsidiary) (each, a **“transaction”**) by the Company, the Issuer or any Restricted Subsidiary to any Person of any Property having a Fair Market Value in any transaction or series of related transactions of at least \$10.0 million, *provided* that such de-minimis amount shall not apply to any Land Banking Transactions (and with respect to Land Banking Transactions, the proviso in clause (b) below shall apply). The term **“Asset Disposition”** shall not include:

(a) a transaction between the Company, the Issuer and any Restricted Subsidiary or a transaction between Restricted Subsidiaries,

(b) a transaction in the ordinary course of business, including, without limitation, sales (directly or indirectly), sales subject to repurchase options, dedications and other donations to governmental authorities, leases and sales and leasebacks of (i) homes, improved land and unimproved land and (ii) real estate (including related amenities and improvements); *provided* that in the case of any Land Banking Transaction involving sales of Collateral (other than Collateral acquired by the Company, the Issuer or any Restricted Subsidiary within 180 days prior to the entering into of a definitive agreement for such Land Banking Transaction) (**“Land Banking Collateral Sales”**) this exception (b) to the definition of “Asset Disposition” shall only apply if (x) on a pro forma basis after giving effect to any such Land Banking Collateral Sales, the Collateral Ratio would not be less than 150% or (y) if the Collateral Ratio is not at least 150% after giving pro forma effect thereto, any Land Banking Collateral Sales do not in the aggregate exceed a GAAP book value for all such Collateral of \$10.0 million during any fiscal quarter beginning with the fiscal quarter ended July 31, 2016 (with any unused amounts in any fiscal quarter aggregating inclusive of the fiscal quarter ended July 31, 2016 being carried over to subsequent fiscal quarters subject to a maximum GAAP book value of \$50.0 million in any fiscal quarter),

- (c) a transaction involving the sale of Capital Stock of, or the disposition of assets in, an Unrestricted Subsidiary,
- (d) any exchange or swap of assets of the Company, the Issuer or any Restricted Subsidiary for assets (including Capital Stock of any Person that is or will be a Restricted Subsidiary following receipt thereof) that (i) are to be used by the Company, the Issuer or any Restricted Subsidiary in the ordinary course of its Real Estate Business and (ii) have a Fair Market Value not less than the Fair Market Value of the assets exchanged or swapped (*provided* that (except as permitted by clause (c) under the definition of “Permitted Investment”) to the extent that the assets exchanged or swapped were Collateral, the assets received are pledged as Collateral under the Security Documents substantially simultaneously with such exchange or swap, with the Lien on such assets received being of the same priority with respect to the Notes as the Lien on the assets disposed of),
- (e) any sale, transfer, conveyance, lease or other disposition of assets and properties that is governed by Section 4.14 hereof,
- (f) dispositions of mortgage loans and related assets and mortgage-backed securities in the ordinary course of a mortgage lending business,
- (g) the creation of a Permitted Lien and dispositions in connection with Permitted Liens,
- (h) any sale, transfer, conveyance, lease or other disposition that constitutes a Restricted Payment or Permitted Investment,
- (i) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements,
- (j) the unwinding of any Hedging Obligations,
- (k) foreclosures, condemnation, eminent domain or any similar action on assets,
- (l) any financing transaction with respect to property built or acquired by the Company or any Restricted Subsidiary after the Issue Date,
- (m) any surrender or waiver of contractual rights or the settlement, release or surrender of contractual rights or other litigation claims in the ordinary course of business, and

(n) the issuance of directors' qualifying shares and shares issued to foreign nationals or other third parties as required by applicable law.

"Attributable Debt" means, with respect to any Capitalized Lease Obligations, the capitalized amount thereof determined in accordance with GAAP.

"Authenticating Agent" refers to a Person engaged to authenticate the Notes in the stead of the Trustee.

"Bankruptcy Law" means title 11 of the United States Code, as amended, or any similar federal or state law for the relief of debtors.

"Board of Directors" means, when used with reference to the Issuer or the Company, as the case may be, the board of directors or any duly authorized committee of that board or any director or directors and/or officer or officers to whom that board or committee shall have duly delegated its authority.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York City or in the city where the Corporate Trust Office of the Trustee is located are authorized or required by law or regulation to close.

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of or in such Person's capital stock or other equity interests, and options, rights or warrants to purchase such capital stock or other equity interests, whether now outstanding or issued after the Issue Date, including, without limitation, all Disqualified Stock and Preferred Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Capitalized Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP, and the amount of such obligations will be the capitalized amount thereof determined in accordance with GAAP.

"Cash Equivalents" means

(a) U.S. dollars, Canadian dollars, euros, pounds sterling, any national currency of any participating member state in the European Union or local currencies held from time to time in the ordinary course of business;

(b) securities issued or directly and fully guaranteed or insured by the U.S. government or any country that is a member state of the European Union or any agency or instrumentality thereof having maturities of one year or less from the date of acquisition;

(c) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances with maturities of one year or less from the date of acquisition, in each case with any domestic commercial bank having capital and surplus in excess of \$500.0 million;

(d) marketable general obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition and, at the time of acquisition, having a credit rating of at least "A" or the equivalent thereof by S&P or Moody's, or carrying an equivalent rating by a nationally recognized Rating Agency, if both of the two named Rating Agencies cease publishing ratings of investments;

(e) repurchase obligations for underlying securities of the types described in clauses (b), (c) and (d) of this definition entered into with any financial institution meeting the qualifications specified in clause (c) of this definition;

(f) commercial paper rated P-1, A-1 or the equivalent thereof by Moody's or S&P, respectively, and in each case maturing within one year after the date of acquisition;

(g) investments with average maturities of one year or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's; and

(h) investments in investment companies or money market funds substantially all of the assets of which consist of securities described in the foregoing clauses (a) through (g) of this definition.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clause (a) above; *provided* that such amounts are converted into any currency listed in clause (a) as promptly as practicable and in any event within ten business days following the receipt of such amounts.

"Cash Management Services" means any of the following to the extent not constituting a line of credit (other than an overnight overdraft facility that is not in default): ACH transactions, treasury and/or cash management services, including, without limitation, controlled disbursement services, overdraft facilities, foreign exchange facilities, deposit and other accounts and merchant services.

“**cash transaction**” has the meaning ascribed to it in Section 7.3(a) hereof.

“**Certificate of Beneficial Ownership**” means a certificate substantially in the form of Exhibit H.

“**Certificated Note**” means a Note in registered individual form without interest coupons.

“**Change of Control**” means:

(a) any sale, lease or other transfer (in one transaction or a series of transactions) of all or substantially all of the consolidated assets of the Company and its Restricted Subsidiaries to any Person (other than a Restricted Subsidiary); *provided, however*, that a transaction where the holders of all classes of Common Equity of the Company immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of Common Equity of such Person immediately after such transaction shall not be a Change of Control;

(b) a “**person**” or “**group**” (within the meaning of Section 13(d) of the Exchange Act (other than (x) the Company or (y) the Permitted Hovnanian Holders)) becomes the “**beneficial owner**” (as defined in Rule 13d-3 under the Exchange Act) of Common Equity of the Company representing more than 50% of the voting power of the Common Equity of the Company; or

(c) the stockholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company; *provided, however*, that a liquidation or dissolution of the Company which is part of a transaction that does not constitute a Change of Control under the proviso contained in clause (a) of this definition shall not constitute a Change of Control.

“**Change of Control Offer**” has the meaning ascribed to it in Section 3.1(e) hereof.

“**Clearstream**” means Clearstream Banking, société anonyme, Luxembourg.

“**Collateral**” means all property or assets of the Issuer and the Guarantors (whether now owned or hereafter arising or acquired) that secures Pari Passu Lien Obligations under the Security Documents.

“**Collateral Agency Agreement**” means the Collateral Agency Agreement, dated as of the Issue Date, among the Issuer, the Guarantors, Wilmington Trust, National Association, as Notes Collateral Agent (as defined therein), and Wilmington Trust, National Association, as Collateral Agent (as defined therein) and any other representative of the holders of any other Pari Passu Lien Obligations permitted to be incurred under this Indenture, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

“Collateral Agent” means the party named as such in the preamble of this Indenture, including any agent appointed by the Collateral Agent to act in such capacity (which, for avoidance of doubt, includes the Joint Collateral Agent and the Mortgage Tax Collateral Agent) and any successor acting in such capacity.

“Collateral Ratio” means the ratio of the aggregate fair market value of the Collateral (as determined in good faith by the Company’s chief financial officer) to the aggregate principal amount of Collateralized Debt as of such date of determination.

“Collateralized Debt” means (i) the aggregate principal amount of all outstanding Indebtedness and all letters of credit secured by Liens on the Collateral, plus (ii) the aggregate amount of all unfunded commitments under all revolving credit facilities or revolving lines of credit secured by Liens on the Collateral, plus (iii) without duplication, the aggregate principal amount of Indebtedness that at the time of determination would be permitted to be incurred under this Indenture and secured by Liens on the Collateral pursuant to clause (i)(a) and (i)(b) under the definition of “Permitted Liens,” but excluding any such principal amount of potential Indebtedness to the extent any outstanding debt instrument of the Company or the Issuer would prohibit the incurrence of a Lien in respect thereof at such time, but in each case, excluding Indebtedness, letters of credit and unfunded commitments secured by Liens on the Collateral that rank junior to the Liens on the Collateral securing the applicable series of Notes.

“Commission” means the Securities and Exchange Commission.

“Common Equity” of any Person means Capital Stock of such Person that is generally entitled to (a) vote in the election of directors of such Person or (b) if such Person is not a corporation, vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management or policies of such Person.

“Company” has the meaning ascribed to it in the preamble hereof and shall also refer to any successor obligor under this Indenture and its Guarantee(s).

“Consolidated Cash Flow Available for Fixed Charges” means, for any period, Consolidated Net Income for such period plus (each to the extent deducted in calculating such Consolidated Net Income and determined in accordance with GAAP) the sum for such period, without duplication, of:

(a) provision for taxes based on income or profits or capital gains, including, without limitation, U.S. federal, state, non-U.S., franchise, excise, value added and similar taxes and foreign withholding taxes of such Person paid or accrued during such period, including any penalties and interest relating to such taxes or arising from any tax examinations,

(b) Consolidated Interest Expense,

(c) depreciation and amortization expenses and other non-cash charges to earnings,

(d) any fees, expenses, charges or losses (other than depreciation or amortization expense) related to any Equity Offering, Permitted Investment, acquisition, disposition, recapitalization or the incurrence of Indebtedness permitted to be incurred by the Indenture (including a refinancing thereof) (whether or not successful), including (i) such fees, expenses or charges related to the issuance of the Notes and (ii) any amendment or other modification of the Notes or other Indebtedness,

(e) any other non-cash charges, including any write offs, write downs, expenses, losses or items, excluding any such charge that represents an accrual or reserve for a cash expenditure for a future period,

(f) costs of surety bonds incurred in such period in connection with financing activities,

(g) any costs or expense incurred by the Company or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Company or net cash proceeds of an issuance of Qualified Stock solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (iii) of Section 4.7(a),

(h) effects of adjustments (including the effects of such adjustments pushed down to the Company and its Restricted Subsidiaries) in any line item in such Person's consolidated financial statements in accordance with GAAP resulting from the application of purchase accounting, or the amortization or write-off of any amounts thereof, net of taxes,

(i) any impairment charge, asset write-off or write-down pursuant to ASC 350 and ASC 360 (formerly Financial Accounting Standards Board Statement Nos. 142 and 144, respectively) and the amortization of intangibles arising pursuant to ASC 805 (formerly Financial Accounting Standards Board Statement No. 141), and

(j) cash receipts (or any netting arrangements resulting in reduced cash expenses) not included in Consolidated Cash Flow Available for Fixed Charges in any period to the extent non-cash gains relating to such receipts were deducted in the calculation of Consolidated Cash Flow Available for Fixed Charges pursuant to clause (k) below for any previous period and not added back, *minus*

(k) non-cash gains increasing Consolidated Net Income for such period, excluding any non-cash gains which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced Consolidated Cash Flow Available for Fixed Charges in any prior period; *provided* that, to the extent non-cash gains are deducted pursuant to this clause (k) for any previous period and not otherwise added back to Consolidated Cash Flow Available for Fixed Charges, Consolidated Cash Flow Available for Fixed Charges shall be increased by the amount of any cash receipts (or any netting arrangements resulting in reduced cash expenses) in respect of such non-cash gains received in subsequent periods to the extent not already included therein, and *plus* or *minus* (as applicable and without duplication) to eliminate the following items to the extent reflected in Consolidated Net Income,

(l) (i) any net gain or loss resulting in such period from currency gains or losses related to Indebtedness, intercompany balances and other balance sheet items, and (ii) any unrealized net gain or loss resulting in such period from Hedging Obligations, and the application of Financial Accounting Standards Codification No. 815—Derivatives and Hedging (formerly Financing Accounting Standards Board Statement No. 133), and its related pronouncements and interpretations (or any successor provision).

“**Consolidated Fixed Charge Coverage Ratio**” means, with respect to any determination date, the ratio of (x) Consolidated Cash Flow Available for Fixed Charges for the prior four full fiscal quarters (the “**Four Quarter Period**”) for which financial results have been reported immediately preceding the determination date (the “**Transaction Date**”), to (y) the aggregate Consolidated Interest Incurred for the Four Quarter Period. For purposes of this definition, “**Consolidated Cash Flow Available for Fixed Charges**” and “**Consolidated Interest Incurred**” shall be calculated after giving effect on a *pro forma* basis for the period of such calculation to:

(a) the incurrence or the repayment, repurchase, redemption, retirement, defeasance or other discharge or the assumption by another Person that is not an Affiliate (collectively, “**repayment**”) of any Indebtedness of the Company, the Issuer or any Restricted Subsidiary (and the application of the proceeds thereof) giving rise to the need to make such calculation, and any incurrence or repayment of other Indebtedness (and the application of the proceeds thereof), at any time on or after the first day of the Four Quarter Period and on or prior to the Transaction Date, as if such incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Four Quarter Period, except that Indebtedness under revolving credit facilities shall be deemed to be the average daily balance of such Indebtedness during the Four Quarter Period (as reduced on such *pro forma* basis by the application of any proceeds of the incurrence of Indebtedness giving rise to the need to make such calculation);

(b) any Asset Disposition, Asset Acquisition (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of the Company, the Issuer or any Restricted Subsidiary (including any Person that becomes a Restricted Subsidiary as a result of any such Asset Acquisition) incurring Acquired Indebtedness at any time on or after the first day of the Four Quarter Period and on or prior to the Transaction Date), Investment, merger or consolidation as if such Asset Disposition, Asset Acquisition (including the incurrence or repayment of any such Indebtedness), Investment, merger or consolidation and the inclusion, notwithstanding clause (b) of the definition of “Consolidated Net Income,” of any Consolidated Cash Flow Available for Fixed Charges associated with such Asset Acquisition or other transaction occurred on the first day of the Four Quarter Period; *provided, however*, that the Consolidated Cash Flow Available for Fixed Charges associated with any Asset Acquisition or other transaction shall not be included to the extent the net income so associated would be excluded pursuant to the definition of “Consolidated Net Income,” other than clause (b) thereof, as if it applied to the Person or assets involved before they were acquired; and

(c) the Consolidated Cash Flow Available for Fixed Charges and the Consolidated Interest Incurred attributable to discontinued operations, as determined in accordance with GAAP, shall be excluded.

Furthermore, in calculating “Consolidated Cash Flow Available for Fixed Charges” for purposes of determining the denominator (but not the numerator) of this “Consolidated Fixed Charge Coverage Ratio,”

(a) interest on Indebtedness in respect of which a *pro forma* calculation is required that is determined on a fluctuating basis as of the Transaction Date (including Indebtedness actually incurred on the Transaction Date) and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the Transaction Date, and

(b) notwithstanding the immediately preceding clause (a), interest on such Indebtedness determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Interest Protection Agreements, shall be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

“Consolidated Interest Expense” of the Company for any period means the Interest Expense of the Company, the Issuer and the Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

“Consolidated Interest Incurred” for any period means the Interest Incurred of the Company, the Issuer and the Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

“Consolidated Net Income” for any period means the aggregate net income (or loss) of the Company and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; *provided*, that there will be excluded from such net income (loss) (to the extent otherwise included therein), without duplication:

(a) the net income (or loss) of (x) any Unrestricted Subsidiary (other than a Mortgage Subsidiary) or (y) any Person (other than a Restricted Subsidiary or a Mortgage Subsidiary) that is accounted for by the equity method of accounting, except, in each case, to the extent that any such income has actually been received by the Company, the Issuer or any Restricted Subsidiary in the form of cash dividends or similar cash distributions during such period,

(b) except to the extent includable in Consolidated Net Income pursuant to clause (a) of this definition, the net income (or loss) of any Person that accrued prior to the date that (i) such Person becomes a Restricted Subsidiary or is merged with or into or consolidated with the Company, the Issuer or any of its Restricted Subsidiaries (except, in the case of an Unrestricted Subsidiary that is redesignated a Restricted Subsidiary during such period, to the extent of its retained earnings from the beginning of such period to the date of such redesignation) or (ii) the assets of such Person are acquired by the Company or any Restricted Subsidiary,

(c) solely for the purpose of determining the amount available for Restricted Payments under clause (iii) of Section 4.7(a), the net income of any Restricted Subsidiary that is not a Guarantor to the extent that (but only so long as) the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of that income is not permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary during such period, except, the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend,

(d) the gains or losses, together with any related provision for taxes, realized during such period by the Company, the Issuer or any Restricted Subsidiary resulting from (i) the acquisition of securities, or extinguishment of Indebtedness or Hedging Obligations or other derivative instruments (including deferred financing costs written off and premiums paid), of the Company or any Restricted Subsidiary, (ii) any Asset Disposition by the Company or any Restricted Subsidiary, (iii) any non-cash income (or loss) related to currency gains or losses related to Indebtedness, intercompany balances and other balance sheet items and to Hedging Obligations pursuant to Financial Accounting Standards Codification No. 815—Derivatives and Hedging (formerly Financing Accounting Standards Board Statement No. 133) and its related pronouncements and interpretations (or any successor provision) and (iv) any non-cash expense, income or loss attributable to the movement in mark-to-market valuation of foreign currencies, Indebtedness or derivative instruments pursuant to GAAP,

(e) any extraordinary, unusual or non-recurring gain or loss (but excluding any impairment charges), in each case, less all fees and expenses relating thereto and any expenses, severance, relocation costs, curtailments or modifications to pension and post-retirement employee benefits plans, integration and other restructuring and business optimization costs, charges, reserves or expenses (including relating to acquisitions after the Issue Date), and one-time compensation charges together with any related provision for taxes, realized by the Company, the Issuer or any Restricted Subsidiary,

(f) the cumulative effect of a change in accounting principles and changes as a result of adoption or modification of accounting policies during such period,

(g) any net after-tax gains or losses on disposal of disposed, abandoned, transferred, closed or discontinued operations,

(h) any after-tax effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of business, as determined in good faith by the Company,

(i) (i) any non-cash compensation expense recorded from grants of stock appreciation or similar rights, phantom equity, stock options, restricted stock, units or other rights to officers, directors, managers or employees and (ii) non-cash income (loss) attributable to deferred compensation plans or trusts,

(j) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, recapitalization, Asset Disposition, issuance or repayment of Indebtedness, issuance of Capital Stock, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction, and

(k) to the extent covered by insurance or indemnification and actually reimbursed, or, so long as the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is (i) not denied by the applicable carrier or indemnifying party in writing within 180 days and (ii) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses and expenses with respect to liability or casualty events or business interruption shall be excluded;

provided, further, that for purposes of calculating Consolidated Net Income solely as it relates to clause (iii) of Section 4.7(a), clauses (d)(ii) and (h) above shall not be applicable.

“Consolidated Tangible Assets” of the Company as of any date means the total amount of assets of the Company and its Restricted Subsidiaries (less applicable reserves and including any deferred tax assets (for which a valuation allowance has been recorded with respect thereto as if no such valuation allowance was required in making such calculation)) on a consolidated basis at the end of the fiscal quarter for which financial results have been reported immediately preceding such date, as determined in accordance with GAAP, less: (a) Intangible Assets and (b) appropriate adjustments on account of minority interests of other Persons holding equity investments in Restricted Subsidiaries, in the case of each of clauses (a) and (b) above, as reflected on the consolidated balance sheet of the Company and its Restricted Subsidiaries as of the end of the fiscal quarter immediately preceding such date, with such *pro forma* adjustments to Consolidated Tangible Assets as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of “Consolidated Fixed Charge Coverage Ratio.”

“Consolidated Tangible Net Worth” of the Company as of any date means the stockholders’ equity (including any Preferred Stock that is classified as equity under GAAP, other than Disqualified Stock) of the Company and its Restricted Subsidiaries on a consolidated basis at the end of the fiscal quarter for which financial results have been reported immediately preceding such date, as determined in accordance with GAAP (*provided* that any deferred tax assets for which a valuation allowance has been recorded with respect thereto shall be included as if no such valuation allowance was required in making such calculation), less the amount of Intangible Assets reflected on the consolidated balance sheet of the Company and its Restricted Subsidiaries as of the end of the fiscal quarter for which financial results have been reported immediately preceding such date.

“**control**” when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Corporate Trust Office**” means the office of the Trustee at which the corporate trust business of the Trustee is principally administered, which at the date of this Indenture is located at Rodney Square North, 1100 North Market Street, Wilmington, DE 19890-1600.

“**Covenant Defeasance**” has the meaning ascribed to it in Section 8.2 hereof.

“**Credit Facilities**” means, with respect to the Company, the Issuer or any of its Restricted Subsidiaries, one or more debt facilities or other financing arrangements (including, without limitation, commercial paper facilities or indentures) providing for revolving credit loans, term loans, letters of credit or other long-term indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof and any indentures or credit facilities or commercial paper facilities that exchange, replace, refund, refinance, extend, renew, restate, amend, supplement or modify any part of the loans, notes, other credit facilities or commitments thereunder, including any such exchanged, replacement, refunding, refinancing, extended, renewed, restated, amended, supplemented or modified facility or indenture that increases the amount permitted to be borrowed thereunder or alters the maturity thereof (*provided* that such increase in borrowings is permitted under Section 4.6 hereof) or adds the Company, the Issuer or Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, lender or group of lenders.

“**Currency Agreement**” of any Person means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect such Person or any of its Subsidiaries against fluctuations in currency values. For the avoidance of doubt, any Permitted Convertible Indebtedness Call Transaction will not constitute a Currency Agreement.

“**Custodian**” means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

“Default” means any event, act or condition that is, or after notice or the passage of time or both would be, an Event of Default.

“Depository” means the depository of each Global Note, which will initially be DTC.

“Designation Amount” has the meaning ascribed to it in the definition of “Unrestricted Subsidiary.”

“Disqualified Stock” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the final maturity date of the Notes or (b) is convertible into or exchangeable or exercisable for (whether at the option of the issuer or the holder thereof) (i) debt securities or (ii) any Capital Stock referred to in (a) above, in each case, at any time prior to the final maturity date of the Notes; *provided, however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof (or the holders of any security into or for which such Capital Stock is convertible, exchangeable or exercisable) the right to require the Company to repurchase or redeem such Capital Stock upon the occurrence of a change in control or asset disposition occurring prior to the final maturity date of the Notes shall not constitute Disqualified Stock if the asset disposition or change in control provision applicable to such Capital Stock are no more favorable to such holders than the provisions of Section 4.10 or Section 4.12 hereof (as applicable) and such Capital Stock specifically provides that the Company will not repurchase or redeem any such Capital Stock pursuant to such provisions prior to the Company’s repurchase of the Notes as are required pursuant to the provisions of Section 4.10 or Section 4.12 hereof (as applicable).

“DTC” means The Depository Trust Company, a New York corporation.

“DTC Legend” means the legend set forth in Exhibit D.

“Equity Offering” means any public or private sale, after the Issue Date, of Qualified Stock of the Company, other than (i) an Excluded Contribution, (ii) public offerings registered on Form S-4 or S-8 or any successor form thereto or (iii) any issuance pursuant to employee benefit plans or otherwise in compensation to officers, directors or employees.

“Euroclear” means Euroclear Bank S.A./N.V. and its successors or assigns, as operator of the Euroclear System.

“Event of Default” has the meaning ascribed to it in Section 5.1 hereof.

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

“**Excluded Contribution**” means cash or Cash Equivalents received by the Company as capital contributions to its equity (other than through the issuance of Disqualified Stock) or from the issuance or sale (other than to a Subsidiary) of Qualified Stock of the Company, in each case, after the Issue Date and to the extent designated as an Excluded Contribution pursuant to an Officer’s Certificate of the Company.

“**Excluded Property**” means (a) any pledges of stock of the Issuer, any Guarantor or of K. Hovnanian JV Holdings, L.L.C. to the extent that Rule 3-16 of Regulation S-X under the Securities Act requires or would require (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, that would require) the filing with the Commission of separate financial statements of the Issuer, such Guarantor or of K. Hovnanian JV Holdings, L.L.C. that are not otherwise required to be filed, but only to the extent necessary to not be subject to such requirement, (b) up to \$50.0 million of assets received in connection with Asset Dispositions and asset swaps or exchanges as permitted by clause (c) of the definition of “Permitted Investment,” (c) personal property where the cost of obtaining a security interest or perfection thereof exceeds its benefits (as reasonably determined by the Company’s Board of Directors in a board resolution delivered to the Collateral Agent), (d) property subject to a Lien securing Indebtedness incurred for the purpose of financing the acquisition thereof (plus any construction or improvements thereon and any licenses, permits, authorizations, consent forms or contracts related to the acquisition, development, use or improvement thereof) to the extent the terms of such Indebtedness prohibit the incurrence of any other Liens thereon, (e) real property located outside the United States, (f) Unentitled Land, (g) property that is leased or held for the purpose of leasing to unaffiliated third parties, (h) equity interests in Unrestricted Subsidiaries, except for K. Hovnanian JV Holdings, L.L.C., and subject to future grants under the terms of this Indenture, (i) any property in a community under development with a dollar amount of investment as of the most recent month-end (as determined in accordance with GAAP) of less than \$2.0 million or with less than 10 lots remaining, (j) any assets or property excluded from the Collateral pursuant to clause (ii) of the proviso of Article 2 of the Security Agreement and (k) up to \$25.0 million of cash or cash equivalents that are pledged to secure obligations permitted to be secured pursuant to clause (d) of the definition of “Permitted Liens” if, after the use of commercially reasonable efforts by the Company to obtain a Lien on such cash or cash equivalents for the benefit of the Holders of the Notes, the holders of the obligations secured by such cash and cash equivalents do not consent to the granting of such Liens.

“**Excluded Subsidiary**” means (i) each non-wholly owned Subsidiary and (ii) each Subsidiary of the Company (other than the Issuer) that has a book value of less than \$5.0 million, measured at the end of the most recently completed fiscal year for which financial statements have been provided as set forth under Section 4.15 (or if acquired or created subsequent to such delivery, measured at the most recent practicable date (or estimated in the reasonable judgment of the Company)); *provided* that in each case, such Subsidiary has not guaranteed any other Applicable Debt of the Company or the Issuer; *provided, further*, that in no event shall Excluded Subsidiaries comprise in the aggregate more than 5% of the Consolidated Tangible Assets, measured at the end of the most recently completed fiscal year for which financial statements have been provided as set forth under Section 4.15.

“Existing Unsecured Notes” means (i) the Issuer’s 7.0% Senior Notes due January 15, 2019 issued pursuant to an indenture dated as of January 10, 2014 among the Issuer, the guarantors party thereto and Wilmington Trust, National Association, as trustee, and (ii) the Issuer’s 8.0% Senior Notes due November 1, 2019 issued pursuant to an indenture dated as of November 15, 2014, among the Issuer, the guarantors party thereto and Wilmington Trust, National Association, as trustee.

“Existing Unsecured Notes Debt” has the meaning ascribed to it in Section 5.1 hereof.

“Existing Unsecured Replacement Indebtedness” has the meaning ascribed to it in Section 4.16 hereof.

“expiration date” has the meaning ascribed to it in Section 3.5(b) hereof.

“Fair Market Value” means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) that would be negotiated in an arm’s-length transaction for cash between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction, as such price is determined in good faith by the Board of Directors of the Company or a duly authorized committee thereof, as evidenced by a resolution of such Board or committee.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, as in effect on the Issue Date.

“Global Note” means a Note in registered, global form without interest coupons.

“Guarantee” means the guarantee of the Notes by each Guarantor under this Indenture.

“guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person: (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (b) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part; *provided*, that the term **“guarantee”** does not include endorsements for collection or deposit in the ordinary course of business. The term **“guarantee”** used as a verb has a corresponding meaning.

“Guarantors” means (a) initially, the Company and each of the other Guarantors signatory hereto as set forth on Schedule A hereto, and (b) each of the Company’s Subsidiaries that becomes a Guarantor of the Notes pursuant to the provisions of this Indenture, and their successors, in each case until released from its respective Guarantee pursuant to this Indenture.

“Hedging Obligations” means, with respect to any Person, the obligations of such Person under any Interest Protection Agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, Currency Agreement or similar agreement providing for the transfer or mitigation of interest rate, commodity price or currency risks either generally or under specific contingencies.

“Holder”, “Holders”, “Holder of Notes” or “Holders of Notes” means the Person or each Person in whose name a Note is registered in the books of the applicable Registrar for the Notes of any series.

“incurrence” has the meaning ascribed to it in Section 4.6(a) hereof.

“Indebtedness” of any Person means, without duplication,

(a) any liability of such Person (i) for borrowed money or under any reimbursement obligation relating to a letter of credit or other similar instruments (other than standby letters of credit or similar instruments issued for the benefit of, or surety, performance, completion or payment bonds, earnest money notes or similar purpose undertakings or indemnifications issued by, such Person in the ordinary course of business), (ii) evidenced by a bond, note, debenture or similar instrument (including a purchase money obligation) given in connection with the acquisition of any businesses, properties or assets of any kind or with services incurred in connection with capital expenditures (other than any obligation to pay a contingent purchase price which, as of the date of incurrence thereof, is not required to be recorded as a liability in accordance with GAAP), or (iii) in respect of Capitalized Lease Obligations (to the extent of the Attributable Debt in respect thereof),

(b) any Indebtedness of others that such Person has guaranteed to the extent of the guarantee; *provided, however*, that Indebtedness of the Company and its Restricted Subsidiaries will not include the obligations of the Company or a Restricted Subsidiary under warehouse lines of credit of Mortgage Subsidiaries to repurchase mortgages at prices no greater than 98% of the principal amount thereof, and upon any such purchase the excess, if any, of the purchase price thereof over the Fair Market Value of the mortgages acquired, will constitute Restricted Payments subject to Section 4.7 hereof,

(c) to the extent not otherwise included, the obligations of such Person under Hedging Obligations to the extent recorded as liabilities not constituting Interest Incurred, net of amounts recorded as assets in respect of such obligations, in accordance with GAAP, and

(d) all Indebtedness of others secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person;

provided, that Indebtedness shall not include accounts payable, liabilities to trade creditors of such Person or other accrued expenses arising in the ordinary course of business or completion guarantees entered into in the ordinary course of business. The amount of Indebtedness of any Person at any date shall be (i) the outstanding balance at such date of all unconditional obligations as described above, net of any unamortized discount to be accounted for as Interest Expense, in accordance with GAAP, (ii) the maximum liability of such Person for any contingent obligations under clause (a) of this definition at such date, net of an unamortized discount to be accounted for as Interest Expense in accordance with GAAP, (iii) in the case of clause (c) above, zero if permitted under clause (f) of Permitted Indebtedness or, otherwise, the net termination amount payable in respect thereof, and (iv) in the case of clause (d) above, the lesser of (x) the fair market value of any asset subject to a Lien securing the Indebtedness of others on the date that the Lien attaches and (y) the amount of the Indebtedness secured.

For the avoidance of doubt, obligations of any Person under a Permitted Bond Hedge transaction or a Permitted Warrant transaction shall be deemed not to constitute Indebtedness.

“**Indenture**” means this indenture, as amended or supplemented from time to time.

“Initial Notes” means the Notes of the Issuer issued under this Indenture on the Issue Date and any Notes issued in replacement therefor.

“Initial Purchaser” means each of Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC (collectively, the **“Initial Purchasers”**).

“Institutional Accredited Investor Certificate” means a certificate substantially in the form of Exhibit G hereto.

“Intangible Assets” of the Company means all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and all other items (other than any deferred tax assets) which would be treated as intangibles on the consolidated balance sheet of the Company and its Restricted Subsidiaries prepared in accordance with GAAP.

“Intercreditor Agreement” means the Amended and Restated Intercreditor Agreement dated as of September 8, 2016 among the Company, the Guarantors, the Mortgage Tax Collateral Agent, the Senior Secured Super Priority Term Loan Administrative Agent, the Junior Joint Collateral Agent (as defined therein) and the other parties party thereto, as such agreement may be amended, restated, supplemented or otherwise modified from time to time, including by the Joinder.

“Interest Expense” of any Person for any period means, without duplication, the aggregate amount of (a) interest which, in conformity with GAAP, would be set opposite the caption “interest expense” or any like caption on an income statement for such Person (including, without limitation, imputed interest included in Capitalized Lease Obligations, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing, the net costs (but reduced by net gains) associated with Currency Agreements and Interest Protection Agreements, amortization of other financing fees and expenses, the interest portion of any deferred payment obligation, amortization of discount or premium, if any, and all other noncash interest expense (other than interest and other charges amortized to cost of sales)), and (b) all interest actually paid by the Company or a Restricted Subsidiary under any guarantee of Indebtedness (including, without limitation, a guarantee of principal, interest or any combination thereof) of any Person other than the Company, the Issuer or any Restricted Subsidiary during such period; *provided*, that Interest Expense shall exclude any expense associated with the complete write-off of financing fees and expenses in connection with the repayment of any Indebtedness.

“Interest Incurred” of any Person for any period means, without duplication, the aggregate amount of (a) Interest Expense and (b) all capitalized interest and amortized debt issuance costs.

“Interest Payment Date” means each January 15 and July 15 of each year, commencing January 15, 2018.

“Interest Protection Agreement” of any Person means any interest rate swap agreement, interest rate collar agreement, option or futures contract or other similar agreement or arrangement designed to protect such Person or any of its Subsidiaries against fluctuations in interest rates with respect to Indebtedness permitted to be incurred under this Indenture. For the avoidance of doubt, any Permitted Convertible Indebtedness Call Transaction will not constitute an Interest Protection Agreement.

“Investment Grade” means, with respect to a debt rating of either series of the Notes, a rating of Baa3 (or the equivalent) or higher by Moody’s together with a rating of BBB- (or the equivalent) or higher by S&P or, in the event S&P or Moody’s or both shall cease rating such series of the Notes (for reasons outside the control of the Company or the Issuer) and the Company shall select any other Rating Agency, the equivalent of such ratings by such other Rating Agency.

“Investments” of any Person means (a) all investments by such Person in any other Person in the form of loans, advances or capital contributions, (b) all guarantees of Indebtedness of any other Person by such Person, (c) all purchases (or other acquisitions for consideration) by such Person of Indebtedness, Capital Stock or other securities of any other Person and (d) all other items that would be classified as investments in any other Person (including, without limitation, purchases of assets outside the ordinary course of business) on a balance sheet of such Person prepared in accordance with GAAP.

“Issue Date” means July 27, 2017.

“Issuer” has the meaning ascribed to it in the preamble hereof and shall also refer to any successor obligor under this Indenture.

“Joinder” means the Joinder to the Intercreditor Agreement dated as of the Issue Date among the Company, the Guarantors, Wilmington Trust, National Association, in its capacities as Trustee, Collateral Agent, the Junior Joint Collateral Agent (as defined in the Intercreditor Agreement), the Mortgage Tax Collateral Agent and the Senior Secured Super Priority Term Loan Administrative Agent.

“Joint Collateral Agent” means Wilmington Trust, National Association, in its capacity as Collateral Agent under the Collateral Agency Agreement.

“JV Holdings Secured Group Notes” means the Issuer’s 2.00% Senior Secured Notes due 2021, the Issuer’s 5.00% Senior Secured Notes due 2021 and the Issuer’s 9.5% Senior Secured Notes due 2020, issued under the JV Holdings Secured Group Notes Indentures.

“JV Holdings Secured Group Notes Indentures” means (i) the indenture dated as of November 1, 2011 among the Issuer, the Company, the other guarantors party thereto and the trustee named therein and the collateral agent named therein relating to the Issuer’s 2.00% Senior Secured Notes due 2021 and 5.00% Senior Secured Notes due 2021 and (ii) the indenture dated as of September 8, 2016, among the Issuer, the Company, the other guarantors party thereto and the trustee named therein and the collateral agent named therein relating to the Issuer’s 9.5% Senior Secured Notes due 2020, in each case as amended and supplemented as of the Issue Date and as further amended or supplemented from time to time thereafter.

“L/C Collateral” means cash and cash equivalents that secure obligations permitted to be secured pursuant to clause (d) of the definition of “Permitted Liens”

“Land Banking Transaction” means an arrangement relating to Property now owned or hereafter acquired whereby the Company, the Issuer or a Restricted Subsidiary sells such Property to a Person (other than the Company, the Issuer or a Restricted Subsidiary) and the Company, the Issuer or a Restricted Subsidiary, as applicable, has an option to purchase such Property back on a specified schedule.

“Legal Defeasance” has the meaning ascribed to it in Section 8.1 hereof.

“Lien” means, with respect to any Property, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such Property. For purposes of this definition, a Person shall be deemed to own, subject to a Lien, any Property which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such Property.

“Make-Whole Amount” has the meaning ascribed to it in Section 3.1 hereof.

“Marketable Securities” means (a) equity securities that are listed on the New York Stock Exchange, the NYSE MKT or The Nasdaq Stock Market and (b) debt securities that are rated by a nationally recognized rating agency, listed on the New York Stock Exchange, the NYSE MKT or covered by at least two reputable market makers.

“**Moody’s**” means Moody’s Investors Service, Inc. or any successor to its debt rating business.

“**Mortgage Subsidiary**” means any Subsidiary of the Company substantially all of whose operations consist of the mortgage lending business.

“**Mortgage Tax Collateral Agency Agreement**” means the Second Amended and Restated Mortgage Tax Collateral Agency Agreement, dated as of the Issue Date, among the Issuer, the Company, the Mortgage Tax Collateral Agent, the Joint Collateral Agent and the Senior Secured Super Priority Term Loan Collateral Agent and the other parties party thereto, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

“**Mortgage Tax Collateral Agent**” means Wilmington Trust, National Association in its capacity as Mortgage Tax Collateral Agent with respect to Liens granted on real property located in certain states identified pursuant to the terms of the Intercreditor Agreement and any successor thereto.

“**Net Cash Proceeds**” means with respect to an Asset Disposition, payments received in cash (including any such payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise (including any cash received upon sale or disposition of such note or receivable), but only as and when received), excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the Property disposed of in such Asset Disposition or received in any other non-cash form unless and until such non-cash consideration is converted into cash therefrom, in each case, net of all legal, title and recording tax expenses, commissions and other fees and expenses incurred, and all federal, state and local taxes required to be accrued as a liability under GAAP as a consequence of such Asset Disposition, and in each case net of a reasonable reserve for the after-tax cost of any indemnification or other payments (fixed and contingent) attributable to the seller’s indemnities or other obligations to the purchaser undertaken by the Company, the Issuer or any of its Restricted Subsidiaries in connection with such Asset Disposition, and net of all payments made on any Indebtedness which is secured by or relates to such Property (other than Indebtedness secured by Liens on the Collateral) in accordance with the terms of any Lien or agreement upon or with respect to such Property or which such Indebtedness must by its terms or by applicable law be repaid out of the proceeds from such Asset Disposition, and net of all contractually required distributions and payments made to minority interest holders in Restricted Subsidiaries or joint ventures as a result of such Asset Disposition.

“Non-Recourse Indebtedness” with respect to any Person means Indebtedness of such Person for which (a) the sole legal recourse for collection of principal and interest on such Indebtedness is against the specific property, including for the avoidance of doubt, assets directly related thereto or derived therefrom, identified in the instruments evidencing or securing such Indebtedness or other property of such Person financed pursuant to the Credit Facility of such Person under which such Indebtedness was incurred (*provided* that the aggregate principal amount of the total Indebtedness shall not exceed the purchase price or cost (including financing costs) of the properties financed thereby), (b) such properties were acquired (directly or indirectly, including through the purchase of Capital Stock of the Person owning such property), constructed or improved with the proceeds of such Indebtedness or such Indebtedness was incurred within 365 days after the acquisition (directly or indirectly, including through the purchase of Capital Stock of the Person owning such property) or completion of such construction or improvement and (c) no other assets of such Person may be realized upon in collection of principal or interest on such Indebtedness. Indebtedness which is otherwise Non-Recourse Indebtedness will not lose its character as Non-Recourse Indebtedness because there is recourse to the borrower, any guarantor or any other Person for (i) environmental warranties, covenants and indemnities, (ii) indemnities for and liabilities arising from fraud, misrepresentation, misapplication or non-payment of rents, profits, deposits, insurance and condemnation proceeds and other sums actually received by the borrower from secured assets to be paid to the lender, waste and mechanics’ liens, breach of separateness covenants, and other customary exceptions, (iii) in the case of the borrower thereof only, other obligations in respect of such Indebtedness that are payable solely as a result of a voluntary or collusive non-voluntary bankruptcy filing (or similar filing or action) by such borrower or (iv) similar customary “bad-boy” guarantees.

“Non-U.S. Person” means a Person that is not a “U.S. person,” as such term is defined in Regulation S.

“Notes” has the meaning ascribed to it in the Recitals hereof.

“Obligations” means with respect to any Indebtedness, all obligations (whether in existence on the Issue Date or arising afterwards, absolute or contingent, direct or indirect) for or in respect of principal (when due, upon acceleration, upon redemption, upon mandatory repayment or repurchase pursuant to a mandatory offer to purchase, or otherwise), premium, interest, penalties, fees, indemnification, reimbursement and other amounts payable and liabilities with respect to such Indebtedness, including all interest accrued or accruing after the commencement of any bankruptcy, insolvency or reorganization or similar case or proceeding at the contract rate (including, without limitation, any contract rate applicable upon default) specified in the relevant documentation, whether or not the claim for such interest is allowed as a claim in such case or proceeding.

“offer” has the meaning ascribed to it in Section 3.5(a) hereof.

“Offer to Purchase” has the meaning ascribed to it in Section 3.5(a) hereof.

“Offering Memorandum” means the Issuer’s Offering Memorandum in respect of the Notes dated July 14, 2017.

“Officer,” when used with respect to the Issuer or the Company, means the chairman of the Board of Directors, the president or chief executive officer, any vice president, the chief financial officer, the treasurer, any assistant treasurer, the controller, any assistant controller, the secretary or any assistant secretary of the Issuer or the Company, as the case may be.

“Officers’ Certificate,” when used with respect to the Issuer or the Company, means a certificate signed by the chairman of the Board of Directors, the president or chief executive officer, or any vice president and by the chief financial officer, the treasurer, any assistant treasurer, the controller, any assistant controller, the secretary or any assistant secretary of the Issuer or the Company, as the case may be.

“Opinion of Counsel” means a written opinion signed by legal counsel of the Issuer or the Company, who may be an employee of, or counsel to, the Issuer or the Company, and who shall be reasonably satisfactory to the Trustee.

“Pari Passu Lien Obligations” means (1) the Notes and the Guarantees and (2) all other Indebtedness secured by Liens on the Collateral that are equal in priority to the Liens on the Collateral securing the Notes and the Guarantees, including, in each case, all Obligations in respect thereof.

“Pari Passu Liens” means all Liens that secure Pari Passu Lien Obligations.

“Paying Agent” refers to a Person engaged to perform the obligations of the Trustee in respect of payments made or funds held hereunder in respect of the Notes.

“Permanent Regulation S Global Note” means a Regulation S Global Note that does not bear the Regulation S Temporary Global Note Legend.

“Permitted Bond Hedge” means any call or capped call option (or substantively equivalent derivative transaction) on the Company’s Capital Stock purchased by the Company, the Issuer or any Restricted Subsidiary in connection with the issuance of any Permitted Convertible Indebtedness; *provided that* the purchase price for such Permitted Bond Hedge, less the proceeds received by the Company, the Issuer or the Restricted Subsidiaries from the sale of any related Permitted Warrant, does not exceed the net proceeds received by the Company, the Issuer or the Restricted Subsidiaries from the sale of such Permitted Convertible Indebtedness issued in connection with the Permitted Bond Hedge.

“Permitted Convertible Indebtedness” means Indebtedness of the Company, the Issuer or any Restricted Subsidiary permitted to be incurred under the terms of this Indenture that is either (a) convertible or exchangeable into Capital Stock of the Company (and cash in lieu of fractional shares) and/or cash (in an amount determined by reference to the price of such Capital Stock) or (b) sold as units with call options, warrants or rights to purchase (or substantially equivalent derivative transactions) that are exercisable for Capital Stock of the Company and/or cash (in an amount determined by reference to the price of such Capital Stock). For the avoidance of doubt, the Units and the senior unsecured exchange notes which are a component of such Units, shall be Permitted Convertible Indebtedness.

“Permitted Convertible Indebtedness Call Transaction” means any Permitted Bond Hedge and any Permitted Warrant.

“Permitted Hovnanian Holders” means, collectively, Ara K. Hovnanian, the members of his immediate family and the members of the immediate family of the late Kevork S. Hovnanian, the respective estates, spouses, heirs, ancestors, lineal descendants, legatees and legal representatives of any of the foregoing and the trustee of any *bona fide* trust of which one or more of the foregoing are the sole beneficiaries or the grantors thereof, or any entity of which any of the foregoing, individually or collectively, beneficially own more than 50% of the Common Equity. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture (or would result in a Change of Control Offer in the absence of the waiver of such requirement by Holders in accordance with the Indenture) will thereafter constitute Permitted Hovnanian Holders.

“Permitted Indebtedness” means:

(a) Indebtedness under (i) the Notes (and Guarantees thereof), other than Additional Notes and (ii) other Indebtedness, including under the Revolving Credit Facility in an aggregate amount outstanding at any one time (including for purposes of determining amounts outstanding under this clause (a)(ii), any Refinancing Indebtedness in respect thereof, which Refinancing Indebtedness shall be deemed to have been incurred under this clause (a)(ii)) not to exceed \$75.0 million (and the guarantees thereof);

(b) Indebtedness incurred under Credit Facilities in an aggregate principal amount outstanding at any one time (including for purposes of determining amounts outstanding under this clause (b), any Refinancing Indebtedness in respect thereof, which Refinancing Indebtedness shall be deemed to have been incurred under this clause (b)) not to exceed the greater of (i) \$250.0 million and (ii) 10.0% of Consolidated Tangible Assets measured at the time of incurrence;

(c) Indebtedness outstanding on the Issue Date, excluding Indebtedness constituting Permitted Indebtedness pursuant to clauses (a), (b), (d), (e), (f), (h) or (j) of this definition;

(d) Indebtedness in respect of obligations of the Company and its Subsidiaries to the trustees under indentures for debt securities;

(e) intercompany debt obligations of (i) the Company to the Issuer, (ii) the Issuer to the Company, (iii) the Company or the Issuer to any Restricted Subsidiary and (iv) any Restricted Subsidiary to the Company or the Issuer or any other Restricted Subsidiary; *provided, however*, that any Indebtedness of any Restricted Subsidiary or the Issuer or the Company owed to any Restricted Subsidiary or the Issuer that ceases to be a Restricted Subsidiary shall be deemed to be incurred and shall be treated as an incurrence for purposes of Section 4.6 hereof at the time the Restricted Subsidiary in question ceases to be a Restricted Subsidiary;

(f) Indebtedness of the Company or the Issuer or any Restricted Subsidiary under Hedging Obligations, in the case of any Currency Agreements or Interest Protection Agreements in a notional amount no greater than the payments due (at the time the related Currency Agreement or Interest Protection Agreement is entered into) with respect to the Indebtedness or currency being hedged, to the extent entered into in the ordinary course of business and not for speculative purposes;

(g) Purchase Money Indebtedness and Capitalized Lease Obligations entered into in the ordinary course of business in an aggregate principal amount (including for purposes of determining amounts outstanding under this clause (g), any Refinancing Indebtedness in respect thereof, which Refinancing Indebtedness shall be deemed to have been incurred under this clause (g)) at any one time outstanding not to exceed \$50.0 million;

(h) obligations for, pledge of assets in respect of, and guaranties of, bond financings of political subdivisions or enterprises thereof in the ordinary course of business;

(i) Indebtedness entered into in the ordinary course of business secured only by office buildings owned or occupied by the Company or any Restricted Subsidiary, which Indebtedness does not exceed \$25.0 million aggregate principal amount outstanding at any one time;

(j) Indebtedness under warehouse lines of credit, repurchase agreements and Indebtedness secured only by mortgage loans and related assets of mortgage lending Subsidiaries in the ordinary course of a mortgage lending business;

(k) Indebtedness of the Company, the Issuer or any Restricted Subsidiary which, together with all other Indebtedness under this clause (k), does not exceed \$50.0 million aggregate principal amount outstanding at any one time, including for purposes of determining amounts outstanding under this clause (k), any Refinancing Indebtedness in respect thereof, which Refinancing Indebtedness shall be deemed to have been incurred under this clause (k);

(l) obligations in respect of self-insurance, performance, bid, appeal and surety bonds and completion guarantees and similar obligations provided by the Company or any Restricted Subsidiary or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case, in the ordinary course of business;

(m) Indebtedness of (x) the Company, the Issuer or a Restricted Subsidiary incurred or issued to finance an acquisition or (y) Persons that are acquired by the Company, the Issuer or any Restricted Subsidiary or merged into or consolidated with the Company, the Issuer or a Restricted Subsidiary in accordance with the terms of the Indenture (including designating an Unrestricted Subsidiary a Restricted Subsidiary); *provided* that after giving effect to such acquisition, merger or consolidation, either: (i) the Company could incur at least \$1.00 of Indebtedness pursuant to Section 4.6(a), or (ii) the Consolidated Fixed Charge Coverage Ratio would be equal to or greater than the Consolidated Fixed Charge Coverage Ratio immediately prior to such transaction or the ratio of Indebtedness of the Company and the Restricted Subsidiaries to Consolidated Tangible Net Worth of the Company would be equal to or less than the ratio immediately prior to such transaction;

(n) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

(o) Indebtedness of the Company or any Restricted Subsidiary supported by a letter of credit (which letter of credit is incurred pursuant to another clause hereof (other than clause (l) of this definition)), in a principal amount not in excess of the stated amount of such letter of credit;

(p) Indebtedness of the Company or any Restricted Subsidiary consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements, in each case incurred in the ordinary course of business;

(q) Indebtedness of the Company or any of its Restricted Subsidiaries in respect of Cash Management Services;

(r) obligations (other than Indebtedness for borrowed money) of the Company or any of its Restricted Subsidiaries under an agreement with any governmental authority, quasi-governmental entity, utility, adjoining (or common master plan) landowner or seller of real property, in each case entered into in the ordinary course of business in connection with the acquisition of real property, to entitle, develop or construct infrastructure thereupon; and

(s) the incurrence by the Company or any Restricted Subsidiary of Indebtedness deemed to exist pursuant to the terms of a joint venture agreement as a result of a failure of the Company or such Restricted Subsidiary to make a required capital contribution therein; *provided* that the only recourse on such Indebtedness is limited to the Company's or such Restricted Subsidiary's equity interests in the related joint venture.

"Permitted Investment" means

(a) Cash Equivalents;

(b) any Investment in the Company, the Issuer or any Restricted Subsidiary or any Person that becomes a Restricted Subsidiary as a result of such Investment or that is consolidated or merged with or into, or transfers all or substantially all of the assets of it or an operating unit or line of business to, the Company or a Restricted Subsidiary;

(c) any receivables, loans or other consideration taken by the Company, the Issuer or any Restricted Subsidiary in connection with any asset sale otherwise permitted by this Indenture; *provided* that non-cash consideration received in an Asset Disposition or an exchange or swap of assets shall be pledged as Collateral under the Security Documents to the extent the assets subject to such Asset Disposition or exchange or swap of assets constituted Collateral, with the Lien on such Collateral securing the applicable series of Notes being of the same priority with respect to the Notes as the Lien on the assets disposed of; *provided, further*, that notwithstanding the foregoing clause, up to an aggregate of \$50.0 million of (x) non-cash consideration and consideration received as referred to in Section 4.10(b)(ii), (y) assets invested in pursuant to Section 4.10(c) and (z) assets received pursuant to clause (d) under the definition of "Asset Disposition" may be designated by the Company or the Issuer as Excluded Property not required to be pledged as Collateral;

(d) Investments received in connection with any bankruptcy or reorganization proceeding, or as a result of foreclosure, perfection or enforcement of any Lien or any judgment or settlement of any Person in exchange for or satisfaction of Indebtedness or other obligations or other property received from such Person, or for other liabilities or obligations of such Person created, in accordance with the terms of this Indenture;

- (e) Investments in Hedging Obligations described in the definition of “Permitted Indebtedness”;
- (f) any loan or advance to an executive officer, director or employee of the Company or any Restricted Subsidiary made in the ordinary course of business or in accordance with past practice; *provided, however*, that any such loan or advance exceeding \$1.0 million shall have been approved by the Board of Directors of the Company or a committee thereof consisting of disinterested members;
- (g) Investments in interests in issuances of collateralized mortgage obligations, mortgages, mortgage loan servicing, or other mortgage related assets;
- (h) obligations of the Company or a Restricted Subsidiary under warehouse lines of credit of Mortgage Subsidiaries to repurchase mortgages;
- (i) Investments in an aggregate amount at any time outstanding not to exceed the greater of (x) \$50.0 million and (y) 2.0% of Consolidated Tangible Assets (measured at the time made and without giving effect to subsequent changes in value);
- (j) Guarantees issued in accordance with Section 4.6 hereof;
- (k) Investments in existence on the Issue Date not otherwise constituting Permitted Investments pursuant to clause (b) above;
- (l) Permitted Bond Hedges which constitute Investments;
- (m) extensions of trade credit and credit in connection with the sale of land owned by the Company or a Restricted Subsidiary which is zoned by the applicable governmental authority having jurisdiction for construction and use as a detached or attached (including town homes or condominium) single-family house (but excluding mobile homes), or the sale of a detached or attached (including town homes or condominium) single-family house (but excluding mobile homes) owned by the Company or a Restricted Subsidiary which is completed or for which there has been a start of construction and which has been or is being constructed on any such land;
- (n) obligations (but not payments thereon) with respect to homeowners association obligations, community facility district bonds, metro district bonds, mello-roos bonds and subdivision improvement bonds and similar bonding requirements arising in the ordinary course of business of a homebuilder;

(o) guarantee obligations, including completion guarantee or indemnification obligations (other than for the payment of borrowed money) entered into in the ordinary course of business and incurred for the benefit of any adjoining landowner, lender, seller of real property or municipal government authority (or enterprises thereof) in connection with the acquisition, construction, subdivision, entitlement and development of real property;

(p) Investments the payment for which consists of Qualified Stock of the Company; *provided* that such Qualified Stock will not increase the amount available for Restricted Payments under clause (iii) of Section 4.7(a);

(q) advances, loans or extensions of trade credit in the ordinary course of business by the Company or any of the Restricted Subsidiaries;

(r) intercompany current liabilities owed to Unrestricted Subsidiaries or joint ventures incurred in the ordinary course of business in connection with the cash management operations of the Company and its Subsidiaries; and

(s) insurance, lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business.

"Permitted Liens" means

(a) Liens for taxes, assessments or governmental or quasi-governmental charges or claims that (i) are not yet delinquent for a period of more than 30 days, (ii) are being contested in good faith by appropriate proceedings and as to which appropriate reserves have been established or other provisions have been made in accordance with GAAP, if required, or (iii) encumber solely property abandoned or in the process of being abandoned;

(b) statutory Liens of landlords and carriers', warehousemen's, mechanics', suppliers', materialmen's, repairmen's or other Liens imposed by law and arising in the ordinary course of business and with respect to amounts that, to the extent applicable, either (i) are not yet delinquent for a period of more than 30 days or (ii) are being contested in good faith by appropriate proceedings and as to which appropriate reserves have been established or other provisions have been made in accordance with GAAP, if required;

(c) Liens (other than any Lien imposed by the Employer Retirement Income Security Act of 1974, as amended) incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or similar legislation or other insurance related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety, stay, customs or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, performance and return-of-money bonds and other similar obligations (including letters of credit issued in lieu of any such bonds or to support the issuance thereof and including those to secure health, safety and environmental obligations);

(d) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, development obligations, progress payments, government contracts, utility services, developer's or other obligations to make on-site or off-site improvements and other obligations of like nature (exclusive of obligations for the payment of borrowed money but including the items referred to in the parenthetical in clause (a)(i) of the definition of "Indebtedness"), in each case incurred in the ordinary course of business of the Company, the Issuer and the Restricted Subsidiaries;

(e) attachment or judgment Liens not giving rise to a Default or an Event of Default;

(f) easements, dedications, assessment district or similar Liens in connection with municipal or special district financing, rights-of-way, restrictions, reservations and other similar charges, burdens, and other similar charges or encumbrances not materially interfering with the ordinary course of business of the Company, the Issuer and the Restricted Subsidiaries;

(g) zoning restrictions, licenses, restrictions on the use of real property or minor irregularities in title thereto, which do not materially impair the use of such real property in the ordinary course of business of the Company, the Issuer and the Restricted Subsidiaries;

(h) Liens securing Indebtedness incurred pursuant to clauses (i) or (j) of the definition of "Permitted Indebtedness";

(i) Liens on the Collateral and other assets not constituting Collateral pursuant to clause (a) of the definition of “Excluded Property” securing: (a) Indebtedness (including Refinancing Indebtedness) of the Issuer or any Guarantor incurred under Credit Facilities that constitute revolving credit loans, term loans, letters of credit or similar lines of credit in an aggregate amount at any time outstanding not to exceed \$125.0 million; *provided* that the Liens under this clause (i)(a) may secure Senior-Priority Lien Obligations; (b) (i) the Notes (other than Additional Notes), the Guarantees thereof and other Obligations under the Indenture and the Security Documents in respect thereof and any obligations owing to the Trustee or the Collateral Agent under the Indenture or the Security Documents in respect thereof, (ii) other Indebtedness otherwise permitted to be incurred under the Indenture (and all Obligations in respect thereof), so long as on a *pro forma* basis after giving effect to the incurrence of such Indebtedness, the aggregate amount of such Indebtedness so secured, when taken together with any Indebtedness secured pursuant to clause (b)(i) outstanding at the time such other Indebtedness is incurred and so secured, does not exceed the greater of (x) \$840 million and (y) 30% of Consolidated Tangible Assets at any one time outstanding measured at the time of incurrence, *provided* that any Indebtedness incurred to refund, refinance or extend (including Refinancing Indebtedness) Indebtedness secured by Liens pursuant to this clause (b)(ii) shall be permitted to be secured by Liens pursuant to this clause (b)(ii) notwithstanding that at the time of incurrence thereof, such Indebtedness may exceed the amount of Indebtedness that would then be permitted to be secured under this clause (b)(ii) due to a diminution in the amount of Consolidated Tangible Assets, and (iii) any Refinancing Indebtedness (including pursuant to Credit Facilities) in respect of Indebtedness incurred and secured pursuant to clauses (b) (i) and (b)(ii); *provided* that the Liens securing any Indebtedness (or Obligations in respect thereof) incurred pursuant to this clause (b) shall have the same or junior priority as the Liens securing the Notes; and (c) any other Indebtedness (including Refinancing Indebtedness) permitted to be incurred under the Indenture (and all Obligations in respect thereof); *provided* that the Liens securing Indebtedness referred to in this clause (c) rank junior to the Liens on the Collateral securing the Notes pursuant to an intercreditor agreement that is substantially similar to the Intercreditor Agreement (with the Notes being treated as senior priority obligations thereunder);

(j) Liens securing Non-Recourse Indebtedness of the Company, the Issuer or any Restricted Subsidiary; *provided*, that such Liens apply only to (i) the property financed, constructed or improved out of the net proceeds of such Non-Recourse Indebtedness within 365 days after the incurrence of such Non-Recourse Indebtedness, and, including for the avoidance of doubt, assets directly related thereto or derived therefrom or other property of the Company, the Issuer or any Restricted Subsidiary financed pursuant to the Credit Facility of such person under which the Non-Recourse Indebtedness was incurred, or (ii) licenses, permits, authorizations, consent forms or contracts related to the acquisition, development, use or improvement of such property;

(k) Liens securing Purchase Money Indebtedness; *provided*, that such Liens apply only to (i) the property financed, designed, installed, constructed or improved with the proceeds of such Purchase Money Indebtedness within 365 days after the incurrence of such Purchase Money Indebtedness, and, including for the avoidance of doubt, assets directly related thereto or derived therefrom or other property of the Company, the Issuer or any Restricted Subsidiary financed pursuant to the Credit Facility of such person under which the Purchase Money Indebtedness was incurred, or (ii) licenses, permits, authorizations, consent forms or contracts related to the acquisition, development, use or improvement of such property;

(l) Liens on property or assets of the Company, the Issuer or any Restricted Subsidiary securing Indebtedness of the Company, the Issuer or any Restricted Subsidiary owing to the Company, the Issuer or one or more Restricted Subsidiaries;

(m) leases, subleases, licenses or sublicenses (including of intellectual property) granted to others not materially interfering with the ordinary course of business of the Company and the Restricted Subsidiaries;

(n) purchase money security interests (including, without limitation, Capitalized Lease Obligations); *provided*, that such Liens apply only to the Property acquired and the related Indebtedness is incurred within 365 days after the acquisition of such Property;

(o) any right of first refusal, right of first offer, option, contract or other agreement to sell an asset; *provided* that such sale is not otherwise prohibited under this Indenture;

(p) any right of a lender or lenders to which the Company, the Issuer or a Restricted Subsidiary may be indebted to offset against, or appropriate and apply to the payment of such, Indebtedness and any and all balances, credits, deposits, accounts or money of the Company, the Issuer, or a Restricted Subsidiary with or held by such lender or lenders or its Affiliates;

(q) any pledge or deposit of cash or property in conjunction with obtaining surety, performance, completion or payment bonds and letters of credit or other similar instruments or providing earnest money obligations, escrows or similar purpose undertakings or indemnifications in the ordinary course of business of the Company, the Issuer and the Restricted Subsidiaries;

(r) Liens for homeowner, condominium, property owner association developments and similar fees, assessments and other payments;

(s) Liens securing Refinancing Indebtedness (except Liens securing Refinancing Indebtedness in respect of Indebtedness secured pursuant to clause (i) under this definition); *provided*, that such Liens extend only to the assets securing the Indebtedness being refinanced and have the same or junior priority as the initial Liens;

(t) Liens incurred in the ordinary course of business as security for the obligations of the Company, the Issuer and the Restricted Subsidiaries with respect to indemnification in respect of title insurance providers;

(u) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Subsidiary of the Company or becomes a Subsidiary of the Company; *provided*, that such Liens were in existence prior to the contemplation of such merger or consolidation or acquisition and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Subsidiary or acquired by the Company or its Subsidiaries;

(v) Liens on property existing at the time of acquisition thereof by the Company or any Subsidiary of the Company, *provided*, that such Liens were in existence prior to the contemplation of such acquisition;

(w) Liens existing on the Issue Date (other than Liens securing Obligations under the Notes or the Senior Secured Super Priority Term Loan) and any extensions, renewals, refinancings or replacements thereof;

(x) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(y) pledges, deposits and other Liens existing under, or required to be made in connection with, (i) earnest money obligations, escrows or similar purpose undertakings or indemnifications in connection with any purchase and sale agreement, (ii) development agreements or other contracts entered into with governmental authorities (or an entity sponsored by a governmental authority) in connection with the entitlement of real property or (iii) agreements for the funding of infrastructure, including in respect of the issuance of community facility district bonds, metro district bonds, subdivision improvement bonds and similar bonding requirements arising in the ordinary course of business of a homebuilder;

(z) Liens securing obligations of the Company or any Restricted Subsidiary to any third party in connection with any option, repurchase right or right of first refusal to purchase real property granted to the master developer or the seller of real property that arises as a result of the non-use or non-development of such real property by the Company or any Restricted Subsidiary and joint development agreements with third parties to perform and/or pay for or reimburse the costs of construction and/or development related to or benefiting property (and additions, accessions, improvements and replacements and customary deposits in connection therewith and proceeds and products therefrom) of the Company or any Restricted Subsidiary and property belonging to such third parties, in each case entered into in the ordinary course of business; *provided* that such Liens do not at any time encumber any property, other than the property (and additions, accessions, improvements and replacements and customary deposits in connection therewith and proceeds and products therefrom) financed by such Indebtedness and the proceeds and products thereof;

(aa) Liens securing Hedging Obligations and Cash Management Services permitted to be incurred under this Indenture, so long as the related Indebtedness is, and is permitted under this Indenture to be, secured by a Lien on the same property securing such Hedging Obligations or Cash Management Services;

(bb) Liens arising from Uniform Commercial Code (or equivalent statute) financing statement filings regarding operating leases or consignments entered into by the Company or any Restricted Subsidiary in the ordinary course of business;

(cc) Liens in favor of the Issuer or any Guarantor;

(dd) deposits made or other security provided to secure liabilities to insurance carriers under insurance or self-insurance arrangements in the ordinary course of business;

(ee) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(ff) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code or any comparable or successor provision on items in the course of collection, and (ii) in favor of banking or other financial institutions or electronic payment service providers arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking or finance industry;

(gg) the rights reserved or vested in any Person by the terms of any lease, license, grant or permit held by the Company or any of its Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(hh) restrictive covenants affecting the use to which real property may be put; *provided* that the covenants are complied with;

(ii) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business;

(jj) zoning by-laws and other land use restrictions, including, without limitation, site plan agreements, development agreements and contract zoning agreements;

(kk) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Company or any Restricted Subsidiary in the ordinary course of business;

(ll) Liens on the Equity Interests of Unrestricted Subsidiaries;

(mm) [Reserved];

(nn) any encumbrance or restriction (including put and call arrangements) with respect to capital stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement, to the extent that such encumbrance or restriction does not secure Indebtedness;

(oo) Liens on property or assets used to defease or to irrevocably satisfy and discharge Indebtedness; *provided* that such defeasance or satisfaction and discharge is not prohibited by the Indenture;

(pp) easements, rights-of-way, dedications, covenants, conditions, restrictions, reservations and assessment district or similar Liens in connection with municipal or special district financing, agreements with adjoining landowners or state or local government authorities, quasi-governmental entities or utilities and other similar charges or encumbrances incurred in the ordinary course of business and which do not, in the aggregate, materially interfere with the ordinary course of business of the Company and its Subsidiaries; and

(qq) Liens securing obligations not to exceed \$25.0 million at any one time outstanding, *provided* that any Liens on the Collateral securing any Indebtedness (or Obligations in respect thereof) incurred pursuant to this clause (qq) shall have the same or junior priority as the Liens securing the Notes.

For purposes of determining compliance with this definition of “Permitted Liens”, (x) a Lien need not be incurred solely by reference to one category of Permitted Liens described in this definition but may be incurred under any combination of such categories (including in part under one such category and in part under any other such category) and (y) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens, the Issuer shall, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition.

“Permitted Warrant” means any call option on, warrant or right to purchase (or substantively equivalent derivative transaction) the Company’s Capital Stock sold by the Company, the Issuer or any Restricted Subsidiary substantially concurrently with any purchase by the Company, the Issuer or any Restricted Subsidiary of a related Permitted Bond Hedge.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, incorporated or unincorporated association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Pledge Agreement” means the Pledge Agreement, dated as of the Issue Date, among the Issuer and the Guarantors, in favor of the Joint Collateral Agent for the benefit of itself, the Trustee and the Holders, as amended, restated, supplemented or otherwise modified from time to time.

“Preferred Stock” of any Person means all Capital Stock of such Person which has a preference in liquidation or with respect to the payment of dividends.

“Property” of any Person means all types of real, personal, tangible, intangible or mixed property owned by such Person, whether or not included in the most recent consolidated balance sheet of such Person and its Subsidiaries under GAAP.

“purchase amount” has the meaning ascribed to it in Section 3.5(b) hereof.

“purchase date” has the meaning ascribed to it in Section 3.5(b) hereof.

“Purchase Money Indebtedness” means Indebtedness of the Company, the Issuer or any Restricted Subsidiary incurred for the purpose of financing all or any part of the purchase price, or the cost of design, installation, construction, lease or improvement, of any property to be used in the business of the Company, the Issuer and the Restricted Subsidiaries; *provided, however*, that (a) the aggregate principal amount of such Indebtedness shall not exceed such purchase price or cost (including financing costs) and (b) such Indebtedness shall be incurred no later than 365 days after the acquisition of such property or completion of such design, installation, construction, lease or improvement.

“Qualified Stock” means Capital Stock of the Company other than Disqualified Stock.

“Rating Agency” means a statistical rating agency or agencies, as the case may be, nationally recognized in the United States and selected by the Company (as certified by a resolution of the Board of Directors of the Company) which shall be substituted for S&P or Moody’s, or both, as the case may be.

“Real Estate Business” means homebuilding, housing construction, real estate development or construction and the sale of homes and related real estate activities, including the provision of mortgage financing or title insurance.

“Record Date” for the interest payable on any Interest Payment Date means the January 1 or July 1 (whether or not a Business Day) immediately preceding such Interest Payment Date.

“Refinancing Indebtedness” means Indebtedness (to the extent not Permitted Indebtedness) that refunds, refinances or extends any Indebtedness of the Company, the Issuer or any Restricted Subsidiary (other than Non-Recourse Indebtedness and Permitted Indebtedness described under clauses (d) through (f), (h) through (j), (l) and (n) through (s) of the definition thereof), but only to the extent that:

(a) the Refinancing Indebtedness is subordinated, if at all, to the Notes or the Guarantees, as the case may be, to the same extent as the Indebtedness being refunded, refinanced or extended,

(b) the Refinancing Indebtedness is scheduled to mature either (x) no earlier than the Indebtedness being refunded, refinanced or extended or (y) after the maturity date of the Notes,

(c) the portion, if any, of the Refinancing Indebtedness that is scheduled to mature on or prior to the maturity date of the Notes has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred that is equal to or greater than the Weighted Average Life to Maturity of the portion of the Indebtedness being refunded, refinanced or extended that is scheduled to mature on or prior to the maturity date of the Notes, and

(d) such Refinancing Indebtedness is in an aggregate principal amount that is equal to or less than the aggregate principal amount then outstanding under the Indebtedness being refunded, refinanced or extended (plus all accrued interest thereon and the amount of any premiums (including tender premiums) and fees, costs and expenses incurred in connection with the refinancing thereof);

provided, that for purposes of determining the principal amount outstanding under clauses (a)(ii), (b), (g) and (k) of “Permitted Indebtedness” and clauses (i) and (qq) of “Permitted Liens,” the principal amount referred to in such clauses shall be calculated excluding any principal amount that was incurred in respect of amounts set forth in the parenthetical in clause (d) of this definition and such principal amount shall nonetheless be permitted under such clauses.

“**Register**” has the meaning ascribed to it in Section 2.9(a) hereof.

“**Registrar**” means a Person engaged to maintain the Register.

“**Regulation S**” means Regulation S under the Securities Act.

“**Regulation S Certificate**” means a certificate substantially in the form of Exhibit E hereto.

“**Regulation S Global Note**” means a Global Note representing Notes issued and sold pursuant to Regulation S.

“**Regulation S Temporary Global Note**” means a Regulation S Global Note that bears the Regulation S Temporary Global Note Legend.

“**Regulation S Temporary Global Note Legend**” means the legend set forth in Exhibit I.

“**Repay**” or “**Repayment**” has the meaning ascribed to it in Section 4.16 hereof.

“**Repurchase Date**” has the meaning ascribed to it in Section 4.12(a) hereof.

“**Responsible Officer**,” when used with respect to the Trustee, means any officer in the corporate trust department of the Trustee with direct responsibility for the administration of the trust created by this Indenture.

“**Restricted Investment**” means any Investment other than a Permitted Investment.

“**Restricted Legend**” means the legend set forth in Exhibit C.

“**Restricted Payment**” means any of the following:

(a) the declaration or payment of any dividend or any other distribution on Capital Stock of the Company, the Issuer or any Restricted Subsidiary or any payment made to the direct or indirect holders (in their capacities as such) of Capital Stock of the Company, the Issuer or any Restricted Subsidiary (other than (i) dividends or distributions payable solely in Qualified Stock and (ii) in the case of the Issuer or Restricted Subsidiaries, dividends or distributions payable to the Company, the Issuer or a Restricted Subsidiary);

(b) the purchase, redemption or other acquisition or retirement for value of any Capital Stock of the Company, the Issuer or any Restricted Subsidiary (other than a payment made to the Company, the Issuer or any Restricted Subsidiary);

(c) any Investment (other than any Permitted Investment), including any Investment in an Unrestricted Subsidiary (including by the designation of a Subsidiary of the Company as an Unrestricted Subsidiary); and

(d) the purchase, repurchase, redemption, acquisition or retirement for value, prior to the date for any scheduled maturity, sinking fund or amortization or other principal installment payment, of any Subordinated Indebtedness (other than (a) Indebtedness permitted under clause (d) of the definition of “Permitted Indebtedness” or (b) the purchase, repurchase, redemption, defeasance, or other acquisition or retirement of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, amortization or principal installment or final maturity, in each case due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement).

“**Restricted Period**” means the relevant 40-day “distribution compliance period” as such term is defined in Regulation S, which, for each relevant Note, commences on the date such Note is issued.

“**Restricted Subsidiary**” means any Subsidiary of the Company which is not an Unrestricted Subsidiary.

“**Reversion Date**” has the meaning ascribed to it in Section 4.19(a) hereof.

“**Revolving Credit Facility**” means the revolving credit facility under the Credit Agreement, dated as of June 7, 2013, among the Issuer, the Company, the other guarantors party thereto, and the lender party thereto, as amended by the Credit Agreement First Amendment, dated as of June 11, 2013, the Credit Agreement Second Amendment, dated as of June 18, 2013, the Credit Agreement Third Amendment, dated as of June 27, 2013 and the Credit Agreement Fourth Amendment, dated as of July 10, 2013 and as further amended, restated, supplemented or otherwise modified from time to time hereafter, including any such amendment, restatement or other modification that increases the amount permitted to be borrowed thereunder or alters the maturity thereof (to the extent such increase in borrowings is permitted under Section 4.6 hereof) or adds the Company, the Issuer or Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, lender or group of lenders.

“**Rule 144A**” means Rule 144A under the Securities Act.

“Rule 144A Certificate” means a certificate substantially in the form of Exhibit F hereto.

“Rule 144A Global Note” means a Global Note that bears the Restricted Legend representing Notes issued, transferred or exchanged pursuant to Rule 144A.

“S&P” means S&P Global Ratings, a division of S&P Global, Inc., and its successors.

“Second Commitment” has the meaning ascribed to it in Section 4.10(c) hereof.

“Secured Indebtedness” means any Indebtedness of the Company or any of its Restricted Subsidiaries secured by a Lien.

“Secured Obligations” means all Secured Indebtedness and all Obligations in respect thereof.

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

“Security Agreement” means the Security Agreement, dated as of the Issue Date, among the Issuer and the Guarantors, in favor of the Joint Collateral Agent for the benefit of itself, the Trustee and the Holders, as amended, restated, supplemented or otherwise modified from time to time.

“Security Documents” means (i) the Security Agreement, (ii) the Pledge Agreement (iii) the Intercreditor Agreement, (iv) the Collateral Agency Agreement, (v) the Mortgage Tax Collateral Agency Agreement and (vi) the security documents or any other agreement, document or instrument granting or perfecting a security interest in any assets of any Person to secure the Indebtedness and related Obligations under the Notes and the Guarantees or under which rights or remedies with respect to any such liens are governed, as each may be amended, restated, supplemented or otherwise modified from time to time.

“self-liquidating paper” has the meaning ascribed to it in Section 7.3(b) hereof.

“Senior-Priority Lien Obligations” means all Indebtedness secured by Liens on the Collateral that are senior in priority to the Liens on the Collateral securing the Notes (regardless of any priority level among such Senior-Priority Lien Obligations), including the Senior Secured Super Priority Term Loan, and all Obligations in respect thereof.

“Senior Secured Super Priority Credit Agreement” means that certain Credit Agreement, dated as of July 29, 2016, among the Issuer, the Company, the other Guarantors, the Initial Term Lenders (as defined therein), each lender from time to time party thereto and Wilmington Trust, National Association, as Senior Secured Super Priority Term Loan Administrative Agent.

“Senior Secured Super Priority Term Loan” means a Loan (as defined in the Senior Secured Super Priority Credit Agreement).

“Senior Secured Super Priority Term Loan Administrative Agent” means Wilmington Trust, National Association as Administrative Agent (as defined in the Senior Secured Super Priority Credit Agreement) and any successor.

“Senior Secured Super Priority Term Loan Collateral Agent” means Wilmington Trust, National Association in its capacity as collateral agent and any successor.

“Significant Subsidiary” means any Subsidiary of the Company which would constitute a **“significant subsidiary”** as defined in Rule 1-02(w)(1) or (2) of Regulation S-X under the Securities Act and the Exchange Act as in effect on the Issue Date.

“Subordinated Indebtedness” means Indebtedness subordinated in right of payment to the applicable Notes pursuant to a written agreement.

“Subsidiary” of any Person means any corporation or other entity of which a majority of the Capital Stock having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is at the time directly or indirectly owned or controlled by such Person.

“Successor” has the meaning ascribed to it in Section 4.14(a) hereof.

“Suspended Covenants” has the meaning ascribed to it in Section 4.19(a) hereof.

“Suspension Date” has the meaning ascribed to it in Section 4.19(a) hereof.

“Suspension Period” has the meaning ascribed to it in Section 4.19(a) hereof.

“Treasury Rate” has the meaning ascribed to it in Section 3.1(a) hereof.

“Trust Indenture Act” or **“TIA”** means the Trust Indenture Act of 1939, as amended.

“**Trustee**” means the party named as such in the preamble of this Indenture until such time, if any, a successor replaces such party in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

“**U.S. Government Obligations**” means non-callable, non-payable bonds, notes, bills or other similar obligations issued or guaranteed by the United States government or any agency thereof the full and timely payment of which are backed by the full faith and credit of the United States and denominated and payable in U.S. dollars only.

“**Unentitled Land**” means land owned by the Issuer or a Guarantor which has not been granted preliminary approvals ((i) in New Jersey, as defined in the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and (ii) for states other than New Jersey, a point in time equivalent thereto) for residential development.

“**Units**” means the 6.00% Exchangeable Note Units of the Issuer and the Company issued on October 2, 2012 composed of a senior unsecured exchangeable note of the Issuer and guaranteed by the applicable Guarantors and a senior unsecured amortizing note of the Issuer and guaranteed by the applicable Guarantors.

“**Unrestricted Subsidiary**” means any Subsidiary of the Company so designated by a resolution adopted by the Board of Directors of the Company or a duly authorized committee thereof as provided below; *provided*, that the holders of Indebtedness thereof do not have direct or indirect recourse against the Company, the Issuer or any Restricted Subsidiary, and neither the Company, the Issuer nor any Restricted Subsidiary otherwise has liability for, any payment obligations in respect of such Indebtedness (including any undertaking, agreement or instrument evidencing such Indebtedness), except, in each case, to the extent that the amount thereof constitutes a Restricted Payment or Permitted Investment permitted by this Indenture, in the case of Non-Recourse Indebtedness, to the extent such recourse or liability is for the matters discussed in the last sentence of the definition of “Non-Recourse Indebtedness,” or to the extent such Indebtedness is a guarantee by such Subsidiary of Indebtedness of the Company, the Issuer or a Restricted Subsidiary. As of the Issue Date, the Unrestricted Subsidiaries are the Subsidiaries of the Company named in Exhibit K hereto.

Subject to the foregoing, the Board of Directors of the Company or a duly authorized committee thereof may designate any Subsidiary in addition to those named above to be an Unrestricted Subsidiary; *provided, however*, that (a) the net amount (the “**Designation Amount**”) then outstanding of all previous Investments by the Company and the Restricted Subsidiaries in such Subsidiary will be deemed to be a Restricted Payment at the time of such designation and will reduce the amount available for Restricted Payments under Section 4.7 hereof to the extent provided therein, (b) the Company must be permitted under Section 4.7 hereof or pursuant to the definition of “Permitted Investment” to make the Restricted Payment deemed to have been made pursuant to clause (a) of this paragraph, and (c) after giving effect to such designation, no Default or Event of Default shall have occurred or be continuing. In accordance with the foregoing, and not in limitation thereof, Investments made by any Person in any Subsidiary of such Person prior to such Person’s merger with the Company or any Restricted Subsidiary (but not in contemplation or anticipation of such merger) shall not be counted as an Investment by the Company or such Restricted Subsidiary if such Subsidiary of such Person is designated as an Unrestricted Subsidiary.

The Board of Directors of the Company or a duly authorized committee thereof may also redesignate an Unrestricted Subsidiary to be a Restricted Subsidiary; *provided, however*, that (a) the Indebtedness of such Unrestricted Subsidiary as of the date of such redesignation could then be incurred under Section 4.6 hereof and (b) immediately after giving effect to such redesignation and the incurrence of any such additional Indebtedness, (A) the Company and the Restricted Subsidiaries could incur \$1.00 of additional Indebtedness under Section 4.6(a) hereof or (B) the Consolidated Fixed Charge Coverage Ratio would be equal to or greater than the Consolidated Fixed Charge Coverage Ratio immediately prior to such redesignation or the ratio of Indebtedness of the Company and the Restricted Subsidiaries to Consolidated Tangible Net Worth of the Company would be equal to or less than the ratio immediately prior to such redesignation. Any such designation or redesignation by the Board of Directors of the Company or a committee thereof will be evidenced to the Trustee by the filing with the Trustee of a certified copy of the resolution of the Board of Directors of the Company or a committee thereof giving effect to such designation or redesignation and an Officers' Certificate certifying that such designation or redesignation complied with the foregoing conditions and setting forth the underlying calculations of such Officers' Certificate. The designation of any Person as an Unrestricted Subsidiary shall be deemed to include a designation of all Subsidiaries of such Person as Unrestricted Subsidiaries; *provided, however*, that the ownership of the general partnership interest (or a similar member's interest in a limited liability company) by an Unrestricted Subsidiary shall not cause a Subsidiary of the Company of which more than 95% of the equity interest is held by the Company or one or more Restricted Subsidiaries to be deemed an Unrestricted Subsidiary.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness or portion thereof at any date, the number of years obtained by dividing (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including, without limitation, payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (b) the sum of all such payments described in clause (a)(i) of this definition.

“\$” means U.S. dollars.

Section 1.2. Rules of Construction. Unless the context otherwise requires or except as otherwise expressly provided:

- (a) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (b) “herein,” “hereof” and other words of similar import refer to this Indenture as a whole and not to any particular Section, Article or other subdivision;
- (c) all references to Sections or Articles or Exhibits refer to Sections or Articles or Exhibits of or to this Indenture unless otherwise indicated;
- (d) references to agreements or instruments, or to statutes or regulations, are to such agreements or instruments, or statutes or regulations, as amended from time to time (or to successor statutes and regulations); and
- (e) in the event that a transaction meets the criteria of more than one category of permitted transactions or listed exceptions, the Issuer may classify such transaction as it, in its sole discretion, determines.

ARTICLE II THE NOTES

Section 2.1. Form, Dating and Denominations; Legends. (a) The Notes shall be issued in two separate series, designated as the “**10.000% Senior Secured Notes due 2022**” and the “**10.500% Senior Secured Notes due 2024**”. The Holders of each of the 2022 Notes and the 2024 Notes shall vote as separate series for all purposes under this Indenture, except that such Holders shall vote together, as a single series, for purposes of directing the Collateral Agent with respect to the Collateral under Section 5.4(b) hereof. The Notes and the Trustee’s certificate of authentication shall be substantially in the form attached as Exhibit A-I, in the case of the 2022 Notes, and Exhibit A-II, in the case of the 2024 Notes. The terms and provisions contained in the form of such Notes annexed as Exhibits A-I and A-II constitute and are hereby expressly made a part of this Indenture. The Notes may have notations, legends or endorsements required by this Indenture, law, rules of or agreements with national securities exchanges to which the Issuer is subject, or usage. Each Note shall be dated the date of its authentication. The Notes shall be issuable in denominations of \$2,000 in principal amount and any multiple of \$1,000 in excess thereof.

(a) (i) Except as otherwise provided in clause (c) of this Section 2.1, Section 2.9(b)(iv), Section 2.10(b)(iii), Section 2.10(b)(v), or Section 2.10(c), each Initial Note or Additional Note shall bear the Restricted Legend.

(i) Each Global Note, whether or not an Initial Note or Additional Note, shall bear the DTC Legend.

(ii) Initial Notes and Additional Notes offered and sold in reliance on any exception under the Securities Act other than Regulation S and Rule 144A shall be issued, and upon the request of the Issuer to the Trustee, Initial Notes and Additional Notes offered and sold in reliance on Rule 144A may be issued, in the form of Certificated Notes.

(iii) Each Regulation S Temporary Global Note shall bear the Regulation S Temporary Global Note Legend.

(iv) Initial Notes and Additional Notes offered and sold in reliance on Regulation S shall be issued as provided in Section 2.11(a).

(b) If the Issuer determines (upon the advice of counsel and after consideration of other certifications and evidence as the Issuer may reasonably require) that a Note is eligible for resale pursuant to Rule 144 under the Securities Act (or a successor provision) without being subject to any conditions as provided in such Rule and that the Restricted Legend is no longer necessary or appropriate in order to ensure that subsequent transfers of the Note (or a beneficial interest therein) are effected in compliance with the Securities Act, then, the Issuer may instruct the Trustee to cancel the Note and issue to the Holder thereof (or to its transferee) a new Note of like tenor and amount of the same series, registered in the name of the Holder thereof (or its transferee), that does not bear the Restricted Legend, and the Trustee shall comply with such instruction.

(c) By its acceptance of any Note bearing the Restricted Legend (or any beneficial interest in such a Note), each Holder thereof and each owner of a beneficial interest therein acknowledges the restrictions on transfer of such Note (and any such beneficial interest) set forth in this Indenture and in the Restricted Legend and agrees that it will transfer such Note (and any such beneficial interest) only in accordance with this Indenture and such legend.

Section 2.2. Execution and Authentication; Additional Notes. (a) An Officer shall execute the Notes for the Issuer by facsimile or manual signature in the name and on behalf of the Issuer. If an Officer whose signature is on a Note no longer holds that office at the time the Note is authenticated, the Note will still be valid.

(a) A Note shall not be valid until the Trustee manually signs the certificate of authentication on the Note, with the signature conclusive evidence that the Note has been authenticated under this Indenture.

(b) At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Notes executed by the Issuer to the Trustee for authentication. The Trustee shall authenticate and deliver:

(i) Initial Notes for original issue in the aggregate principal amount not to exceed \$440,000,000 for the 2022 Notes and \$400,000,000 for the 2024 Notes, and

(ii) Additional Notes of a series from time to time for original issue in the aggregate principal amounts specified by the Issuer after the following conditions have been met:

(A) Receipt by the Trustee of a certificate, executed by an Officer specifying

- (1) the series and amount of Notes to be authenticated and the date on which the Notes are to be authenticated,
- (2) whether the Notes are to be Initial Notes or Additional Notes for such series,
- (3) in the case of Additional Notes, that the issuance of such Notes does not contravene any provision of Article IV,
- (4) whether the Notes are to be issued as one or more Global Notes or Certificated Notes, and
- (5) other information the Issuer may determine to include or the Trustee may reasonably request.

(B) Receipt by the Trustee of an Officers' Certificate and an Opinion of Counsel specifying:

- (1) that the issuance of the Notes is authorized and permitted by the terms of this Indenture,
- (2) that the Notes constitute a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with their terms (subject to customary exceptions), and
- (3) all conditions precedent provided for in this Indenture to the issuance of the Notes have been complied with.

Section 2.3. Registrar, Paying Agent and Authenticating Agent; Paying Agent to Hold Money in Trust. (a) The Issuer may appoint one or more Registrars and one or more Paying Agents, and the Trustee may appoint an Authenticating Agent, in which case each reference in this Indenture to the Trustee in respect of the obligations of the Trustee to be performed by that Agent shall be deemed to be references to the Agent. The Issuer may act as Registrar or (except for purposes of Article VIII) Paying Agent. In each case, the Issuer and the Trustee shall enter into an appropriate agreement with the Agent implementing the provisions of this Indenture relating to the obligations of the Trustee to be performed by the Agent and the related rights.

(a) The Issuer shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal of, premium, if any, and interest, if any, on, the Notes and shall promptly notify the Trustee of any default by the Issuer in making any such payment. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee and account for any funds disbursed, and the Trustee may at any time during the continuance of any payment default, upon written request to a Paying Agent, require the Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed. Upon doing so, the Paying Agent shall have no further liability for the money so paid over to the Trustee.

(b) The Company initially appoints the Trustee as Registrar and Paying Agent with respect to the Notes.

Section 2.4. Replacement Notes. If a mutilated Note is surrendered to the Trustee or if a Holder claims that its Note has been lost, destroyed or wrongfully taken, the Issuer shall issue and the Trustee shall authenticate a replacement Note of like tenor and principal amount of the same series as such Note and bearing a number not contemporaneously outstanding. Every replacement Note is an additional obligation of the Issuer and entitled to the benefits of this Indenture. If required by the Trustee or the Issuer, an indemnity must be furnished that is sufficient in the judgment of both the Trustee and the Issuer to protect the Issuer and the Trustee from any loss they may suffer if a Note is replaced. The Issuer and the Trustee may charge the Holder for the expenses of the Issuer and the Trustee in replacing a Note. In case the mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Issuer in its discretion may pay the Note instead of issuing a replacement Note.

Section 2.5. Outstanding Notes. (a) Notes outstanding at any time are all Notes that have been authenticated by the Trustee except for:

(i) Notes cancelled by the Trustee or delivered to it for cancellation;

(ii) any Note which has been replaced pursuant to Section 2.4 unless and until the Trustee and the Issuer receive proof satisfactory to them that the replaced Note is held by a protected purchaser; and

(iii) on or after the maturity date or any redemption date or date for purchase of the Notes pursuant to an Offer to Purchase, those Notes payable or to be redeemed or purchased on that date for which the Trustee (or Paying Agent, other than the Issuer or an Affiliate of the Issuer) holds money sufficient to pay all amounts then due.

(b) A Note does not cease to be outstanding because the Issuer or one of its Affiliates holds the Note; *provided*, that in determining whether the Holders of the requisite principal amount of the outstanding Notes have given or taken any request, demand, authorization, direction, notice, consent, waiver or other action hereunder, Notes owned by the Issuer or any Affiliate of the Issuer shall be disregarded and deemed not to be outstanding (it being understood that in determining whether the Trustee is protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or other action, only Notes which a Responsible Officer of the Trustee has been notified in writing to be so owned shall be so disregarded). Notes so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any Affiliate of the Issuer.

Section 2.6. Temporary Notes. Until definitive Notes are ready for delivery, the Issuer may prepare and the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of definitive Notes but may have insertions, substitutions, omissions and other variations determined to be appropriate by the Officer executing the temporary Notes, as evidenced by the execution of the temporary Notes. If temporary Notes are issued, the Issuer shall cause definitive Notes to be prepared without unreasonable delay. After the preparation of definitive Notes, the temporary Notes shall be exchangeable for definitive Notes upon surrender of the temporary Notes at the office or agency of the Issuer designated for the purpose pursuant to Section 4.2 without charge to the Holder. Upon surrender for cancellation of any temporary Notes, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Notes of the same series of authorized denominations. Until so exchanged, the temporary Notes shall be entitled to the same benefits under this Indenture as definitive Notes of the same series.

Section 2.7. Cancellation. The Issuer at any time may deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and may deliver to the Trustee for cancellation any Notes previously authenticated hereunder which the Issuer has not issued and sold. Any Registrar or the Paying Agent shall forward to the Trustee any Notes surrendered to it for transfer, exchange or payment. The Trustee shall cancel all Notes surrendered for transfer, exchange, payment or cancellation and dispose of them in accordance with its normal procedures or the written instructions of the Issuer. The Issuer may not issue new Notes to replace Notes that it has paid in full or delivered to the Trustee for cancellation.

Section 2.8. CUSIP and ISIN Numbers. The Issuer in issuing the Notes may use “CUSIP” and “ISIN” numbers (*provided* that each series of Notes shall have unique numbers), and the Trustee shall use CUSIP numbers or ISIN numbers in notices of redemption or exchange or in Offers to Purchase as a convenience to Holders, the notice to state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of redemption or exchange or Offer to Purchase. The Issuer shall promptly notify the Trustee in writing of any change in any CUSIP or ISIN numbers. Any Additional Notes that are not fungible with the Initial Notes of the same series for United States federal income tax purposes shall be issued with CUSIP and ISIN numbers different from the CUSIP and ISIN numbers assigned to the Initial Notes of such series.

Section 2.9. Registration, Transfer and Exchange. (a) The Notes shall be issued in registered form only, without coupons, and the Issuer shall cause the Trustee to maintain a register (the “**Register**”) of the Notes, for registering the record ownership of the Notes by the Holders and transfers and exchanges of the Notes.

(a) (i) Each Global Note shall be registered in the name of the Depositary or its nominee and, so long as DTC is serving as the Depositary thereof, shall bear the DTC Legend.

(i) Each Global Note shall be delivered to the Trustee as custodian for the Depositary. Transfers of a Global Note (but not a beneficial interest therein) shall be limited to transfers thereof in whole, but not in part, to the Depositary, its successors or their respective nominees, except (A) as set forth in Section 2.9(b)(iv) and (B) transfers of portions thereof in the form of Certificated Notes of the same series may be made upon request of an Agent Member (for itself or on behalf of a beneficial owner) by 20 days’ prior written notice given to the Trustee by or on behalf of the Depositary in accordance with customary procedures of the Depositary and in compliance with this Section and Section 2.10.

(ii) Agent Members shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depositary, and the Depositary may be treated by the Issuer, the Trustee and any agent of the Issuer or the Trustee as the absolute owner and Holder of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, the Depositary or its nominee may grant proxies and otherwise authorize any Person (including any Agent Member and any Person that holds a beneficial interest in a Global Note through an Agent Member) to take any action which a Holder is entitled to take under this Indenture or the Notes, and nothing herein shall impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any security. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Note in global form or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The Trustee may rely and shall be fully protected in relying upon information furnished by the Depositary with respect to its members, participants and any beneficial owners.

(iii) If (x) the Depositary (i) notifies the Issuer that it is unwilling or unable to continue as Depositary for a Global Note and a successor depositary is not appointed by the Issuer within 90 days of the notice or (ii) has ceased to be a clearing agency registered under the Exchange Act, (y) the Issuer, at its option, notifies the Trustee in writing that it elects to cause the issuance of Certificated Notes or (z) the Depositary directs the Trustee in writing to do so following the occurrence and during the continuation of an Event of Default with respect to any series of the Notes, the Trustee shall promptly exchange each beneficial interest in the Global Note for one or more Certificated Notes of the same series in authorized denominations having an equal aggregate principal amount registered in the name of the owner of such beneficial interest, as identified to the Trustee by the Depositary, and thereupon the Global Note of the same series shall be deemed canceled. If such Note does not bear the Restricted Legend, then the Certificated Notes issued in exchange therefor shall not bear the Restricted Legend. If such Note bears the Restricted Legend, then the Certificated Notes issued in exchange therefor shall bear the Restricted Legend; *provided*, that any Holder of any such Certificated Note issued in exchange for a beneficial interest in a Regulation S Temporary Global Note will have the right upon presentation to the Trustee of a duly completed Certificate of Beneficial Ownership after the Restricted Period to exchange such Certificated Note for a Certificated Note of the same series of like tenor and amount that does not bear the Restricted Legend, registered in the name of such Holder.

(b) Each Certificated Note shall be registered in the name of the holder thereof or its nominee.

(c) A Holder may transfer a Note (or a beneficial interest therein) to another Person or exchange a Note (or a beneficial interest therein) for another Note or Notes of the same series of any authorized denomination by presenting to the Trustee a written request therefor stating the name of the proposed transferee or requesting such an exchange, accompanied by any certification, opinion or other document required by Section 2.10. The Trustee shall promptly register any transfer or exchange that meets the requirements of this Section and Section 2.10 noting the same in the register maintained by the Trustee for the purpose; *provided*, that

(i) no transfer or exchange shall be effective until it is registered in such register, and

(ii) the Trustee shall not be required (x) to issue or register the transfer of or exchange any Note for a period of 15 days before a selection of Notes to be redeemed or purchased pursuant to an Offer to Purchase, (y) to register the transfer of or exchange any Note so selected for redemption or purchase in whole or in part, except, in the case of a partial redemption or purchase, that portion of any Note not being redeemed or purchased, or (z) to register the transfer of or exchange any Note on or after the Record Date and before the date of redemption or purchase. Prior to the registration of any transfer, the Issuer, the Trustee and their agents shall treat the Person in whose name the Note is registered as the owner and Holder thereof for all purposes (whether or not the Note is overdue), and shall not be affected by notice to the contrary.

From time to time the Issuer shall execute and the Trustee shall authenticate additional Notes as necessary in order to permit the registration of a transfer or exchange in accordance with this Section.

No service charge shall be imposed in connection with any transfer or exchange of any Note, but the Issuer or the Trustee may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than a transfer tax or other similar governmental charge payable upon exchange pursuant to subsection (b)(iv)).

(d) (i) *Global Note to Global Note*. If a beneficial interest in a Global Note is transferred or exchanged for a beneficial interest in another Global Note of the same series, the Trustee shall (x) record a decrease in the principal amount of the Global Note being transferred or exchanged equal to the principal amount of such transfer or exchange and (y) record a like increase in the principal amount of the other Global Note. Any beneficial interest in one Global Note that is transferred to a Person who takes delivery in the form of an interest in another Global Note, or exchanged for an interest in another Global Note, shall, upon transfer or exchange, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, shall thereafter be subject to all transfer and exchange restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

(i) *Global Note to Certificated Note.* If a beneficial interest in a Global Note is transferred or exchanged for a Certificated Note of the same series, the Trustee shall (x) record a decrease in the principal amount of such Global Note equal to the principal amount of such transfer or exchange and (y) deliver one or more new Certificated Notes of the same series in authorized denominations having an equal aggregate principal amount to the transferee (in the case of a transfer) or the owner of such beneficial interest (in the case of an exchange), registered in the name of such transferee or owner, as applicable.

(ii) *Certificated Note to Global Note.* If a Certificated Note is transferred or exchanged for a beneficial interest in a Global Note of the same series, the Trustee shall (x) cancel such Certificated Note, (y) record an increase in the principal amount of such Global Note equal to the principal amount of such transfer or exchange and (z) in the event that such transfer or exchange involves less than the entire principal amount of the canceled Certificated Note, deliver to the Holder thereof one or more new Certificated Notes of the same series in authorized denominations having an aggregate principal amount equal to the untransferred or unexchanged portion of the canceled Certificated Note, registered in the name of the Holder thereof.

(iii) *Certificated Note to Certificated Note.* If a Certificated Note is transferred or exchanged for another Certificated Note of the same series, the Trustee shall (x) cancel the Certificated Note being transferred or exchanged, (y) deliver one or more new Certificated Notes of the same series in authorized denominations having an aggregate principal amount equal to the principal amount of such transfer or exchange to the transferee (in the case of a transfer) or the Holder of the canceled Certificated Note (in the case of an exchange), registered in the name of such transferee or Holder, as applicable, and (z) if such transfer or exchange involves less than the entire principal amount of the canceled Certificated Note, deliver to the Holder thereof one or more Certificated Notes of the same series in authorized denominations having an aggregate principal amount equal to the untransferred or unexchanged portion of the canceled Certificated Note, registered in the name of the Holder thereof.

Section 2.10. Restrictions on Transfer and Exchange. (a) The transfer or exchange of any Note (or a beneficial interest therein) may only be made in accordance with this Section and Section 2.9 and, in the case of a Global Note (or a beneficial interest therein), the applicable rules and procedures of the Depository. The Trustee shall refuse to register any requested transfer or exchange that does not comply with the preceding sentence.

(a) Subject to paragraph (c) of this Section, the transfer or exchange of any Note (or a beneficial interest therein) of the type set forth in column A below for a Note (or a beneficial interest therein) of the type set forth opposite in column B below may only be made in compliance with the certification requirements (if any) described in the clause of this paragraph set forth opposite in column C below.

A	B	C
Rule 144A Global Note	Rule 144A Global Note	(i)
Rule 144A Global Note	Regulation S Global Note	(ii)
Rule 144A Global Note	Certificated Note	(iii)
Regulation S Global Note	Rule 144A Global Note	(iv)
Regulation S Global Note	Regulation S Global Note	(i)
Regulation S Global Note	Certificated Note	(v)
Certificated Note	Rule 144A Global Note	(iv)
Certificated Note	Regulation S Global Note	(ii)
Certificated Note	Certificated Note	(iii)

(i) No certification is required.

(ii) The Person requesting the transfer or exchange must deliver or cause to be delivered to the Trustee a duly completed Regulation S Certificate; *provided*, that if the requested transfer or exchange is made by the Holder of a Certificated Note that does not bear the Restricted Legend, then no certification is required.

(iii) The Person requesting the transfer or exchange must deliver or cause to be delivered to the Trustee (x) a duly completed Rule 144A Certificate, (y) a duly completed Regulation S Certificate or (z) a duly completed Institutional Accredited Investor Certificate, and/or an opinion of counsel and such other certifications and evidence as the Issuer or the Trustee may reasonably require in order to determine that the proposed transfer or exchange is being made in compliance with the Securities Act and any applicable securities laws of any state of the United States; *provided*, that if the requested transfer or exchange is made by the Holder of a Certificated Note that does not bear the Restricted Legend, then no certification is required. In the event that a Rule 144A Global Note or a Certificated Note that does not bear the Restricted Legend is surrendered for transfer or exchange, upon transfer or exchange the Trustee shall deliver a Certificated Note that does not bear the Restricted Legend.

(iv) The Person requesting the transfer or exchange must deliver or cause to be delivered to the Trustee a duly completed Rule 144A Certificate and must comply with all applicable securities laws of any state of the United States or any other jurisdiction.

(v) If the requested transfer involves a beneficial interest in a Regulation S Temporary Global Note, the Person requesting the registration of transfer must deliver or cause to be delivered to the Trustee (x) a duly completed Rule 144A Certificate or (y) a duly completed Institutional Accredited Investor Certificate and/or an opinion of counsel and such other certifications and evidence as the Issuer or the Trustee may reasonably require in order to determine that the proposed transfer is being made in compliance with the Securities Act and any applicable securities laws of any state of the United States. If the requested transfer or exchange involves a beneficial interest in a Permanent Regulation S Global Note, no certification is required and the Trustee will deliver a Certificated Note that does not bear the Restricted Legend. Notwithstanding anything to the contrary contained herein, no such exchange is permitted if the requested exchange involves a beneficial interest in a Regulation S Temporary Global Note.

(b) No certification is required in connection with any transfer or exchange of any Note (or a beneficial interest therein) after such Note is eligible for resale pursuant to Rule 144 under the Securities Act (or a successor provision) without being subject to any conditions as provided in such Rule; *provided*, that the Issuer has provided the Trustee with a certificate to that effect, and the Issuer or the Trustee may require from any Person requesting a transfer or exchange in reliance upon this clause an opinion of counsel and any other reasonable certifications and evidence in order to support such certificate.

Any Certificated Note delivered in reliance upon this paragraph shall not bear the Restricted Legend.

(c) The Trustee shall retain copies of all certificates, opinions and other documents received in connection with the registration of transfer or exchange of a Note (or a beneficial interest therein), and the Issuer shall have the right to inspect and make copies thereof at any reasonable time upon written notice to the Trustee. Neither the Company nor the Trustee shall have an obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depositary participants, members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by the terms of this Indenture and to examine the same to determine compliance as to form with the express requirements hereof.

Section 2.11. Regulation S Temporary Global Notes. (a) Each Initial Note and Additional Note originally sold in reliance upon Regulation S will be evidenced by one or more Regulation S Global Notes that bear the Regulation S Temporary Global Note Legend.

(a) An owner of a beneficial interest in a Regulation S Temporary Global Note (or a Person acting on behalf of such an owner) may provide to the Trustee (and the Trustee will accept) a duly completed Certificate of Beneficial Ownership at any time after the Restricted Period (it being understood that the Trustee will not accept any such certificate during the Restricted Period). Promptly after acceptance of a Certificate of Beneficial Ownership with respect to such a beneficial interest, the Trustee will cause such beneficial interest to be exchanged for an equivalent beneficial interest in a Permanent Regulation S Global Note of the same series, and will (x) permanently reduce the principal amount of such Regulation S Temporary Global Note by the amount of such beneficial interest and (y) increase the principal amount of such Permanent Regulation S Global Note by the amount of such beneficial interest.

(b) Notwithstanding anything to the contrary contained herein, beneficial interests in a Regulation S Temporary Global Note may be held through the Depositary only through Euroclear or Clearstream and their respective direct and indirect participants.

(c) Notwithstanding paragraph (b), if after the Restricted Period any Initial Purchaser owns a beneficial interest in a Regulation S Temporary Global Note, such Initial Purchaser may, upon written request to the Trustee accompanied by a certification as to its status as an Initial Purchaser, exchange such beneficial interest for an equivalent beneficial interest in a Permanent Regulation S Global Note of the same series, and the Trustee will comply with such request and will (x) permanently reduce the principal amount of such Regulation S Temporary Global Note by the amount of such beneficial interest and (y) increase the principal amount of such Permanent Regulation S Global Note by the amount of such beneficial interest.

ARTICLE III
REDEMPTION; OFFER TO PURCHASE

Section 3.1. *Optional Redemption.* (a) The Issuer may, at its option, redeem the 2022 Notes, in whole, at any time, or in part, from time to time, prior to July 15, 2019, at a redemption price equal to the sum of:

- (i) 100% of the principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the redemption date, if any (subject to the right of Holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date); *plus*
- (ii) the Make-Whole Amount.

The term “**Make-Whole Amount**” shall mean, in connection with any optional redemption of any 2022 Note, the excess, if any, of:

- (i) the present value at such redemption date of (A) the redemption price of the 2022 Note at July 15, 2019 (such redemption price being set forth in the table appearing in Section 3.1(b) hereof) plus (B) all required interest payments due on the 2022 Note through July 15, 2019 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; *over*
- (ii) the principal amount of the 2022 Note being redeemed.

In no case shall the Trustee be responsible for calculating, verifying or determining the Make-Whole Amount.

“**Treasury Rate**” means, in connection with the calculation of any Make-Whole Amount with respect to any 2022 Note, as calculated by the Company, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity, as compiled by and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source or similar market data), most nearly equal to the period from the redemption date to July 15, 2019; *provided, however*, that if the period from the redemption date to July 15, 2019 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to July 15, 2019 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

(b) At any time and from time to time on or after July 15, 2019, the Issuer may redeem the 2022 Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount set forth below for the period during which the redemption date falls plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date).

Period Commencing	Percentage
July 15, 2019	105.000%
July 15, 2020	102.500%
July 15, 2021 and thereafter	100.000%

(c) The Issuer may, at its option, redeem the 2024 Notes, in whole, at any time, or in part, from time to time, prior to July 15, 2020, at a redemption price equal to the sum of:

(iii) 100% of the principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the redemption date, if any (subject to the right of Holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date); *plus*

(iv) the Make-Whole Amount.

The term “**Make-Whole Amount**” shall mean, in connection with any optional redemption of any 2024 Note, the excess, if any, of:

(i) the present value at such redemption date of (A) the redemption price of the 2024 Note at July 15, 2020 (such redemption price being set forth in the table appearing in Section 3.1(d) hereof) plus (B) all required interest payments due on the 2024 Note through July 15, 2020 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; *over*

(ii) the principal amount of the 2024 Note being redeemed.

In no case shall the Trustee be responsible for calculating, verifying or determining the Make-Whole Amount.

“**Treasury Rate**” means, in connection with the calculation of any Make-Whole Amount with respect to any 2024 Note, as calculated by the Company, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity, as compiled by and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source or similar market data), most nearly equal to the period from the redemption date to July 15, 2020; *provided, however*, that if the period from the redemption date to July 15, 2020 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to July 15, 2020 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

(d) At any time and from time to time on or after July 15, 2020, the Issuer may redeem the 2024 Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount set forth below for the period during which the redemption date falls plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date).

Period Commencing	Percentage
July 15, 2020	105.250%
July 15, 2021	102.625%
July 15, 2022 and thereafter	100.000%

(e) If Holders of not less than 90% in aggregate principal amount of the outstanding Notes of a series validly tender and do not validly withdraw such Notes in an Offer to Purchase in connection with a Change of Control (a “**Change of Control Offer**”) and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as permitted by Section 4.12 hereof, purchases of all of the Notes validly tendered and not validly withdrawn by such Holders, the Issuer or such third party shall have the right, upon not less than 10 nor more than 60 days’ prior notice to the Holders (with a copy to the Trustee), given not more than 30 days following such purchase pursuant to the Change of Control Offer described in Section 4.12 hereof, to redeem all Notes of such series that remain outstanding following such purchase at a redemption price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to, but not including, the date of redemption.

Section 3.2. Redemption with Proceeds of Equity Offering. (a) At any time and from time to time prior to July 15, 2019, the Issuer may redeem the 2022 Notes with the net cash proceeds received by the Issuer from any Equity Offering at a redemption price equal to 110.000% of the principal amount plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date), in an aggregate principal amount for all such redemptions not to exceed 35% of the original aggregate principal amount of the 2022 Notes (including Additional Notes of such series), *provided* that:

(i) in each case the redemption takes place not later than 60 days after the closing of the related Equity Offering, and

(ii) not less than 65% of the original aggregate principal amount of the 2022 Notes (including Additional Notes of such series) remains outstanding immediately thereafter.

(b) At any time and from time to time prior to July 15, 2020, the Issuer may redeem the 2024 Notes with the net cash proceeds received by the Issuer from any Equity Offering at a redemption price equal to 110.500% of the principal amount plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date), in an aggregate principal amount for all such redemptions not to exceed 35% of the original aggregate principal amount of the 2024 Notes (including Additional Notes of such series), *provided that*:

(i) in each case the redemption takes place not later than 60 days after the closing of the related Equity Offering, and

(ii) not less than 65% of the original aggregate principal amount of the 2024 Notes (including Additional Notes of such series) remains outstanding immediately thereafter.

Section 3.3. *Sinking Fund; Mandatory Redemption*. There is no sinking fund for, or mandatory redemption of, the Notes.

Section 3.4. *Method and Effect of Redemption*. (a) If the Issuer elects to redeem Notes, it must notify the Trustee of the redemption date and the principal amount and series of Notes to be redeemed by delivering an Officers' Certificate at least 15 days before the redemption date (unless a shorter period is satisfactory to the Trustee). If fewer than all of the Notes of a series are being redeemed, the Notes of such series to be redeemed shall be selected by the Trustee by lot, pro rata or such other method as the Trustee deems fair and appropriate in consultation with the Issuer, subject to applicable DTC procedures and compliance with the rules of any securities exchange on which the Notes of such series may be listed. Notes shall be redeemed in denominations of \$2,000 principal amount or any multiple of \$1,000 in excess thereof. The Trustee will notify the Issuer promptly of the Notes or portions of Notes to be called for redemption. Notice of redemption must be delivered electronically or mailed by first-class mail, postage prepaid, by the Issuer or, at the Issuer's request, by the Trustee in the name and at the expense of the Issuer to Holders whose Notes are to be redeemed at least 10 days but not more than 60 days before the redemption date at such Holder's registered address or otherwise in accordance with the procedures of DTC, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of such Notes or a satisfaction and discharge of the Indenture with respect to such Notes. Notices of any redemption may be given prior to the completion thereof, and may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an Equity Offering, another offering or another transaction or event.

- (a) The notice of redemption shall identify the Notes of such series to be redeemed and shall include or state the following:
- (i) the redemption date;
 - (ii) the redemption price, including the portion thereof representing any accrued interest, if any;
 - (iii) the place or places where Notes are to be surrendered for redemption (Notes called for redemption must be so surrendered in order to collect the redemption price);
 - (iv) that on the redemption date, the redemption price shall become due and payable on Notes called for redemption, and interest on Notes called for redemption shall cease to accrue on and after the redemption date;
 - (v) that if any Note is redeemed in part, the portion of the principal amount thereof to be redeemed, and that on and after the redemption date, upon surrender of such Note, new Notes of the same series equal in principal amount to the unredeemed portion shall be issued;
 - (vi) if any Note contains a CUSIP or ISIN number, no representation is being made as to the correctness of the CUSIP or ISIN number either as printed on the Notes or as contained in the notice of redemption and that the Holder should rely only on the other identification numbers printed on the Notes; and

(vii) if such redemption is subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date as so delayed.

(b) Once notice of redemption is sent to the Holders, Notes called for redemption become due and payable at the redemption price on the redemption date (subject to any conditions specified in such notice), and upon surrender of the Notes called for redemption, the Issuer shall redeem such Notes at the redemption price. Commencing on the redemption date, Notes redeemed shall cease to accrue interest. Upon surrender of any Note redeemed in part, the Holder shall receive a new Note of the same series equal in principal amount to the unredeemed portion of the surrendered Note.

(c) The Company and its Affiliates may acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of this Indenture.

Section 3.5. Offer to Purchase. (a) An “**Offer to Purchase**” means an offer by the Issuer to purchase Notes as required by this Indenture. An Offer to Purchase must be made by written offer (the “**offer**”) sent to the Holders of the Notes of the applicable series. The Issuer shall notify the Trustee at least 15 days (or such shorter period as is acceptable to the Trustee) prior to sending the offer to Holders of its obligation to make an Offer to Purchase, and the offer shall be sent by the Issuer or, at the Issuer's request, by the Trustee in the name and at the expense of the Issuer.

(a) The offer must include or state the following as to the terms of the Offer to Purchase:

(i) the provision of this Indenture pursuant to which the Offer to Purchase is being made;

(ii) the aggregate principal amount of the outstanding Notes of such series offered to be purchased by the Issuer pursuant to the Offer to Purchase (including, if less than 100%, the manner by which such amount has been determined pursuant to this Indenture) (the “**purchase amount**”);

(iii) the purchase price, including the portion thereof representing accrued interest, if any;

(iv) an expiration date (the “**expiration date**”) not less than 30 days or more than 60 days after the date of the offer, and a settlement date for purchase (the “**purchase date**”) not more than five Business Days after the expiration date;

(v) information concerning the business of the Company, the Issuer and its Subsidiaries which the Issuer in good faith believes will enable the Holders to make an informed decision with respect to the Offer to Purchase;

(vi) a Holder may tender all or any portion of its Notes of such series, subject to the requirement that any portion of a Note tendered must be in denominations of \$2,000 principal amount and any multiple of \$1,000 in excess thereof;

(vii) the place or places where Notes are to be surrendered for tender pursuant to the Offer to Purchase;

(viii) each Holder electing to tender a Note pursuant to the offer shall be required to surrender such Note at the place or places specified in the offer prior to the close of business on the expiration date (such Note being, if the Issuer or the Trustee so requires, duly endorsed or accompanied by a duly executed written instrument of transfer);

(ix) interest on any Note not tendered, or tendered but not purchased by the Issuer pursuant to the Offer to Purchase, shall continue to accrue;

(x) on the purchase date the purchase price shall become due and payable on each Note accepted for purchase, and interest on Notes purchased shall cease to accrue on and after the purchase date;

(xi) Holders are entitled to withdraw Notes tendered by giving notice, which must be received by the Issuer or the Trustee not later than the close of business on the expiration date, setting forth the name of the Holder, the principal amount of the tendered Notes, the certificate number of the tendered Notes and a statement that the Holder is withdrawing all or a portion of the tender;

(xii) (A) if Notes of a series in an aggregate principal amount less than or equal to the purchase amount are duly tendered and not withdrawn pursuant to the Offer to Purchase, the Issuer shall purchase all such Notes, and (B) if the Offer to Purchase is for less than all of the outstanding Notes of a series and Notes in an aggregate principal amount in excess of the purchase amount are tendered and not withdrawn pursuant to the offer, the Issuer shall purchase Notes of such series having an aggregate principal amount equal to the purchase amount on a *pro rata* basis, with adjustments so that only Notes in denominations of \$2,000 principal amount and any multiples of \$1,000 in excess thereof;

(xiii) if any Note is purchased in part, new Notes equal in principal amount to the unpurchased portion of the Note shall be issued; and

(xiv) if any Note contains a CUSIP or ISIN number, no representation is being made as to the correctness of the CUSIP or ISIN number either as printed on the Notes or as contained in the offer and that the Holder should rely only on the other identification numbers printed on the Notes.

(b) Prior to the purchase date, the Issuer shall accept tendered Notes for purchase as required by the Offer to Purchase and deliver to the Trustee all Notes so accepted together with an Officers' Certificate specifying which Notes have been accepted for purchase. On the purchase date, the purchase price shall become due and payable on each Note accepted for purchase, and interest on Notes purchased shall cease to accrue on and after the purchase date. The Trustee shall promptly return to Holders any Notes not accepted for purchase and send to Holders new Notes of the same series equal in principal amount to any unpurchased portion of any Notes accepted for purchase in part.

(c) The Issuer shall comply with Rule 14e-1 under the Exchange Act and all other applicable laws in making any Offer to Purchase, and the above procedures shall be deemed modified as necessary to permit such compliance.

ARTICLE IV COVENANTS

Section 4.1. Payment of Notes. (a) The Issuer agrees to pay the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes and this Indenture. Not later than 9:00 A.M. (New York City time) on the due date of any principal of, premium, if any, or interest on, any Notes, or any redemption or purchase price of the Notes, the Issuer shall deposit with the Trustee (or Paying Agent) money in immediately available funds in U.S. dollars sufficient to pay such amounts; *provided*, that if the Issuer or any Affiliate of the Issuer is acting as Paying Agent, it shall, on or before each due date, segregate and hold in a separate trust fund for the benefit of the Holders a sum of money sufficient to pay such amounts until paid to such Holders or otherwise disposed of as provided in this Indenture. In each case, the Issuer shall promptly notify the Trustee of its compliance with this paragraph.

(a) An installment of principal, premium, if any, or interest shall be considered paid on the date due if the Trustee (or Paying Agent, other than the Issuer or any Affiliate of the Issuer) holds on that date money designated for and sufficient to pay the installment. If the Issuer or any Affiliate of the Issuer acts as Paying Agent, an installment of principal, premium, if any, or interest shall be considered paid on the due date only if paid to the Holders.

(b) The Issuer agrees to pay interest on overdue principal, and, to the extent lawful, overdue installments of interest, if any, at the rate per annum specified in the Notes.

(c) Payments in respect of the Notes represented by the Global Notes are to be made by wire transfer of immediately available funds to the accounts specified to the Trustee in writing (at least five Business Days prior to the applicable payment date) by the Holders of the Global Notes. With respect to Certificated Notes, the Issuer shall make all payments by wire transfer of immediately available funds to the accounts specified to the Trustee in writing (at least five Business Days prior to the applicable payment date) by the Holders thereof or, if no such account is specified, by mailing a check to each Holder's registered address.

Section 4.2. Maintenance of Office or Agency. The Company and the Issuer shall maintain an office or agency where Notes may be surrendered for registration of transfer or exchange or for presentation for payment and where notices and demands to or upon the Company and the Issuer in respect of the Notes and this Indenture may be served. The Issuer and the Company hereby initially designate the Corporate Trust Office of the Trustee as such office of the Issuer and the Company. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuer and the Company fail to maintain any such required office or agency or fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served to the Trustee.

The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be surrendered or presented for any of such purposes and may from time to time rescind such designations. The Issuer shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Section 4.3. Existence. The Company and the Issuer shall each do or cause to be done all things necessary to preserve and keep in full force and effect their existence and the existence of each of the Restricted Subsidiaries in accordance with their respective organizational documents, and the material rights, licenses and franchises of the Company, the Issuer and each Restricted Subsidiary; *provided*, that the Company and the Issuer are not required to preserve any such right, license or franchise, or the existence of any Restricted Subsidiary, if the maintenance or preservation thereof is no longer desirable in the conduct of the business of the Company and its Restricted Subsidiaries taken as a whole; and *provided, further*, that this Section shall not prohibit any transaction otherwise permitted by Section 4.10 or Section 4.14.

Section 4.4. Payment of Taxes. The Company shall pay or discharge, and cause each of its Subsidiaries to pay or discharge, before the same become delinquent all material taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary or its income or profits or property, other than any such tax, assessment or charge the amount, applicability or validity of which is being contested in good faith by appropriate proceedings.

Section 4.5. [Reserved].

Section 4.6. Limitations on Indebtedness. (a) The Company and the Issuer will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume, become liable for or guarantee the payment of (collectively, an “**incurrence**”) any Indebtedness (including Acquired Indebtedness); *provided* that the Company, the Issuer and any Guarantor may incur any Indebtedness (including Acquired Indebtedness) if, after giving effect thereto and the application of the proceeds therefrom, either (i) the Consolidated Fixed Charge Coverage Ratio on the date thereof would be at least 2.0 to 1.0 or (ii) the ratio of Indebtedness of the Company and the Restricted Subsidiaries to Consolidated Tangible Net Worth of the Company is less than 3.0 to 1.0.

(a) Notwithstanding the foregoing, the provisions of this Indenture will not prevent the incurrence of:

- (i) Permitted Indebtedness,
- (ii) Refinancing Indebtedness,
- (iii) Non-Recourse Indebtedness,
- (iv) any Guarantee of Indebtedness represented by the Notes,
- (v) any guarantee of Indebtedness incurred under Credit Facilities in compliance with this Indenture, and

(vi) any guarantee by the Issuer, the Company or any Guarantor of Indebtedness that is permitted to be incurred in compliance with this Indenture; *provided* that in the event such Indebtedness that is being guaranteed is subordinated in right of payment to the Notes or a Guarantee, as the case may be, then the related guarantee shall be subordinated in right of payment to the Notes or such Guarantee, as the case may be.

(b) For purposes of determining compliance with this covenant, in the event that an item of Indebtedness may be incurred through Section 4.6(a) or by meeting the criteria of one or more of the types of Indebtedness described in Section 4.6(b) (or the definitions of the terms used therein), the Company, in its sole discretion,

(i) may divide, classify or later reclassify the amount and type of such item of Indebtedness (or any portion thereof) under and comply with any of such paragraphs (or any of such definitions), as applicable,

(ii) may divide, classify or later reclassify the amount and type of such item of Indebtedness (or any portion thereof) into more than one of such paragraphs (or definitions), as applicable, and

(iii) may elect to comply with such paragraphs (or definitions), as applicable, in any order.

(c) The Company and the Issuer will not, and will not cause or permit any Guarantor to, directly or indirectly, in any event incur any Indebtedness that purports to be by its terms (or by the terms of any agreement governing such Indebtedness) subordinated to any other Indebtedness of the Company or of such Guarantor, as the case may be, unless such Indebtedness is also by its terms (or by the terms of any agreement governing such Indebtedness) made expressly subordinated to the Notes or the Guarantee of such Guarantor, as the case may be, to the same extent and in the same manner as such Indebtedness is subordinated to such other Indebtedness of the Company or such Guarantor, as the case may be.

(d) Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness will not be deemed to be an incurrence of Indebtedness for purposes of this Section 4.6.

(e) For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; provided that if such Indebtedness is incurred to refinance other Indebtedness denominated in another currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed (i) the principal amount of such Indebtedness being refinanced plus all accrued interest thereon plus (ii) the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing. Notwithstanding any other provision of this Section 4.6, the maximum amount of Indebtedness the Company, the Issuer or a Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies.

(f) The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

(g) For purposes of this Section 4.6 and the other provisions of this Indenture, (i) unsecured Indebtedness shall not be treated as subordinated or junior to secured Indebtedness merely because it is unsecured, and (ii) senior Indebtedness shall not be treated as subordinated or junior to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral.

(h) For purposes of determining compliance with this covenant, (i) all Indebtedness outstanding on the Issue Date under the Senior Secured Super Priority Term Loan shall be deemed to be incurred under clause (b) of the definition of “Permitted Indebtedness,” (ii) all Indebtedness outstanding on the Issue Date under the Revolving Credit Facility shall be deemed to be incurred under clause (a)(ii) of the definition of “Permitted Indebtedness” and (iii) all Existing Unsecured Notes, JV Holdings Secured Group Notes and Units shall be deemed to be incurred under clause (c) of the definition of “Permitted Indebtedness”.

Section 4.7. Limitations on Restricted Payments. (a) The Company and the Issuer will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, make any Restricted Payment unless:

(i) no Default or Event of Default shall have occurred and be continuing at the time of or immediately after giving effect to such Restricted Payment;

(ii) immediately after giving effect to such Restricted Payment, the Company could incur at least \$1.00 of Indebtedness pursuant to Section 4.6(a) hereof; and

(iii) immediately after giving effect to such Restricted Payment, the aggregate amount of all Restricted Payments (including the Fair Market Value of any non-cash Restricted Payment) declared or made on or after the Issue Date does not exceed the sum of:

(A) \$16.0 million, *plus*

(B) 50% of the Consolidated Net Income of the Company on a cumulative basis during the period (taken as one accounting period) from and including August 1, 2017 and ending on the last day of the Company's fiscal quarter immediately preceding the date of such Restricted Payment (or in the event such Consolidated Net Income shall be a deficit, minus 100% of such deficit), *plus*

(C) 100% of the aggregate net cash proceeds of and the Fair Market Value of Property received by the Company from (1) any capital contribution to the Company after the Issue Date or any issue or sale after the Issue Date of Qualified Stock (other than (i) to any Subsidiary of the Company or (ii) any Excluded Contribution) and (2) the issue or sale on or after the Issue Date of any Indebtedness or other securities of the Company or the Issuer convertible into or exchangeable or exercisable for Qualified Stock of the Company that have been so converted, exchanged or exercised, as the case may be, *plus*

(D) in the case of the disposition or repayment of any Investment constituting a Restricted Payment (or if the Investment was made prior to the Issue Date, that would have constituted a Restricted Payment if made after the Issue Date, if such disposition or repayment results in cash received by the Company, the Issuer or any Restricted Subsidiary), an amount (to the extent not included in the calculation of Consolidated Net Income referred to in (B)) equal to the return of capital with respect to such Investment, including by dividend, distribution or sale of Capital Stock (to the extent not included in the calculation of Consolidated Net Income referred to in (B)), *plus*

(E) with respect to any Unrestricted Subsidiary that is redesignated as a Restricted Subsidiary after the Issue Date, in accordance with the definition of "Unrestricted Subsidiary" (so long as the designation of such Subsidiary as an Unrestricted Subsidiary was treated under this Indenture as a Restricted Payment made after the Issue Date, and only to the extent not included in the calculation of Consolidated Net Income referred to in (B)), an amount equal to the lesser of (x) the proportionate interest of the Company or a Restricted Subsidiary in an amount equal to the excess of (I) the total assets of such Subsidiary, valued on an aggregate basis at the lesser of book value and Fair Market Value thereof, over (II) the total liabilities of such Subsidiary, determined in accordance with GAAP, and (y) the Designation Amount at the time of such Subsidiary's designation as an Unrestricted Subsidiary.

(b) Clause (a) of this Section 4.7 (*provided* that in the case of clauses (iv) and (v) below, no Default or Event of Default has occurred and is continuing at the time of such payment) will not prohibit:

(i) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days of its declaration or the giving of notice of such irrevocable redemption, as applicable, if such dividend or such payment could have been made on the date of its declaration or provision of notice, as applicable, without violation of the provisions of this Indenture;

(ii) the purchase, repayment, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of any Subordinated Indebtedness of the Issuer, the Company or any Restricted Subsidiary or shares of Capital Stock of the Company in exchange for, or out of the net proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company or constituting an Excluded Contribution) of, shares of Qualified Stock;

(iii) (x) the purchase, repayment, redemption, repurchase, defeasance or other acquisition, cancellation or retirement for value of Subordinated Indebtedness of the Issuer, the Company or any Restricted Subsidiary in exchange for, or out of proceeds of, Refinancing Indebtedness; or (y) the making of any Restricted Payments in an aggregate amount made under this clause (y) not to exceed Excluded Contributions (after giving effect to all subsequent reductions in the amount of any Restricted Investment outstanding pursuant to this clause (y) as a result of the repayment or disposition thereof for cash);

(iv) the payment of dividends on Preferred Stock and Disqualified Stock up to an aggregate amount of \$10.0 million in any fiscal year; *provided* that immediately after giving effect to any declaration of such dividend, the Company could incur at least \$1.00 of Indebtedness pursuant to clause (i) of Section 4.6(a);

(v) the purchase, redemption or other acquisition, cancellation or retirement for value of Capital Stock, or options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock, of the Company or any Subsidiary held by any present, future or former officers, directors, managers, employees or consultants of the Company or any Subsidiary (or their estates or beneficiaries under their estates) not to exceed \$5.0 million in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum (without giving effect to the following proviso) of \$10.0 million in any calendar year); *provided* that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds from the sale of Qualified Stock of the Company to any future, present or former officers, directors, managers, employees or consultants of the Company, any of its Subsidiaries that occurs after the Issue Date, to the extent the cash proceeds from the sale of such Qualified Stock have not otherwise been applied to the payment of Restricted Payments by virtue of clause (iii)(C) of Section 4.7(a); plus

(b) the cash proceeds of key man life insurance policies received by the Company and the Restricted Subsidiaries after the Issue Date; less

(c) the amount of any Restricted Payments previously made pursuant to clauses (a) and (b) of this clause (v); provided that the Company may elect to apply all or any portion of the aggregate increase contemplated by clauses (a) and (b) of this clause (v) in any calendar year;

(vi) the making of cash payments in connection with any conversion or exchange of Permitted Convertible Indebtedness in an aggregate amount since the date of the indenture therefor not to exceed the sum of (a) the principal amount of such Permitted Convertible Indebtedness *plus* (b) any payments received by the Company, the Issuer or any Restricted Subsidiaries pursuant to the exercise, settlement or termination of any related Permitted Bond Hedge;

(vii) any payments in connection with (including, without limitation, the purchase of) a Permitted Bond Hedge and the settlement of any related Permitted Warrant (A) by delivery of shares of the Company's Capital Stock upon net share settlement of such Permitted Warrant or (B) by (x) set-off of such Permitted Warrant against the related Permitted Bond Hedge and (y) payment of an amount due upon termination of such Permitted Warrant in Capital Stock or using cash received upon the exercise, settlement or termination of a Permitted Bond Hedge upon any early termination thereof;

(viii) the purchase, repayment, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of any Subordinated Indebtedness (A) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness in the event of a Change of Control in accordance with provisions similar to Section 4.12 hereof or (B) at a purchase price not greater than 100% of the principal amount thereof in accordance with provisions similar to Section 4.10 hereof; *provided* that, prior to or simultaneously with such purchase, repayment, repurchase, redemption, defeasance or other acquisition, cancellation, or retirement, the Company, the Issuer or any Restricted Subsidiary has made the Change of Control Offer pursuant to Section 4.12 hereof or Offer to Purchase pursuant to Section 4.10 hereof, as applicable, with respect to the Notes and has completed such repurchase or redemption of all Notes validly tendered and not validly withdrawn for payment in connection with such Change of Control Offer or Offer to Purchase;

(ix) (A) any payment of cash by the Company, the Issuer or any of the Restricted Subsidiaries in respect of fractional shares of the Company's Capital Stock upon the exercise, conversion or exchange of any stock options, warrants or other rights to purchase Capital Stock or other convertible or exchangeable securities and (B) payments made or expected to be made by the Company, the Issuer or any of the Restricted Subsidiaries in respect of withholding or similar taxes payable in connection with the exercise or vesting of Capital Stock by any future, present or former officer, employee, director, manager or consultant and repurchases of Capital Stock deemed to occur upon exercise, conversion or exchange of stock options, warrants or other rights to purchase Capital Stock or other convertible or exchangeable securities if such Capital Stock represents all or a portion of the exercise price thereof;

(x) other Restricted Payments in an aggregate amount, when taken together with all other Restricted Payments made pursuant to this clause (x) not to exceed \$25.0 million (after giving effect to any return of capital with respect to any Restricted Investments made under this clause (x) in the form of cash);

(xi) payments or distributions to satisfy dissenters' rights, pursuant to or in connection with a consolidation, merger or transfer of assets that complies with Section 4.14; and

(xii) any purchase or redemption of Subordinated Indebtedness from Net Cash Proceeds of an Asset Disposition to the extent permitted under Section 4.10;

provided, however, that each Restricted Payment described in clauses (i) and (ii) of this Section 4.7(b) shall be taken into account for purposes of computing the aggregate amount of all Restricted Payments pursuant to clause (iii) of Section 4.7(a).

(c) For purposes of determining the aggregate and permitted amounts of Restricted Payments made, the amount of any guarantee of any Investment in any Person that was initially treated as a Restricted Payment and which was subsequently terminated or expired, net of any amounts paid by the Company or any Restricted Subsidiary in respect of such guarantee, shall be deducted.

(d) In determining the “Fair Market Value of Property” for purposes of clause (iii) of Section 4.7(a), Property other than cash, Cash Equivalents and Marketable Securities shall be deemed to be equal in value to the “equity value” of the Capital Stock or other securities issued in exchange therefor. The equity value of such Capital Stock or other securities shall be equal to (i) the number of shares of Common Equity issued in the transaction (or issuable upon conversion or exercise of the Capital Stock or other securities issued in the transaction) multiplied by the closing sale price of the Common Equity on its principal market on the date of the transaction (less, in the case of Capital Stock or other securities which require the payment of consideration at the time of conversion or exercise, the aggregate consideration payable thereupon) or (ii) if the Common Equity is not then traded on the New York Stock Exchange, the NYSE MKT or Nasdaq Stock Market, or if the Capital Stock or other securities issued in the transaction do not consist of Common Equity (or Capital Stock or other securities convertible into or exercisable for Common Equity), the value (if more than \$10.0 million) of such Capital Stock or other securities as determined in good faith by the Board of Directors of the Company.

(e) For purposes of determining compliance with this Section 4.7, in the event that a proposed Restricted Payment or Investment (or a portion thereof) meets the criteria of clauses 4.7(b)(i) through (xii) above or is entitled to be made pursuant to Section 4.7(a) and/or one or more of the exceptions contained in the definition of “Permitted Investments”, the Issuer will be entitled to divide, classify or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or Investment (or portion thereof) among such clauses 4.7(b)(i) through (xii) and Section 4.7(a) and/or one or more of the exceptions contained in the definition of “Permitted Investments”, in a manner that otherwise complies with this covenant.

Section 4.8. Limitations on Liens. The Company and the Issuer will not, and will not cause or permit any Restricted Subsidiary to, create, incur, assume or suffer to exist any Liens, other than Permitted Liens, on any of its Property, or on any shares of Capital Stock or Indebtedness of any Restricted Subsidiary.

Section 4.9. Limitations on Restrictions Affecting Restricted Subsidiaries. The Company and the Issuer will not, and will not cause or permit any Restricted Subsidiary that is not a Guarantor to, create, assume or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction (other than encumbrances or restrictions imposed by law or by judicial or regulatory action or by provisions of agreements that restrict the assignability thereof) on the ability of such Restricted Subsidiary to:

(a) pay dividends or make any other distributions on its Capital Stock or any other interest or participation in, or measured by, its profits, owned by the Company or any other Restricted Subsidiary, or pay interest on or principal of any Indebtedness owed to the Company or any other Restricted Subsidiary,

(b) make loans or advances to the Company or any other Restricted Subsidiary, or

(c) transfer any of its property or assets to the Company or any other Restricted Subsidiary,

except for:

(i) encumbrances or restrictions existing under or by reason of applicable law,

(ii) contractual encumbrances or restrictions in effect at or entered into on the Issue Date and any amendments, modifications, restatements, renewals, supplements, refundings, replacements or refinancings thereof; *provided*, that such amendments, modifications, restatements, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in such contractual encumbrances or restrictions, as in effect at or entered into on the Issue Date,

(iii) encumbrances or restrictions under any agreement or other instrument of a Person acquired by or merged or consolidated with or into the Company or any Restricted Subsidiary, or of an Unrestricted Subsidiary that is designated a Restricted Subsidiary, or that is assumed in connection with the acquisition of assets from such Person, in each case that is in existence at the time of such transaction (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated,

(iv) any restrictions or encumbrances arising in connection with Refinancing Indebtedness; *provided, however*, that any restrictions and encumbrances of the type described in this clause (iv) that arise under such Refinancing Indebtedness shall not be materially more restrictive or apply to additional assets than those under the agreement creating or evidencing the Indebtedness being refunded, refinanced, replaced or extended,

(v) any Permitted Lien, or any other agreement restricting the sale or other disposition of property, securing Indebtedness permitted by this Indenture if such Permitted Lien or agreement does not expressly restrict the ability of a Subsidiary of the Company to pay dividends or make or repay loans or advances prior to default thereunder,

(vi) reasonable and customary borrowing base covenants set forth in agreements evidencing Indebtedness otherwise permitted by this Indenture,

(vii) customary non-assignment provisions in leases, licenses, encumbrances, contracts or similar assets entered into or acquired in the ordinary course of business,

(viii) any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition,

(ix) encumbrances or restrictions existing under or by reason of this Indenture, the Notes or the Guarantees,

(x) purchase money obligations that impose restrictions on the property so acquired of the nature described in clause (c) of this Section 4.9,

(xi) Liens permitted under this Indenture securing Indebtedness that limit the right of the debtor to dispose of the assets subject to such Lien,

(xii) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, assets sale agreements, stock sale agreements and other similar agreements,

(xiii) customary provisions of any franchise, distribution or similar agreements,

(xiv) restrictions on cash or other deposits or net worth imposed by contracts entered into in the ordinary course of business,

(xv) any encumbrances or restrictions existing under (A) development agreements or other contracts entered into with municipal entities, agencies or sponsors in connection with the entitlement or development of real property or (B) agreements for funding of infrastructure, including in respect of the issuance of community facility district bonds, metro district bonds, mello-roos bonds and subdivision improvement bonds, and similar bonding requirements arising in the ordinary course of business of a homebuilder,

(xvi) any encumbrances or restrictions that require “lockbox” or similar obligations with respect to Non-Recourse Indebtedness,

(xvii) any encumbrances or restrictions of the type referred to in clauses (a), (b) or (c) of this Section 4.9 imposed by any amendments, modifications, restatements, renewals, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) and (iii) through (xvi) of this Section 4.9; *provided*, that such amendments, modifications, restatements, renewals, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Company's Board of Directors or its chief executive officer or chief financial officer, not materially more restrictive with respect to such encumbrances or restrictions than those contained in the encumbrance or restrictions prior to such amendment, modification, restatement, renewal, supplement, refunding, replacement or refinancing, and

(xviii) any encumbrance or restriction under other Indebtedness of Restricted Subsidiaries permitted to be incurred subsequent to the Issue Date pursuant to Section 4.6; provided, that such encumbrances or restrictions will not materially affect the Issuer's ability to make anticipated principal and interest payments on the Notes, as determined in the good faith judgment of the Company's Board of Directors or its chief executive officer or chief financial officer.

(d) For purposes of determining compliance with this Section 4.9: (i) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (ii) the subordination of loans or advances made to the Company or a Restricted Subsidiary to other Indebtedness incurred by the Company or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

Section 4.10. Limitations on Dispositions of Assets. (a) The Company and the Issuer will not, and will not cause or permit any Restricted Subsidiary to, make any Asset Disposition unless: (x) the Company (or the Issuer or such Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Disposition at least equal to the Fair Market Value thereof, and (y) not less than 70% of the consideration received by the Company (or the Issuer or such Restricted Subsidiary, as the case may be) from such Asset Disposition and all other Asset Dispositions since the Issue Date, on a cumulative basis, is in the form of cash, Cash Equivalents and Marketable Securities (which must be pledged as Collateral if the assets disposed of constituted Collateral).

(a) The amount of (i) any Indebtedness (as reflected on the Company's most recent consolidated balance sheet or in the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such Indebtedness that would have been reflected on the Company's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by the Company) of the Company or the Issuer or any Restricted Subsidiary (other than any Subordinated Indebtedness) that is actually assumed by the transferee in such Asset Disposition (or is otherwise extinguished in connection with the transactions relating to such Asset Disposition), (ii) the fair market value (as determined in good faith by the Board of Directors of the Company) of any property or assets (including Capital Stock of any Person that will be a Restricted Subsidiary) received that are used or useful in a Real Estate Business (*provided* that (except as permitted by clause (c) under the definition of "Permitted Investment") to the extent that the assets disposed of in such Asset Disposition were Collateral, such property or assets are pledged as Collateral under the Security Documents substantially simultaneously with such sale, with the Lien on such Collateral securing the Notes being of the same priority with respect to the Notes as the Lien on the assets disposed of), and (iii) any securities, notes or other obligations or assets received by the Company or such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received), in each case, within 180 days following the closing of such Asset Disposition, shall in each case be deemed to be consideration required by clause (y) of Section 4.10(a) for purposes of determining the percentage of such consideration received by the Company or the Restricted Subsidiaries.

(b) Other than the Net Cash Proceeds in connection with Land Banking Transactions constituting Asset Dispositions which shall be applied in accordance with clause (f) of this Section 4.10, the Net Cash Proceeds of an Asset Disposition shall, within one year, at the Company's election: (1) be used by the Company, the Issuer or a Restricted Subsidiary to invest in assets (including Capital Stock of any Person that is or will be a Restricted Subsidiary following investment therein) used or useful in a Real Estate Business (*provided* that (except as permitted by clause (c) under the definition of "Permitted Investment") to the extent that the assets disposed of in such Asset Disposition were Collateral, such assets are pledged as Collateral under the Security Documents with the Lien on such Collateral securing the Notes being of the same priority with respect to the Notes as the Lien on the assets disposed of), (2) be used to permanently prepay or permanently repay any (i) Indebtedness which had been secured by the assets sold in the relevant Asset Disposition, to the extent the assets sold were not Collateral, or (ii) Indebtedness of a Restricted Subsidiary that is not a Guarantor, to the extent the assets sold were not Collateral or (iii) Indebtedness constituting Senior-Priority Lien Obligations (or cash collateralize letters of credit that constitute Senior-Priority Lien Obligations), or (3) be applied to make an Offer to Purchase the Notes of each series and, if the Company or a Restricted Subsidiary elects or is required to do so, to repay, purchase or redeem any other Indebtedness secured by *Pari Passu* Liens on Collateral (or cash collateralize letters of credit that constitute *Pari Passu* Lien Obligations) and, if the Company or a Restricted Subsidiary elects or is required to do so and the assets disposed of were not Collateral, repay, purchase or redeem any unsubordinated Indebtedness (on a *pro rata* basis if the amount available for such repayment, purchase, redemption or cash collateralization is less than the aggregate amount of (x) the principal amount of the Notes tendered in such Offer to Purchase, (y) the lesser of the principal amount, or accreted value, of such other Indebtedness secured by *Pari Passu* Liens tendered or to be repaid, redeemed, repurchased or cash collateralized and (z) the lesser of the principal amount, or accreted value, of such unsubordinated Indebtedness tendered or to be repaid, repurchased or redeemed, plus, in each case, accrued interest to the date of repayment, purchase or redemption) at 100% of the principal amount or accreted value thereof, as the case may be, plus accrued and unpaid interest, if any, to the date of repurchase, repayment or redemption; *provided* that pending any such application under clauses (1), (2) or (3) of this Section 4.10(c), Net Cash Proceeds may be used to temporarily reduce Indebtedness or otherwise be invested in any manner not prohibited by this Indenture; *provided further* that in the case of clause (1), a binding commitment to invest in assets shall be treated as a permitted application of the Net Cash Proceeds from the date of such commitment so long as the Company, the Issuer or a Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Cash Proceeds will be applied to satisfy such commitment within 180 days of such commitment (an "**Acceptable Commitment**") and such Net Cash Proceeds are actually applied in such manner within the later of one year from the consummation of the Asset Disposition and 180 days from the date of the Acceptable Commitment, and in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Net Cash Proceeds is applied in connection therewith, the Company, the Issuer or such Restricted Subsidiary enters into another Acceptable Commitment (a "**Second Commitment**") within 180 days of such cancellation or termination and such Net Cash Proceeds are actually applied in such manner within 180 days from the date of the Second Commitment, it being understood that if a Second Commitment is later cancelled or terminated for any reason before such Net Cash Proceeds is applied, then such Net Cash Proceeds shall be applied in accordance with clauses (2) or (3) above. Upon completion of an Offer to Purchase, the amount of Net Cash Proceeds will be reset at zero.

(c) Notwithstanding the foregoing, (A) other than with respect to Net Cash Proceeds in connection with Land Banking Transactions constituting Asset Dispositions which shall be applied in accordance with clause (f) of this Section 4.10, the Company will not be required to apply such Net Cash Proceeds in accordance with clauses (2) or (3) of Section 4.10(c) except to the extent that such Net Cash Proceeds, together with the aggregate Net Cash Proceeds of prior Asset Dispositions (other than those so used) which have not been applied in accordance with this provision and as to which no prior prepayments or repayments shall have been made and no Offer to Purchase shall have been made, exceed \$25.0 million and (B) other than with respect to an Asset Disposition constituting a Land Banking Transaction, in connection with an Asset Disposition, the Company and the Restricted Subsidiaries will not be required to comply with the requirements of clause (y) of Section 4.10(a) to the extent that the non-cash consideration received in connection with such Asset Disposition, together with the sum of all non-cash consideration received in connection with all prior Asset Dispositions that has not yet been converted into cash, Cash Equivalents or Marketable Securities, does not exceed \$25.0 million; *provided, however*, that when any non-cash consideration is converted into cash, Cash Equivalents or Marketable Securities, such cash shall constitute Net Cash Proceeds and be subject to Section 4.10(c).

(d) To the extent that the aggregate amount of Indebtedness validly tendered and not validly withdrawn pursuant to an Offer to Purchase is less than the Net Cash Proceeds, the Company, the Issuer and the Restricted Subsidiaries may use any remaining Net Cash Proceeds for general corporate purposes, subject to the other covenants in this Indenture.

(e) The Net Cash Proceeds of Land Banking Transactions constituting Asset Dispositions shall within 90 days (1) be used to permanently prepay or permanently repay any Indebtedness constituting Senior-Priority Lien Obligations, or (2) be applied to make an Offer to Purchase the Notes and, if the Company or a Restricted Subsidiary elects or is required to do so, to repay, purchase or redeem any other Indebtedness secured by Pari Passu Liens on Collateral (on a *pro rata* basis if the amount available for such repayment, purchase or redemption is less than the aggregate amount of (x) the principal amount of the Notes tendered in such Offer to Purchase and (y) the lesser of the principal amount, or accreted value, of such other Indebtedness secured by Pari Passu Liens tendered or to be repaid, redeemed or repurchased) at 100% of the principal amount or accreted value thereof, as the case may be, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase, repayment or redemption; *provided* that to the extent that the aggregate amount of Indebtedness prepaid and validly tendered and not properly withdrawn pursuant to an Offer to Purchase pursuant to this Section 4.10(f) is less than such Net Cash Proceeds, the Company, the Issuer and the Restricted Subsidiaries may use any remaining Net Cash Proceeds for general corporate purposes (including, for the avoidance of doubt, the repayment or repurchase of Indebtedness), subject to the other covenants in this Indenture.

Section 4.11. Guarantees by Restricted Subsidiaries. Each existing Restricted Subsidiary (other than the Issuer (for so long as it remains the Issuer) and any Excluded Subsidiary) will be a Guarantor. The Company is permitted to cause any Unrestricted Subsidiary to be a Guarantor. If the Issuer, the Company or any of its Restricted Subsidiaries acquires or creates a Restricted Subsidiary (other than any Excluded Subsidiary) after the Issue Date, such Restricted Subsidiary shall execute guarantees substantially in the forms included in Exhibits A-I and A-II, execute a supplemental indenture in the form of Exhibit B, and deliver an Opinion of Counsel to the Trustee to the effect that the supplemental indenture has been duly authorized, executed and delivered by the new Restricted Subsidiary and constitutes a valid and binding obligation of the new Restricted Subsidiary, enforceable against the new Restricted Subsidiary in accordance with its terms (subject to customary exceptions).

Section 4.12. Repurchase of Notes upon a Change of Control. (a) In the event that there shall occur a Change of Control, each Holder of Notes shall have the right, at such Holder's option, to require the Issuer to purchase all or any part of such Holder's Notes on a date (the "**Repurchase Date**") that is no later than 90 days after notice of the Change of Control, at 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the Repurchase Date.

(a) On or before the thirtieth day after any Change of Control, the Issuer is obligated to mail, or cause to be mailed, to all Holders of record of Notes and the Trustee, a notice regarding the Change of Control and the repurchase right. The notice shall state the Repurchase Date, the date by which the repurchase right must be exercised, the price for the Notes and the procedure which the Holder must follow to exercise such right. To exercise such right, the Holder of such Note must deliver, at least ten days prior to the Repurchase Date, written notice to the Issuer (or an agent designated by the Issuer for such purpose) of the Holder's exercise of such right, together with the Note with respect to which the right is being exercised, duly endorsed for transfer; *provided, however*, that if mandated by applicable law, a Holder may be permitted to deliver such written notice nearer to the Repurchase Date than may be specified by the Issuer.

(b) Notices may be delivered prior to the occurrence of a Change of Control stating that the Change of Control Offer is conditional on the occurrence of such Change of Control, and, if applicable, shall state that, in the Issuer's discretion, the Repurchase Date may be delayed until such time as the Change of Control shall occur, or that such repurchase may not occur and such notice may be rescinded in the event that the Issuer shall determine that such condition will not be satisfied by the Repurchase Date, or by the Repurchase Date as so delayed.

(c) The Issuer will comply with applicable law, including Section 14(e) of the Exchange Act and Rule 14e-1 thereunder, if applicable, if the Issuer is required to give a notice of a right of repurchase as a result of a Change of Control.

(d) The Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.12 and purchases all such Notes validly tendered and not validly withdrawn under such Change of Control Offer.

Section 4.13. *Limitations on Transactions with Affiliates.* (a) The Company and the Issuer will not, and will not cause or permit any Restricted Subsidiary to, make any loan, advance, guarantee or capital contribution to, or for the benefit of, or sell, lease, transfer or otherwise dispose of any property or assets to or for the benefit of, or purchase or lease any property or assets from, or enter into or amend any contract, agreement or understanding with, or for the benefit of, any Affiliate of the Company or any Affiliate of any of the Company's Subsidiaries involving aggregate payments or consideration in excess of \$7.5 million in a single transaction or series of related transactions (each, an "**Affiliate Transaction**"), except for any Affiliate Transaction the terms of which are at least as favorable as the terms which could be obtained by the Company, the Issuer or such Restricted Subsidiary, as the case may be, in a comparable transaction made on an arm's-length basis with Persons who are not such a holder, an Affiliate of such a holder or an Affiliate of the Company or any of the Company's Subsidiaries.

(a) In addition, the Company and the Issuer will not, and will not cause or permit any Restricted Subsidiary to, enter into an Affiliate Transaction unless:

(i) with respect to any such Affiliate Transaction involving or having a value of more than \$15.0 million, the Company shall have (x) obtained the approval of a majority of the Board of Directors of the Company and (y) either obtained the approval of a majority of the Company's disinterested directors or obtained an opinion of a qualified independent financial advisor to the effect that such Affiliate Transaction is fair to the Company, the Issuer or such Restricted Subsidiary, as the case may be, from a financial point of view, and

(ii) with respect to any such Affiliate Transaction involving or having a value of more than \$30.0 million, the Company shall have (x) obtained the approval of a majority of the Board of Directors of the Company and (y) delivered to the Trustee an opinion of a qualified independent financial advisor to the effect that such Affiliate Transaction is fair to the Company, the Issuer or such Restricted Subsidiary, as the case may be, from a financial point of view.

(b) Notwithstanding the foregoing, an Affiliate Transaction will not include:

(i) any contract, agreement or understanding with, or for the benefit of, or plan for the benefit of, employees of the Company or its Subsidiaries generally (in their capacities as such) that has been approved by the Board of Directors of the Company;

(ii) Capital Stock issuances to directors, officers and employees of the Company or its Subsidiaries pursuant to plans approved by the stockholders of the Company;

(iii) any Restricted Payment otherwise permitted under Section 4.7 hereof or any Permitted Investment (other than a Permitted Investment referred to in clause (b) of the definition thereof, except as permitted by clause (iv) below);

(iv) any transaction between or among the Company and/or one or more Restricted Subsidiaries or between or among Restricted Subsidiaries (*provided, however*, no such transaction shall involve any other Affiliate of the Company (other than an Unrestricted Subsidiary to the extent permitted by this Indenture)) and any Guarantees issued by the Company or a Restricted Subsidiary for the benefit of the Company or a Restricted Subsidiary, as the case may be, in accordance with Section 4.6;

(v) any transaction between the Company or one or more Restricted Subsidiaries and one or more Unrestricted Subsidiaries (1) where all of the payments to, or other benefits conferred upon, such Unrestricted Subsidiaries are substantially contemporaneously dividended, or otherwise distributed or transferred without charge, to the Company or a Restricted Subsidiary or (2) in the ordinary course of business, including, without limitation, sales (directly or indirectly), sales subject to repurchase options, leases and sales and leasebacks of (A) homes, improved land and unimproved land and (B) real estate (including related amenities and improvements);

(vi) issuances, sales or other transfers or dispositions of mortgages and collateralized mortgage obligations in the ordinary course of business between Restricted Subsidiaries and Unrestricted Subsidiaries of the Company;

(vii) the payment of reasonable and customary fees to, and indemnity provided on behalf of, officers, directors, employees or consultants of the Company, the Issuer or any Restricted Subsidiary;

(viii) transactions in which the Company or any Restricted Subsidiary, as the case may be, delivers to the Trustee an opinion of a qualified independent financial advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the Company or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person on an arm's length basis;

(ix) any agreement or arrangement as in effect as of the Issue Date, or any amendment thereto (so long as any such amendment is not disadvantageous in any material respect to the Holders when taken as a whole as compared to the applicable agreement or arrangement as in effect on the Issue Date);

(x) transactions with joint ventures entered into in the ordinary course of business, including, without limitation, sales (directly or indirectly), sales subject to repurchase options, leases and sales and leasebacks of (A) homes, improved land and unimproved land and (B) real estate (including related amenities and improvements);

(xi) any transaction with a Person (other than an Unrestricted Subsidiary) which would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary owns Capital Stock in or otherwise controls such Person;

(xii) the issuance and transfer of Capital Stock of the Company and the granting and performance of customary registration rights;

(xiii) any lease entered into between the Company or any Restricted Subsidiary, as lessee, and any Affiliate of the Company, as lessor, in the ordinary course of business;

(xiv) intellectual property licenses in the ordinary course of business;

(xv) transactions between the Company or any of its Restricted Subsidiaries and any Person that would constitute an Affiliate Transaction solely because a director of which is also a director of the Company; provided, however, that such director abstains from voting as a director of the Company on any matter involving such other Person; and

(xvi) pledges of Capital Stock of Unrestricted Subsidiaries.

Section 4.14. Limitations on Mergers, Consolidations and Sales of Assets. Neither the Issuer nor any Guarantor will consolidate or merge with or into, or sell, lease, convey or otherwise dispose of all or substantially all of its assets (including, without limitation, by way of liquidation or dissolution), or assign any of its obligations under the Notes, the Guarantees or this Indenture (as an entirety or substantially as an entirety in one transaction or in a series of related transactions), to any Person (in each case other than in a transaction in which the Company, the Issuer or a Restricted Subsidiary is the survivor of a consolidation or merger, or the transferee in a sale, lease, conveyance or other disposition) unless:

(a) the Person formed by or surviving such consolidation or merger (if other than the Company, the Issuer or the Guarantor, as the case may be), or to which such sale, lease, conveyance or other disposition or assignment will be made (collectively, the “**Successor**”), is a corporation or other legal entity organized and existing under the laws of the United States or any state thereof or the District of Columbia, and the Successor assumes by supplemental indenture in a form reasonably satisfactory to the Trustee all of the obligations of the Company, the Issuer or the Guarantor, as the case may be, under the applicable Notes or a Guarantee, as the case may be, and this Indenture and the Security Documents,

(b) immediately after giving effect to such transaction, no Default or Event of Default has occurred and is continuing, and

(c) immediately after giving effect to such transaction,

(i) the Company (or its Successor) could incur at least \$1.00 of Indebtedness pursuant to Section 4.6(a) hereof; or

(ii) the Consolidated Fixed Charge Coverage Ratio would be equal to or greater than the Consolidated Fixed Charge Coverage Ratio immediately prior to such transaction or the ratio of Indebtedness of the Company and the Restricted Subsidiaries to Consolidated Tangible Net Worth of the Company would be equal to or less than the ratio immediately prior to such transaction.

The foregoing provisions shall not apply to: (i) a transaction involving the sale or disposition of Capital Stock of a Guarantor, or the consolidation or merger of a Guarantor, or the sale, lease, conveyance or other disposition of all or substantially all of the assets of a Guarantor, that in any such case results in such Guarantor being released from its Guarantee pursuant to Section 6.3, or (ii) a transaction the purpose of which is to change the state of incorporation or formation of the Company, the Issuer or any Guarantor.

Section 4.15. Reports to Holders of Notes. (a) The Company shall file with the Commission the annual reports and the information, documents and other reports required to be filed pursuant to Section 13 or 15(d) of the Exchange Act. The Company shall deliver to each Holder of record of Notes such reports, information and documents within 15 days after it files them with the Commission. In the event that the Company is no longer subject to these periodic reporting requirements of the Exchange Act, it will nonetheless continue to file reports with the Commission and deliver such reports to each Holder of Notes as if it were subject to such reporting requirements. Regardless of whether the Company is required to furnish such reports to its stockholders pursuant to the Exchange Act, the Company will cause its consolidated financial statements and a “Management’s Discussion and Analysis of Results of Operations and Financial Condition” written report, similar to those that would have been required to appear in annual or quarterly reports, to be delivered to Holders of Notes.

(a) The posting of the reports, information and documents referred to above on the Company’s website or one maintained on its behalf for such purpose shall be deemed to satisfy the Company’s delivery obligations to the Holders. In addition, availability of the foregoing materials on the Commission’s EDGAR service shall be deemed to satisfy the Company’s delivery obligations to the Holders. The Trustee shall have no obligation to monitor whether the Company posts such reports, information and documents on its website or the Commission’s EDGAR service, or collect any such information from the Company’s website or the Commission’s EDGAR service.

(b) For so long as any of the Notes remain outstanding and constitute “restricted securities” under Rule 144, the Company will furnish to the Holders of Notes and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(c) The Trustee’s receipt of any reports, information and documents is for informational purposes only and will not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer’s and/or the Company’s compliance with any of its covenants in this Indenture (as to which the Trustee is entitled to rely exclusively on Officers’ Certificates).

Section 4.16. Limitation on Repayment of Existing Unsecured Notes. The Company, the Issuer and the Restricted Subsidiaries shall not purchase, repurchase, redeem, acquire or retire for value, including through any defeasance or discharge (collectively “**Repay**”), any Existing Unsecured Notes or any Existing Unsecured Replacement Indebtedness in respect thereof, except:

(a) a Repayment in exchange for, or with the proceeds of or from (including in connection with a tender offer or exchange offer): (i) Indebtedness (including Refinancing Indebtedness) that (x) is not secured by Liens on any asset of the Company, the Issuer and any Subsidiary of the Company, (y) is not guaranteed by any Subsidiary of the Company that is not a Guarantor of the Notes and (z) matures after July 15, 2024 (any such Indebtedness under this clause (i), “**Existing Unsecured Replacement Indebtedness**”); or (ii) an issuance of Qualified Stock; and

(b) one or more Repayments made with cash in an aggregate amount not to exceed \$50.0 million.

Section 4.17. Notice of Other Defaults. In the event that any Indebtedness of the Issuer or any Guarantor is declared due and payable before its maturity because of the occurrence of any default under such Indebtedness, the Issuer or the relevant Guarantor, as the case may be, shall promptly deliver to the Trustee an Officers’ Certificate stating such declaration; provided, that the term “Indebtedness” as used in this Section 4.17 shall not include Non-Recourse Indebtedness.

Section 4.18. Collateral Requirement; Further Assurances; Costs.

(a) On the Issue Date, the Issuer and each Guarantor shall grant Liens on all their property (other than Excluded Property) and take all appropriate steps to cause such Liens to be perfected liens (subject to Permitted Liens), including through recordation of mortgages, entry into control agreements, filing of UCC-1 financing statements or otherwise, pursuant to, and to the extent required by, the Security Documents to be entered into on the Issue Date and this Indenture. For the avoidance of doubt, the requirements of this Section 4.18(a) are subject to Section 4.18(d) below.

(b) If the Issuer or any of the Guarantors at any time grants, assumes, perfects or becomes subject to any Lien upon any of its property (other than Excluded Property of the type referred to in clause (a) of the definition thereof) then owned or thereafter acquired as security for any Senior-Priority Lien Obligation or other Pari Passu Lien Obligation that in each case is subject to the Intercreditor Agreement, the Issuer will, or will cause such Guarantor to, as promptly as practical (subject to Section 4.18(d) below):

(i) grant a Pari Passu Lien on such property to the Collateral Agent for the benefit of the Holders and, to the extent such grant would require the execution and delivery of a Security Document, the Issuer or such Guarantor shall execute and deliver a Security Document on substantially the same terms as the agreement or instrument executed and delivered to secure such other Senior-Priority Lien Obligations or Pari Passu Lien Obligations (but, in the case of Senior-Priority Lien Obligations, subject to changes to make such new Security Document consistent with the Security Documents delivered on the Issue Date in respect of the Notes compared to those for the Senior-Priority Lien Obligations);

(ii) cause the Lien granted in such Security Document to be duly perfected as a lien in any manner permitted by law to the same extent as the Liens granted for the benefit of such other Senior-Priority Lien Obligations or Pari Passu Lien Obligations are perfected; and

(iii) instruct the Collateral Agent in writing to take all action necessary in connection with the foregoing provisions of this Section 4.18(b), including as necessary under the Security Documents and determining whether Collateral constitutes Mortgage Tax Collateral (as defined in the Intercreditor Agreement) for purposes of the Intercreditor Agreement.

(iv) By their acceptance of the Notes, Holders shall be deemed to have instructed and authorized the Collateral Agent to take such actions as instructed by the Issuer or any Guarantor.

(c) If the Issuer or any Guarantor at any time after the Issue Date acquires any new property (other than Excluded Property) that is not automatically subject to a Lien under the Security Documents, or a non-Guarantor Restricted Subsidiary becomes a Guarantor, the Issuer will, or will cause such Guarantor, subject to the requirements of the Security Documents, to as soon as practical after such property's acquisition or it no longer being Excluded Property (subject to Section 4.18(d) below):

(i) grant a Pari Passu Lien on such property (or, in the case of a new Guarantor, all of its assets except Excluded Property) to the Collateral Agent for the benefit of the Holders (and, to the extent such grant would require the execution and delivery of a Security Document, the Issuer or such Guarantor shall execute and deliver a Security Document on substantially the same terms as the Security Documents executed and delivered on the Issue Date);

(ii) cause the Lien granted in such Security Document to be duly perfected in any manner permitted by law to the same extent as the Liens granted on the Issue Date are perfected; and

(iii) instruct the Collateral Agent in writing to take all action necessary in connection with the foregoing provisions of this Section 4.18(c) including as necessary under the Security Documents and determining whether Collateral constitutes Mortgage Tax Collateral (as defined in the Intercreditor Agreement) for purposes of the Intercreditor Agreement. By their acceptance of the Notes, Holders shall be deemed to have instructed and authorized the Collateral Agent to take such action as instructed by the Issuer or any Guarantor.

The Issuer or such Guarantor shall deliver an Opinion of Counsel to the Trustee in respect of any Lien grant referred to in this Section 4.18(c) by a new Guarantor or with respect to real property, addressing customary matters (and containing customary exceptions) consistent with the Opinion of Counsel (if any) delivered on the Issue Date in respect of such matters; *provided*, that, an Opinion of Counsel shall not be required with respect to any mortgage or similar instrument for real property located in a jurisdiction for which an Opinion of Counsel has been previously delivered to the Trustee pursuant to this Indenture.

(d) Notwithstanding anything to the contrary set forth in this Section 4.18 or elsewhere in this Indenture or any Security Document:

(i) any mortgages, deeds of trust or similar instruments (and any related Security Documents) required to be granted pursuant to this Indenture or the Security Documents with respect to real property owned by the Issuer or a Guarantor on the Issue Date shall be granted, together with Opinions of Counsel delivered to the Trustee in respect of the enforceability and validity of such mortgages, deeds of trust and similar instruments, addressing customary matters (and containing customary exceptions) (*provided*, that, an Opinion of Counsel shall not be required with respect to any mortgage or similar instrument for real property located in a jurisdiction for which an Opinion of Counsel has been previously delivered to the Trustee pursuant to this Indenture), using reasonable best efforts following the Issue Date, but in no event later than (A) 180 days following the Issue Date with respect to real property to be pledged as Collateral with an aggregate book value of at least 60% of the aggregate book value of such real property owned on the Issue Date, (B) 210 days following the Issue Date with respect to real property to be pledged as Collateral with an aggregate book value of at least 75% of the aggregate book value of such real property owned on the Issue Date, and (C) in any event, 270 days after the Issue Date with respect to all real property owned on the Issue Date to be pledged as Collateral;

(ii) any control, intercreditor or similar agreements or other Security Documents with respect to L/C Collateral (other than Excluded Property) and any deposit, checking and securities accounts required to be provided pursuant to this Indenture or the Security Documents on the Issue Date shall be provided promptly following the Issue Date, but in no event later than 90 days following the Issue Date;

(iii) in the event that Rule 3-16 of Regulation S-X under the Securities Act requires or would require (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, which would require) the filing with the Commission of separate financial statements of the Issuer, a Guarantor or of K. Hovnanian JV Holdings, L.L.C. that are not otherwise required to be filed, then the capital stock or other securities of such Person need not be pledged pursuant to this Section 4.18 and shall automatically be deemed released and to not be and to not have been part of the Collateral, but only to the extent necessary to not be subject to such requirement. In such event, the Security Documents may be amended or modified, without the consent of any Holder of Notes, to the extent necessary to evidence the release of Liens securing the Notes and the Guarantees on the shares of capital stock or other securities that are so deemed to no longer constitute part of the Collateral;

(iv) any control, intercreditor or similar agreements or other Security Documents required pursuant to this Indenture or the Security Documents with respect to L/C Collateral (other than Excluded Property) may provide that the Collateral Agent for the benefit of the Holders has a security interest in such Collateral that is junior to both the lien granted to the holders of the obligations secured by such L/C Collateral and the Senior-Priority Lien Obligations;

(v) in the case of personal property, the Issuer and the Guarantors will not be required to take any steps to perfect liens on personal property outside the United States; and

(vi) in the case of real property Collateral, the Issuer and the Guarantors will not be required to provide title insurance policies in respect thereof.

(e) The Issuer will bear and pay all legal expenses, collateral audit and valuation costs, filing fees, insurance premiums and other costs associated with the performance of the obligations of the Issuer and the Guarantors set forth in this Section 4.18 and will also pay or reimburse the Trustee and Collateral Agent for all reasonable out-of-pocket expenses, disbursements and advances incurred or made by the Trustee and Collateral Agent in connection therewith, including the reasonable compensation and expenses of the Trustee and Collateral Agent's agents and counsel.

(f) Neither the Issuer nor any of the Guarantors will be permitted to take any action, or knowingly or negligently omit to take any action, which action or omission might or would have the result of materially impairing the security interest with respect to the Collateral for the benefit of the Trustee and the Holders of the Notes.

Section 4.19. Limitation of Applicability of Certain Covenants if Notes Rated Investment Grade.

(a) The Issuer's, the Company's and its Restricted Subsidiaries' obligations to comply with the provisions of this Indenture described under this Article IV (except for Section 4.1, Section 4.2, Section 4.3, Section 4.8, Section 4.10 (to the extent the property disposed of constitutes Collateral), Section 4.12, Section 4.14 (other than clause (c) of the first paragraph thereof), Section 4.15 and Section 4.18) will be suspended (such suspended covenants, the "**Suspended Covenants**") and cease to have any further effect with respect to a series of Notes from and after the first date when the Notes of such series are rated Investment Grade (the "**Suspension Date**"); *provided*, that if such Notes subsequently cease to be rated Investment Grade, then, from and after the time such Notes cease to be rated Investment Grade (the "**Reversion Date**"), the Issuer's, the Company's and its Restricted Subsidiaries' obligation to comply with the Suspended Covenants with respect to such series of Notes shall be reinstated. The period of time between the Suspension Date and the Reversion Date is referred to in this description as the "**Suspension Period**."

(b) Following the achievement of such Investment Grade ratings, no Restricted Subsidiary thereafter acquired or created will be required to be a Guarantor with respect to the applicable series of Notes unless it thereafter guarantees any Applicable Debt or (other than with respect to an Excluded Subsidiary) such Notes cease to be rated Investment Grade.

(c) Notwithstanding clauses (a) and (b) of this Section 4.19, in the event of any reinstatement of the obligation to comply with the Suspended Covenants referred to in Section 4.19(a), no action taken or omitted to be taken by the Company or any of its Subsidiaries prior to such reinstatement, or action taken by the Company or any of its Subsidiaries at any time pursuant to a contractual obligation arising prior to such reinstatement (not entered into in contemplation of such reinstatement) shall give rise to a Default or Event of Default under this Indenture with respect to such series of Notes upon reinstatement.

(d) On the Reversion Date, all Indebtedness incurred during the Suspension Period will be classified to have been incurred or issued pursuant to clause (c) of the definition of “Permitted Indebtedness.” Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under Section 4.7 will be made as though Section 4.7 had been in effect prior to, but not during, the Suspension Period. Any Affiliate Transaction entered into after the Reversion Date pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (ix) of Section 4.13(c). Any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (a) through (c) of Section 4.9 that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (ii) of Section 4.9.

(e) The Issuer shall promptly notify the Trustee in writing of any suspension or reinstatement of the Suspended Covenants and in the absence of such notice, the Trustee shall be entitled to presume that no such suspension or reinstatement has occurred. The Trustee shall have no duty to: (i) monitor the ratings of the Notes, (ii) ascertain whether a covenant suspension or reversal shall have occurred, or (iii) notify the Holders of any of the foregoing.

ARTICLE V REMEDIES

Section 5.1. Events of Default. “**Event of Default**” with respect to the Notes of a series means any one or more of the following events:

(a) the failure by the Company, the Issuer and the Guarantors to pay interest on any Note of such series when the same becomes due and payable and the continuance of any such failure for a period of 30 days;

(b) the failure by the Company, the Issuer and the Guarantors to pay the principal or premium of any Note of such series when the same becomes due and payable at maturity, upon acceleration or otherwise;

(c) the failure by the Company, the Issuer or any Restricted Subsidiary to comply with any of its agreements or covenants in, or provisions of, the Notes of such series, the Security Documents as applicable to such Notes of such series, the Guarantees thereof or this Indenture as applicable to the Notes of such series and such failure continues for the period and after the notice specified below (except in the case of a default under Sections 4.12 and 4.14, which will constitute an Event of Default with notice but without passage of time);

(d) the acceleration of any Indebtedness (other than Non-Recourse Indebtedness) of the Company, the Issuer or any Restricted Subsidiary that has an outstanding principal amount of \$40.0 million or more, individually or in the aggregate, and such acceleration does not cease to exist, or such Indebtedness is not satisfied, in either case within 30 days after such acceleration;

(e) the failure by the Company, the Issuer or any Restricted Subsidiary to make any principal or interest payment in an amount of \$40.0 million or more, individually or in the aggregate, in respect of Indebtedness (other than Non-Recourse Indebtedness) of the Company or any Restricted Subsidiary within 30 days of such principal or interest becoming due and payable (after giving effect to any applicable grace period set forth in the documents governing such Indebtedness);

(f) a final judgment or judgments that exceed \$40.0 million or more, individually or in the aggregate, for the payment of money having been entered by a court or courts of competent jurisdiction against the Company, the Issuer or any of its Restricted Subsidiaries and such judgment or judgments is not satisfied, stayed, annulled or rescinded within 60 days of being entered;

(g) the Company, the Issuer or any Restricted Subsidiary that is a Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a Custodian of it or for all or substantially all of its property, or

(iv) makes a general assignment for the benefit of its creditors;

(h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company, the Issuer or any Restricted Subsidiary that is a Significant Subsidiary as debtor in an involuntary case,

(ii) appoints a Custodian of the Company, the Issuer or any Restricted Subsidiary that is a Significant Subsidiary or a Custodian for all or substantially all of the property of the Company or any Restricted Subsidiary that is a Significant Subsidiary, or

(iii) orders the liquidation of the Company, the Issuer or any Restricted Subsidiary that is a Significant Subsidiary,

and the order or decree remains unstayed and in effect for 60 days;

(i) any Guarantee of the Notes of such series of a Guarantor that is a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Guarantee and this Indenture) or is declared null and void and unenforceable or found to be invalid or any Guarantor denies its liability under its Guarantee of the Notes of such series (other than by reason of release of a Guarantor from its Guarantee in accordance with the terms of this Indenture and the Guarantee); or

(j) the Liens created by the Security Documents as applicable to such series of Notes and the Guarantees thereof shall at any time not constitute valid and perfected Liens on any material portion of the Collateral intended to be covered thereby (to the extent perfection by filing, registration, recordation or possession is required by this Indenture or the Security Documents) other than in accordance with the terms of the relevant Security Document and this Indenture and other than the satisfaction in full of all Obligations under this Indenture with respect to such series of Notes or the release or amendment of any such Lien in accordance with the terms of this Indenture or the Security Documents, or, except for expiration in accordance with its terms or amendment, modification, waiver, termination or release in accordance with the terms of this Indenture and the relevant Security Document, any of the Security Documents as applicable to such series of Notes shall for whatever reason be terminated or cease to be in full force and effect, if in either case, such default continues for 30 days after notice, or the enforceability thereof shall be contested by the Issuer or any Guarantor.

A Default as described in clause (c) of this Section 5.1 will not be deemed an Event of Default until the Trustee notifies the Company, or the Holders of at least 25 percent in principal amount of the then outstanding Notes of the affected series notify the Company and the Trustee, of the Default and (except in the case of a Default with respect to Sections 4.12 and 4.14 hereof) the Company does not cure the Default within 60 days after receipt of the notice. The notice must specify the Default, demand that it be remedied and state that the notice is a “notice of default.” If such a Default is cured within such time period, it ceases to be a Default.

If an Event of Default (other than an Event of Default with respect to the Company or the Issuer resulting from clauses (g) or (h) of this Section 5.1), shall have occurred and be continuing under this Indenture, the Trustee by notice to the Company, or the Holders of at least 25 percent in principal amount of the Notes of the affected series then outstanding by notice to the Company and the Trustee, may declare all Notes of such series to be due and payable immediately. Upon such declaration of acceleration, the amounts due and payable on the Notes of such series will be due and payable immediately. If an Event of Default specified in clauses (d) or (e) of this Section 5.1 occurs, the declaration of acceleration of the Notes shall be automatically annulled if the default triggering such Event of Default pursuant to clauses (d) or (e) of this Section 5.1 shall be remedied or cured by the Company or a Restricted Subsidiary or waived by the holders of the relevant Indebtedness within 20 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium, if any, or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived. The Issuer shall provide the Trustee with notice of any such annulment of a declaration of acceleration of the Notes. If an Event of Default with respect to the Company or the Issuer specified in subclauses (g) or (h) of this Section 5.1 occurs, such an amount will *ipso facto* become and be immediately due and payable without any declaration, notice or other act on the part of the Trustee and the Company or any Holder. This provision, however, is subject to the condition that, if at any time after the unpaid principal amount (or such specified amount) of the Notes shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest, if any, upon all of the Notes and the principal of all the Notes which shall have become due otherwise than by acceleration (with interest on overdue installments of interest, if any, to the extent that payment of such interest is enforceable under applicable law and on such principal at the rate borne by the Notes to the date of such payment or deposit) and the reasonable compensation, disbursements, expenses and advances of the Trustee and all other amounts due to the Trustee under Section 7.7, and any and all defaults under this Indenture, other than the nonpayment of such portion of the principal amount of and accrued interest, if any, on Notes which shall have become due by acceleration, shall have been cured or shall have been waived in accordance with Section 5.3, then and in every such case the Holders of a majority in aggregate principal amount of the Notes of the affected series then outstanding, by written notice to the Issuer and to the Trustee, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon. Notwithstanding the previous sentence, no waiver shall be effective against any Holder for any Event of Default or event which with notice or lapse of time or both would be an Event of Default with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each outstanding Note affected thereby, unless all such affected Holders agree, in writing, to waive such Event of Default or other event.

If the 2022 Notes are accelerated or otherwise become due and payable prior to their maturity date, in each case, as a result of an Event of Default on or after July 15, 2019, the amount of principal of, accrued and unpaid interest and premium on the 2022 Notes that becomes due and payable shall equal the redemption price applicable on the date of such acceleration with respect to an optional redemption of the 2022 Notes as set forth under Section 3.1(b) hereof as if such acceleration were an optional redemption pursuant to such provision. If the 2022 Notes are accelerated or otherwise become due prior to their maturity date, in each case, as a result of an Event of Default prior to July 15, 2019, the amount of principal of, accrued and unpaid interest and premium on the 2022 Notes that becomes due and payable shall equal 100% of the principal amount of the 2022 Notes plus the Make-Whole Amount in effect on the date of such acceleration, as if such acceleration were an optional redemption of the 2022 Notes as set forth under Section 3.1(a) hereof.

If the 2024 Notes are accelerated or otherwise become due and payable prior to their maturity date, in each case, as a result of an Event of Default on or after July 15, 2020, the amount of principal of, accrued and unpaid interest and premium on the 2024 Notes that becomes due and payable shall equal the redemption price applicable on the date of such acceleration with respect to an optional redemption of the 2024 Notes as set forth under Section 3.1(d) hereof as if such acceleration were an optional redemption pursuant to such provision. If the 2024 Notes are accelerated or otherwise become due prior to their maturity date, in each case, as a result of an Event of Default prior to July 15, 2020, the amount of principal of, accrued and unpaid interest and premium on the 2024 Notes that becomes due and payable shall equal 100% of the principal amount of the 2024 Notes plus the Make-Whole Amount in effect on the date of such acceleration, as if such acceleration were an optional redemption of the 2024 Notes as set forth under Section 3.1(c) hereof.

Without limiting the generality of the foregoing, in the event the Notes of a series are accelerated or otherwise become due prior to their maturity date, in each case, in respect of any Event of Default (including, but not limited to, upon the occurrence of an Event of Default arising under clauses (g) or (h) of this Section 5.1), (including the acceleration of claims by operation of law)), the premium applicable on the date of such acceleration or otherwise becoming due with respect to an optional redemption of such Notes will also be due and payable as though such Notes were optionally redeemed and shall constitute part of the Pari Passu Lien Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Holder's lost profits as a result thereof. Any premium payable above shall be presumed to be the liquidated damages sustained by each Holder as the result of the early redemption and the Issuer and each Guarantor agrees that it is reasonable under the circumstances currently existing. The premium with respect to a series of Notes shall also be payable in the event such Notes (and/or this Indenture) are satisfied or released by foreclosure (whether by power of judicial proceeding, deed in lieu of foreclosure or by any other means). THE ISSUER AND EACH GUARANTOR EXPRESSLY WAIVES (TO THE FULLEST EXTENT IT MAY LAWFULLY DO SO) THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING PREMIUM IN CONNECTION WITH ANY SUCH ACCELERATION. The Issuer and each Guarantor expressly agrees (to the fullest extent it may lawfully do so) that: (A) the premium is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the premium shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between Holders and the Issuer and the Guarantors giving specific consideration in this transaction for such agreement to pay the premium; and (D) the Issuer and each Guarantor shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Issuer and each Guarantor expressly acknowledges that its agreement to pay the premium to Holders as herein described is a material inducement to Holders to purchase the Notes.

The Holders expressly agree that the preceding three paragraphs shall no longer apply and shall cease to have any effect from and after the date on which no Existing Unsecured Notes Debt is outstanding. “**Existing Unsecured Notes Debt**” means the Existing Unsecured Notes and any refinancing thereof that matures prior to July 15, 2022 (in the case of the 2022 Notes) or July 15, 2024 (in the case of the 2024 Notes).

If the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any reason or shall have been determined to be adverse to the Trustee, then and in every such case the Issuer, the Trustee and the Holders of Notes shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Issuer, the Trustee and the Holders of Notes shall continue as though no such proceeding had been taken.

Except with respect to an Event of Default pursuant to clauses (a) or (b) of this Section 5.1, the Trustee shall not be charged with knowledge of any Event of Default unless written notice thereof shall have been given to a Responsible Officer of the Trustee by the Issuer, a Paying Agent or any Holder and such notice references the Notes and this Indenture.

Section 5.2. *Other Remedies.* If an Event of Default occurs and is continuing, the Trustee may pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of, premium, if any, and interest, if any, on the Notes or to enforce the performance of any provision of the Notes, this Indenture or the Security Documents. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

Section 5.3. Waiver of Defaults by Majority of Holders. By written notice to the Trustee and the Company, the Holders of a majority in aggregate principal amount of the Notes of a series then outstanding may on behalf of the Holders of all of the Notes of such series waive any past Default or Event of Default hereunder and its consequences, except a Default in the payment of interest, if any, on, or the principal of, the Notes of such series. Upon any such waiver, the Issuer, the Trustee and the Holders of Notes shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. Whenever any Default or Event of Default hereunder shall have been waived as permitted by this Section 5.3, said Default or Event of Default shall for all purposes of the Notes and this Indenture be deemed to have been cured and to be not continuing.

Section 5.4. Direction of Proceedings.

(a) The Holders of a majority in aggregate principal amount of the Notes of a series then outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee with respect to the Notes; *provided, however*, that (x) any such direction for conducting any such proceeding or exercising any such trust or power available to or conferred on the Collateral Agent under the Security Documents shall be determined pursuant to clause (b) below and (y) (subject to the provisions of Section 7.1) the Trustee shall have the right to decline to follow any such direction if the Trustee shall determine upon advice of counsel that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors, its executive committee, or a trust committee of directors or Responsible Officers or both shall determine that the action or proceeding so directed would involve the Trustee in personal liability.

(b) The Holders of a majority in aggregate principal amount of the Notes then outstanding, which, as to the 2022 Notes and the 2024 Notes, shall vote, act and be treated together as a single series for purposes of this Section 5.4(b), the Collateral Agency Agreement and the other Security Documents, and the determination of such majority, shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Collateral Agent, or exercising any trust or power conferred on the Collateral Agent with respect to the Notes; *provided, however*, that (subject to the provisions of Section 7.1) the Collateral Agent shall have the right to decline to follow any such direction if the Collateral Agent shall determine upon advice of counsel that the action or proceeding so directed may not lawfully be taken or if the Collateral Agent in good faith by its board of directors, its executive committee, or a trust committee of directors or Responsible Officers or both shall determine that the action or proceeding so directed would involve the Collateral Agent in personal liability.

Section 5.5. Application of Moneys Collected by Trustee. Any moneys collected by the Trustee pursuant to this Article (including any proceeds from Collateral received from the Joint Collateral Agent pursuant to the terms of the Security Documents) with respect to outstanding Notes shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such moneys, upon presentation of the Notes and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

FIRST: To the payment of costs and expenses of collection and reasonable compensation to the Trustee (including in its role as Collateral Agent under the Security Documents), its agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee pursuant to Section 7.7 except as a result of its negligence or willful misconduct;

SECOND: If the principal of the Notes shall not have become due and be unpaid, to the payment of interest, if any, on the Notes, in the order of the maturity of the installments of such interest, if any, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest, if any, at the rate borne by the Notes of the applicable series, such payment to be made ratably to the Persons entitled thereto;

THIRD: If the principal of the Notes shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Notes for principal or interest, if any, with interest on the overdue principal and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest, if any, at the rate borne by the Notes of the applicable series, and in case such moneys shall be insufficient to pay in full the whole amounts so due and unpaid upon the Notes, then to the payment of such principal and interest, if any, without preference or priority of principal over interest, if any, or of interest, if any, over principal, or of any installment of interest, if any, over any other installment of interest, if any, ratably to the aggregate of such principal and accrued and unpaid interest, if any; and

FOURTH: To the payment of any surplus then remaining to the Issuer, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

No claim for interest which in any manner at or after maturity shall have been transferred or pledged separate or apart from the Notes to which it relates, or which in any manner shall have been kept alive after maturity by an extension (otherwise than pursuant to an extension made pursuant to a plan proposed by the Issuer to the Holders of all Notes), purchase, funding or otherwise by or on behalf or with the consent or approval of the Issuer shall be entitled, in case of a default hereunder, to any benefit of this Indenture, except after prior payment in full of the principal of all Notes and of all claims for interest not so transferred, pledged, kept alive, extended, purchased or funded.

Section 5.6. Proceedings by Holders. No holder of any Notes shall have any right by virtue of or by availing itself of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture for the appointment of a receiver or trustee or similar official, or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless the Holders of not less than 25% in aggregate principal amount of the Notes of the applicable series then outstanding shall have made written request to the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity or security as the Trustee may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of reasonable indemnity or security shall have neglected or refused to institute any such action, suit or proceeding, it being understood and intended, and being expressly covenanted by the Holder of every Note of each series with every other Holder of the Notes of such series and the Trustee, that no one or more Holders of Notes of such series shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture or of such Notes to affect, disturb or prejudice the rights of any other Holder of Notes of such series, or to obtain or seek to obtain priority over or preference as to any other such Holder, or to enforce any right under this Indenture or such Notes, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Notes of such series. Nothing in this Section 5.6 shall give any Holder of any Notes the right to exercise any remedy under the Security Documents which shall only be exercised by the Collateral Agent as directed pursuant to Section 5.4(b).

Notwithstanding any other provisions in this Indenture, however, the contractual right of any Holder of any Note to bring suit for the payment of principal, premium, if any, and interest on its Note, on or after the respective due dates expressed or provided for in such Note, shall not be amended without the consent of such Holder.

Section 5.7. Proceedings by Trustee. In case of an Event of Default hereunder, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either by suit in equity or by action at law or by proceedings in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Section 5.8. Remedies Cumulative and Continuing. All powers and remedies given by this Article V to the Trustee or to the Holders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the Holders, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any Holder to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 5.6, every power and remedy given by this Article V or by law to the Trustee or to the Holders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders.

Section 5.9. Undertaking to Pay Costs. All parties to this Indenture agree, and each Holder of any Note by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, or in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the cost of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 5.9 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the then outstanding Notes of a series, or to any suit instituted by any Holders for the enforcement of the payment of the principal of, premium, if any, or interest, if any, on any Note against the Issuer on or after the due date of such Note.

Section 5.10. Notice of Defaults. (a) The Company is required to deliver to the Trustee an annual statement regarding compliance with this Indenture as applicable to each series of Notes, and include in such statement, if any officer of the Company is aware of any Default or Event of Default, a statement specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto. In addition, the Company is required to deliver to the Trustee prompt written notice of the occurrence of any Default or Event of Default.

(a) The Trustee shall, within 90 days after the occurrence of a Default actually known to a Responsible Officer of the Trustee, with respect to the Notes of any series, deliver to all Holders of Notes of such series, as the names and the addresses of such Holders appear upon the Register, subject to the applicable procedures of DTC, notice of all Defaults, unless such Defaults shall have been cured before the giving of such notice; *provided, however*, that, except in the case of default in the payment of the principal of, premium, if any, or interest, if any, on any of the Notes, or in the payment or satisfaction of a purchase obligation, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, a trust committee of directors or a Responsible Officer of the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders.

Section 5.11. Waiver of Stay, Extension or Usury Laws. The Company, the Issuer and each Guarantor covenants, to the extent permitted by applicable law, that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Company, the Issuer or the Guarantor from paying all or any portion of the principal of, premium, if any, or interest, if any, on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants or the performance of this Indenture. The Company, the Issuer and each Guarantor hereby expressly waives, to the extent that it may lawfully do so, all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 5.12. Trustee May File Proof of Claim. The Trustee may file proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due to the Trustee hereunder) and the Holders allowed in any judicial proceedings relating to the Company, the Issuer or any Guarantor or their respective creditors or property, and is entitled and empowered to collect, receive and distribute any money, securities or other property payable or deliverable upon conversion or exchange of the Notes or upon any such claims. Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, if the Trustee consents to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due to the Trustee hereunder. Nothing in this Indenture will be deemed to empower the Trustee to authorize or consent to, or accept or adopt on behalf of any Holder, any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 5.13. Payment of Notes on Default; Suit Therefor. The Issuer covenants that (a) if default shall be made in the payment of any installment of interest upon the Notes of any series as and when the same shall become due and payable, and such default shall have continued for a period of 30 days, or (b) if default shall be made in the payment of the principal of, and premium, if any, on the Notes of any series as and when the same shall have become due and payable, whether at maturity of the Notes or upon redemption or by declaration or otherwise, then, upon demand of the Trustee, the Issuer will pay to the Trustee, for the benefit of the Holders of the Notes of such series, the whole amount that then shall have become due and payable on all such Notes for principal, and premium, if any, or interest, if any, or both, as the case may be, with interest upon the overdue principal and (to the extent that payment of such interest is enforceable under applicable law) upon the overdue installments of interest, if any, at the rate borne by the Notes of such series; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder other than through its negligence or willful misconduct.

If the Issuer shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Issuer or any other obligor on the Notes of such series and collect in the manner provided by law out of the property of the Issuer or any other obligor on the Notes of such series, wherever situated, the moneys adjudged or decreed to be payable.

If there shall be pending proceedings for the bankruptcy or for the reorganization of the Issuer or any other obligor on the Notes under any bankruptcy, insolvency or other similar law now or hereafter in effect, or if a receiver or trustee or similar official shall have been appointed for the property of the Issuer or such other obligor, or in the case of any other similar judicial proceedings relative to the Issuer or other obligor on the Notes, or to the creditors or property of the Issuer or such other obligor, the Trustee, irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 5.13, shall be entitled and empowered by intervention in such proceedings or otherwise to file and prove a claim or claims for the whole amount of principal, premium, if any, and interest, if any, owing and unpaid in respect of the Notes, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Holders allowed in such judicial proceedings relative to the Issuer or any other obligor on the Notes, its or their creditors, or its or their property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses, and any receiver, assignee or trustee or similar official in bankruptcy or reorganization is hereby authorized by each of the Holders to make such payments to the Trustee, and, if the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for compensation and expenses or otherwise pursuant to Section 7.7, including counsel fees and expenses incurred by it up to the date of such distribution. To the extent that such payment of reasonable compensation, expenses and counsel fees and expenses out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, moneys, securities and other property which the Holders of Notes may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes, or the production thereof at any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the Holders of Notes in respect of which such judgment has been recovered.

ARTICLE VI
GUARANTEES; RELEASE OF GUARANTOR

Section 6.1. *Guarantee.* Each of the Guarantors hereby unconditionally guarantees, jointly and severally with each other Guarantor, to each Holder and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Issuer hereunder or thereunder, that: (i) the due and punctual payment of the principal of, premium, if any, and interest on the Notes, whether at maturity or on an Interest Payment Date, by acceleration, pursuant to an Offer to Purchase or otherwise, to the extent lawful, and all other obligations of the Issuer to the Holders or the Trustee hereunder or thereunder shall be promptly paid in full when due, all in accordance with the terms hereof and thereof, including all amounts payable to the Trustee under Section 7.7 hereof, and (ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

If the Issuer fails to make any payment when due of any amount so guaranteed for whatever reason, each Guarantor shall be obligated, jointly and severally with each other Guarantor, to pay the same immediately. Each Guarantor hereby agrees that its obligations hereunder shall be continuing, absolute and unconditional, irrespective of, and shall be unaffected by, the validity, regularity or enforceability of the Notes, this Indenture, the Security Documents, the absence of any action to enforce the same, any waiver or consent by any Holder or the Trustee with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuer, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of such Guarantor. If any Holder or the Trustee is required by any court or otherwise to return to the Issuer or any Guarantor, or any custodian, trustee, liquidator or other similar official acting in relation to the Issuer or such Guarantor, any amount paid by the Issuer or any Guarantor to the Trustee or such Holder, this Article VI, to the extent theretofore discharged with respect to any Guarantee, shall be reinstated in full force and effect. Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby by such Guarantor until payment in full of all such obligations. Each Guarantor further agrees that, as between such Guarantor, on the one hand, and the Holders of Notes and the Trustee on the other hand, (i) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article V hereof for the purposes of such Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby and (ii) in the event of any acceleration of such obligations as provided in Article V hereof such obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor, jointly and severally with each other Guarantor, for the purpose of this Article VI. In addition, without limiting the foregoing, upon the effectiveness of an acceleration under Article V, the Trustee may make a demand for payment on the Notes under any Guarantee provided hereunder and not discharged.

The Guarantee set forth in this Section 6.1 and as annexed to any Note shall not be valid or become obligatory for any purpose with respect to a Note until the certificate of authentication on such Note shall have been signed by the Trustee or any duly appointed authentication agent.

Section 6.2. Obligations of each Guarantor Unconditional. Nothing contained in this Article VI or elsewhere in this Indenture or in any Note is intended to or shall impair, as between each Guarantor and the Holders, the obligations of such Guarantor which are absolute and unconditional, to pay to the Holders the principal of, premium, if any, and interest on the Notes as and when the same shall become due and payable in accordance with the provisions of their Guarantee or is intended to or shall affect the relative rights of the Holders and creditors of such Guarantor, nor shall anything herein or therein prevent the Trustee or any Holder from exercising all remedies otherwise permitted by applicable law upon any Default under this Indenture in respect of cash, property or securities of such Guarantor received upon the exercise of any such remedy.

Upon any distribution of assets of a Guarantor referred to in this Article VI, the Trustee, subject to the provisions of Article VII, and the Holders shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending, or a certificate of the liquidating trustee or agent or other person making any distribution to the Trustee or to such Holders for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of other indebtedness of such Guarantor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article VI.

Section 6.3. Release of a Guarantor. (a) If (i) all or substantially all of the assets of any Guarantor other than the Company or all of the Capital Stock of any Guarantor other than the Company is sold (including by consolidation, merger, issuance or otherwise) or disposed of (including by liquidation, dissolution or otherwise) by the Company or any of its Subsidiaries, (ii) unless the Company elects otherwise, any Guarantor other than the Company is designated an Unrestricted Subsidiary with respect to a series of Notes in accordance with the terms of this Indenture or becomes an Excluded Subsidiary, (iii) the Indenture is discharged or defeased with respect to a series of Notes in accordance with Article VIII, or (iv) the Holders of a series of Notes approve a release in accordance with Article IX, then in each case such Guarantor or the Person acquiring such assets (in the event of a sale or other disposition of all or substantially all of the assets of a Guarantor), as the case may be, shall be deemed automatically and unconditionally released and discharged from any of its obligations under this Indenture with respect to the applicable series of Notes (or both series, in the case of clause (i)) without any further action on the part of the Trustee or any Holder of the Notes.

(a) An Unrestricted Subsidiary or Excluded Subsidiary that is a Guarantor shall be deemed automatically and unconditionally released and discharged from all obligations under its Guarantee upon written notice from the Company to the Trustee to such effect, without any further action required on the part of the Trustee or any Holder.

Section 6.4. Execution and Delivery of Guarantee. The execution by each Guarantor of this Indenture (or a supplemental indenture in the form of Exhibit B) evidences the Guarantee of such Guarantor, whether or not the person signing as an officer of the Guarantor still holds that office at the time of authentication of any Note. The delivery of any Note by the Trustee after authentication constitutes due delivery of the Guarantee on behalf of each Guarantor.

Section 6.5. Limitation on Guarantor Liability. Notwithstanding anything to the contrary in this Article VI, each Guarantor, and by its acceptance of a Note, each Holder, hereby confirms that it is the intention of all such parties that the Guarantee of such Guarantor not constitute a fraudulent conveyance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of state law. To effectuate that intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of each Guarantor under its Guarantee are limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of state law.

Section 6.6. Article VI not to Prevent Events of Default. The failure to make a payment on account of principal, premium, if any, or interest, if any, on the Notes by reason of any provision in this Article VI shall not be construed as preventing the occurrence of any Event of Default under Section 5.1.

Section 6.7. Waiver by the Guarantors. To the extent permitted by applicable law, each Guarantor hereby irrevocably waives diligence, presentment, demand of payment, demand of performance, filing of claims with a court in the event of insolvency of bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, the benefit of discussion, protest, notice and all demand whatsoever and covenants that this Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, in this Indenture and in this Article VI.

Section 6.8. Subrogation and Contribution. Upon making any payment with respect to any obligation of the Issuer under this Article, the Guarantor making such payment shall be subrogated to the rights of the payee against the Issuer with respect to such obligation; *provided*, that the Guarantor may not enforce either any right of subrogation, or any right to receive payment in the nature of contribution, or otherwise, from any other Guarantor, with respect to such payment so long as any amount payable by the Issuer hereunder or under the Notes remains unpaid.

Each Guarantor that makes a payment under its Guarantee shall be entitled, upon payment in full of all guaranteed obligations under this Indenture, to seek and receive contribution from and against each other Guarantor in an amount equal to such other Guarantor's *pro rata* portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP.

Section 6.9. Stay of Acceleration. If acceleration of the time for payment of any amount payable by the Issuer under this Indenture or the Notes is stayed upon the insolvency, bankruptcy or reorganization of the Issuer, all such amounts otherwise subject to acceleration under the terms of this Indenture are nonetheless payable by the Guarantors hereunder forthwith on demand by the Trustee or the Holders.

ARTICLE VII THE TRUSTEE

Section 7.1. General. (a) The duties, rights and responsibilities of the Trustee are solely set forth herein. Whether or not expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of, or affording protection to, the Trustee is subject to this Article.

(a) Except during the continuance of an Event of Default, the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee and the permissive rights of the Trustee set forth herein shall not be construed as duties. In case an Event of Default has occurred and is continuing of which a Responsible Officer of the Trustee has knowledge thereof pursuant to Section 5.1, the Trustee shall exercise those rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Section 7.2. Certain Rights of the Trustee.

(a) The Trustee may rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document, but the Trustee, in its discretion, may make further inquiry or investigation into such facts or matters as it sees fit.

(b) Subject to Section 7.1(b), the Trustee may conclusively rely, as to the truth of the statements and the correctness of the statements and opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture, and the Trustee shall not be responsible for the accuracy or content of any such statements or opinions; however, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel conforming to Section 13.5 and the Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such a certificate or opinion. Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer or the Company, as applicable, shall be sufficient if signed by an Officer of the Issuer or the Company, as applicable.

(d) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(e) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders, unless such Holders have offered to the Trustee reasonable security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(f) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers or for any action it takes or omits to take in accordance with the direction of the Holders in accordance with Section 5.4 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(g) The Trustee shall not be liable for any error of judgment made in good faith by any of its officers or employees unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(h) The Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(i) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of its rights or powers, unless it receives reasonable indemnity or security satisfactory to it against any loss, liability or expense.

(j) The Trustee may request that the Company (on behalf of itself and the Issuer) deliver an Officers' Certificate setting forth the name of the individuals and/or titles of Officers authorized at such time to take specific actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such Officers' Certificate previously delivered and not superseded.

(k) In no event shall the Trustee be liable, directly or indirectly, for any special, punitive, indirect or consequential damages, even if the Trustee has been advised of the possibility of such damages and regardless of the form of action.

(l) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(m) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and, except in the case of failures or delays due to the Trustee's negligence or bad faith, interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services, it being understood that the Trustee shall use reasonable best efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(n) The Trustee shall have no duty to ensure any recording, filing or depositing of this Indenture or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest, or to ensure the maintenance of any such recording or filing or depositing or to any re-recording, re-filing or re-depositing of any thereof.

Section 7.3. *Individual Rights of the Trustee.* The Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not the Trustee. Any Agent may do the same with like rights. However, the Trustee is subject to Trust Indenture Act Sections 310(b) and 311. For purposes of Trust Indenture Act Section 311(b)(4) and (6):

(a) “**cash transaction**” means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand; and

(b) “**self-liquidating paper**” means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

Section 7.4. Trustee’s Disclaimer. The Trustee (a) makes no representation as to the validity or adequacy of this Indenture, the Notes, the Guarantees or the Collateral, (b) is not accountable for the Company’s use or application of the proceeds from the Notes and (c) is not responsible for any statement in the Notes other than its certificate of authentication.

Section 7.5. [Reserved].

Section 7.6. [Reserved].

Section 7.7. Compensation and Indemnity. (a) The Company shall pay the Trustee compensation as agreed upon in writing for its services. The compensation of the Trustee is not limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee promptly upon request for all reasonable out-of-pocket expenses, disbursements and advances incurred or made by the Trustee, including the reasonable compensation, disbursements and expenses of the Trustee’s agents and counsel.

(a) In addition to any other indemnity provided to the Trustee hereunder, the Company shall indemnify the Trustee for, and hold it harmless against, any loss or liability or expense incurred by it without negligence or willful misconduct on its part arising out of or in connection with the acceptance or administration of this Indenture and its duties under this Indenture and the Notes, including the reasonable costs and expenses of counsel (and including the costs and expenses of defending itself against any claim or liability and of complying with any process served upon it or any of its officers) in connection with the exercise or performance of any of its powers or duties under this Indenture and the Notes (regardless of whether brought or initiated by a third party or a party hereto).

(b) To secure the Company’s payment obligations in this Section or as otherwise provided in this Indenture, the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee, in its capacity as Trustee, except money or property held in trust to pay principal of, premium, if any, and interest, if any, on particular Notes.

(c) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 5.1(g) or Section 5.1(h) hereof occurs, the expenses and the compensation for the services (including the fees, disbursements and expenses of its agents and counsel) are intended, to the extent permitted by law, to constitute expenses of administration under any Bankruptcy Law.

(d) The Company's obligations and the Trustee's rights under this Section 7.7 shall survive the resignation or removal of the Trustee, the payment of the Notes in full and the termination of this Indenture.

Section 7.8. Replacement of Trustee. (a)(i) The Trustee may resign at any time by written notice to the Issuer.

(i) The Holders of a majority in principal amount of the outstanding Notes of a series may remove the Trustee with respect to such series by written notice to the Trustee.

(ii) If the Trustee is no longer eligible under Section 7.10 or in the circumstances described in the Trust Indenture Act Section 310(b), any Holder that satisfies the requirements of Trust Indenture Act Section 310(b) may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(iii) The Issuer may remove the Trustee if: (A) the Trustee is no longer eligible under Section 7.10; (B) the Trustee is adjudged bankrupt or an insolvent; (C) a receiver or other public officer takes charge of the Trustee or its property; or (D) the Trustee becomes incapable of acting.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

(b) If the Trustee has been removed by the Holders, Holders of a majority in principal amount of the Notes of the applicable series may appoint a successor Trustee with the consent of the Issuer. Otherwise, if the Trustee resigns or is removed, or if a vacancy exists in the office of Trustee for any reason, the Issuer shall promptly appoint a successor Trustee. If the successor Trustee does not deliver its written acceptance within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer or the Holders of a majority in principal amount of the outstanding Notes may petition, at the expense of the Issuer, any court of competent jurisdiction for the appointment of a successor Trustee.

(c) Upon delivery by the successor Trustee of a written acceptance of its appointment to the retiring Trustee and to the Issuer, (i) the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.7, (ii) the resignation or removal of the retiring Trustee shall become effective, and (iii) the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. Upon request of any successor Trustee, the Issuer shall execute any and all instruments for fully and vesting in and confirming to the successor Trustee all such rights, powers and trusts. The Issuer shall give notice of any resignation and any removal of the Trustee and each appointment of a successor Trustee to all Holders, and include in the notice the name of the successor Trustee and the address of its Corporate Trust Office.

(d) Notwithstanding replacement of the Trustee pursuant to this Section, Issuer's obligations under Section 7.7 shall continue for the benefit of the retiring Trustee.

(e) The Trustee agrees to give the notices provided for in, and otherwise comply with, Trust Indenture Act Section 310(b).

Section 7.9. Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act shall be the successor Trustee with the same effect as if the successor Trustee had been named as the Trustee in this Indenture.

Section 7.10. Eligibility. The Indenture must always have a Trustee that satisfies the requirements of Trust Indenture Act Section 310(a) and has a combined capital and surplus of at least \$25,000,000 as set forth in its most recent published annual report of condition.

Section 7.11. Money Held in Trust. The Trustee shall not be liable for interest or investment income on any money received by it except as it may agree with the Issuer. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law and except for money held in trust under Article VIII.

ARTICLE VIII DEFEASANCE AND DISCHARGE

Section 8.1. Legal Defeasance and Discharge. The Issuer, the Company and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.3 hereof, be deemed to have been discharged from their respective obligations under this Indenture with respect to a series of Notes, the Guarantees thereof and the related Security Documents and cause the release of all Liens on the Collateral granted under the Security Documents in respect of such series (other than the right of Holders to receive interest on, premium, if any, and principal of such Notes when due solely out of the trust referred to below and certain other obligations, which by their terms survive under this Indenture as specified in the next succeeding sentence, and subject to Section 7.7), on the date the conditions set forth below are satisfied (hereinafter, "**Legal Defeasance**"). For this purpose, Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the Notes of such series, which shall thereafter be deemed to be outstanding only for the purposes of Section 8.4 hereof and the other Sections of this Indenture referred to in clauses (a) through (f) of this Section 8.1, and the Issuer, the Company and the Guarantors shall be deemed to have satisfied all of their respective obligations under the Notes of such series, the Guarantees thereof, this Indenture in respect of such series and the Security Documents in respect of such series (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments delivered to it by the Issuer acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of Notes of such series to receive payments in respect of the principal, premium, if any, and interest, if any, on the Notes of such series when such payments are due from the trust referred to below; (b) the Issuer's obligations with respect to the Notes of such series concerning mutilated, destroyed, lost or stolen Notes of such series and the maintenance of an office or agency for payment and money for security payments held in trust; (c) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's and the Guarantors' obligations in connection therewith; (d) the Legal Defeasance provisions of Article VIII of this Indenture in respect of such series; (e) the rights of registration of transfer and exchange of the Notes of such series; and (f) the rights of Holders of Notes of such series that are beneficiaries with respect to property so deposited with the Trustee payable to all or any of them.

Section 8.2. *Covenant Defeasance*. The Issuer, the Company and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.3 hereof, be released from their obligations with respect to a series of Notes and the Guarantees thereof under the covenants contained in Sections 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12 and 4.13, clause (c) of Section 4.14, Section 4.15, Section 4.16, Section 4.18 and Article VI (except for Section 6.3) and each Guarantor's obligation under its Guarantee of the Notes of such series, on and after the date that the conditions set forth in Section 8.3 are satisfied, the Liens on the Collateral granted under the Security Documents in respect of the Notes of such series shall be released (hereinafter, "**Covenant Defeasance**"), and the Notes of such series shall thereafter be deemed not outstanding for the purposes of any direction, waiver, consent or declaration or act of Holders of the Notes of such series (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed outstanding for all other purposes hereunder (it being understood that the Notes of such series shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the Notes of the applicable series and the Guarantees for such series, the Issuer, the Company and the Guarantors may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 5.1 hereof, but, except as specified above, the remainder of this Indenture and the Notes of such series shall be unaffected thereby. Subject to the satisfaction of the conditions set forth in Section 8.3 hereof, Sections 5.1(c) (with respect to the covenants so defeased), 5.1(d), 5.1(e), 5.1(f), 5.1(i) and 5.1(j) shall not constitute Events of Default or Defaults hereunder with respect to the Notes of the affected series.

Section 8.3. Conditions to Legal or Covenant Defeasance. The following shall be the conditions to the application of either Section 8.1 or Section 8.2 hereof to the Notes of a series:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuer must irrevocably deposit, or cause to be deposited, with the Trustee, in trust under an irrevocable trust agreement, for the benefit of the Holders of Notes of such series, cash in U.S. dollars, U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay, without reinvestment, the principal of, premium, if any, and interest, if any, on the Notes of such series on the stated maturity thereof or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes of such series are being defeased to maturity or to a particular redemption date;

(b) in the case of Legal Defeasance, the Issuer must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling, or there has been a change in the applicable United States federal income tax law after the date of this Indenture, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the beneficial owners of the Notes of such series will not recognize income, gain or loss for United States federal income tax purposes as a result of such Legal Defeasance, and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the beneficial owners of the Notes of such series will not recognize income, gain or loss for United States federal income tax purposes as a result of such Covenant Defeasance, and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing with respect to such series of Notes on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) or insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 91st day after the date of deposit;

(e) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Issuer or any of its Restricted Subsidiaries is a party or by which the Issuer or any of its Restricted Subsidiaries is bound;

(f) the Issuer must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders of Notes of such series over other creditors of the Issuer, or with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer or others; and

(g) the Issuer must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel in the United States reasonably acceptable to the Trustee, each stating that the conditions precedent provided for or relating to Legal Defeasance or Covenant Defeasance, as applicable, in the case of the Officers' Certificate, in clauses (a) through (f) and, in the case of the Opinion of Counsel, in clauses (b) and (c) of this Section 8.3, have been complied with.

Section 8.4. Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions. Subject to Section 8.5 hereof, all money and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively, and solely for purposes of this Section 8.4, the "Trustee") pursuant to Section 8.3 or Section 8.8 hereof in respect of a series of Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of the Notes of such series and this Indenture, to the payment, either directly or indirectly or through any paying agent (including the Issuer acting as paying agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable U.S. Government Obligations deposited pursuant to Section 8.3 or Section 8.8 hereof or the principal, premium, if any, and interest, if any, received in respect thereof other than any such tax, fee or other charge which by law is for the account of the beneficial owners of Notes of such series.

Subject to the preceding paragraph and Section 7.7 herein, anything in this Article VIII to the contrary notwithstanding, the Trustee shall deliver or pay, solely to the extent available in such trust, to the Issuer from time to time upon the request of the Issuer any money or non-callable U.S. Government Obligations held by it as provided in Section 8.3 or Section 8.8 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.3(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.5. Repayment to Issuer. Any money deposited with the Trustee or any paying agent, or then held by the Issuer, in trust for the payment of the principal, premium, if any, and interest on a series of Notes and remaining unclaimed for two years after such principal, premium, if any, and interest has become due and payable shall be paid to the Issuer on its request or (if then held by the Issuer) shall, subject to any relevant unclaimed property laws, upon written request therefor, be discharged from such trust and returned to the Issuer; and the Holder of a Note of such series shall thereafter, as an unsecured creditor, look only to the Issuer for payment thereof, and all liability of the Trustee or such paying agent with respect to such trust money, and all liability of the Issuer as trustee thereof, shall thereupon cease.

Section 8.6. Reinstatement. If the Trustee or paying agent is unable to apply any money or non-callable U.S. Government Obligations in accordance with Section 8.1, Section 8.2 or Section 8.8 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuer's obligations under this Indenture and the applicable series of Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.1, Section 8.2 or Section 8.8 hereof until such time as the Trustee or paying agent is permitted to apply all such money in accordance with Section 8.1, Section 8.2 or Section 8.8 hereof, as the case may be; *provided, however*, that, if the Issuer makes any payment of principal of, premium, if any, or interest, if any, on any Note of such series following the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or paying agent.

Section 8.7. Survival. The Trustee's rights under Article VII (including, but not limited to, its right to indemnification) and this Article VIII shall survive termination of this Indenture, the payment of the Notes in full and the resignation or removal of the Trustee.

Section 8.8. Satisfaction and Discharge of Indenture. If at any time (a)(i) the Issuer shall have paid or caused to be paid the principal of, premium, if any, and interest on all the outstanding Notes of a series (other than Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.4) as and when the same shall have become due and payable, or (ii) the Issuer shall have delivered to the Trustee for cancellation all Notes of a series theretofore authenticated (other than Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.4), or (b)(i) the Notes of a series mature within one year, or all of them are to be called for redemption within one year under arrangements satisfactory to the Trustee for giving the notice of redemption, (ii) the Issuer irrevocably deposits in trust with the Trustee, as trust funds solely for the benefit of the Holders, money in U.S. dollars or U.S. Government Obligations or a combination thereof sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certificate delivered to the Trustee, without consideration of any reinvestment, to pay principal of and premium, if any, and interest on the Notes of such series to maturity or redemption, as the case may be, and to pay all other sums payable by it hereunder, (iii) no Default has occurred and is continuing on the date of the deposit, (iv) the deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound, and (v) the Issuer delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the satisfaction and discharge of this Indenture with respect to such series of Notes have been complied with; and if, in any such case, the Issuer shall also pay or cause to be paid all other sums payable hereunder by the Issuer (including all amounts, payable to the Trustee pursuant to Section 7.7), then, (x) after satisfying the conditions in clause (a), only the Company's obligations under Sections 7.7 and 8.4 will survive or (y) after satisfying the conditions in clause (b), only the Issuer's or the Company's, as applicable, obligations in Article II and Sections 4.1, 4.2, 7.7, 7.8, 8.4, 8.5 and 8.6 will survive, and, in either case, the Trustee, on demand of the Issuer accompanied by an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the satisfaction and discharge contemplated by this provision have been complied with, and at the cost and expense of the Issuer, shall execute proper instruments acknowledging such satisfaction and discharging of this Indenture and the Security Documents and cause the release of all Liens on the Collateral granted under the Security Documents. The Issuer agrees to reimburse the Trustee for any costs or expenses thereafter reasonably incurred, and to compensate the Trustee for any services thereafter reasonably rendered, by the Trustee in connection with this Indenture or the Notes.

ARTICLE IX
AMENDMENTS, SUPPLEMENTS AND WAIVERS

Section 9.1. Amendments Without Consent of Holders. The Company, the Issuer, the Guarantors, the Trustee, the Collateral Agent, the Joint Collateral Agent and the Mortgage Tax Collateral Agent, as applicable, may amend, supplement or waive this Indenture (with respect to a series of Notes), the Notes of a series, the Guarantees with respect to such series of Notes or the Security Documents with respect to such series of Notes without notice to or the consent of any Holder:

(a) to evidence the succession of another Person to the Issuer or the Company or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of the Issuer or the Company herein and in the Notes or the Guarantees;

(b) to add to the covenants of the Issuer or the Company such further covenants, restrictions, conditions or provisions for the protection of the Holders of Notes of a series, or to surrender any right or power herein conferred upon the Issuer or the Company, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; *provided, however*, that in respect of any such additional covenants, restrictions, conditions or provisions such amendment, supplemented indenture or waiver may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such an Event of Default or may limit the remedies available to the Trustee upon such an Event of Default or may limit the right of the Holders of a majority in aggregate principal amount of the Notes of a series to waive such an Event of Default in respect of the Notes of such series;

(c) to cure any ambiguity, defect or inconsistency in this Indenture, the Notes, the Guarantees or the Security Documents;

(d) to evidence and provide for the acceptance of appointment hereunder by a successor or replacement Trustee or under the Security Documents of a successor or replacement Collateral Agent (including for the avoidance of doubt, the Joint Collateral Agent or the Mortgage Tax Collateral Agent);

- (e) to provide for uncertificated Notes in addition to, or in place of, Certificated Notes;
- (f) to provide for any Guarantee of the Notes;
- (g) to add security to or for the benefit of the Notes and, in the case of the Security Documents, to or for the benefit of the other secured parties named therein, or to confirm and evidence the release, termination or discharge of any Guarantee of the Notes or Lien securing the Notes or any Guarantee when such release, termination or discharge is permitted by this Indenture and the Security Documents;
- (h) to provide for, or confirm the issuance of, Additional Notes;
- (i) to evidence compliance with Section 4.14;
- (j) to make any other change that does not adversely affect the legal rights of any Holder;
- (k) to comply with any requirements of the Commission in connection any qualification of this Indenture under the Trust Indenture Act; or
- (l) to conform any provision of this Indenture, the Notes, the Guarantees or the Security Documents to the “Description of Notes” contained in the Offering Memorandum to the extent that the “Description of Notes” was intended to be a verbatim recitation of a provision in this Indenture, the Notes, the Guarantees or the Security Documents.

By receiving Notes, Holders of the Notes are hereby deemed to have consented for purposes of this Indenture and the Security Documents, and the Collateral Agent and the Trustee are hereby authorized and directed by the Holders of the Notes, upon receipt of an Officers’ Certificate more fully described below, to amend, supplement or otherwise modify the Security Documents to add or provide for additional secured parties to the extent Liens securing Indebtedness and other Obligations held by such parties are permitted under this Indenture (and to reflect any differing level of Lien priorities among the holders of Secured Obligations); *provided* that after so securing any such additional secured parties, the amount of Senior-Priority Lien Obligations and *Pari Passu* Lien Obligations does not exceed the amount permitted by the definition of “Permitted Liens.”

In executing any such amendment, supplement, consent or waiver or other modification of a Security Document (or in entering into a new intercreditor agreement or other Security Document described in the preceding paragraph), the Trustee and the Collateral Agent shall be entitled to receive and (subject to their duties set forth in this Indenture) shall be fully protected in relying upon an Officers’ Certificate stating that the execution of such amendment, supplement, consent or waiver or new agreement is authorized or permitted by the applicable Security Document and complies with the provisions thereof and of this Indenture. Notwithstanding anything in this Indenture to the contrary, no Opinion of Counsel shall be required in connection with the execution by the Trustee or Collateral Agent of any such amendment, supplement, consent or waiver or other modification of the Security Documents (or the entry into a new intercreditor agreement or other Security Document) as contemplated above.

Section 9.2. Amendments with Consent of Holders. (a) Except as otherwise provided in Sections 5.1, 5.3 and 5.6 or Section 9.2(b) and Section 9.2(c) of this Section, the Company, the Issuer, the Guarantors, the Trustee, the Collateral Agent, the Joint Collateral Agent and the Mortgage Tax Collateral Agent, as applicable, may amend or supplement this Indenture with respect to a series of Notes, the Notes of a series, the Guarantees with respect to a series of Notes and the Security Documents with respect to a series of Notes with the consent of the Holders of a majority in principal amount of the outstanding Notes of such series (which may include written consents obtained in connection with a tender offer or exchange offer for Notes), and the Holders of a majority in principal amount of the outstanding Notes of such series by written notice to the Trustee may waive future compliance by the Company, the Issuer and the Guarantors with any provision of this Indenture with respect to a series of Notes, the Notes of such series, the Guarantees with respect to a series of Notes or the Security Documents with respect to a series of Notes (which may include waivers obtained in connection with a tender offer or exchange offer for Notes).

(a) Notwithstanding the provisions of paragraph (a) of this Section 9.2, without the consent of each Holder of a series of Notes affected, an amendment or waiver may not:

(i) reduce the amount of Notes of a series whose Holders must consent to an amendment, supplement or waiver,

(ii) reduce the rate of, or extend the time for payment of, any interest, including default interest, on any Note of the applicable series,

(iii) reduce principal of, or change the fixed maturity of, any Note of the applicable series or alter the provisions (including related definitions, except amendments to the definitions of “Asset Disposition,” “Change of Control” and “Permitted Hovnanian Holders”) with respect to redemptions described under Article III or with respect to mandatory offers to repurchase Notes of the applicable series described under Section 4.10 and Section 4.12,

(iv) make any Note of the applicable series payable in money other than that stated in the Note,

(v) modify the ranking or priority of the applicable series of the Notes or any Guarantee thereof,

(vi) make any change in Section 5.3 or Section 5.6,

(vii) release any Guarantor from any of its obligations under its Guarantee or this Indenture otherwise than in accordance with this Indenture, or

(viii) waive a continuing Default or Event of Default in the payment of principal of, premium, if any, or interest, if any, on the Notes of a series (except a rescission of acceleration of the Notes of a series by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes of such series with respect to a nonpayment default and a waiver of the payment default that resulted from such acceleration).

(b) Without the consent of the Holders of at least 66 $\frac{2}{3}$ % in principal amount of the Notes of a series, the Company, the Issuer, the Guarantors, the Trustee and the Collateral Agent may not effect a release of all or substantially all of the Collateral with respect to such series of Notes other than pursuant to the terms of the Security Documents or as otherwise permitted under this Indenture.

(c) It is not necessary for Holders to approve the particular form of any proposed amendment, supplement or waiver, but is sufficient if their consent approves the substance thereof.

(d) An amendment, supplement or waiver under this Section 9.2 shall become effective on receipt by the Trustee of written consents from the Holders of the requisite percentage in principal amount of the outstanding Notes. After an amendment, supplement or waiver under this Section 9.2 becomes effective, the Issuer (or the Trustee at the request and expense of the Issuer) will send to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. The Issuer will send supplemental indentures to Holders upon request. Any failure of the Issuer to send such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such supplemental indenture, amendment or waiver.

Section 9.3. Effect of Consent. (a) After an amendment, supplement or waiver becomes effective, it will bind every Holder of the Notes of the applicable series unless it is of the type requiring the consent of each Holder affected. If the amendment, supplement or waiver is of the type requiring the consent of each Holder affected, the amendment, supplement or waiver will bind each Holder of the Notes of the applicable series that has consented to it and every subsequent Holder of a Note of such series that evidences the same debt as the Note of the consenting Holder.

(a) If an amendment, supplement or waiver changes the terms of a Note of a series, the Trustee may require the Holder of such series to deliver it to the Trustee so that the Trustee may place an appropriate notation of the changed terms on the Note and return it to the Holder, or exchange it for a new Note of such series that reflects the changed terms. The Trustee may also place an appropriate notation on any Note of such series thereafter authenticated. However, the effectiveness of the amendment, supplement or waiver shall not be affected or impaired by any failure to annotate or exchange Notes in this fashion.

Section 9.4. Trustee's Rights and Obligations. The Trustee is entitled to receive, in addition to the documents required by Section 13.4, and will be fully protected in relying upon, an Opinion of Counsel stating (i) that the execution of any amendment, supplement or waiver authorized pursuant to this Article is authorized or permitted by this Indenture or the applicable Security Document and (ii) in the case of an amendment, supplement or waiver in connection with Section 9.1(j) that such amendment, supplement or waiver does not adversely affect the legal rights of any Holder of Notes affected by such change. If the Trustee has received such Opinion of Counsel, it shall sign the amendment, supplement or waiver so long as the same does not adversely affect the rights of the Trustee. The Trustee may, but is not obligated to, execute any amendment, supplement or waiver that affects the Trustee's own rights, duties or immunities under this Indenture.

ARTICLE X
[RESERVED]

ARTICLE XI
COLLATERAL AND SECURITY

Section 11.1. Security Documents. The payment of the principal of and interest and premium, if any, on the Notes when due, whether on an Interest Payment Date, at maturity, by acceleration, repurchase, redemption or otherwise and whether by the Issuer pursuant to the Notes or by any Guarantor pursuant to its Guarantee and the performance of all other obligations of the Issuer and the Guarantors under this Indenture, the Notes, the Guarantees and the Security Documents are secured by Pari Passu Liens on the Collateral, subject to Permitted Liens, as provided in the Security Documents which the Issuer and the Guarantors have entered into simultaneously with the execution of this Indenture, or in certain circumstances, prior to or subsequent to the Issue Date, and shall be secured as provided in the Security Documents hereafter delivered as required or permitted by this Indenture.

Section 11.2. Collateral Agent.

(a) The Issuer hereby appoints Wilmington Trust, National Association (including in its capacity as Mortgage Tax Collateral Agent and Joint Collateral Agent) to act as Collateral Agent, and the Collateral Agent shall have the duties, rights, indemnities, privileges, powers and immunities of the Collateral Agent as set forth herein and in the Security Documents. The Issuer and the Guarantors hereby agree that the Collateral Agent shall hold the Collateral in trust for the benefit of all of the Holders and the Trustee, in each case, pursuant to the terms of the Security Documents and the Collateral Agent is hereby authorized to execute and deliver the Security Documents. Subject to the Intercreditor Agreement, the Collateral Agent is authorized and empowered to appoint one or more collateral agents to act on its behalf, co-Joint Collateral Agents, co-Collateral Agents or co-Mortgage Tax Collateral Agents as it deems necessary or appropriate, including the Joint Collateral Agent.

(b) Neither the Trustee (subject to Section 7.1) nor the Collateral Agent nor any of their respective officers, directors, employees, attorneys or agents shall be responsible or liable for the legality, enforceability, effectiveness or sufficiency of the Security Documents, for the creation, perfection, priority, sufficiency, maintenance, renewal or protection of any Pari Passu Lien with respect to the Notes, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Pari Passu Liens with respect to the Notes or Security Documents or any delay in doing so; *provided, however*, that nothing in this Section 11.2(b) shall alter the Collateral Agent's obligations under Section 7.02 of the Security Agreement.

(c) The Collateral Agent shall be subject to such directions as may be given it by the Trustee from time to time (as required or permitted by this Indenture). Except as directed by the Trustee as required or permitted by this Indenture or as required or permitted by the Security Documents, the Collateral Agent shall not be obligated:

- (1) to act upon directions purported to be delivered to it by any other Person;
- (2) to foreclose upon or otherwise enforce any Pari Passu Lien with respect to the Notes and the Guarantees;
- (3) to take any other action whatsoever with regard to any or all of the Pari Passu Liens with respect to the Notes and the Guarantees, Security Documents or Collateral; or

(4) to take any other action other than as directed pursuant to Section 5.4(b).

(d) The Collateral Agent shall be accountable only for amounts that it actually receives as a result of the enforcement of the Pari Passu Liens with respect to the Notes and the Guarantees or the Security Documents.

(e) In acting as Collateral Agent or co-Collateral Agent, the Collateral Agent and each co-Collateral Agent may rely upon and enforce for its own benefit each and all of the rights, powers, immunities, indemnities and benefits of the Trustee under Article VII hereof, each of which shall also be deemed to be for the benefit of the Collateral Agent.

(f) At all times when the Trustee is not itself the Collateral Agent, the Issuer shall deliver to the Trustee copies of all Security Documents delivered to the Collateral Agent and copies of all documents delivered to the Collateral Agent pursuant to the Security Documents.

(g) Neither the Trustee nor the Collateral Agent, in their capacities as such hereunder, shall be deemed to owe any fiduciary duty to the holders of the Senior Secured Super Priority Term Loan, the holders of any Senior-Priority Lien Obligations or the holders of any Pari Passu Lien Obligations other than (with respect to the Trustee, acting as a prudent person following an Event of Default) the Notes.

Section 11.3. Authorization of Actions to be Taken.

(a) Each Holder of Notes, by its acceptance thereof, consents and agrees to the terms of each Security Document, as originally in effect on the Issue Date and as amended, supplemented or replaced from time to time (including in connection with the issuance of the Notes) in accordance with its terms or the terms of this Indenture, authorizes and directs the Trustee and the Collateral Agent to execute and deliver the Security Documents to which it is a party and authorizes and empowers the Trustee and the Collateral Agent to bind the Holders of Notes and other holders of Pari Passu Lien Obligations as set forth in the Security Documents to which it is a party and to perform its obligations and exercise its rights and powers thereunder.

(b) The Collateral Agent and the Trustee are authorized and empowered to receive for the benefit of the Holders of Notes any funds collected or distributed under the Security Documents to which the Collateral Agent or Trustee is a party and to make further distributions of such funds to the Holders of Notes according to the provisions of this Indenture.

(c) Subject to the provisions of Section 7.1 and Section 7.2, the Trustee may (but shall not be obligated), in its sole discretion and without the consent of the Holders of Notes, direct, on behalf of the Holders of Notes, the Collateral Agent to take all actions it deems necessary or appropriate in order to:

- (1) foreclose upon or otherwise enforce any or all of the Pari Passu Liens;
- (2) enforce any of the terms of the Security Documents to which the Collateral Agent or Trustee is a party; or
- (3) collect and receive payment of any and all Pari Passu Lien Obligations.

Subject to Section 5.4, Section 7.1 and Section 7.2 and the Intercreditor Agreement and the Collateral Agency Agreement, the Trustee is authorized and empowered (but shall not be obligated) to institute and maintain, or direct the Collateral Agent to institute and maintain, such suits and proceedings as it may deem expedient to protect or enforce the Pari Passu Liens or the Security Documents to which the Collateral Agent or Trustee is a party or to prevent any impairment of Collateral by any acts that may be unlawful or in violation of the Security Documents to which the Collateral Agent or Trustee is a party or this Indenture, and such suits and proceedings as the Trustee or the Collateral Agent may deem expedient to preserve or protect its interests and the interests of the Holders of Notes in the Collateral, including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of Holders of Notes, the Trustee or the Collateral Agent.

Section 11.4. Release of *Pari Passu Liens*.

(a) The Pari Passu Liens shall be released, with respect to the Notes of a series and the Guarantees thereof:

- (1) in whole, upon payment in full of the principal of, accrued and unpaid interest and premium, if any, on the Notes of such series and payment in full of all other Pari Passu Lien Obligations in respect thereof that are due and payable at or prior to the time such principal, accrued and unpaid interest and premium, if any, on the Notes of such series are paid;
- (2) in whole, upon satisfaction and discharge of this Indenture with respect to such series of Notes pursuant to Section 8.8;

(3) in whole, upon a legal defeasance or covenant defeasance of the Notes of such series pursuant to Article VIII;

(4) in part, as to any property constituting Collateral that (a) is sold, transferred or otherwise disposed of by the Company, the Issuer or one of the Restricted Subsidiaries to any Person other than the Company, the Issuer or any of its Restricted Subsidiaries (but excluding any transaction subject to Section 4.14 where the recipient is required to become the obligor on the Notes or a Guarantor) in a transaction permitted by this Indenture and the Security Documents, at the time of such sale or disposition, to the extent of the interest sold or disposed of, (b) is owned or at any time acquired by a Restricted Subsidiary that has been released from its Guarantee under this Indenture, concurrently with the release of such Guarantee or (c) consists of securities of the Issuer or a Guarantor or of K. Hovnanian JV Holdings, L.L.C. to be released as contemplated by Section 4.18(d)(iii); or

(5) in accordance with and subject to the provisions of Article IX, with the consent of Holders of the Notes of such series (including consents obtained in connection with a tender offer or exchange offer).

(b) If an instrument confirming the release of the Pari Passu Liens pursuant to Section 11.4(a) is requested by the Issuer or a Guarantor, then upon delivery to the Trustee of an Officers' Certificate requesting execution of such an instrument, accompanied by:

(1) an Opinion of Counsel confirming that such release is permitted by Section 11.4(a);

(2) all instruments requested by the Issuer to effectuate or confirm such release; and

(3) such other certificates and documents as the Trustee or Collateral Agent may reasonably request to confirm the matters set forth in Section 11.4(a) that are required by this Indenture or the Security Documents,

the Trustee shall, if such instruments and documents are reasonably satisfactory to the Trustee and Collateral Agent, instruct the Collateral Agent to execute and deliver, and the Collateral Agent shall promptly execute and deliver, such instruments.

(c) All instruments effectuating or confirming any release of any Pari Passu Liens will have the effect solely of releasing such Pari Passu Liens as to the Collateral described therein, on customary terms and without any recourse, representation, warranty or liability whatsoever.

(d) The Issuer shall bear and pay all costs and expenses associated with any release of Pari Passu Liens pursuant to this Section 11.4, including all reasonable fees and disbursements of any attorneys or representatives acting for the Trustee or for the Collateral Agent.

Section 11.5. Filing, Recording, Certificates and Opinions. (a) Any release of Collateral permitted by Section 11.4 hereof or the Security Documents will be deemed not to impair the Liens under this Indenture and the Security Documents in contravention thereof and any person that is required to deliver a certificate or opinion under this Indenture or the Security Documents, shall be entitled to rely upon the foregoing as a basis for delivery of such certificate or opinion. The Trustee may, to the extent permitted by Section 7.1 and Section 7.2 hereof, accept as conclusive evidence of compliance with the foregoing provisions the appropriate statements contained in such documents and opinion.

(b) If any Collateral is released in accordance with this Indenture or any Security Document at a time when the Trustee is not itself also the Collateral Agent and if the Issuer has delivered the certificates and documents required by the Security Documents and permitted to be delivered by Section 11.4 (if any), the Trustee will determine whether it has received all documentation required in connection with such release and, based on such determination and the Opinion of Counsel delivered pursuant to Section 11.4, if any, will, upon request, deliver a certificate to the Collateral Agent setting forth such determination.

ARTICLE XII RELEASE OF ISSUER AND GUARANTORS

Section 12.1. Release of Issuer. (a) The Issuer shall be released from its obligations under this Indenture and the Notes of a series, without the consent of the Holders of the Notes of such series, if: (1) the Company or any successor to the Company has assumed the obligations of the Issuer under this Indenture with respect to such series of Notes and such Notes, by supplemental indenture executed and delivered to the Trustee and satisfactory in form to the Trustee; (2) the Company delivers an Opinion of Counsel to the Trustee to the effect that beneficial owners of the Notes of such series will not recognize income, gain or loss for United States federal income tax purposes as a result of the release and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such release had not occurred; and (3) the Issuer shall (w) become a Guarantor of such series of Notes at such time subject to the provisions of Article VI and Section 4.11 hereof, (x) execute a supplemental indenture evidencing its Guarantee and (y) deliver an Opinion of Counsel to the Trustee to the effect that the (i) the supplemental indenture is permitted by the terms of this Indenture, (ii) the supplemental indenture has been duly authorized, executed and delivered by the Issuer and constitutes a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms (subject to customary exceptions), until such time, if any, as such Guarantee may be released as described above under Section 4.19 and Article VI and (iii) all conditions precedent to the execution of such supplemental indenture provided for in this Indenture have been complied with.

(a) A Guarantor may be released from its obligations under this Indenture, the Notes and its Guarantee in accordance with the provisions contained in Section 6.3 herein.

ARTICLE XIII
MISCELLANEOUS

Section 13.1. Trust Indenture Act. This Indenture, the Notes, the Guarantees and the Security Documents are not subject to the Trust Indenture Act except as expressly and to the extent provided for in this Indenture, the Security Documents, the Notes and the Guarantees.

Section 13.2. Holder Communications; Holder Actions

(a) Any request, demand, authorization, direction, notice, consent to amendment, supplement or waiver or other action provided by this Indenture to be given or taken by a Holder (an “**act**”) may be evidenced by an instrument signed by the Holder delivered to the Trustee. The fact and date of the execution of the instrument, or the authority of the person executing it, may be proved in any manner that the Trustee deems sufficient.

(b) Any act by the Holder of any Note binds that Holder and every subsequent Holder of a Note that evidences the same debt as the Note of the acting Holder, even if no notation thereof appears on the Note. Subject to paragraph (c), a Holder may revoke an act as to its Notes, but only if the Trustee receives the notice of revocation before the date the amendment or waiver or other consequence of the act becomes effective.

(c) The Issuer may, but is not obligated to, fix a record date (which need not be within the time limits otherwise prescribed by Trust Indenture Act § 316(c)) for the purpose of determining the Holders entitled to act with respect to any amendment or waiver or in any other regard, except that during the continuance of an Event of Default, only the Trustee may set a record date as to notices of Default, any declaration or acceleration or any other remedies or other consequences of the Event of Default. If a record date is fixed, those Persons that were Holders at such record date and only those Persons shall be entitled to act, or to revoke any previous act, whether or not those Persons continue to be Holders after the record date. No act shall be valid or effective for more than 90 days after the record date.

Section 13.3. Notices. (a) Any notice or communication to the Issuer or the Company shall be deemed given if in writing (i) when delivered in person or (ii) five days after mailing when mailed by first class mail or (iii) when sent by facsimile or electronic transmission, with transmission confirmed. Notices or communications to a Guarantor shall be deemed given if given to the Company. Any notice to the Trustee shall be deemed given if in writing and (i) delivered in person, (ii) mailed by first class mail or (iii) sent by facsimile or electronic transmission, and shall be effective only upon receipt. In each case the notice or communication should be addressed as follows:

if to the Issuer or the Company:

K. Hovnanian Enterprises, Inc.
c/o Hovnanian Enterprises, Inc.
110 West Front Street
P.O. Box 500
Red Bank, New Jersey 07701
Facsimile: (732) 383-2945
Attention: Corporate Counsel

if to the Trustee:

Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-1600
Facsimile: 302-636-4145
Attention: Global Capital Markets-K. Hovnanian Relationship Manager

The Issuer or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

(a) Except as otherwise expressly provided with respect to published notices, any notice or communication to a Holder shall be deemed given when mailed to the Holder at its address as it appears on the Register by first class mail or, as to any Global Note registered in the name of DTC or its nominee, delivered in accordance with applicable procedures of DTC. Copies of any notice or communication to a Holder, if given by the Issuer or the Company, shall be mailed to the Trustee at the same time. Defect in mailing a notice or communication to any particular Holder shall not affect its sufficiency with respect to other Holders.

(b) Where this Indenture provides for notice, the notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and the waiver will be the equivalent of the notice. Waivers of notice by Holders must be filed with the Trustee, but such filing is not a condition precedent to the validity of any action taken in reliance upon such waivers.

(c) The Trustee and the Collateral Agent agree to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods. Neither the Trustee nor the Collateral Agent shall be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's or the Collateral Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The party providing electronic instructions agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee or the Collateral Agent, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 13.4. *Certificate and Opinion as to Conditions Precedent*. Upon any request or application by the Issuer or the Company to the Trustee to take any action under this Indenture, the Issuer or the Company shall furnish to the Trustee:

(a) an Officers' Certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel stating that all such conditions precedent relating to the proposed action have been complied with.

Section 13.5. *Statements Required in Certificate or Opinion*. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture must include:

(a) a statement that each person signing the certificate or opinion has read the covenant or condition and the related definitions;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in the certificate or opinion is based;

(c) a statement that, in the opinion of each such person, that person has made such examination or investigation as is necessary to enable the person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of each such person, such condition or covenant has been complied with, *provided*, that an Opinion of Counsel may rely on an Officers' Certificate or certificates of public officials with respect to matters of fact.

Any certificate, statement or opinion of an Officer of the Issuer or the Company, as applicable, may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such Officer knows that the certificate or opinion or representations with respect to the matters upon which such certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate, statement or Opinion of Counsel may be based, insofar as it relates to factual matters on information with respect to which is in the possession of the Issuer, or the Company, as applicable, upon the certificate, statement or opinion of or representations by an officer or officers of the Issuer, or the Company, as applicable, unless such counsel knows that the certificate, statement or opinion or representations with respect to the matters upon which such certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate, statement or opinion of an Officer of the Issuer or the Company, as applicable, or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants in the employ of the Issuer or the Company, as applicable, unless such Officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which such certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate or opinion of any independent firm of public accountants filed with and directed to the Trustee shall contain a statement that such firm is independent.

Section 13.6. *Payment Date Other Than a Business Day.* If any payment with respect to a payment of any principal of, premium, if any, or interest on any Note (including any payment to be made on any date fixed for redemption or purchase of any Note) is due on a day which is not a Business Day, then the payment need not be made on such date, but may be made on the next Business Day with the same force and effect as if made on such date, and no interest shall accrue for the intervening period.

Section 13.7. Governing Law; Waiver of Jury Trial. This Indenture, the Guarantees and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

EACH OF THE ISSUER, THE COMPANY, THE GUARANTORS, THE TRUSTEE AND COLLATERAL AGENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY.

Section 13.8. No Adverse Interpretation of Other Agreements. The Indenture may not be used to interpret another indenture or loan or debt agreement of the Issuer, the Company or any Subsidiary of the Company, and no such indenture or loan or debt agreement may be used to interpret this Indenture.

Section 13.9. Successors. All agreements of the Issuer, the Company or any Guarantor in this Indenture and the Notes shall bind its successors. All agreements of the Trustee and the Collateral Agent in this Indenture shall bind its successor.

Section 13.10. Duplicate Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 13.11. Separability. To the extent permitted by applicable law, in case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13.12. Table of Contents and Headings. The Table of Contents, Cross-Reference Table and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and in no way modify or restrict any of the terms and provisions of this Indenture.

Section 13.13. No Liability of Directors, Officers, Employees, Partners, Incorporators and Stockholders. No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in the Notes, or because of any indebtedness evidenced thereby, shall be had against any incorporator, as such or against any past, present or future stockholder, officer, director or employee, as such, of the Issuer, the Company or the Guarantors or any partner of the Issuer, the Company or the Guarantors or of any successor, either directly or through the Issuer, the Company or the Guarantors or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Notes by the Holders thereof and as part of the consideration for the issue of the Notes.

Section 13.14. Provisions of Indenture for the Sole Benefit of Parties and Holders of Notes. Nothing in this Indenture or in the Notes, expressed or implied, shall give or be construed to give to any Person, other than the parties hereto and their successors and the Holders of Notes, any legal or equitable right, remedy or claim under this Indenture or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto and their successors and of the Holders of Notes.

[Signature page follows]

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused the Indenture to be duly executed as of the date first written above.

K. HOVNANIAN ENTERPRISES, INC., as Issuer

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

HOVNANIAN ENTERPRISES, INC.,
as the Company and a Guarantor

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

K. HOV IP, II, INC., as a Guarantor

By: /s/ Brad O'Connor
Name: Brad O'Connor
Title: Authorized Officer

On behalf of each entity other named in Schedule A hereto, as a
Guarantor

By: /s/ J. Larry Sorsby
Name: J. Larry Sorsby
Title: Authorized Officer

[Signature page to 10.000% Senior Secured Notes and 10.500% Senior Secured Notes Indenture]

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee
and Collateral Agent

By: /s/ John T. Needham, Jr.
Name: John T. Needham, Jr.
Title: Vice President

[Signature page to 10.000% Senior Secured Notes and 10.500% Senior Secured Notes Indenture]

GUARANTORS

ARBOR TRAILS, LLC
BUILDER SERVICES NJ, L.L.C.
BUILDER SERVICES PA, L.L.C.
EASTERN NATIONAL TITLE AGENCY, LLC
EASTERN TITLE AGENCY OF ILLINOIS, 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 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 HOVNANIAN HOMES AT MAXWELL PLACE, L.L.C.
K. HOV IP, II, INC.
K. HOVNANIAN ABERDEEN, LLC
K. HOVNANIAN ACQUISITIONS, INC.
K. HOVNANIAN AT 240 MISSOURI, LLC
K. HOVNANIAN AT 4S, LLC
K. HOVNANIAN AT AIRE ON MCDOWELL, LLC
K. HOVNANIAN AT ALISO, LLC
K. HOVNANIAN AT ALLENTOWN, L.L.C.
K. HOVNANIAN AT ANDALUSIA, LLC
K. HOVNANIAN AT ASBURY PARK URBAN RENEWAL, LLC
K. HOVNANIAN AT ASHBY PLACE, 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 BEACON PARK AREA 129 II, LLC
K. HOVNANIAN AT BEACON PARK AREA 129, LLC
K. HOVNANIAN AT BEACON PARK AREA 137, LLC
K. HOVNANIAN AT BELLA LAGO, LLC
K. HOVNANIAN AT BLACKSTONE, LLC
K. HOVNANIAN AT BOCA DUNES, LLC
K. HOVNANIAN AT BRANCHBURG II, LLC
K. HOVNANIAN AT BRANCHBURG, L.L.C.

K. HOVNANIAN AT BRANDBURG-VOLLERS, LLC
K. HOVNANIAN AT BRENFORD STATION, LLC
K. HOVNANIAN AT BRIDGEPORT, INC.
K. HOVNANIAN AT BRIDGEWATER I, L.L.C.
K. HOVNANIAN AT BRIDGEWATER II, LLC
K. HOVNANIAN AT BURCH KOVE, LLC
K. HOVNANIAN AT CAMP HILL, L.L.C.
K. HOVNANIAN AT CAPISTRANO, L.L.C.
K. HOVNANIAN AT CARLSBAD, LLC
K. HOVNANIAN AT CATANIA, LLC
K. HOVNANIAN AT CATON'S RESERVE, LLC
K. HOVNANIAN AT CEDAR GROVE III, L.L.C.
K. HOVNANIAN AT CEDAR GROVE URBAN RENEWAL, LLC
K. HOVNANIAN AT CEDAR LANE, LLC
K. HOVNANIAN AT CHARTER WAY, LLC
K. HOVNANIAN AT CHESTERFIELD, L.L.C.
K. HOVNANIAN AT CHRISTINA COURT, LLC
K. HOVNANIAN AT CIELO, L.L.C.
K. HOVNANIAN AT COASTLINE, L.L.C.
K. HOVNANIAN AT COOSAW POINT, LLC
K. HOVNANIAN AT CORAL LAGO, LLC
K. HOVNANIAN AT CORTEZ HILL, LLC
K. HOVNANIAN AT DENVILLE, L.L.C.
K. HOVNANIAN AT DEPTFORD TOWNSHIP, L.L.C.
K. HOVNANIAN AT DOYLESTOWN, LLC
K. HOVNANIAN AT DUNELLEN URBAN RENEWAL, LLC
K. HOVNANIAN AT EAST BRANDYWINE, L.L.C.
K. HOVNANIAN AT EAST BRUNSWICK III, LLC
K. HOVNANIAN AT EAST BRUNSWICK, LLC
K. HOVNANIAN AT EAST WINDSOR, LLC
K. HOVNANIAN AT EDEN TERRACE, L.L.C.
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 ESTATES AT WHEATLANDS, LLC
K. HOVNANIAN AT EVERGREEN, L.L.C.
K. HOVNANIAN AT FAIRFIELD RIDGE, LLC
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 FOX PATH AT HAMPTON LAKE, LLC
K. HOVNANIAN AT FRANKLIN II, L.L.C.
K. HOVNANIAN AT FRANKLIN, L.L.C.
K. HOVNANIAN AT FREEHOLD TOWNSHIP III, LLC
K. HOVNANIAN AT FRESNO, LLC
K. HOVNANIAN AT GALLERY, LLC
K. HOVNANIAN AT GASLAMP SQUARE, L.L.C.
K. HOVNANIAN AT GILROY 60, LLC
K. HOVNANIAN AT GILROY, LLC
K. HOVNANIAN AT GREAT NOTCH, L.L.C.
K. HOVNANIAN AT HACKETTSTOWN II, L.L.C.
K. HOVNANIAN AT HAMPTON COVE, LLC
K. HOVNANIAN AT HAMPTON LAKE, LLC
K. HOVNANIAN AT HANOVER ESTATES, LLC
K. HOVNANIAN AT HERSHEY'S MILL, INC.
K. HOVNANIAN AT HIDDEN BROOK, LLC
K. HOVNANIAN AT HILLSBOROUGH, LLC
K. HOVNANIAN AT HILLTOP RESERVE II, LLC
K. HOVNANIAN AT HILLTOP RESERVE, LLC
K. HOVNANIAN AT HOWELL FORT PLAINS, LLC
K. HOVNANIAN AT HOWELL II, LLC
K. HOVNANIAN AT HOWELL, LLC
K. HOVNANIAN AT HUDSON POINTE, L.L.C.
K. HOVNANIAN AT HUNTFIELD, LLC
K. HOVNANIAN AT INDIAN WELLS, LLC
K. HOVNANIAN AT ISLAND LAKE, LLC
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 KEYPORT, L.L.C.
K. HOVNANIAN AT LA COSTA GREENS, L.L.C.
K. HOVNANIAN AT LA LAGUNA, L.L.C.
K. HOVNANIAN AT LAKE BURDEN, LLC
K. HOVNANIAN AT LAKE LECLARE, LLC
K. HOVNANIAN AT LAKE RANCHO VIEJO, LLC
K. HOVNANIAN AT LAKE RIDGE ESTATES, LLC
K. HOVNANIAN AT LAKE TERRAPIN, L.L.C.
K. HOVNANIAN AT LEE SQUARE, L.L.C.
K. HOVNANIAN AT LENA H WOODS, LLC
K. HOVNANIAN AT LILY ORCHARD, LLC
K. HOVNANIAN AT LINK FARM, LLC
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 II, L.L.C.
K. HOVNANIAN AT MAGNOLIA PLACE, LLC
K. HOVNANIAN AT MAHWAH VI, INC.
K. HOVNANIAN AT MAIN STREET SQUARE, LLC
K. HOVNANIAN AT MALAN PARK, L.L.C.
K. HOVNANIAN AT MANALAPAN II, L.L.C.
K. HOVNANIAN AT MANALAPAN III, L.L.C.
K. HOVNANIAN AT MANALAPAN V, LLC
K. HOVNANIAN AT MANALAPAN VI, LLC
K. HOVNANIAN AT MANSFIELD II, L.L.C.
K. HOVNANIAN AT MANTECA, LLC
K. HOVNANIAN AT MAPLE AVENUE, L.L.C.
K. HOVNANIAN AT MARLBORO IX, LLC
K. HOVNANIAN AT MARLBORO TOWNSHIP IX, L.L.C.
K. HOVNANIAN AT MARLBORO TOWNSHIP V, L.L.C.
K. HOVNANIAN AT MARLBORO VI, L.L.C.
K. HOVNANIAN AT MARPLE, LLC
K. HOVNANIAN AT MEADOWRIDGE VILLAS, LLC
K. HOVNANIAN AT MELANIE MEADOWS, LLC
K. HOVNANIAN AT MENDHAM TOWNSHIP, L.L.C.
K. HOVNANIAN AT MIDDLE TOWNSHIP II, L.L.C.
K. HOVNANIAN AT MIDDLE TOWNSHIP, L.L.C.
K. HOVNANIAN AT MIDDLETOWN II, L.L.C.
K. HOVNANIAN AT MIDDLETOWN III, LLC
K. HOVNANIAN AT MIDDLETOWN, LLC
K. HOVNANIAN AT MILLVILLE I, L.L.C.
K. HOVNANIAN AT MILLVILLE II, L.L.C.
K. HOVNANIAN AT MONROE IV, L.L.C.
K. HOVNANIAN AT MONROE NJ II, LLC
K. HOVNANIAN AT MONROE NJ III, LLC
K. HOVNANIAN AT MONROE NJ, L.L.C.
K. HOVNANIAN AT MONTANA VISTA, LLC
K. HOVNANIAN AT MONTGOMERY, LLC
K. HOVNANIAN AT MONTVALE II, LLC
K. HOVNANIAN AT MONTVALE, L.L.C.
K. HOVNANIAN AT MORRIS TWP, LLC
K. HOVNANIAN AT MUIRFIELD, LLC
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 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 NORTHRIDGE ESTATES, LLC
K. HOVNANIAN AT NORTON LAKE LLC
K. HOVNANIAN AT NOTTINGHAM MEADOWS, LLC
K. HOVNANIAN AT OAK POINTE, LLC
K. HOVNANIAN AT OCEAN TOWNSHIP, INC
K. HOVNANIAN AT OCEAN VIEW BEACH CLUB, LLC
K. HOVNANIAN AT OCEANPORT, L.L.C.
K. HOVNANIAN AT OLD BRIDGE, L.L.C.
K. HOVNANIAN AT PALM VALLEY, L.L.C.
K. HOVNANIAN AT PARK PASEO, LLC
K. HOVNANIAN AT PARKSIDE, LLC
K. HOVNANIAN AT PARSIPPANY, L.L.C.
K. HOVNANIAN AT PAVILION PARK, LLC
K. HOVNANIAN AT PIAZZA D'ORO, L.L.C.
K. HOVNANIAN AT PIAZZA SERENA, L.L.C.
K. HOVNANIAN AT PICKETT RESERVE, LLC
K. HOVNANIAN AT PITTSBORO, L.L.C.
K. HOVNANIAN AT PLANTATION LAKES, L.L.C.
K. HOVNANIAN AT POINTE 16, LLC
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL V, 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 PRAIRIE POINTE, LLC
K. HOVNANIAN AT QUAIL CREEK, L.L.C.
K. HOVNANIAN AT RANCHO CABRILLO, LLC
K. HOVNANIAN AT RAPHO, L.L.C.
K. HOVNANIAN AT REDTAIL, LLC
K. HOVNANIAN AT RESERVES AT WHEATLANDS, LLC
K. HOVNANIAN AT RESIDENCE AT DISCOVERY SQUARE, LLC
K. HOVNANIAN AT RIDGEMONT, L.L.C.
K. HOVNANIAN AT ROCK LEDGE, 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 SAGEBROOK, LLC
K. HOVNANIAN AT SANTA NELLA, LLC
K. HOVNANIAN AT SAWMILL, INC.

K. HOVNANIAN AT SEASONS LANDING, LLC
K. HOVNANIAN AT SHELDON GROVE, LLC
K. HOVNANIAN AT SHREWSBURY, LLC
K. HOVNANIAN AT SIENNA HILLS, LLC
K. HOVNANIAN AT SIGNAL HILL, LLC
K. HOVNANIAN AT SILVER SPRING, L.L.C.
K. HOVNANIAN AT SILVERSTONE, LLC
K. HOVNANIAN AT SKYE ISLE, LLC
K. HOVNANIAN AT SKYE ON MCDOWELL, LLC
K. HOVNANIAN AT SMITHVILLE, INC.
K. HOVNANIAN AT SOMERSET, LLC
K. HOVNANIAN AT SOUTH BRUNSWICK II, LLC
K. HOVNANIAN AT SOUTH BRUNSWICK III, LLC
K. HOVNANIAN AT SOUTH BRUNSWICK, L.L.C.
K. HOVNANIAN AT SPRING ISLE, LLC
K. HOVNANIAN AT STANTON, LLC
K. HOVNANIAN AT STATION SQUARE, L.L.C.
K. HOVNANIAN AT SUMMERLAKE, LLC
K. HOVNANIAN AT SUNRIDGE PARK, LLC
K. HOVNANIAN AT SUNRISE TRAIL II, LLC
K. HOVNANIAN AT SUNRISE TRAIL III, LLC
K. HOVNANIAN AT TERRA BELLA TWO, LLC
K. HOVNANIAN AT THE COMMONS AT RICHMOND HILL, LLC
K. HOVNANIAN AT THE CROSBY, LLC
K. HOVNANIAN AT THE MONARCH, L.L.C.
K. HOVNANIAN AT THE PROMENADE AT BEAVER CREEK, LLC
K. HOVNANIAN AT THOMPSON RANCH, LLC
K. HOVNANIAN AT TRAFFORD PLACE, LLC
K. HOVNANIAN AT TRAIL RIDGE, LLC
K. HOVNANIAN AT TRAMORE LLC
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 VENTANA LAKES, LLC
K. HOVNANIAN AT VERONA ESTATES, LLC
K. HOVNANIAN AT VERONA URBAN RENEWAL, L.L.C.
K. HOVNANIAN AT VERRADO CASCINA, LLC
K. HOVNANIAN AT VERRADO MARKETSIDE, LLC
K. HOVNANIAN AT VICTORVILLE, L.L.C.
K. HOVNANIAN AT VINEYARD HEIGHTS, LLC
K. HOVNANIAN AT VISTA DEL SOL, L.L.C.
K. HOVNANIAN AT WALDWICK, LLC
K. HOVNANIAN AT WALKERS GROVE, LLC

K. HOVNANIAN AT WALL DONATO, LLC
K. HOVNANIAN AT WARREN TOWNSHIP II, LLC
K. HOVNANIAN AT WARREN TOWNSHIP, L.L.C.
K. HOVNANIAN AT WATERSTONE, LLC
K. HOVNANIAN AT WAYNE IX, L.L.C.
K. HOVNANIAN AT WEST VIEW ESTATES, L.L.C.
K. HOVNANIAN AT WESTBROOK, LLC
K. HOVNANIAN AT WESTSHORE, LLC
K. HOVNANIAN AT WHEELER RANCH, LLC
K. HOVNANIAN AT WHEELER WOODS, LLC
K. HOVNANIAN AT WHITEMARSH, LLC
K. HOVNANIAN AT WILDWOOD BAYSIDE, L.L.C.
K. HOVNANIAN AT WOODCREEK WEST, LLC
K. HOVNANIAN AT WOOLWICH I, L.L.C.
K. HOVNANIAN BELDEN POINTE, LLC
K. HOVNANIAN BELMONT RESERVE, LLC
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 CONTRACTORS OF OHIO, LLC
K. HOVNANIAN CORNERSTONE FARMS, LLC
K. HOVNANIAN CRAFTBUILT HOMES OF SOUTH CAROLINA, L.L.C.
K. HOVNANIAN CYPRESS KEY, LLC
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 DFW AUBURN FARMS, LLC
K. HOVNANIAN DFW BELMONT, LLC
K. HOVNANIAN DFW CREEKSIDE ESTATES II, LLC
K. HOVNANIAN DFW CREEKSIDE ESTATES, LLC
K. HOVNANIAN DFW ENCORE OF LAS COLINAS II, LLC
K. HOVNANIAN DFW ENCORE OF LAS COLINAS, LLC
K. HOVNANIAN DFW HARMON FARMS, LLC
K. HOVNANIAN DFW HERITAGE CROSSING, LLC
K. HOVNANIAN DFW HOMESTEAD, LLC
K. HOVNANIAN DFW INSPIRATION, LLC
K. HOVNANIAN DFW LEXINGTON, LLC
K. HOVNANIAN DFW LIBERTY CROSSING II, LLC
K. HOVNANIAN DFW LIBERTY CROSSING, LLC
K. HOVNANIAN DFW LIGHT FARMS II, LLC
K. HOVNANIAN DFW LIGHT FARMS, LLC
K. HOVNANIAN DFW MIDTOWN PARK, LLC
K. HOVNANIAN DFW PALISADES, LLC
K. HOVNANIAN DFW PARKSIDE, LLC
K. HOVNANIAN DFW RIDGEVIEW, LLC
K. HOVNANIAN DFW SEVENTEEN LAKES, LLC
K. HOVNANIAN DFW TRAILWOOD, LLC
K. HOVNANIAN DFW VILLAS AT MUSTANG PARK, LLC
K. HOVNANIAN DFW WELLINGTON, LLC
K. HOVNANIAN DFW WILDRIDGE, LLC
K. HOVNANIAN EASTERN PENNSYLVANIA, L.L.C.
K. HOVNANIAN EDGEBROOK, LLC
K. HOVNANIAN ENTERPRISES, INC.
K. HOVNANIAN ESTATES AT FOX CHASE, LLC
K. HOVNANIAN ESTATES AT REGENCY, L.L.C.
K. HOVNANIAN ESTATES AT WEKIVA, LLC
K. HOVNANIAN FALLS POINTE, LLC
K. HOVNANIAN FIRST HOMES, L.L.C.
K. HOVNANIAN FLORIDA REALTY, L.L.C.
K. HOVNANIAN FOREST VALLEY, LLC
K. HOVNANIAN GRAND CYPRESS, LLC
K. HOVNANIAN GRANDEFIELD, 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 HIDDEN HOLLOW, LLC
K. HOVNANIAN HIGHLAND RIDGE, LLC
K. HOVNANIAN HOLDINGS NJ, L.L.C.
K. HOVNANIAN HOMES - DFW, L.L.C.
K. HOVNANIAN HOMES AT BROOK MANOR, LLC
K. HOVNANIAN HOMES AT BURKE JUNCTION, LLC
K. HOVNANIAN HOMES AT CAMP SPRINGS, L.L.C.
K. HOVNANIAN HOMES AT CREEKSIDE, LLC
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 LEIGH MILL, LLC
K. HOVNANIAN HOMES AT PENDER OAKS, LLC
K. HOVNANIAN HOMES AT REEDY CREEK, LLC
K. HOVNANIAN HOMES AT RUSSETT, L.L.C.
K. HOVNANIAN HOMES AT SALT CREEK LANDING, LLC
K. HOVNANIAN HOMES AT SHELL HALL, LLC
K. HOVNANIAN HOMES AT SHENANDOAH SPRINGS, LLC
K. HOVNANIAN HOMES AT ST. JAMES PLACE, LLC
K. HOVNANIAN HOMES AT THE ABBY, LLC
K. HOVNANIAN HOMES AT THE HIGHLANDS, LLC
K. HOVNANIAN HOMES AT THE PADDOCKS, LLC
K. HOVNANIAN HOMES AT THOMPSON'S GRANT, LLC
K. HOVNANIAN HOMES AT WILLOWSFORD GRANT, LLC
K. HOVNANIAN HOMES AT WILLOWSFORD GREENS, 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 LONGACRE VILLAGE, L.L.C.
K. HOVNANIAN HOMES OF MARYLAND, L.L.C.
K. HOVNANIAN HOMES OF MINNESOTA AT ARBOR CREEK, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT AUTUMN MEADOWS, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT BRYNWOOD, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT CEDAR HOLLOW, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT FOUNDER'S RIDGE, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT HARPERS STREET WOODS, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT OAKS OF OXBOW, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT REGENT'S POINT, LLC
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 HOUSTON BAYOU OAKS AT WEST OREM, LLC
K. HOVNANIAN HOUSTON CAMBRIDGE HEIGHTS, LLC
K. HOVNANIAN HOUSTON CITY HEIGHTS, LLC
K. HOVNANIAN HOUSTON CREEK BEND, LLC
K. HOVNANIAN HOUSTON DRY CREEK VILLAGE, LLC
K. HOVNANIAN HOUSTON KATY POINTE, LLC
K. HOVNANIAN HOUSTON SUNSET RANCH, LLC
K. HOVNANIAN HOUSTON THUNDER BAY SUBDIVISION, LLC
K. HOVNANIAN HOUSTON TRANQUILITY LAKE ESTATES, LLC
K. HOVNANIAN HOUSTON WOODSHORE, LLC
K. HOVNANIAN INDIAN TRAILS, LLC
K. HOVNANIAN LADUE RESERVE, LLC
K. HOVNANIAN LAKES OF GREEN, LLC
K. HOVNANIAN LANDINGS 40S, LLC
K. HOVNANIAN LEGACY AT VIA BELLA, LLC
K. HOVNANIAN LIBERTY ON BLUFF CREEK, LLC
K. HOVNANIAN MANALAPAN ACQUISITION, LLC
K. HOVNANIAN MONARCH GROVE, 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 NORTHPOINTE 40S, LLC
K. HOVNANIAN NORTON PLACE, LLC
K. HOVNANIAN OF HOUSTON II, L.L.C.
K. HOVNANIAN OF OHIO, LLC
K. HOVNANIAN OHIO REALTY, 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 PRESERVE AT TURTLE CREEK LLC
K. HOVNANIAN PROPERTIES OF RED BANK, INC.
K. HOVNANIAN REYNOLDS RANCH, LLC
K. HOVNANIAN RIVENDALE, LLC
K. HOVNANIAN RIVERSIDE, LLC
K. HOVNANIAN SCHADY RESERVE, LLC
K. HOVNANIAN SHERWOOD AT REGENCY, LLC
K. HOVNANIAN SHORE ACQUISITIONS, L.L.C.
K. HOVNANIAN SOUTH FORK, LLC
K. HOVNANIAN SOUTH JERSEY ACQUISITIONS, L.L.C.

K. HOVNNANIAN SOUTHERN NEW JERSEY, L.L.C.
K. HOVNNANIAN STERLING RANCH, LLC
K. HOVNNANIAN SUMMIT HOLDINGS, L.L.C.
K. HOVNNANIAN SUMMIT HOMES OF KENTUCKY, L.L.C.
K. HOVNNANIAN SUMMIT HOMES OF PENNSYLVANIA, L.L.C.
K. HOVNNANIAN SUMMIT HOMES OF WEST VIRGINIA, L.L.C.
K. HOVNNANIAN SUMMIT HOMES, L.L.C.
K. HOVNNANIAN T&C HOMES AT FLORIDA, L.L.C.
K. HOVNNANIAN T&C HOMES AT ILLINOIS, L.L.C.
K. HOVNNANIAN TIMBRES AT ELM CREEK, LLC
K. HOVNNANIAN UNION PARK, LLC
K. HOVNNANIAN VENTURE I, L.L.C.
K. HOVNNANIAN VILLAGE GLEN, LLC
K. HOVNNANIAN WATERBURY, LLC
K. HOVNNANIAN WHITE ROAD, LLC
K. HOVNNANIAN WINDWARD HOMES, LLC
K. HOVNNANIAN WOODLAND POINTE, LLC
K. HOVNNANIAN WOODRIDGE PLACE, LLC
K. HOVNNANIAN'S FOUR SEASONS AT BAKERSFIELD, L.L.C.
K. HOVNNANIAN'S FOUR SEASONS AT BAYMONT FARMS L.L.C.
K. HOVNNANIAN'S FOUR SEASONS AT BEAUMONT, LLC
K. HOVNNANIAN'S FOUR SEASONS AT BRIARGATE, LLC
K. HOVNNANIAN'S FOUR SEASONS AT CHARLOTTESVILLE, L.L.C.
K. HOVNNANIAN'S FOUR SEASONS AT HEMET, LLC
K. HOVNNANIAN'S FOUR SEASONS AT KENT ISLAND CONDOMINIUMS, L.L.C.
K. HOVNNANIAN'S FOUR SEASONS AT KENT ISLAND, L.L.C.
K. HOVNNANIAN'S FOUR SEASONS AT LOS BANOS, LLC
K. HOVNNANIAN'S FOUR SEASONS AT MORENO VALLEY, L.L.C.
K. HOVNNANIAN'S FOUR SEASONS AT NEW KENT VINEYARDS, L.L.C.
K. HOVNNANIAN'S FOUR SEASONS AT PALM SPRINGS, LLC
K. HOVNNANIAN'S FOUR SEASONS AT RENAISSANCE, L.L.C.
K. HOVNNANIAN'S FOUR SEASONS AT RUSH CREEK II, LLC
K. HOVNNANIAN'S FOUR SEASONS AT RUSH CREEK, L.L.C.
K. HOVNNANIAN'S FOUR SEASONS AT SILVER MAPLE FARM, L.L.C.
K. HOVNNANIAN'S FOUR SEASONS AT ST. MARGARETS LANDING, L.L.C.
K. HOVNNANIAN'S FOUR SEASONS AT THE MANOR II, LLC
K. HOVNNANIAN'S FOUR SEASONS AT THE MANOR, LLC
K. HOVNNANIAN'S PARKSIDE AT TOWNGATE, L.L.C.
K. HOVNNANIAN'S VERANDA AT RIVERPARK II, LLC
K. HOVNNANIAN'S VERANDA AT RIVERPARK, LLC
KHH SHELL HALL LOAN ACQUISITION, LLC
LANDARAMA, INC.
LAUREL HIGHLANDS, LLC
M & M AT MONROE WOODS, L.L.C.

M&M AT CHESTERFIELD, L.L.C.
M&M AT CRESCENT COURT, L.L.C.
M&M AT WEST ORANGE, L.L.C.
MATZEL & MUMFORD AT EGG HARBOR, 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.
MM-BEACHFRONT NORTH I, LLC
NEW HOME REALTY, 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
SHELL HALL CLUB AMENITY ACQUISITION, LLC
SHELL HALL LAND ACQUISITION, LLC
STONEBROOK HOMES, INC.
TERRAPIN REALTY, L.L.C.
THE MATZEL & MUMFORD ORGANIZATION, INC
WASHINGTON HOMES, INC.
WOODMORE RESIDENTIAL, L.L.C.
WTC VENTURES, L.L.C.

[FACE OF NOTE]

K. HOVNANIAN ENTERPRISES, INC.

10.000% Senior Secured Notes due 2022

CUSIP No.: _____

No.

\$ _____[, or such other amount as is provided in the schedule of exchanges of interests in global notes attached hereto]

K. Hovnanian Enterprises, Inc., a California corporation (the “**Issuer**,” which term includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to _____, or its registered assigns, the principal sum of _____ DOLLARS (\$ _____), [or such other amount as is provided in the schedule of exchanges of interests in global notes attached hereto]¹, on July 15, 2022.

Interest Rate: 10.000% per annum.

Interest Payment Dates: January 15 and July 15, commencing January 15, 2018.

Record Dates: January 1 and July 1.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which will for all purposes have the same effect as if set forth at this place.

¹ For Global Notes.

IN WITNESS WHEREOF, the Issuer has caused this Note to be signed manually or by facsimile by its duly authorized officer.

Dated:

K. HOVNANIAN ENTERPRISES, INC.

By: _____
Name:
Title:

[Form of] Trustee's Certificate of Authentication

This is one of the 10.000% Senior Secured Notes due 2022 described in the Indenture referred to in this Note.

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By:

Authorized Signatory

A-I-3

[REVERSE SIDE OF NOTE]

K. HOVNANIAN ENTERPRISES, INC.

10.000% Senior Secured Notes due 2022

Capitalized terms used herein are used as defined in the Indenture referred to below unless otherwise indicated. References to “Notes” or “Note” herein refer only to the 10.000% Senior Secured Notes due 2022.

1. *Principal and Interest.*

K. Hovnanian Enterprises, Inc. (the “**Issuer**,” which term includes any successor under the Indenture hereinafter referred to), a California corporation, promises to pay the principal of this Note on July 15, 2022.

The Issuer promises to pay interest on the principal amount of this Note on each Interest Payment Date, as set forth on the face of this Note, at the rate of 10.000% per annum.

Interest will be payable semiannually (to the holders of record of the Notes at the close of business on the January 1 or July 1 immediately preceding the Interest Payment Date) on each Interest Payment Date, commencing January 15, 2018.

Interest on this Note will accrue from the most recent date to which interest has been paid on this Note or the Note surrendered in exchange for this Note (or, if there is no existing default in the payment of interest and if this Note is authenticated between a regular record date and the next Interest Payment Date, from such Interest Payment Date) or, if no interest has been paid, from [the date of issuance]. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. *Paying Agent and Registrar.*

Initially, Wilmington Trust, National Association (the “**Trustee**”) will act as Paying Agent and Registrar. The Issuer may change or appoint any Paying Agent, Registrar or co-Registrar without notice to any Holder. The Issuer or any of its Subsidiaries may act as Paying Agent, Registrar or co-Registrar.

3. *Indenture; Liens; Guarantees.*

This is one of the 10.000% Senior Secured Notes due 2022 issued under an Indenture dated as of July 27, 2017 (as amended from time to time, the “**Indenture**”), among the Issuer, the Guarantors party thereto, the Trustee and the Collateral Agent. The terms of the Notes include those stated in the Indenture and only those expressly made part of the Indenture by reference to the Trust Indenture Act, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture will control.

The Notes are general obligations of the Issuer, secured by Liens on the Collateral as described in the Indenture and the Security Documents. The Indenture limits the original aggregate principal amount of the Notes issued thereunder to \$440,000,000 but Additional Notes of the same series may be issued pursuant to the Indenture (subject to the conditions stated therein), and the originally issued Notes and all such Additional Notes vote together for all purposes as a single class. This Note is guaranteed by the Guarantors as set forth in the Indenture and the Guarantee endorsed hereon.

Reference is hereby made to the Indenture for a statement of the respective rights, duties and obligations thereunder of the Issuer, the Guarantors, the Trustee, the Collateral Agent and the Holders.

4. *Optional Redemption; Redemption with Proceeds of Equity Offering.*

(a) The Issuer may, at its option, redeem the Notes, in whole, at any time, or in part, from time to time, prior to July 15, 2019, at a redemption price equal to the sum of:

(i) 100% of the principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the redemption date, if any (subject to the right of Holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date); *plus*

(ii) the Make-Whole Amount.

The term “**Make-Whole Amount**” shall mean, in connection with any optional redemption of any Note, the excess, if any, of:

(i) the present value at such redemption date of (i) the redemption price of the Note at July 15, 2019 (such redemption price being set forth in the table appearing in 4(b) below) plus (ii) all required interest payments due on the Note through July 15, 2019 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; *over*

(ii) the principal amount of the Note being redeemed.

In no case shall the Trustee be responsible for calculating or determining the Make-Whole Amount.

“**Treasury Rate**” means, in connection with the calculation of any Make-Whole Amount with respect to any Note, as calculated by the Company, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity, as compiled by and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source or similar market data), most nearly equal to the period from the redemption date to July 15, 2019; *provided, however*, that if the period from the redemption date to July 15, 2019 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to July 15, 2019 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

(b) At any time and from time to time on or after July 15, 2019, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount set forth below for the period during which the redemption date falls plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date).

Period Commencing	Percentage
July 15, 2019	105.000%
July 15, 2020	102.500%
July 15, 2021 and thereafter	100.000%

(c) At any time and from time to time prior to July 15, 2019, the Issuer may redeem Notes with the net cash proceeds received by the Issuer from any Equity Offering at a redemption price equal to 110.000% of the principal amount plus accrued and unpaid interest to, but excluding, the applicable redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date), in an aggregate principal amount for all such redemptions not to exceed 35% of the original aggregate principal amount of the Notes (including Additional Notes of the same series), *provided that*:

- (i) in each case the redemption takes place not later than 60 days after the closing of the related Equity Offering, and
- (ii) not less than 65% of the original aggregate principal amount of the Notes (including Additional Notes of the same series) remains outstanding immediately thereafter.

(d) If Holders of not less than 90% in aggregate principal amount of the outstanding Notes of a series validly tender and do not validly withdraw such Notes in a Change of Control Offer in connection with a Change of Control and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as permitted by Section 4.12 of the Indenture, purchases of all of the Notes validly tendered and not validly withdrawn by such Holders, the Issuer or such third party shall have the right, upon not less than 10 nor more than 60 days' prior notice to the Holders (with a copy to the Trustee), given not more than 30 days following such purchase pursuant to the Change of Control Offer described in Section 4.12 of the Indenture, to redeem all Notes that remain outstanding following such purchase at a redemption price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to, but not including, the date of redemption.

If fewer than all of the Notes are being redeemed, the Notes to be redeemed shall be selected by the Trustee by lot, pro rata or such other method as the Trustee deems fair and appropriate in consultation with the Issuer, subject to applicable DTC procedures and compliance with the rules of any securities exchange on which the Notes may be listed.

Notes shall be redeemed in denominations of \$2,000 principal amount or any multiple of \$1,000 in excess thereof. Notices of any redemption may be given prior to the completion thereof, and may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of a related Equity Offering. If a redemption is subject to one or more conditions precedent, such notice shall describe each condition precedent.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions thereof called for redemption. Any notice of redemption will be given in accordance with Article III of the Indenture.

5. *Repurchase Provisions.*

If a Change of Control occurs, each Holder shall have the right, at such Holder's option, to require the Issuer to purchase all or any part (equal to \$2,000 principal amount or any multiple of \$1,000 in excess thereof) of such Holder's Notes on a date that is no later than 90 days after notice of the Change of Control, at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase as provided in, and subject to the terms of, the Indenture.

6. *Mandatory Redemption.*

There is no sinking fund for, or mandatory redemption of, the Notes.

7. *Discharge and Defeasance.*

If the Issuer deposits with the Trustee money in U.S. dollars and/or U.S. Government Obligations sufficient to pay the then outstanding principal of, premium, interest and accrued interest on the Notes to redemption or maturity, as the case may be, the Issuer, the Company and the Guarantors may in certain circumstances be discharged from the Indenture, the Notes, the Guarantees and the Security Documents or may be discharged from certain of their obligations under certain provisions of the Indenture. In such circumstances, the Liens securing the Notes and the Guarantees will also be released.

8. *Registered Form; Denominations; Transfer; Exchange.*

The Notes are in registered form only without coupons in denominations of \$2,000 principal amount and any multiple of \$1,000 in excess thereof. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. Pursuant to the Indenture, there are certain periods during which the Trustee will not be required to issue, register the transfer of, or exchange any Note or certain portions of a Note.

9. *Persons Deemed Owners.*

The registered Holder of this Note shall be treated as the owner of it for all purposes.

10. *Defaults and Remedies.²*

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Notes may declare all the Notes to be due and payable immediately. If a bankruptcy or insolvency default with respect to the Issuer or the Company occurs and is continuing, the Notes automatically become immediately due and payable. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may require reasonable indemnity or security satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of a majority in principal amount of the Notes then outstanding may direct the Trustee in its exercise of remedies.

² Note to DPW: To be modified to reflect enforcement provisions as per comments to the Indenture

11. *Amendment, Supplement and Waiver.*

Subject to certain exceptions, the Indenture, the Notes, the Guarantees and the Security Documents may be amended or supplemented, or future compliance therewith may be waived, with the consent of the Holders of a majority in principal amount of the outstanding Notes. Without notice to or the consent of any Holder, the Company, the Issuer, the Guarantors, the Trustee, the Collateral Agent, the Joint Collateral Agent and the Mortgage Tax Collateral Agent, as applicable, may amend or supplement the Indenture, the Notes, the Guarantees or the Security Documents to, among other things, cure any ambiguity, defect or inconsistency or if such amendment or supplement does not adversely affect the legal rights of any Holder. Without the consent of the Holders of at least 66²/₃% in principal amount of the Notes, the Company, the Issuer, the Guarantors, the Trustee, the Collateral Agent, the Joint Collateral Agent and the Mortgage Tax Collateral Agent may not effect a release of all or substantially all of the Collateral other than pursuant to the terms of the Security Documents or as otherwise permitted under the Indenture.

12. *Trustee Dealings With Issuer.*

The Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Issuer or its affiliates, with the same rights as if it were not Trustee; *however*, if it acquires any conflicting interest (as defined in the Trust Indenture Act), it must eliminate such conflict or resign.

13. *No Recourse Against Others.*

An incorporator, and any past, present or future director, officer, partner, employee or stockholder, as such, of the Issuer, the Company or the Guarantors shall not have any liability for any obligations of the Issuer, the Company or the Guarantors under the Notes, the Indenture or the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

14. *Governing Law.*

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

15. *CUSIP Numbers.*

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures, the Issuer has caused CUSIP numbers to be printed on the Notes, and the Trustee may use CUSIP numbers in notices as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice and reliance may be placed only on the other identification numbers placed thereon.

16. *Authentication.*

This Note is not valid until the Trustee (or Authenticating Agent) manually signs the certificate of authentication on the other side of this Note.

17. *Abbreviations.*

Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/G/M/A/ (= Uniform Gifts to Minors Act).

The Issuer will furnish a copy of the Indenture to any Holder upon written request and without charge.

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Social Security or Taxpayer Identification No.

Please print or typewrite name and address, including zip code, of assignee

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

agent to transfer this Note on the books of the Issuer with full power of substitution in the premises.

Dated: _____

Signed: _____
(sign exactly as name appears on the other side of this Note)

Signature Guarantee³: _____

³Signatures must be guaranteed by an “**eligible guarantor institution**” meeting the requirements of the Registrar, which requirements include membership or participation in the Note Transfer Agent Medallion Program (“**STAMP**”) or such other “**signature guarantee program**” as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

[THE FOLLOWING PROVISION TO BE INCLUDED ON ALL CERTIFICATES BEARING A RESTRICTED LEGEND]

In connection with any transfer of this Note occurring prior to the Resale Restriction Termination Date (as defined in this Note), the undersigned confirms that such transfer is made without utilizing any general solicitation or general advertising in connection with the transfer and further as follows:

Check One

- ☐ (1) This Note is being transferred to a “qualified institutional buyer” in compliance with Rule 144A under the Securities Act of 1933, as amended, and certification in the form of Exhibit F to the Indenture is being furnished herewith.
- ☐ (2) This Note is being transferred to a non-“U.S. Person,” as defined in Rule 902 of Regulation S under the Securities Act in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Regulation S thereunder, and certification in the form of Exhibit E to the Indenture is being furnished herewith.

or

- ☐ (3) This Note is being transferred other than in accordance with (1) or (2) above and documents are being furnished herewith which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee is not obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in the Indenture have been satisfied.

Dated: _____

Transferor

Signed: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee:⁴_____

By:_____
(To be executed by an executive officer)

⁴ Signatures must be guaranteed by an “**eligible guarantor institution**” meeting the requirements of the Registrar, which requirements include membership or participation in the Note Transfer Agent Medallion Program (“**STAMP**”) or such other “**signature guarantee program**” as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have all of this Note purchased by the Issuer pursuant to Section 4.10 or Section 4.12 of the Indenture, check the box: ☐

If you wish to have a portion of this Note purchased by the Issuer pursuant to Section 4.10 or Section 4.12 of the Indenture, state the amount (in original principal amount) below:

\$_____.

Date:_____

Your Signature:_____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee:⁵ _____

⁵ Signatures must be guaranteed by an “**eligible guarantor institution**” meeting the requirements of the Trustee, which requirements include membership or participation in the Note Transfer Agent Medallion Program (“**STAMP**”) or such other “**signature guarantee program**” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF EXCHANGES OF INTERESTS IN GLOBAL NOTES⁶

The following exchanges of a part of this Global Note for Certificated Notes or an interest in another Global Note, or exchanges of a part of another Global Note or Certificated Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in principal amount of this Global Note	Amount of increase in principal amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized officer of Trustee
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⁶ For Global Notes.

GUARANTEE

The undersigned (the “**Guarantors**”) have unconditionally guaranteed, jointly and severally (such guarantee by each Guarantor being referred to herein as the “**Guarantee**”) (i) the due and punctual payment of the principal of and interest on the Issuer’s 10.000% Senior Secured Notes due 2022 (the “**Notes**”), whether at maturity or on an Interest Payment Date, by acceleration or otherwise, on the Notes, to the extent lawful, and of all other obligations of the Issuer to the Holders or the Trustee all in accordance with the terms set forth in Article VI of the Indenture and (ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. This Guarantee is secured by Liens on the Collateral as described in the Indenture and the Security Documents.

No past, present or future stockholder, officer, director, employee, partner or incorporator, as such, of any of the Guarantors shall have any liability under the Guarantee evidenced hereby by reason of such person’s status as stockholder, officer, director, employee, partner or incorporator. Each Holder of a Note by accepting a Note waives and releases all such liability. This waiver and release are part of the consideration for the issuance of the Guarantee.

Each Holder of a Note by accepting a Note agrees that any Guarantor named below shall have no further liability with respect to its Guarantee if such Guarantor otherwise ceases to be liable in respect of its Guarantee in accordance with the terms of the Indenture.

The Guarantee evidenced hereby shall not be valid or obligatory for any purpose until the certificate of authentication on the Notes upon which the Guarantee is noted shall have been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers.

This Guarantee shall be governed by, and construed in accordance with, the laws of the State of New York.

ARBOR TRAILS, LLC
BUILDER SERVICES NJ, L.L.C.
BUILDER SERVICES PA, L.L.C.
EASTERN NATIONAL TITLE AGENCY, LLC
EASTERN TITLE AGENCY OF ILLINOIS, 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.
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 HOVNANIAN HOMES AT MAXWELL PLACE, L.L.C.
K. HOV IP, II, INC.
K. HOVNANIAN ABERDEEN, LLC
K. HOVNANIAN ACQUISITIONS, INC.
K. HOVNANIAN AT 240 MISSOURI, LLC
K. HOVNANIAN AT 4S, LLC
K. HOVNANIAN AT AIRE ON MCDOWELL, LLC
K. HOVNANIAN AT ALISO, LLC
K. HOVNANIAN AT ALLENTOWN, L.L.C.
K. HOVNANIAN AT ANDALUSIA, LLC
K. HOVNANIAN AT ASBURY PARK URBAN RENEWAL, LLC
K. HOVNANIAN AT ASHBY PLACE, 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 BEACON PARK AREA 129 II, LLC
K. HOVNANIAN AT BEACON PARK AREA 129, LLC
K. HOVNANIAN AT BEACON PARK AREA 137, LLC
K. HOVNANIAN AT BELLA LAGO, LLC
K. HOVNANIAN AT BLACKSTONE, LLC
K. HOVNANIAN AT BOCA DUNES, LLC
K. HOVNANIAN AT BRANCHBURG II, LLC
K. HOVNANIAN AT BRANCHBURG, L.L.C.
K. HOVNANIAN AT BRANCHBURG-VOLLERS, LLC
K. HOVNANIAN AT BRENFORD STATION, LLC
K. HOVNANIAN AT BRIDGEPORT, INC.
K. HOVNANIAN AT BRIDGEWATER I, L.L.C.
K. HOVNANIAN AT BRIDGEWATER II, LLC
K. HOVNANIAN AT BURCH KOVE, LLC
K. HOVNANIAN AT CAMP HILL, L.L.C.
K. HOVNANIAN AT CAPISTRANO, L.L.C.
K. HOVNANIAN AT CARLSBAD, LLC
K. HOVNANIAN AT CATANIA, LLC
K. HOVNANIAN AT CATON'S RESERVE, LLC

K. HOVNANIAN AT CEDAR GROVE III, L.L.C.
K. HOVNANIAN AT CEDAR GROVE URBAN RENEWAL, LLC
K. HOVNANIAN AT CEDAR LANE, LLC
K. HOVNANIAN AT CHARTER WAY, LLC
K. HOVNANIAN AT CHESTERFIELD, L.L.C.
K. HOVNANIAN AT CHRISTINA COURT, LLC
K. HOVNANIAN AT CIELO, L.L.C.
K. HOVNANIAN AT COASTLINE, L.L.C.
K. HOVNANIAN AT COOSAW POINT, LLC
K. HOVNANIAN AT CORAL LAGO, LLC
K. HOVNANIAN AT CORTEZ HILL, LLC
K. HOVNANIAN AT DENVILLE, L.L.C.
K. HOVNANIAN AT DEPTFORD TOWNSHIP, L.L.C.
K. HOVNANIAN AT DOYLESTOWN, LLC
K. HOVNANIAN AT DUNELLEN URBAN RENEWAL, LLC
K. HOVNANIAN AT EAST BRANDYWINE, L.L.C.
K. HOVNANIAN AT EAST BRUNSWICK III, LLC
K. HOVNANIAN AT EAST BRUNSWICK, LLC
K. HOVNANIAN AT EAST WINDSOR, LLC
K. HOVNANIAN AT EDEN TERRACE, L.L.C.
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 ESTATES AT WHEATLANDS, LLC
K. HOVNANIAN AT EVERGREEN, L.L.C.
K. HOVNANIAN AT FAIRFIELD RIDGE, LLC
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 FOX PATH AT HAMPTON LAKE, LLC
K. HOVNANIAN AT FRANKLIN II, L.L.C.
K. HOVNANIAN AT FRANKLIN, L.L.C.
K. HOVNANIAN AT FREEHOLD TOWNSHIP III, LLC
K. HOVNANIAN AT FRESNO, LLC
K. HOVNANIAN AT GALLERY, LLC
K. HOVNANIAN AT GASLAMP SQUARE, L.L.C.
K. HOVNANIAN AT GILROY 60, LLC
K. HOVNANIAN AT GILROY, LLC
K. HOVNANIAN AT GREAT NOTCH, L.L.C.

K. HOVNANIAN AT HACKETTSTOWN II, L.L.C.
K. HOVNANIAN AT HAMPTON COVE, LLC
K. HOVNANIAN AT HAMPTON LAKE, LLC
K. HOVNANIAN AT HANOVER ESTATES, LLC
K. HOVNANIAN AT HERSHEY'S MILL, INC.
K. HOVNANIAN AT HIDDEN BROOK, LLC
K. HOVNANIAN AT HILLSBOROUGH, LLC
K. HOVNANIAN AT HILLTOP RESERVE II, LLC
K. HOVNANIAN AT HILLTOP RESERVE, LLC
K. HOVNANIAN AT HOWELL FORT PLAINS, LLC
K. HOVNANIAN AT HOWELL II, LLC
K. HOVNANIAN AT HOWELL, LLC
K. HOVNANIAN AT HUDSON POINTE, L.L.C.
K. HOVNANIAN AT HUNTFIELD, LLC
K. HOVNANIAN AT INDIAN WELLS, LLC
K. HOVNANIAN AT ISLAND LAKE, LLC
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 KEYPORT, L.L.C.
K. HOVNANIAN AT LA COSTA GREENS, L.L.C.
K. HOVNANIAN AT LA LAGUNA, L.L.C.
K. HOVNANIAN AT LAKE BURDEN, LLC
K. HOVNANIAN AT LAKE LECLARE, LLC
K. HOVNANIAN AT LAKE RANCHO VIEJO, LLC
K. HOVNANIAN AT LAKE RIDGE ESTATES, LLC
K. HOVNANIAN AT LAKE TERRAPIN, L.L.C.
K. HOVNANIAN AT LEE SQUARE, L.L.C.
K. HOVNANIAN AT LENAHO WOODS, LLC
K. HOVNANIAN AT LILY ORCHARD, LLC
K. HOVNANIAN AT LINK FARM, LLC
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 II, L.L.C.
K. HOVNANIAN AT MAGNOLIA PLACE, LLC
K. HOVNANIAN AT MAHWAH VI, INC.
K. HOVNANIAN AT MAIN STREET SQUARE, LLC
K. HOVNANIAN AT MALAN PARK, L.L.C.
K. HOVNANIAN AT MANALAPAN II, L.L.C.
K. HOVNANIAN AT MANALAPAN III, L.L.C.

K. HOVNANIAN AT MANALAPAN V, LLC
K. HOVNANIAN AT MANALAPAN VI, LLC
K. HOVNANIAN AT MANSFIELD II, L.L.C.
K. HOVNANIAN AT MANTECA, LLC
K. HOVNANIAN AT MAPLE AVENUE, L.L.C.
K. HOVNANIAN AT MARLBORO IX, LLC
K. HOVNANIAN AT MARLBORO TOWNSHIP IX, L.L.C.
K. HOVNANIAN AT MARLBORO TOWNSHIP V, L.L.C.
K. HOVNANIAN AT MARLBORO VI, L.L.C.
K. HOVNANIAN AT MARPLE, LLC
K. HOVNANIAN AT MEADOWRIDGE VILLAS, LLC
K. HOVNANIAN AT MELANIE MEADOWS, LLC
K. HOVNANIAN AT MENDHAM TOWNSHIP, L.L.C.
K. HOVNANIAN AT MIDDLE TOWNSHIP II, L.L.C.
K. HOVNANIAN AT MIDDLE TOWNSHIP, L.L.C.
K. HOVNANIAN AT MIDDLETOWN II, L.L.C.
K. HOVNANIAN AT MIDDLETOWN III, LLC
K. HOVNANIAN AT MIDDLETOWN, LLC
K. HOVNANIAN AT MILLVILLE I, L.L.C.
K. HOVNANIAN AT MILLVILLE II, L.L.C.
K. HOVNANIAN AT MONROE IV, L.L.C.
K. HOVNANIAN AT MONROE NJ II, LLC
K. HOVNANIAN AT MONROE NJ III, LLC
K. HOVNANIAN AT MONROE NJ, L.L.C.
K. HOVNANIAN AT MONTANA VISTA, LLC
K. HOVNANIAN AT MONTGOMERY, LLC
K. HOVNANIAN AT MONTVALE II, LLC
K. HOVNANIAN AT MONTVALE, L.L.C.
K. HOVNANIAN AT MORRIS TWP, LLC
K. HOVNANIAN AT MUIRFIELD, LLC
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 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 NORTHRIDGE ESTATES, LLC
K. HOVNANIAN AT NORTON LAKE LLC
K. HOVNANIAN AT NOTTINGHAM MEADOWS, LLC
K. HOVNANIAN AT OAK POINTE, LLC
K. HOVNANIAN AT OCEAN TOWNSHIP, INC

K. HOVNANIAN AT OCEAN VIEW BEACH CLUB, LLC
K. HOVNANIAN AT OCEANPORT, L.L.C.
K. HOVNANIAN AT OLD BRIDGE, L.L.C.
K. HOVNANIAN AT PALM VALLEY, L.L.C.
K. HOVNANIAN AT PARK PASEO, LLC
K. HOVNANIAN AT PARKSIDE, LLC
K. HOVNANIAN AT PARSIPPANY, L.L.C.
K. HOVNANIAN AT PAVILION PARK, LLC
K. HOVNANIAN AT PIAZZA D'ORO, L.L.C.
K. HOVNANIAN AT PIAZZA SERENA, L.L.C.
K. HOVNANIAN AT PICKETT RESERVE, LLC
K. HOVNANIAN AT PITTSBORO, L.L.C.
K. HOVNANIAN AT PLANTATION LAKES, L.L.C.
K. HOVNANIAN AT POINTE 16, LLC
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL V, 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 PRAIRIE POINTE, LLC
K. HOVNANIAN AT QUAIL CREEK, L.L.C.
K. HOVNANIAN AT RANCHO CABRILLO, LLC
K. HOVNANIAN AT RAPHO, L.L.C.
K. HOVNANIAN AT REDTAIL, LLC
K. HOVNANIAN AT RESERVES AT WHEATLANDS, LLC
K. HOVNANIAN AT RESIDENCE AT DISCOVERY SQUARE, LLC
K. HOVNANIAN AT RIDGEMONT, L.L.C.
K. HOVNANIAN AT ROCK LEDGE, 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 SAGEBROOK, LLC
K. HOVNANIAN AT SANTA NELLA, LLC
K. HOVNANIAN AT SAWMILL, INC.
K. HOVNANIAN AT SEASONS LANDING, LLC
K. HOVNANIAN AT SHELDON GROVE, LLC
K. HOVNANIAN AT SHREWSBURY, LLC
K. HOVNANIAN AT SIENNA HILLS, LLC
K. HOVNANIAN AT SIGNAL HILL, LLC
K. HOVNANIAN AT SILVER SPRING, L.L.C.
K. HOVNANIAN AT SILVERSTONE, LLC
K. HOVNANIAN AT SKYE ISLE, LLC
K. HOVNANIAN AT SKYE ON MCDOWELL, LLC
K. HOVNANIAN AT SMITHVILLE, INC.
K. HOVNANIAN AT SOMERSET, LLC

K. HOVNANIAN AT SOUTH BRUNSWICK II, LLC
K. HOVNANIAN AT SOUTH BRUNSWICK III, LLC
K. HOVNANIAN AT SOUTH BRUNSWICK, L.L.C.
K. HOVNANIAN AT SPRING ISLE, LLC
K. HOVNANIAN AT STANTON, LLC
K. HOVNANIAN AT STATION SQUARE, L.L.C.
K. HOVNANIAN AT SUMMERLAKE, LLC
K. HOVNANIAN AT SUNRIDGE PARK, LLC
K. HOVNANIAN AT SUNRISE TRAIL II, LLC
K. HOVNANIAN AT SUNRISE TRAIL III, LLC
K. HOVNANIAN AT TERRA BELLA TWO, LLC
K. HOVNANIAN AT THE COMMONS AT RICHMOND HILL, LLC
K. HOVNANIAN AT THE CROSBY, LLC
K. HOVNANIAN AT THE MONARCH, L.L.C.
K. HOVNANIAN AT THE PROMENADE AT BEAVER CREEK, LLC
K. HOVNANIAN AT THOMPSON RANCH, LLC
K. HOVNANIAN AT TRAFFORD PLACE, LLC
K. HOVNANIAN AT TRAIL RIDGE, LLC
K. HOVNANIAN AT TRAMORE LLC
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 VENTANA LAKES, LLC
K. HOVNANIAN AT VERONA ESTATES, LLC
K. HOVNANIAN AT VERONA URBAN RENEWAL, L.L.C.
K. HOVNANIAN AT VERRADO CASCINA, LLC
K. HOVNANIAN AT VERRADO MARKETSIDE, LLC
K. HOVNANIAN AT VICTORVILLE, L.L.C.
K. HOVNANIAN AT VINEYARD HEIGHTS, LLC
K. HOVNANIAN AT VISTA DEL SOL, L.L.C.
K. HOVNANIAN AT WALDWICK, LLC
K. HOVNANIAN AT WALKERS GROVE, LLC
K. HOVNANIAN AT WALL DONATO, LLC
K. HOVNANIAN AT WARREN TOWNSHIP II, LLC
K. HOVNANIAN AT WARREN TOWNSHIP, L.L.C.
K. HOVNANIAN AT WATERSTONE, LLC
K. HOVNANIAN AT WAYNE IX, L.L.C.
K. HOVNANIAN AT WEST VIEW ESTATES, L.L.C.
K. HOVNANIAN AT WESTBROOK, LLC
K. HOVNANIAN AT WESTSHORE, LLC
K. HOVNANIAN AT WHEELER RANCH, LLC
K. HOVNANIAN AT WHEELER WOODS, LLC
K. HOVNANIAN AT WHITEMARSH, LLC

K. HOVNANIAN AT WILDWOOD BAYSIDE, L.L.C.
K. HOVNANIAN AT WOODCREEK WEST, LLC
K. HOVNANIAN AT WOOLWICH I, L.L.C.
K. HOVNANIAN BELDEN POINTE, LLC
K. HOVNANIAN BELMONT RESERVE, LLC
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 CONTRACTORS OF OHIO, LLC
K. HOVNANIAN CORNERSTONE FARMS, LLC
K. HOVNANIAN CRAFTBUILT HOMES OF SOUTH CAROLINA, L.L.C.
K. HOVNANIAN CYPRESS KEY, LLC
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 DFW AUBURN FARMS, LLC
K. HOVNANIAN DFW BELMONT, LLC
K. HOVNANIAN DFW CREEKSIDE ESTATES II, LLC

K. HOVNANIAN DFW CREEKSIDE ESTATES, LLC
K. HOVNANIAN DFW ENCORE OF LAS COLINAS II, LLC
K. HOVNANIAN DFW ENCORE OF LAS COLINAS, LLC
K. HOVNANIAN DFW HARMON FARMS, LLC
K. HOVNANIAN DFW HERITAGE CROSSING, LLC
K. HOVNANIAN DFW HOMESTEAD, LLC
K. HOVNANIAN DFW INSPIRATION, LLC
K. HOVNANIAN DFW LEXINGTON, LLC
K. HOVNANIAN DFW LIBERTY CROSSING II, LLC
K. HOVNANIAN DFW LIBERTY CROSSING, LLC
K. HOVNANIAN DFW LIGHT FARMS II, LLC
K. HOVNANIAN DFW LIGHT FARMS, LLC
K. HOVNANIAN DFW MIDTOWN PARK, LLC
K. HOVNANIAN DFW PALISADES, LLC
K. HOVNANIAN DFW PARKSIDE, LLC
K. HOVNANIAN DFW RIDGEVIEW, LLC
K. HOVNANIAN DFW SEVENTEEN LAKES, LLC
K. HOVNANIAN DFW TRAILWOOD, LLC
K. HOVNANIAN DFW VILLAS AT MUSTANG PARK, LLC
K. HOVNANIAN DFW WELLINGTON, LLC
K. HOVNANIAN DFW WILDRIDGE, LLC
K. HOVNANIAN EASTERN PENNSYLVANIA, L.L.C.
K. HOVNANIAN EDGEBROOK, LLC
K. HOVNANIAN ENTERPRISES, INC.
K. HOVNANIAN ESTATES AT FOX CHASE, LLC
K. HOVNANIAN ESTATES AT REGENCY, L.L.C.
K. HOVNANIAN ESTATES AT WEKIVA, LLC
K. HOVNANIAN FALLS POINTE, LLC
K. HOVNANIAN FIRST HOMES, L.L.C.
K. HOVNANIAN FLORIDA REALTY, L.L.C.
K. HOVNANIAN FOREST VALLEY, LLC
K. HOVNANIAN GRAND CYPRESS, LLC
K. HOVNANIAN GRANDEFIELD, 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 HIDDEN HOLLOW, LLC
K. HOVNANIAN HIGHLAND RIDGE, LLC
K. HOVNANIAN HOLDINGS NJ, L.L.C.
K. HOVNANIAN HOMES - DFW, L.L.C.
K. HOVNANIAN HOMES AT BROOK MANOR, LLC
K. HOVNANIAN HOMES AT BURKE JUNCTION, LLC
K. HOVNANIAN HOMES AT CAMP SPRINGS, L.L.C.
K. HOVNANIAN HOMES AT CREEKSIDE, LLC

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 LEIGH MILL, LLC
K. HOVNANIAN HOMES AT PENDER OAKS, LLC
K. HOVNANIAN HOMES AT REEDY CREEK, LLC
K. HOVNANIAN HOMES AT RUSSETT, L.L.C.
K. HOVNANIAN HOMES AT SALT CREEK LANDING, LLC
K. HOVNANIAN HOMES AT SHELL HALL, LLC
K. HOVNANIAN HOMES AT SHENANDOAH SPRINGS, LLC
K. HOVNANIAN HOMES AT ST. JAMES PLACE, LLC
K. HOVNANIAN HOMES AT THE ABBY, LLC
K. HOVNANIAN HOMES AT THE HIGHLANDS, LLC
K. HOVNANIAN HOMES AT THE PADDOCKS, LLC
K. HOVNANIAN HOMES AT THOMPSON'S GRANT, LLC
K. HOVNANIAN HOMES AT WILLOWSFORD GRANT, LLC
K. HOVNANIAN HOMES AT WILLOWSFORD GREENS, 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 LONGACRE VILLAGE, L.L.C.
K. HOVNANIAN HOMES OF MARYLAND, L.L.C.
K. HOVNANIAN HOMES OF MINNESOTA AT ARBOR CREEK, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT AUTUMN MEADOWS, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT BRYNWOOD, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT CEDAR HOLLOW, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT FOUNDER'S RIDGE, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT HARPERS STREET WOODS, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT OAKS OF OXBOW, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT REGENT'S POINT, LLC
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 HOUSTON BAYOU OAKS AT WEST OREM, LLC
K. HOVNANIAN HOUSTON CAMBRIDGE HEIGHTS, LLC
K. HOVNANIAN HOUSTON CITY HEIGHTS, LLC
K. HOVNANIAN HOUSTON CREEK BEND, LLC
K. HOVNANIAN HOUSTON DRY CREEK VILLAGE, LLC
K. HOVNANIAN HOUSTON KATY POINTE, LLC

K. HOVNANIAN HOUSTON SUNSET RANCH, LLC
K. HOVNANIAN HOUSTON THUNDER BAY SUBDIVISION, LLC
K. HOVNANIAN HOUSTON TRANQUILITY LAKE ESTATES, LLC
K. HOVNANIAN HOUSTON WOODSHORE, LLC
K. HOVNANIAN INDIAN TRAILS, LLC
K. HOVNANIAN LADUE RESERVE, LLC
K. HOVNANIAN LAKES OF GREEN, LLC
K. HOVNANIAN LANDINGS 40S, LLC
K. HOVNANIAN LEGACY AT VIA BELLA, LLC
K. HOVNANIAN LIBERTY ON BLUFF CREEK, LLC
K. HOVNANIAN MANALAPAN ACQUISITION, LLC
K. HOVNANIAN MONARCH GROVE, 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 NORTHPOINTE 40S, LLC
K. HOVNANIAN NORTON PLACE, LLC
K. HOVNANIAN OF HOUSTON II, L.L.C.
K. HOVNANIAN OF OHIO, LLC
K. HOVNANIAN OHIO REALTY, 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 PRESERVE AT TURTLE CREEK LLC
K. HOVNANIAN PROPERTIES OF RED BANK, INC.
K. HOVNANIAN REYNOLDS RANCH, LLC
K. HOVNANIAN RIVENDALE, LLC
K. HOVNANIAN RIVERSIDE, LLC
K. HOVNANIAN SCHADY RESERVE, LLC
K. HOVNANIAN SHERWOOD AT REGENCY, LLC
K. HOVNANIAN SHORE ACQUISITIONS, L.L.C.
K. HOVNANIAN SOUTH FORK, LLC
K. HOVNANIAN SOUTH JERSEY ACQUISITIONS, L.L.C.
K. HOVNANIAN SOUTHERN NEW JERSEY, L.L.C.
K. HOVNANIAN STERLING RANCH, LLC
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 UNION PARK, LLC

K. HOVNANIAN VENTURE I, L.L.C.
K. HOVNANIAN VILLAGE GLEN, LLC
K. HOVNANIAN WATERBURY, LLC
K. HOVNANIAN WHITE ROAD, LLC
K. HOVNANIAN WINDWARD HOMES, LLC
K. HOVNANIAN WOODLAND POINTE, LLC
K. HOVNANIAN WOODRIDGE PLACE, LLC
K. HOVNANIAN'S FOUR SEASONS AT BAKERSFIELD, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT BAYMONT FARMS L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT BEAUMONT, LLC
K. HOVNANIAN'S FOUR SEASONS AT BRIARGATE, 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 SILVER MAPLE FARM, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT ST. MARGARETS LANDING, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT THE MANOR II, LLC
K. HOVNANIAN'S FOUR SEASONS AT THE MANOR, LLC
K. HOVNANIAN'S PARKSIDE AT TOWNGATE, L.L.C.
K. HOVNANIAN'S VERANDA AT RIVERPARK II, LLC
K. HOVNANIAN'S VERANDA AT RIVERPARK, LLC
KHH SHELL HALL LOAN ACQUISITION, LLC
LANDARAMA, INC.
LAUREL HIGHLANDS, LLC
M & M AT MONROE WOODS, L.L.C.
M&M AT CHESTERFIELD, L.L.C.
M&M AT CRESCENT COURT, L.L.C.
M&M AT WEST ORANGE, L.L.C.
MATZEL & MUMFORD AT EGG HARBOR, 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.
MM-BEACHFRONT NORTH I, LLC

NEW HOME REALTY, 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
SHELL HALL CLUB AMENITY ACQUISITION, LLC
SHELL HALL LAND ACQUISITION, LLC
STONEBROOK HOMES, INC.
TERRAPIN REALTY, L.L.C.
THE MATZEL & MUMFORD ORGANIZATION, INC
WASHINGTON HOMES, INC.
WOODMORE RESIDENTIAL, L.L.C.
WTC VENTURES, L.L.C.

By: _____
Name:
Title: Authorized Officer

[This Guarantee relates to K. Hovnanian Enterprises, Inc.’s 10.000% Senior Secured Notes due 2022 – CUSIP No.:]

[FACE OF NOTE]

K. HOVNANIAN ENTERPRISES, INC.

10.500% Senior Secured Notes due 2024

CUSIP No.: _____

No.

\$ _____[, or such other amount as is provided in the schedule of exchanges of interests in global notes attached hereto]

K. Hovnanian Enterprises, Inc., a California corporation (the “**Issuer**,” which term includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to _____, or its registered assigns, the principal sum of _____ DOLLARS (\$ _____), [or such other amount as is provided in the schedule of exchanges of interests in global notes attached hereto]¹, on July 15, 2024.

Interest Rate: 10.500% per annum.

Interest Payment Dates: January 15 and July 15, commencing January 15, 2018.

Record Dates: January 1 and July 1.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which will for all purposes have the same effect as if set forth at this place.

¹ For Global Notes.

IN WITNESS WHEREOF, the Issuer has caused this Note to be signed manually or by facsimile by its duly authorized officer.

Dated:

K. HOVNANIAN ENTERPRISES, INC.

By:

Name:

Title:

[Form of] Trustee's Certificate of Authentication

This is one of the 10.500% Senior Secured Notes due 2024 described in the Indenture referred to in this Note.

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By:

Authorized Signatory

A-II-3

[REVERSE SIDE OF NOTE]

K. HOVNANIAN ENTERPRISES, INC.

10.500% Senior Secured Notes due 2024

Capitalized terms used herein are used as defined in the Indenture referred to below unless otherwise indicated. References to “Notes” or “Note” herein refer to only the 10.500% Senior Secured Notes due 2024.

1. *Principal and Interest.*

K. Hovnanian Enterprises, Inc. (the “**Issuer**,” which term includes any successor under the Indenture hereinafter referred to), a California corporation, promises to pay the principal of this Note on July 15, 2024.

The Issuer promises to pay interest on the principal amount of this Note on each Interest Payment Date, as set forth on the face of this Note, at the rate of 10.500% per annum.

Interest will be payable semiannually (to the holders of record of the Notes at the close of business on the January 1 or July 1 immediately preceding the Interest Payment Date) on each Interest Payment Date, commencing January 15, 2018.

Interest on this Note will accrue from the most recent date to which interest has been paid on this Note or the Note surrendered in exchange for this Note (or, if there is no existing default in the payment of interest and if this Note is authenticated between a regular record date and the next Interest Payment Date, from such Interest Payment Date) or, if no interest has been paid, from [the date of issuance]. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. *Paying Agent and Registrar.*

Initially, Wilmington Trust, National Association (the “**Trustee**”) will act as Paying Agent and Registrar. The Issuer may change or appoint any Paying Agent, Registrar or co-Registrar without notice to any Holder. The Issuer or any of its Subsidiaries may act as Paying Agent, Registrar or co-Registrar.

3. *Indenture; Liens; Guarantees.*

This is one of the 10.500% Senior Secured Notes due 2024 issued under an Indenture dated as of July 27, 2017 (as amended from time to time, the “**Indenture**”), among the Issuer, the Guarantors party thereto, the Trustee and the Collateral Agent. The terms of the Notes include those stated in the Indenture and only those expressly made part of the Indenture by reference to the Trust Indenture Act, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture will control.

The Notes are general obligations of the Issuer, secured by Liens on the Collateral as described in the Indenture and the Security Documents. The Indenture limits the original aggregate principal amount of the Notes issued thereunder to \$400,000,000 but Additional Notes of the same series may be issued pursuant to the Indenture (subject to the conditions stated therein), and the originally issued Notes and all such Additional Notes vote together for all purposes as a single class. This Note is guaranteed by the Guarantors as set forth in the Indenture and the Guarantee endorsed hereon.

Reference is hereby made to the Indenture for a statement of the respective rights, duties and obligations thereunder of the Issuer, the Guarantors, the Trustee, the Collateral Agent and the Holders.

4. *Optional Redemption; Redemption with Proceeds of Equity Offering.*

(a) The Issuer may, at its option, redeem the Notes, in whole, at any time, or in part, from time to time, prior to July 15, 2020, at a redemption price equal to the sum of:

(i) 100% of the principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the redemption date, if any (subject to the right of Holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date); *plus*

(ii) the Make-Whole Amount.

The term “**Make-Whole Amount**” shall mean, in connection with any optional redemption of any Note, the excess, if any, of:

(i) the present value at such redemption date of (i) the redemption price of the Note at July 15, 2020 (such redemption price being set forth in the table appearing in 4(b) below) plus (ii) all required interest payments due on the Note through July 15, 2020 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; *over*

(ii) the principal amount of the Note being redeemed.

In no case shall the Trustee be responsible for calculating or determining the Make-Whole Amount.

“**Treasury Rate**” means, in connection with the calculation of any Make-Whole Amount with respect to any Note, as calculated by the Company, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity, as compiled by and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source or similar market data), most nearly equal to the period from the redemption date to July 15, 2020; *provided, however*, that if the period from the redemption date to July 15, 2020 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to July 15, 2020 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

(b) At any time and from time to time on or after July 15, 2020, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount set forth below for the period during which the redemption date falls plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date).

Period Commencing	Percentage
July 15, 2020	100.525%
July 15, 2021	102.625%
July 15, 2022 and thereafter	100.000%

(c) At any time and from time to time prior to July 15, 2020, the Issuer may redeem Notes with the net cash proceeds received by the Issuer from any Equity Offering at a redemption price equal to 110.500% of the principal amount plus accrued and unpaid interest to, but excluding, the applicable redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date), in an aggregate principal amount for all such redemptions not to exceed 35% of the original aggregate principal amount of the Notes (including Additional Notes of the same series), *provided that*:

- (i) in each case the redemption takes place not later than 60 days after the closing of the related Equity Offering, and
- (ii) not less than 65% of the original aggregate principal amount of the Notes (including Additional Notes of the same series) remains outstanding immediately thereafter.

(d) If Holders of not less than 90% in aggregate principal amount of the outstanding Notes of a series validly tender and do not validly withdraw such Notes in a Change of Control Offer in connection with a Change of Control and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as permitted by Section 4.12 of the Indenture, purchases of all of the Notes validly tendered and not validly withdrawn by such Holders, the Issuer or such third party shall have the right, upon not less than 10 nor more than 60 days' prior notice to the Holders (with a copy to the Trustee), given not more than 30 days following such purchase pursuant to the Change of Control Offer described in Section 4.12 of the Indenture, to redeem all Notes that remain outstanding following such purchase at a redemption price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to, but not including, the date of redemption.

If fewer than all of the Notes are being redeemed, the Notes to be redeemed shall be selected by the Trustee by lot, pro rata or such other method as the Trustee deems fair and appropriate in consultation with the Issuer, subject to applicable DTC procedures and compliance with the rules of any securities exchange on which the Notes may be listed.

Notes shall be redeemed in denominations of \$2,000 principal amount or any multiple of \$1,000 in excess thereof. Notices of any redemption may be given prior to the completion thereof, and may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of a related Equity Offering. If a redemption is subject to one or more conditions precedent, such notice shall describe each condition precedent.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions thereof called for redemption. Any notice of redemption will be given in accordance with Article III of the Indenture.

5. *Repurchase Provisions.*

If a Change of Control occurs, each Holder shall have the right, at such Holder's option, to require the Issuer to purchase all or any part (equal to \$2,000 principal amount or any multiple of \$1,000 in excess thereof) of such Holder's Notes on a date that is no later than 90 days after notice of the Change of Control, at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase as provided in, and subject to the terms of, the Indenture.

6. *Mandatory Redemption.*

There is no sinking fund for, or mandatory redemption of, the Notes.

7. *Discharge and Defeasance.*

If the Issuer deposits with the Trustee money in U.S. dollars and/or U.S. Government Obligations sufficient to pay the then outstanding principal of, premium, interest and accrued interest on the Notes to redemption or maturity, as the case may be, the Issuer, the Company and the Guarantors may in certain circumstances be discharged from the Indenture, the Notes, the Guarantees and the Security Documents or may be discharged from certain of their obligations under certain provisions of the Indenture. In such circumstances, the Liens securing the Notes and the Guarantees will also be released.

8. *Registered Form; Denominations; Transfer; Exchange.*

The Notes are in registered form only without coupons in denominations of \$2,000 principal amount and any multiple of \$1,000 in excess thereof. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. Pursuant to the Indenture, there are certain periods during which the Trustee will not be required to issue, register the transfer of, or exchange any Note or certain portions of a Note.

9. *Persons Deemed Owners.*

The registered Holder of this Note shall be treated as the owner of it for all purposes.

10. *Defaults and Remedies.²*

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Notes may declare all the Notes to be due and payable immediately. If a bankruptcy or insolvency default with respect to the Issuer or the Company occurs and is continuing, the Notes automatically become immediately due and payable. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may require reasonable indemnity or security satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of a majority in principal amount of the Notes then outstanding may direct the Trustee in its exercise of remedies.

² Note to DPW: To be updated to reflect collateral enforcement provisions as per comments to the Indenture.

11. *Amendment, Supplement and Waiver.*

Subject to certain exceptions, the Indenture, the Notes, the Guarantees and the Security Documents may be amended or supplemented, or future compliance therewith may be waived, with the consent of the Holders of a majority in principal amount of the outstanding Notes. Without notice to or the consent of any Holder, the Company, the Issuer, the Guarantors, the Trustee, the Collateral Agent, the Joint Collateral Agent and the Mortgage Tax Collateral Agent, as applicable, may amend or supplement the Indenture, the Notes, the Guarantees or the Security Documents to, among other things, cure any ambiguity, defect or inconsistency or if such amendment or supplement does not adversely affect the legal rights of any Holder. Without the consent of the Holders of at least 66²/₃% in principal amount of the Notes, the Company, the Issuer, the Guarantors, the Trustee, the Collateral Agent, the Joint Collateral Agent and the Mortgage Tax Collateral Agent may not effect a release of all or substantially all of the Collateral other than pursuant to the terms of the Security Documents or as otherwise permitted under the Indenture.

12. *Trustee Dealings With Issuer.*

The Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Issuer or its affiliates, with the same rights as if it were not Trustee; *however*, if it acquires any conflicting interest (as defined in the Trust Indenture Act), it must eliminate such conflict or resign.

13. *No Recourse Against Others.*

An incorporator, and any past, present or future director, officer, partner, employee or stockholder, as such, of the Issuer, the Company or the Guarantors shall not have any liability for any obligations of the Issuer, the Company or the Guarantors under the Notes, the Indenture or the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

14. *Governing Law.*

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

15. *CUSIP Numbers.*

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures, the Issuer has caused CUSIP numbers to be printed on the Notes, and the Trustee may use CUSIP numbers in notices as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice and reliance may be placed only on the other identification numbers placed thereon.

16. *Authentication.*

This Note is not valid until the Trustee (or Authenticating Agent) manually signs the certificate of authentication on the other side of this Note.

17. *Abbreviations.*

Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/G/M/A/ (= Uniform Gifts to Minors Act).

The Issuer will furnish a copy of the Indenture to any Holder upon written request and without charge.

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Social Security or Taxpayer Identification No.

Please print or typewrite name and address, including zip code, of assignee

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

agent to transfer this Note on the books of the Issuer with full power of substitution in the premises.

Dated: _____

Signed: _____
(sign exactly as name appears on the other side of this Note)

Signature Guarantee³: _____

³ Signatures must be guaranteed by an “**eligible guarantor institution**” meeting the requirements of the Registrar, which requirements include membership or participation in the Note Transfer Agent Medallion Program (“**STAMP**”) or such other “**signature guarantee program**” as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

[THE FOLLOWING PROVISION TO BE INCLUDED ON ALL CERTIFICATES BEARING A RESTRICTED LEGEND]

In connection with any transfer of this Note occurring prior to the Resale Restriction Termination Date (as defined in this Note), the undersigned confirms that such transfer is made without utilizing any general solicitation or general advertising in connection with the transfer and further as follows:

Check One

- ☐ (1) This Note is being transferred to a “qualified institutional buyer” in compliance with Rule 144A under the Securities Act of 1933, as amended, and certification in the form of Exhibit F to the Indenture is being furnished herewith.
- ☐ (2) This Note is being transferred to a non-“U.S. Person,” as defined in Rule 902 of Regulation S under the Securities Act in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Regulation S thereunder, and certification in the form of Exhibit E to the Indenture is being furnished herewith.

or

- ☐ (3) This Note is being transferred other than in accordance with (1) or (2) above and documents are being furnished herewith which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee is not obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in the Indenture have been satisfied.

Dated: _____

Transferor

Signed: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee:⁴_____

By: _____
(To be executed by an executive officer)

⁴ Signatures must be guaranteed by an “**eligible guarantor institution**” meeting the requirements of the Registrar, which requirements include membership or participation in the Note Transfer Agent Medallion Program (“**STAMP**”) or such other “**signature guarantee program**” as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have all of this Note purchased by the Issuer pursuant to Section 4.10 or Section 4.12 of the Indenture, check the box: ☐

If you wish to have a portion of this Note purchased by the Issuer pursuant to Section 4.10 or Section 4.12 of the Indenture, state the amount (in original principal amount) below:

\$_____.

Date:_____

Your Signature:_____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee:⁵ _____

⁵ Signatures must be guaranteed by an “**eligible guarantor institution**” meeting the requirements of the Trustee, which requirements include membership or participation in the Note Transfer Agent Medallion Program (“**STAMP**”) or such other “**signature guarantee program**” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF EXCHANGES OF INTERESTS IN GLOBAL NOTES⁶

The following exchanges of a part of this Global Note for Certificated Notes or an interest in another Global Note, or exchanges of a part of another Global Note or Certificated Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in principal amount of this Global Note	Amount of increase in principal amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized officer of Trustee
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⁶ For Global Notes.

GUARANTEE

The undersigned (the “**Guarantors**”) have unconditionally guaranteed, jointly and severally (such guarantee by each Guarantor being referred to herein as the “**Guarantee**”) (i) the due and punctual payment of the principal of and interest on the Issuer’s 10.500% Senior Secured Notes due 2024 (the “**Notes**”), whether at maturity or on an Interest Payment Date, by acceleration or otherwise, on the Notes, to the extent lawful, and of all other obligations of the Issuer to the Holders or the Trustee all in accordance with the terms set forth in Article VI of the Indenture and (ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. This Guarantee is secured by Liens on the Collateral as described in the Indenture and the Security Documents.

No past, present or future stockholder, officer, director, employee, partner or incorporator, as such, of any of the Guarantors shall have any liability under the Guarantee evidenced hereby by reason of such person’s status as stockholder, officer, director, employee, partner or incorporator. Each Holder of a Note by accepting a Note waives and releases all such liability. This waiver and release are part of the consideration for the issuance of the Guarantee.

Each Holder of a Note by accepting a Note agrees that any Guarantor named below shall have no further liability with respect to its Guarantee if such Guarantor otherwise ceases to be liable in respect of its Guarantee in accordance with the terms of the Indenture.

The Guarantee evidenced hereby shall not be valid or obligatory for any purpose until the certificate of authentication on the Notes upon which the Guarantee is noted shall have been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers.

This Guarantee shall be governed by, and construed in accordance with, the laws of the State of New York.

ARBOR TRAILS, LLC
BUILDER SERVICES NJ, L.L.C.
BUILDER SERVICES PA, L.L.C.
EASTERN NATIONAL TITLE AGENCY, LLC
EASTERN TITLE AGENCY OF ILLINOIS, 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.
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 HOVNANIAN HOMES AT MAXWELL PLACE, L.L.C.
K. HOV IP, II, INC.
K. HOVNANIAN ABERDEEN, LLC
K. HOVNANIAN ACQUISITIONS, INC.
K. HOVNANIAN AT 240 MISSOURI, LLC
K. HOVNANIAN AT 4S, LLC
K. HOVNANIAN AT AIRE ON MCDOWELL, LLC
K. HOVNANIAN AT ALISO, LLC
K. HOVNANIAN AT ALLENTOWN, L.L.C.
K. HOVNANIAN AT ANDALUSIA, LLC
K. HOVNANIAN AT ASBURY PARK URBAN RENEWAL, LLC
K. HOVNANIAN AT ASHBY PLACE, 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 BEACON PARK AREA 129 II, LLC
K. HOVNANIAN AT BEACON PARK AREA 129, LLC
K. HOVNANIAN AT BEACON PARK AREA 137, LLC
K. HOVNANIAN AT BELLA LAGO, LLC
K. HOVNANIAN AT BLACKSTONE, LLC
K. HOVNANIAN AT BOCA DUNES, LLC
K. HOVNANIAN AT BRANCHBURG II, LLC
K. HOVNANIAN AT BRANCHBURG, L.L.C.
K. HOVNANIAN AT BRANCHBURG-VOLLERS, LLC
K. HOVNANIAN AT BRENFORD STATION, LLC
K. HOVNANIAN AT BRIDGEPORT, INC.
K. HOVNANIAN AT BRIDGEWATER I, L.L.C.
K. HOVNANIAN AT BRIDGEWATER II, LLC
K. HOVNANIAN AT BURCH KOVE, LLC
K. HOVNANIAN AT CAMP HILL, L.L.C.
K. HOVNANIAN AT CAPISTRANO, L.L.C.
K. HOVNANIAN AT CARLSBAD, LLC
K. HOVNANIAN AT CATANIA, LLC
K. HOVNANIAN AT CATON'S RESERVE, LLC

K. HOVNANIAN AT CEDAR GROVE III, L.L.C.
K. HOVNANIAN AT CEDAR GROVE URBAN RENEWAL, LLC
K. HOVNANIAN AT CEDAR LANE, LLC
K. HOVNANIAN AT CHARTER WAY, LLC
K. HOVNANIAN AT CHESTERFIELD, L.L.C.
K. HOVNANIAN AT CHRISTINA COURT, LLC
K. HOVNANIAN AT CIELO, L.L.C.
K. HOVNANIAN AT COASTLINE, L.L.C.
K. HOVNANIAN AT COOSAW POINT, LLC
K. HOVNANIAN AT CORAL LAGO, LLC
K. HOVNANIAN AT CORTEZ HILL, LLC
K. HOVNANIAN AT DENVILLE, L.L.C.
K. HOVNANIAN AT DEPTFORD TOWNSHIP, L.L.C.
K. HOVNANIAN AT DOYLESTOWN, LLC
K. HOVNANIAN AT DUNELLEN URBAN RENEWAL, LLC
K. HOVNANIAN AT EAST BRANDYWINE, L.L.C.
K. HOVNANIAN AT EAST BRUNSWICK III, LLC
K. HOVNANIAN AT EAST BRUNSWICK, LLC
K. HOVNANIAN AT EAST WINDSOR, LLC
K. HOVNANIAN AT EDEN TERRACE, L.L.C.
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 ESTATES AT WHEATLANDS, LLC
K. HOVNANIAN AT EVERGREEN, L.L.C.
K. HOVNANIAN AT FAIRFIELD RIDGE, LLC
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 FOX PATH AT HAMPTON LAKE, LLC
K. HOVNANIAN AT FRANKLIN II, L.L.C.
K. HOVNANIAN AT FRANKLIN, L.L.C.
K. HOVNANIAN AT FREEHOLD TOWNSHIP III, LLC
K. HOVNANIAN AT FRESNO, LLC
K. HOVNANIAN AT GALLERY, LLC
K. HOVNANIAN AT GASLAMP SQUARE, L.L.C.
K. HOVNANIAN AT GILROY 60, LLC
K. HOVNANIAN AT GILROY, LLC
K. HOVNANIAN AT GREAT NOTCH, L.L.C.

K. HOVNANIAN AT HACKETTSTOWN II, L.L.C.
K. HOVNANIAN AT HAMPTON COVE, LLC
K. HOVNANIAN AT HAMPTON LAKE, LLC
K. HOVNANIAN AT HANOVER ESTATES, LLC
K. HOVNANIAN AT HERSHEY'S MILL, INC.
K. HOVNANIAN AT HIDDEN BROOK, LLC
K. HOVNANIAN AT HILLSBOROUGH, LLC
K. HOVNANIAN AT HILLTOP RESERVE II, LLC
K. HOVNANIAN AT HILLTOP RESERVE, LLC
K. HOVNANIAN AT HOWELL FORT PLAINS, LLC
K. HOVNANIAN AT HOWELL II, LLC
K. HOVNANIAN AT HOWELL, LLC
K. HOVNANIAN AT HUDSON POINTE, L.L.C.
K. HOVNANIAN AT HUNTFIELD, LLC
K. HOVNANIAN AT INDIAN WELLS, LLC
K. HOVNANIAN AT ISLAND LAKE, LLC
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 KEYPORT, L.L.C.
K. HOVNANIAN AT LA COSTA GREENS, L.L.C.
K. HOVNANIAN AT LA LAGUNA, L.L.C.
K. HOVNANIAN AT LAKE BURDEN, LLC
K. HOVNANIAN AT LAKE LECLARE, LLC
K. HOVNANIAN AT LAKE RANCHO VIEJO, LLC
K. HOVNANIAN AT LAKE RIDGE ESTATES, LLC
K. HOVNANIAN AT LAKE TERRAPIN, L.L.C.
K. HOVNANIAN AT LEE SQUARE, L.L.C.
K. HOVNANIAN AT LENAH WOODS, LLC
K. HOVNANIAN AT LILY ORCHARD, LLC
K. HOVNANIAN AT LINK FARM, LLC
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 II, L.L.C.
K. HOVNANIAN AT MAGNOLIA PLACE, LLC
K. HOVNANIAN AT MAHWAH VI, INC.
K. HOVNANIAN AT MAIN STREET SQUARE, LLC
K. HOVNANIAN AT MALAN PARK, L.L.C.
K. HOVNANIAN AT MANALAPAN II, L.L.C.
K. HOVNANIAN AT MANALAPAN III, L.L.C.

K. HOVNANIAN AT MANALAPAN V, LLC
K. HOVNANIAN AT MANALAPAN VI, LLC
K. HOVNANIAN AT MANSFIELD II, L.L.C.
K. HOVNANIAN AT MANTECA, LLC
K. HOVNANIAN AT MAPLE AVENUE, L.L.C.
K. HOVNANIAN AT MARLBORO IX, LLC
K. HOVNANIAN AT MARLBORO TOWNSHIP IX, L.L.C.
K. HOVNANIAN AT MARLBORO TOWNSHIP V, L.L.C.
K. HOVNANIAN AT MARLBORO VI, L.L.C.
K. HOVNANIAN AT MARPLE, LLC
K. HOVNANIAN AT MEADOWRIDGE VILLAS, LLC
K. HOVNANIAN AT MELANIE MEADOWS, LLC
K. HOVNANIAN AT MENDHAM TOWNSHIP, L.L.C.
K. HOVNANIAN AT MIDDLE TOWNSHIP II, L.L.C.
K. HOVNANIAN AT MIDDLE TOWNSHIP, L.L.C.
K. HOVNANIAN AT MIDDLETOWN II, L.L.C.
K. HOVNANIAN AT MIDDLETOWN III, LLC
K. HOVNANIAN AT MIDDLETOWN, LLC
K. HOVNANIAN AT MILLVILLE I, L.L.C.
K. HOVNANIAN AT MILLVILLE II, L.L.C.
K. HOVNANIAN AT MONROE IV, L.L.C.
K. HOVNANIAN AT MONROE NJ II, LLC
K. HOVNANIAN AT MONROE NJ III, LLC
K. HOVNANIAN AT MONROE NJ, L.L.C.
K. HOVNANIAN AT MONTANA VISTA, LLC
K. HOVNANIAN AT MONTGOMERY, LLC
K. HOVNANIAN AT MONTVALE II, LLC
K. HOVNANIAN AT MONTVALE, L.L.C.
K. HOVNANIAN AT MORRIS TWP, LLC
K. HOVNANIAN AT MUIRFIELD, LLC
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 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 NORTHRIDGE ESTATES, LLC
K. HOVNANIAN AT NORTON LAKE LLC
K. HOVNANIAN AT NOTTINGHAM MEADOWS, LLC
K. HOVNANIAN AT OAK POINTE, LLC
K. HOVNANIAN AT OCEAN TOWNSHIP, INC
K. HOVNANIAN AT OCEAN VIEW BEACH CLUB, LLC
K. HOVNANIAN AT OCEANPORT, L.L.C.

K. HOVNIANIAN AT OLD BRIDGE, L.L.C.
K. HOVNIANIAN AT PALM VALLEY, L.L.C.
K. HOVNIANIAN AT PARK PASEO, LLC
K. HOVNIANIAN AT PARKSIDE, LLC
K. HOVNIANIAN AT PARSIPPANY, L.L.C.
K. HOVNIANIAN AT PAVILION PARK, LLC
K. HOVNIANIAN AT PIAZZA D'ORO, L.L.C.
K. HOVNIANIAN AT PIAZZA SERENA, L.L.C
K. HOVNIANIAN AT PICKETT RESERVE, LLC
K. HOVNIANIAN AT PITTSBURGH, L.L.C.
K. HOVNIANIAN AT PLANTATION LAKES, L.L.C.
K. HOVNIANIAN AT POINTE 16, LLC
K. HOVNIANIAN AT PORT IMPERIAL URBAN RENEWAL V, L.L.C.
K. HOVNIANIAN AT PORT IMPERIAL URBAN RENEWAL VIII, L.L.C.
K. HOVNIANIAN AT POSITANO, LLC
K. HOVNIANIAN AT PRADO, L.L.C.
K. HOVNIANIAN AT PRAIRIE POINTE, LLC
K. HOVNIANIAN AT QUAIL CREEK, L.L.C.
K. HOVNIANIAN AT RANCHO CABRILLO, LLC
K. HOVNIANIAN AT RAPHO, L.L.C
K. HOVNIANIAN AT REDTAIL, LLC
K. HOVNIANIAN AT RESERVES AT WHEATLANDS, LLC
K. HOVNIANIAN AT RESIDENCE AT DISCOVERY SQUARE, LLC
K. HOVNIANIAN AT RIDGEMONT, L.L.C.
K. HOVNIANIAN AT ROCK LEDGE, LLC
K. HOVNIANIAN AT RODERUCK, L.L.C.
K. HOVNIANIAN AT ROSEMARY LANTANA, L.L.C.
K. HOVNIANIAN AT SAGE, L.L.C.
K. HOVNIANIAN AT SAGEBROOK, LLC
K. HOVNIANIAN AT SANTA NELLA, LLC
K. HOVNIANIAN AT SAWMILL, INC.
K. HOVNIANIAN AT SEASONS LANDING, LLC
K. HOVNIANIAN AT SHELDON GROVE, LLC
K. HOVNIANIAN AT SHREWSBURY, LLC
K. HOVNIANIAN AT SIENNA HILLS, LLC
K. HOVNIANIAN AT SIGNAL HILL, LLC
K. HOVNIANIAN AT SILVER SPRING, L.L.C.
K. HOVNIANIAN AT SILVERSTONE, LLC
K. HOVNIANIAN AT SKYE ISLE, LLC
K. HOVNIANIAN AT SKYE ON MCDOWELL, LLC
K. HOVNIANIAN AT SMITHVILLE, INC.
K. HOVNIANIAN AT SOMERSET, LLC

K. HOVNANIAN AT SOUTH BRUNSWICK II, LLC
K. HOVNANIAN AT SOUTH BRUNSWICK III, LLC
K. HOVNANIAN AT SOUTH BRUNSWICK, L.L.C.
K. HOVNANIAN AT SPRING ISLE, LLC
K. HOVNANIAN AT STANTON, LLC
K. HOVNANIAN AT STATION SQUARE, L.L.C.
K. HOVNANIAN AT SUMMERLAKE, LLC
K. HOVNANIAN AT SUNRIDGE PARK, LLC
K. HOVNANIAN AT SUNRISE TRAIL II, LLC
K. HOVNANIAN AT SUNRISE TRAIL III, LLC
K. HOVNANIAN AT TERRA BELLA TWO, LLC
K. HOVNANIAN AT THE COMMONS AT RICHMOND HILL, LLC
K. HOVNANIAN AT THE CROSBY, LLC
K. HOVNANIAN AT THE MONARCH, L.L.C.
K. HOVNANIAN AT THE PROMENADE AT BEAVER CREEK, LLC
K. HOVNANIAN AT THOMPSON RANCH, LLC
K. HOVNANIAN AT TRAFFORD PLACE, LLC
K. HOVNANIAN AT TRAIL RIDGE, LLC
K. HOVNANIAN AT TRAMORE LLC
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 VENTANA LAKES, LLC
K. HOVNANIAN AT VERONA ESTATES, LLC
K. HOVNANIAN AT VERONA URBAN RENEWAL, L.L.C.
K. HOVNANIAN AT VERRADO CASCINA, LLC
K. HOVNANIAN AT VERRADO MARKETSIDE, LLC
K. HOVNANIAN AT VICTORVILLE, L.L.C.
K. HOVNANIAN AT VINEYARD HEIGHTS, LLC
K. HOVNANIAN AT VISTA DEL SOL, L.L.C.
K. HOVNANIAN AT WALDWICK, LLC
K. HOVNANIAN AT WALKERS GROVE, LLC
K. HOVNANIAN AT WALL DONATO, LLC
K. HOVNANIAN AT WARREN TOWNSHIP II, LLC
K. HOVNANIAN AT WARREN TOWNSHIP, L.L.C.
K. HOVNANIAN AT WATERSTONE, LLC
K. HOVNANIAN AT WAYNE IX, L.L.C.
K. HOVNANIAN AT WEST VIEW ESTATES, L.L.C.
K. HOVNANIAN AT WESTBROOK, LLC
K. HOVNANIAN AT WESTSHORE, LLC
K. HOVNANIAN AT WHEELER RANCH, LLC
K. HOVNANIAN AT WHEELER WOODS, LLC
K. HOVNANIAN AT WHITEMARSH, LLC

K. HOVNANIAN AT WILDWOOD BAYSIDE, L.L.C.
K. HOVNANIAN AT WOODCREEK WEST, LLC
K. HOVNANIAN AT WOOLWICH I, L.L.C.
K. HOVNANIAN BELDEN POINTE, LLC
K. HOVNANIAN BELMONT RESERVE, LLC
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 CONTRACTORS OF OHIO, LLC
K. HOVNANIAN CORNERSTONE FARMS, LLC
K. HOVNANIAN CRAFTBUILT HOMES OF SOUTH CAROLINA, L.L.C.
K. HOVNANIAN CYPRESS KEY, LLC
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 DFW AUBURN FARMS, LLC
K. HOVNANIAN DFW BELMONT, LLC
K. HOVNANIAN DFW CREEKSIDE ESTATES II, LLC

K. HOVNANIAN DFW CREEKSIDE ESTATES, LLC
K. HOVNANIAN DFW ENCORE OF LAS COLINAS II, LLC
K. HOVNANIAN DFW ENCORE OF LAS COLINAS, LLC
K. HOVNANIAN DFW HARMON FARMS, LLC
K. HOVNANIAN DFW HERITAGE CROSSING, LLC
K. HOVNANIAN DFW HOMESTEAD, LLC
K. HOVNANIAN DFW INSPIRATION, LLC
K. HOVNANIAN DFW LEXINGTON, LLC
K. HOVNANIAN DFW LIBERTY CROSSING II, LLC
K. HOVNANIAN DFW LIBERTY CROSSING, LLC
K. HOVNANIAN DFW LIGHT FARMS II, LLC
K. HOVNANIAN DFW LIGHT FARMS, LLC
K. HOVNANIAN DFW MIDTOWN PARK, LLC
K. HOVNANIAN DFW PALISADES, LLC
K. HOVNANIAN DFW PARKSIDE, LLC
K. HOVNANIAN DFW RIDGEVIEW, LLC
K. HOVNANIAN DFW SEVENTEEN LAKES, LLC
K. HOVNANIAN DFW TRAILWOOD, LLC
K. HOVNANIAN DFW VILLAS AT MUSTANG PARK, LLC
K. HOVNANIAN DFW WELLINGTON, LLC
K. HOVNANIAN DFW WILDRIDGE, LLC
K. HOVNANIAN EASTERN PENNSYLVANIA, L.L.C.
K. HOVNANIAN EDGEBROOK, LLC
K. HOVNANIAN ENTERPRISES, INC.
K. HOVNANIAN ESTATES AT FOX CHASE, LLC
K. HOVNANIAN ESTATES AT REGENCY, L.L.C.
K. HOVNANIAN ESTATES AT WEKIVA, LLC
K. HOVNANIAN FALLS POINTE, LLC
K. HOVNANIAN FIRST HOMES, L.L.C.
K. HOVNANIAN FLORIDA REALTY, L.L.C.
K. HOVNANIAN FOREST VALLEY, LLC
K. HOVNANIAN GRAND CYPRESS, LLC
K. HOVNANIAN GRANDEFIELD, 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 HIDDEN HOLLOW, LLC
K. HOVNANIAN HIGHLAND RIDGE, LLC
K. HOVNANIAN HOLDINGS NJ, L.L.C.
K. HOVNANIAN HOMES - DFW, L.L.C.
K. HOVNANIAN HOMES AT BROOK MANOR, LLC
K. HOVNANIAN HOMES AT BURKE JUNCTION, LLC
K. HOVNANIAN HOMES AT CAMP SPRINGS, L.L.C.
K. HOVNANIAN HOMES AT CREEKSIDE, LLC

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 LEIGH MILL, LLC
K. HOVNANIAN HOMES AT PENDER OAKS, LLC
K. HOVNANIAN HOMES AT REEDY CREEK, LLC
K. HOVNANIAN HOMES AT RUSSETT, L.L.C.
K. HOVNANIAN HOMES AT SALT CREEK LANDING, LLC
K. HOVNANIAN HOMES AT SHELL HALL, LLC
K. HOVNANIAN HOMES AT SHENANDOAH SPRINGS, LLC
K. HOVNANIAN HOMES AT ST. JAMES PLACE, LLC
K. HOVNANIAN HOMES AT THE ABBY, LLC
K. HOVNANIAN HOMES AT THE HIGHLANDS, LLC
K. HOVNANIAN HOMES AT THE PADDOCKS, LLC
K. HOVNANIAN HOMES AT THOMPSON'S GRANT, LLC
K. HOVNANIAN HOMES AT WILLOWSFORD GRANT, LLC
K. HOVNANIAN HOMES AT WILLOWSFORD GREENS, 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 LONGACRE VILLAGE, L.L.C.
K. HOVNANIAN HOMES OF MARYLAND, L.L.C.
K. HOVNANIAN HOMES OF MINNESOTA AT ARBOR CREEK, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT AUTUMN MEADOWS, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT BRYNWOOD, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT CEDAR HOLLOW, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT FOUNDER'S RIDGE, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT HARPERS STREET WOODS, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT OAKS OF OXBOW, LLC
K. HOVNANIAN HOMES OF MINNESOTA AT REGENT'S POINT, LLC
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 HOUSTON BAYOU OAKS AT WEST OREM, LLC
K. HOVNANIAN HOUSTON CAMBRIDGE HEIGHTS, LLC
K. HOVNANIAN HOUSTON CITY HEIGHTS, LLC
K. HOVNANIAN HOUSTON CREEK BEND, LLC
K. HOVNANIAN HOUSTON DRY CREEK VILLAGE, LLC
K. HOVNANIAN HOUSTON KATY POINTE, LLC

K. HOVNANIAN HOUSTON SUNSET RANCH, LLC
K. HOVNANIAN HOUSTON THUNDER BAY SUBDIVISION, LLC
K. HOVNANIAN HOUSTON TRANQUILITY LAKE ESTATES, LLC
K. HOVNANIAN HOUSTON WOODSHORE, LLC
K. HOVNANIAN INDIAN TRAILS, LLC
K. HOVNANIAN LADUE RESERVE, LLC
K. HOVNANIAN LAKES OF GREEN, LLC
K. HOVNANIAN LANDINGS 40S, LLC
K. HOVNANIAN LEGACY AT VIA BELLA, LLC
K. HOVNANIAN LIBERTY ON BLUFF CREEK, LLC
K. HOVNANIAN MANALAPAN ACQUISITION, LLC
K. HOVNANIAN MONARCH GROVE, 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 NORTHPOINTE 40S, LLC
K. HOVNANIAN NORTON PLACE, LLC
K. HOVNANIAN OF HOUSTON II, L.L.C.
K. HOVNANIAN OF OHIO, LLC
K. HOVNANIAN OHIO REALTY, 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 PRESERVE AT TURTLE CREEK LLC
K. HOVNANIAN PROPERTIES OF RED BANK, INC.
K. HOVNANIAN REYNOLDS RANCH, LLC
K. HOVNANIAN RIVENDALE, LLC
K. HOVNANIAN RIVERSIDE, LLC
K. HOVNANIAN SCHADY RESERVE, LLC
K. HOVNANIAN SHERWOOD AT REGENCY, LLC
K. HOVNANIAN SHORE ACQUISITIONS, L.L.C.
K. HOVNANIAN SOUTH FORK, LLC
K. HOVNANIAN SOUTH JERSEY ACQUISITIONS, L.L.C.
K. HOVNANIAN SOUTHERN NEW JERSEY, L.L.C.
K. HOVNANIAN STERLING RANCH, LLC
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 UNION PARK, LLC

K. HOVNANIAN VENTURE I, L.L.C.
K. HOVNANIAN VILLAGE GLEN, LLC
K. HOVNANIAN WATERBURY, LLC
K. HOVNANIAN WHITE ROAD, LLC
K. HOVNANIAN WINDWARD HOMES, LLC
K. HOVNANIAN WOODLAND POINTE, LLC
K. HOVNANIAN WOODRIDGE PLACE, LLC
K. HOVNANIAN'S FOUR SEASONS AT BAKERSFIELD, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT BAYMONT FARMS L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT BEAUMONT, LLC
K. HOVNANIAN'S FOUR SEASONS AT BRIARGATE, 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 SILVER MAPLE FARM, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT ST. MARGARETS LANDING, L.L.C.
K. HOVNANIAN'S FOUR SEASONS AT THE MANOR II, LLC
K. HOVNANIAN'S FOUR SEASONS AT THE MANOR, LLC
K. HOVNANIAN'S PARKSIDE AT TOWNGATE, L.L.C.
K. HOVNANIAN'S VERANDA AT RIVERPARK II, LLC
K. HOVNANIAN'S VERANDA AT RIVERPARK, LLC
KHH SHELL HALL LOAN ACQUISITION, LLC
LANDARAMA, INC.
LAUREL HIGHLANDS, LLC
M & M AT MONROE WOODS, L.L.C.
M&M AT CHESTERFIELD, L.L.C.
M&M AT CRESCENT COURT, L.L.C.
M&M AT WEST ORANGE, L.L.C.
MATZEL & MUMFORD AT EGG HARBOR, 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.
MM-BEACHFRONT NORTH I, LLC

NEW HOME REALTY, 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
SHELL HALL CLUB AMENITY ACQUISITION, LLC
SHELL HALL LAND ACQUISITION, LLC
STONEBROOK HOMES, INC.
TERRAPIN REALTY, L.L.C.
THE MATZEL & MUMFORD ORGANIZATION, INC
WASHINGTON HOMES, INC.
WOODMORE RESIDENTIAL, L.L.C.
WTC VENTURES, L.L.C.

By: _____
Name:
Title: Authorized Officer

[This Guarantee relates to K. Hovnanian Enterprises, Inc.’s 10.500% Senior Secured Notes due 2024 – CUSIP No.:]

SUPPLEMENTAL INDENTURE

dated as of _____, ____

among

K. HOVNANIAN ENTERPRISES, INC.,

HOVNANIAN ENTERPRISES, INC.,

The Other Guarantors Party Hereto

and

WILMINGTON TRUST, NATIONAL ASSOCIATION

as Trustee and Collateral Agent

10.000% Senior Secured Notes Due 2022
10.500% Senior Secured Notes Due 2024

THIS [] SUPPLEMENTAL INDENTURE (this “[] **Supplemental Indenture**”), entered into as of _____, ____, among K. Hovnanian Enterprises, Inc., a California corporation (the “**Issuer**”), Hovnanian Enterprises, Inc., a Delaware corporation (the “**Company**”), [list each new guarantor and its jurisdiction of incorporation] (each an “**Undersigned**”) and Wilmington Trust, National Association, a national banking association, as Trustee (the “**Trustee**”) and as Collateral Agent (the “**Collateral Agent**”).

RECITALS

WHEREAS, the Issuer, Company, the other Guarantors party thereto, the Trustee and the Collateral Agent entered into an indenture, dated as of July 27, 2017 (the “**Indenture**”), relating to the Issuer’s 10.000% Senior Secured Notes due 2022 and 10.500% Senior Secured Notes due 2024 (collectively, the “**Notes**”);

WHEREAS, as a condition to the purchase of the Notes by the Holders, the Company agreed pursuant to the Indenture to cause any newly acquired or created Restricted Subsidiaries (other than any Excluded Subsidiary) to provide Guarantees.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and intending to be legally bound, the parties hereto hereby agree as follows:

SECTION 1. Capitalized terms used herein and not otherwise defined herein are used as defined in the Indenture.

SECTION 2. Each Undersigned, by its execution of this [] Supplemental Indenture, agrees to be a Guarantor with respect to the Notes under the Indenture and to be bound by the terms of the Indenture applicable to Guarantors, including, but not limited to, Article VI thereof.

SECTION 3. This [] Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 4. This [] Supplemental Indenture may be signed in various counterparts which together shall constitute one and the same instrument.

SECTION 5. This [] Supplemental Indenture is an amendment supplemental to the Indenture and the Indenture and this [] Supplemental Indenture shall henceforth be read together.

SECTION 6. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the Recitals contained herein, all of which are made solely by the Issuer, the Company and each of the undersigned.

IN WITNESS WHEREOF, the parties hereto have caused this [] Supplemental Indenture to be duly executed as of the date first above written.

K. HOVNANIAN ENTERPRISES, INC., as Issuer

By: _____
Name:
Title:

HOVNANIAN ENTERPRISES, INC.

By: _____
Name:
Title:

[GUARANTOR]

By: _____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee and
Collateral Agent

By: _____
Name:
Title:

RESTRICTED LEGEND

THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT AS SET FORTH IN THE NEXT SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER:

(1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A “**QIB**”), (B) IT HAS ACQUIRED THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (C) IT IS AN INSTITUTIONAL “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT) (AN “**IAI**”),

(2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED NOTES, NOT TO OFFER, SELL, OR OTHERWISE TRANSFER THIS NOTE OR ANY BENEFICIAL INTEREST HEREIN PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) THAT IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE),] [IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE DATE ON WHICH THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S], ONLY (A) TO THE ISSUER, THE COMPANY OR ANY OF ITS SUBSIDIARIES, (B) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (C) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S OF THE SECURITIES ACT, (D) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (E) TO AN IAI THAT, PRIOR TO SUCH TRANSFER, FURNISHES THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE TRANSFER OF THIS NOTE (THE FORM OF WHICH CAN BE OBTAINED FROM THE TRUSTEE) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF NOTES LESS THAN \$250,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE ISSUER AND THE TRUSTEE THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (F) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE ISSUER AND THE TRUSTEE) OR (G) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION (THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE); AND

(3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

AS USED HEREIN, THE TERMS “OFFSHORE TRANSACTIONS” AND “UNITED STATES” HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING.

DTC LEGEND

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“**DTC**”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED. TRANSFERS OF THIS GLOBAL NOTE ARE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, BY DTC TO A NOMINEE OF DTC OR BY A NOMINEE OF DTC TO DTC OR ANOTHER NOMINEE OF DTC OR BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE ARE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE TRANSFER PROVISIONS OF THE INDENTURE.

Regulation S Certificate

To: Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-1600
Facsimile: 302-636-4149
Attention: Global Capital Markets–K. Hovnanian Relationship Manager

Re: K. Hovnanian Enterprises, Inc.
[10.000%][10.500%] Senior Secured Notes due [2022][2024] (the “**Notes**”)
Issued under the Indenture (the “**Indenture**”) dated as
as of July 27, 2017 relating to the Notes

Dear Sirs:

Terms are used in this Certificate as used in Regulation S (“**Regulation S**”) under the Securities Act of 1933, as amended (the “**Securities Act**”), except as otherwise stated herein.

[CHECK A OR B AS APPLICABLE OR COMPLETE SECTIONS C AND D AS APPLICABLE.]

☐ A. This Certificate relates to our proposed transfer of \$_____ principal amount of Notes issued under the Indenture. We hereby certify as follows:

1. The offer and sale of the Notes was not and will not be made to a person in the United States (unless such person is excluded from the definition of “U.S. person” pursuant to Rule 902(k)(2)(vi) or the account held by it for which it is acting is excluded from the definition of “U.S. person” pursuant to Rule 902(k)(2)(i) under the circumstances described in Rule 902(g)(3)) and such offer and sale was not and will not be specifically targeted at an identifiable group of U.S. citizens abroad.

2. Unless the circumstances described in the parenthetical in paragraph 1 above are applicable, either (a) at the time the buy order was originated, the buyer was outside the United States or we and any person acting on our behalf reasonably believed that the buyer was outside the United States or (b) the transaction was executed in, on or through the facilities of a designated offshore securities market, and neither we nor any person acting on our behalf knows that the transaction was pre-arranged with a buyer in the United States.

3. Neither we, any of our affiliates, nor any person acting on our or their behalf has made any directed selling efforts in the United States with respect to the Notes.
4. The proposed transfer of Notes is not part of a plan or scheme to evade the registration requirements of the Securities Act.
5. If we are a dealer or a person receiving a selling concession, fee or other remuneration in respect of the Notes, and the proposed transfer takes place during the Restricted Period (as defined in the Indenture), or we are an officer or director of the Company or an Initial Purchaser (as defined in the Indenture), we certify that the proposed transfer is being made in accordance with the provisions of Rule 904(b) of Regulation S.

☐ B. This Certificate relates to our proposed exchange of \$_____ principal amount of Notes issued under the Indenture for an equal principal amount of Notes to be held by us. We hereby certify as follows:

1. At the time the offer and sale of the Notes was made to us, either (i) we were not in the United States or (ii) we were excluded from the definition of “U.S. person” pursuant to Rule 902(k)(2)(vi) or the account held by us for which we were acting was excluded from the definition of “U.S. person” pursuant to Rule 902(k)(2)(i) under the circumstances described in Rule 902(g)(3); and we were not a member of an identifiable group of U.S. citizens abroad.
2. Unless the circumstances described in paragraph 1(ii) above are applicable, either (a) at the time our buy order was originated, we were outside the United States or (b) the transaction was executed in, on or through the facilities of a designated offshore securities market and we did not pre-arrange the transaction in the United States.
3. The proposed exchange of Notes is not part of a plan or scheme to evade the registration requirements of the Securities Act.

You and the Issuer are entitled to rely upon this Certificate and are irrevocably authorized to produce this Certificate or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[NAME OF SELLER (FOR TRANSFERS) OR OWNER (FOR EXCHANGES)]

By: _____
Name:
Title:
Address:

Date:_____

Upon transfer of certificated Notes, the Notes would be registered in the name of the new beneficial owner as follows:

By: _____

Date: _____

Taxpayer ID number: _____

Rule 144A Certificate

To: Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-1600
Facsimile: 302-636-4149
Attention: Global Capital Markets–K. Hovnanian Relationship Manager

Re: K. Hovnanian Enterprises, Inc.
[10.000%][10.500%] Senior Secured Notes due [2022][2024] (the “**Notes**”)
Issued under the Indenture (the “**Indenture**”) dated as
as of July 27, 2017 relating to the Notes

Ladies and Gentlemen:

This Certificate relates to:

[CHECK A OR B AS APPLICABLE]

- ☐ A. Our proposed purchase of \$_____ principal amount of Notes issued under the Indenture.
- ☐ B. Our proposed transfer or exchange of \$_____ principal amount of Notes issued under the Indenture for an equal principal amount of Notes to be held by us.

We and, if applicable, each account for which we are acting, are a qualified institutional buyer within the meaning of Rule 144A (“**Rule 144A**”) under the Securities Act of 1933, as amended (the “**Securities Act**”). If we are acting on behalf of an account, we exercise sole investment discretion with respect to such account. We are aware that the transfer of Notes to us, or such exchange, as applicable, is being made in reliance upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Prior to the date of this Certificate we have received such information regarding the Company as we have requested pursuant to Rule 144A(d)(4) or have determined not to request such information.

You and the Issuer are entitled to rely upon this Certificate and are irrevocably authorized to produce this Certificate or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[NAME OF PURCHASER (FOR TRANSFERS) OR OWNER (FOR EXCHANGES)]

By: _____
Name:
Title:
Address:

Date: _____

Upon transfer of certificated Notes, the Notes would be registered in the name of the new beneficial owner as follows:

By: _____

Date: _____

Taxpayer ID number: _____

Institutional Accredited Investor Certificate

To: Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-1600
Facsimile: 302-636-4149
Attention: Global Capital Markets–K. Hovnanian Relationship Manager

Re: K. Hovnanian Enterprises, Inc.
[10.000%][10.500%] Senior Secured Notes due [2022][2024] (the “**Notes**”)
Issued under the Indenture (the “**Indenture**”) dated
as of July 27, 2017 relating to the Notes

Ladies and Gentlemen:

This Certificate relates to:

[CHECK A, B OR C AS APPLICABLE]

- ☐ A. Our proposed purchase of \$_____ principal amount of Notes issued under the Indenture.
- ☐ B. Our proposed purchase of \$_____ principal amount of a beneficial interest in a Global Note
- ☐ C. Our proposed transfer or exchange of \$_____ principal amount of Notes issued under the Indenture for an equal principal amount of Notes to be held by us.

We hereby confirm that:

1. We are an institutional “accredited investor” as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act of 1933, as amended (the “**Securities Act**”) (an “**Institutional Accredited Investor**”).
2. Any acquisition of Notes by us will be for our own account or for the account of one or more other Institutional Accredited Investors as to which we exercise sole investment discretion.

3. We have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of an investment in the Notes and we and any accounts for which we are acting are able to bear the economic risks of and an entire loss of our or their investment in the Notes.
4. We are not acquiring the Notes or beneficial interest therein with a view to any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any State of the United States or any other applicable jurisdiction; *provided*, that the disposition of our property and the property of any accounts for which we are acting as fiduciary will remain at all times within our and their control.
5. We acknowledge that the Notes have not been registered under the Securities Act and that the Notes may not be offered or sold within the United States or to or for the benefit of U.S. persons except as set forth below.
6. The principal amount of Notes to which this Certificate relates is at least equal to \$250,000.

We agree for the benefit of the Issuer and the Guarantors, on our own behalf and on behalf of each account for which we are acting, that we will not resell or otherwise transfer this Note or any beneficial interest herein except (A) to the Issuer, the Company or any of its subsidiaries, (B) to a person whom we reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (C) in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S of the Securities Act, (D) in a transaction meeting the requirements of Rule 144 under the Securities Act, (E) to an Institutional Accredited Investor that, prior to such transfer, furnishes the Trustee a signed letter containing certain representations and agreements relating to the transfer of the Notes (the form of which can be obtained from the Trustee) and, if such transfer is in respect of an aggregate principal amount of Notes less than \$250,000, an opinion of counsel acceptable to the Issuer and the Trustee that such transfer is in compliance with the Securities Act, (F) in accordance with another exemption from the registration requirements of the Securities Act (and based upon an opinion of counsel acceptable to the Issuer and the Trustee) or (G) pursuant to an effective registration statement and, in each case, in accordance with the applicable securities laws of any state of the United States or any other applicable jurisdiction.

Prior to the registration of any transfer or exchange, we acknowledge that the Issuer reserves the right to require the delivery of such legal opinions, certifications or other evidence as may reasonably be required in order to determine that the proposed transfer or exchange is being made in compliance with the Securities Act and applicable state securities laws. We acknowledge that no representation is made as to the availability of any Rule 144 exemption from the registration requirements of the Securities Act.

We understand that the Trustee will not be required to accept for registration of transfer or exchange any Notes acquired by us, except upon presentation of evidence satisfactory to the Issuer and the Trustee that the foregoing restrictions on transfer have been complied with. We further agree to deliver to each person acquiring any of the Notes or any beneficial interest therein from us a notice advising such person that resales of the Notes are restricted as stated herein.

We agree to notify you promptly in writing if any of our acknowledgments, representations or agreements herein ceases to be accurate and complete.

We represent to you that we have full power to make the foregoing acknowledgments, representations and agreements on our own behalf and on behalf of any account for which we are acting.

You and the Issuer are entitled to rely upon this Certificate and are irrevocably authorized to produce this Certificate or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[NAME OF PURCHASER (FOR TRANSFERS) OR OWNER (FOR EXCHANGES)]

By: _____
Name:
Title:
Address:

Date:_____

Upon transfer of certificated Notes, the Notes would be registered in the name of the new beneficial owner as follows:

By: _____

Date: _____

Taxpayer ID number: _____

[COMPLETE FORM I OR FORM II AS APPLICABLE.]

[FORM I]

Certificate of Beneficial Ownership

To: Wilmington Trust, National Association
 Rodney Square North
 1100 North Market Street
 Wilmington, DE 19890-1600
 Facsimile: 302-636-4149
 Attention: Global Capital Markets–K. Hovnanian Relationship Manager

[Euroclear Bank S.A./N.V., as operator of the Euroclear System] OR

[Clearstream Banking, *société anonyme*]

Re: K. Hovnanian Enterprises, Inc.
 [10.000%][10.500%] Senior Secured Notes due [2022][2024] (the “Notes”)
 Issued under the Indenture (the “**Indenture**”) dated
as of July 27, 2017 relating to the Notes

Ladies and Gentlemen:

We are the beneficial owner of \$_____ principal amount of Notes issued under the Indenture and represented by a Regulation S Temporary Global Note (as defined in the Indenture).

[CHECK A OR B AS APPLICABLE.]

- ☐ A. We are a non-U.S. person (within the meaning of Regulation S under the Securities Act of 1933, as amended).
- ☐ B. We are a U.S. person (within the meaning of Regulation S under the Securities Act of 1933, as amended) that purchased the Notes in a transaction that did not require registration under the Securities Act of 1933, as amended.

You and the Issuer are entitled to rely upon this Certificate and are irrevocably authorized to produce this Certificate or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

[NAME OF BENEFICIAL OWNER]

By:

Name: _____

Title: _____

Address: _____

Date: _____

Certificate of Beneficial Ownership

To: Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-1600
Facsimile: 302-636-4149
Attention: Global Capital Markets–K. Hovnanian Relationship Manager

Re: K. Hovnanian Enterprises, Inc.
[10.000%][10.500%] Senior Secured Notes due [2022][2024] (the “**Notes**”)
Issued under the Indenture (the “**Indenture**”) dated as
as of July 27, 2017 relating to the Notes

Ladies and Gentlemen:

This is to certify that based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organizations (“**Member Organizations**”) appearing in our records as persons being entitled to a portion of the principal amount of Notes represented by a Regulation S Temporary Global Note issued under the above-referenced Indenture, that as of the date hereof, \$____ principal amount of Notes represented by the Regulation S Temporary Global Note being submitted herewith for exchange is beneficially owned by persons that are either (i) non-U.S. persons (within the meaning of Regulation S under the Securities Act of 1933, as amended) or (ii) U.S. persons that purchased the Notes in a transaction that did not require registration under the Securities Act of 1933, as amended.

We further certify that (i) we are not submitting herewith for exchange any portion of such Regulation S Temporary Global Note excepted in such Member Organization certifications and (ii) as of the date hereof we have not received any notification from any Member Organization to the effect that the statements made by such Member Organization with respect to any portion of such Regulation S Temporary Global Note submitted herewith for exchange are no longer true and cannot be relied upon as of the date hereof.

You and the Issuer are entitled to rely upon this Certificate and are irrevocably authorized to produce this Certificate or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Yours faithfully,

[EUROCLEAR BANK S.A./N.V., as operator of the Euroclear System]

OR

[CLEARSTREAM BANKING, *société anonyme*]

By: _____
Name:
Title:
Address:

Date:_____

THIS NOTE IS A TEMPORARY GLOBAL NOTE. PRIOR TO THE EXPIRATION OF THE RESTRICTED PERIOD APPLICABLE HERETO, BENEFICIAL INTERESTS HEREIN MAY NOT BE HELD BY ANY PERSON OTHER THAN (1) A NON-U.S. PERSON OR (2) A U.S. PERSON THAT PURCHASED SUCH INTEREST IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”). BENEFICIAL INTERESTS HEREIN ARE NOT EXCHANGEABLE FOR CERTIFICATED NOTES OTHER THAN A PERMANENT GLOBAL NOTE IN ACCORDANCE WITH THE TERMS OF THE INDENTURE. TERMS IN THIS LEGEND ARE USED AS USED IN REGULATION S UNDER THE SECURITIES ACT.

UNRESTRICTED SUBSIDIARIES

77 HUDSON STREET JOINT DEVELOPMENT, L.L.C.
AL TAHALUF AL AQARY LLC (AL TAHALUF REAL ESTATE LIMITED LIABILITY COMPANY)
AMBER RIDGE, LLC
COBBLESTONE SQUARE DEVELOPMENT, L.L.C.
FAIR LAND TITLE COMPANY, INC.
GTIS-HOV ARBORS AT MONROE LLC
GTIS-HOV ARBORS AT MONROE PARENT LLC
GTIS-HOV AT SILVERSTONE LLC
GTIS-HOV DULLES PARKWAY PARENT LLC
GTIS-HOV FESTIVAL LAKES LLC
GTIS-HOV FOUR PONDS PARENT LLC
GTIS-HOV GREENFIELD CROSSING PARENT LLC
GTIS-HOV HEATHERFIELD PARENT LLC
GTIS-HOV HOLDINGS LLC
GTIS-HOV HOLDINGS V LLC
GTIS-HOV HOLDINGS VI LLC
GTIS-HOV LAKES OF CANE BAY PARENT LLC
GTIS-HOV LEELAND STATION LLC
GTIS-HOV PARKSIDE OF LIBERTYVILLE LLC
GTIS-HOV PARKSIDE OF LIBERTYVILLE PARENT LLC
GTIS-HOV PINNACLE PEAK PATIO PARENT LLC
GTIS-HOV POINTE 16 LLC
GTIS-HOV POSITANO LLC
GTIS-HOV RANCHO 79 LLC
GTIS-HOV RESIDENCES AT COLUMBIA PARK LLC
GTIS-HOV RESIDENCES AT COLUMBIA PARK PARENT LLC
GTIS-HOV RESIDENCES AT DULLES PARKWAY LLC
GTIS-HOV RESIDENCES AT GREENFIELD CROSSING LLC
GTIS-HOV SAUGANASH GLEN PARENT LLC
GTIS-HOV SAUGANSH GLEN LLC
GTIS-HOV TURNBALL ESTATES LLC
GTIS-HOV VILLAGES AT PEPPER MILL LLC
GTIS-HOV WARMINSTER LLC
GTIS-HOV WILLOWSFORD WINDMILL, LLC
HOMEBUYERS FINANCIAL USA, LLC
HOVSITE CATALINA LLC
HOVSITE CHURCHILL CLUB LLC
HOVSITE CIDER GROVE LLC

HOVSITE FIRENZE LLC
HOVSITE GREENWOOD MANOR LLC
HOVSITE HOLDINGS II LLC
HOVSITE HOLDINGS III LLC
HOVSITE HUNT CLUB LLC
HOVSITE II CASA DEL MAR LLC
HOVSITE III AT PARKLAND LLC
HOVSITE IRISH PRAIRIE LLC
HOVSITE LIBERTY LAKES LLC
HOVSITE MONTEVERDE 1 & 2 LLC
HOVSITE MONTEVERDE 3 & 4 LLC
HOVSITE PROVIDENCE LLC
HOVSITE SOUTHAMPTON LLC
HOVWEST LAND ACQUISITION, LLC
K. HOVNANIAN 77 HUDSON STREET INVESTMENTS, L.L.C.
K. HOVNANIAN AMBER GLEN, LLC
K. HOVNANIAN AMERICAN MORTGAGE, L.L.C.
K. HOVNANIAN AT 77 HUDSON STREET URBAN RENEWAL COMPANY, L.L.C.
K. HOVNANIAN AT AMBERLEY WOODS, LLC
K. HOVNANIAN AT BRADWELL ESTATES, LLC
K. HOVNANIAN AT CANTER V, LLC
K. HOVNANIAN AT CEDAR LANE ESTATES, LLC
K. HOVNANIAN AT DELRAY BEACH, L.L.C.
K. HOVNANIAN AT DOMINION CROSSING, LLC
K. HOVNANIAN AT EAGLE HEIGHTS, LLC
K. HOVNANIAN AT EMBREY MILL, LLC
K. HOVNANIAN AT HEATHERFIELD, LLC
K. HOVNANIAN AT HUNTER'S POND, LLC
K. HOVNANIAN AT LADD RANCH, LLC
K. HOVNANIAN AT MANALAPAN IV, LLC
K. HOVNANIAN AT MERIDIAN HILLS, LLC
K. HOVNANIAN AT MIDDLETOWN IV, LLC
K. HOVNANIAN AT MORRIS TWP II, LLC
K. HOVNANIAN AT MYSTIC DUNES, LLC
K. HOVNANIAN AT NICHOLSON, LLC
K. HOVNANIAN AT ORCHARD MEADOWS, LLC
K. HOVNANIAN AT PELHAM'S REACH, LLC
K. HOVNANIAN AT PHILADELPHIA I, L.L.C.
K. HOVNANIAN AT PINCKNEY FARM, LLC
K. HOVNANIAN AT PINNACLE PEAK PATIO, LLC
K. HOVNANIAN AT PORT IMPERIAL INVESTMENT, LLC
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL II, L.L.C.

K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL III, L.L.C.
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL VI, L.L.C.
K. HOVNANIAN AT RANDALL HIGHLANDS, LLC
K. HOVNANIAN AT RAYMOND FARM, LLC
K. HOVNANIAN AT RIVER HILLS, LLC
K. HOVNANIAN AT SILVERWOOD GLEN, LLC
K. HOVNANIAN AT SOUTHPOINTE, LLC
K. HOVNANIAN AT TAMARACK SOUTH LLC
K. HOVNANIAN AT TANGLEWOOD OAKS, LLC
K. HOVNANIAN AT THE HIGHLANDS AT SUMMERLAKE GROVE, LLC
K. HOVNANIAN AT THE MEADOWS, LLC
K. HOVNANIAN AT TRAVERSE, LLC
K. HOVNANIAN AT TRENTON II, L.L.C.
K. HOVNANIAN AT TRENTON URBAN RENEWAL, L.L.C.
K. HOVNANIAN AT VALLETTA, LLC
K. HOVNANIAN AT VILLAGE OF ROUND HILL, LLC
K. HOVNANIAN AT WATERFORD, LLC
K. HOVNANIAN AT WELLSPRINGS, LLC
K. HOVNANIAN AT WILLOWSFORD WINDMILL, LLC
K. HOVNANIAN BUILDING COMPANY, LLC
K. HOVNANIAN COMPANIES OF ARIZONA, LLC
K. HOVNANIAN CYPRESS CREEK, LLC
K. HOVNANIAN DFW BAYSIDE, LLC
K. HOVNANIAN DFW BERKSHIRE II, LLC
K. HOVNANIAN DFW BERKSHIRE, LLC
K. HOVNANIAN DFW CARILLON, LLC
K. HOVNANIAN DFW COMMODORE AT PRESTON, LLC
K. HOVNANIAN DFW HEATHERWOOD, LLC
K. HOVNANIAN DFW HERON POND, LLC
K. HOVNANIAN DFW MAXWELL CREEK, LLC
K. HOVNANIAN DFW MUSTANG LAKES II, LLC
K. HOVNANIAN DFW MUSTANG LAKES, LLC
K. HOVNANIAN DFW RICHWOODS, LLC
K. HOVNANIAN GT INVESTMENT, L.L.C.
K. HOVNANIAN GT V INVESTMENT, LLC
K. HOVNANIAN GT VI INVESTMENT, LLC
K. HOVNANIAN HOMES AT PARKSIDE, LLC
K. HOVNANIAN HOMES AT WILLOWSFORD GRANGE, LLC
K. HOVNANIAN HOMES AT WILLOWSFORD NEW, LLC
K. HOVNANIAN HOMES OF DELAWARE I, LLC
K. HOVNANIAN HOMES OF FLORIDA I, LLC
K. HOVNANIAN HOMES OF MARYLAND I, LLC
K. HOVNANIAN HOMES OF MARYLAND II, LLC

K. HOVNANIAN HOMES OF VIRGINIA I, LLC
K. HOVNANIAN HOVSITE II INVESTMENT, LLC
K. HOVNANIAN HOVSITE III INVESTMENT, LLC
K. HOVNANIAN HOVWEST HOLDINGS, L.L.C.
K. HOVNANIAN INVESTMENTS, L.L.C.
K. HOVNANIAN JV HOLDINGS, L.L.C.
K. HOVNANIAN JV SERVICES COMPANY, L.L.C.
K. HOVNANIAN LAKE PARKER, LLC
K. HOVNANIAN M.E. INVESTMENTS, LLC
K. HOVNANIAN MONTCLAIRE ESTATES, LLC
K. HOVNANIAN NASSAU GROVE HOLDINGS, L.L.C.
K. HOVNANIAN PARKSIDE HOLDINGS, LLC
K. HOVNANIAN PARKVIEW AT STERLING MEADOWS, LLC
K. HOVNANIAN SERENO, LLC
K. HOVNANIAN TBD, LLC
K. HOVNANIAN TERRA LAGO INVESTMENT, LLC
K. HOVNANIAN TERRALARGO, LLC
K. HOVNANIAN'S FOUR SEASONS AT LAKES OF CANE BAY LLC
K. HOVNANIAN'S FOUR SEASONS AT MALIND BLUFF, LLC
K. HOVNANIAN'S SONATA AT THE PRESERVE, LLC
MILLENNIUM TITLE AGENCY, LTD.
MM-BEACHFRONT NORTH II, L.L.C.
NASSAU GROVE ENTERPRISES, L.L.C.
PORT IMPERIAL PARTNERS, LLC
TERRA LAGO INDIO LLC
TRAVERSE PARTNERS, LLC
WHI-REPUBLIC, LLC

EXECUTION COPY

COLLATERAL AGENCY AGREEMENT, dated as of July 27, 2017, by and among WILMINGTON TRUST, NATIONAL ASSOCIATION, as collateral agent for the Secured Noteholder Parties (as defined below) (in such capacity, together with its successors and assigns, the **“Notes Collateral Agent”**), WILMINGTON TRUST, NATIONAL ASSOCIATION, as Collateral Agent (as defined below), HOVNANIAN ENTERPRISES, INC. (**“Hovnanian”**), K. HOVNANIAN ENTERPRISES, INC. (the **“Company”**), and each of the signatories listed on Schedule A hereto (Hovnanian, the Company and such signatories, collectively, the **“Grantors”**).

WHEREAS, the Grantors, the Notes Collateral Agent and WILMINGTON TRUST, NATIONAL ASSOCIATION, as trustee for the Secured Notes (in such capacity, the **“Trustee”**) are, concurrently herewith, entering into that certain Indenture, dated as of the date hereof (as amended, supplemented or otherwise modified to the date hereof and as thereafter amended, supplemented or otherwise modified from time to time, the **“Indenture”**) pursuant to which the Company is issuing its 10.000% Senior Secured Notes due 2022 (the **“10.000% Secured Notes”**) and its 10.500% Senior Secured Notes due 2024 (the **“10.500% Secured Notes”**) and together with the 10.000% Secured Notes, the **“Secured Notes”**);

WHEREAS, concurrently with the consummation of the transactions contemplated by the Indenture, the Grantors, the Notes Collateral Agent and the Collateral Agent are entering into this Agreement to provide that the Collateral Agent shall act as the Junior Joint Collateral Agent under, and as defined in, the Intercreditor Agreement (as defined below);

WHEREAS, concurrently with the execution of the Indenture and this Agreement, Hovnanian, the Company and the other Grantors party thereto are entering into that certain Security Agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified to the date hereof and from time to time hereafter, the **“Security Agreement”**) pursuant to which Hovnanian, the Company and the other Grantors party thereto are granting to the Collateral Agent, for the benefit of the Secured Noteholder Parties, Liens on the Collateral under, and as defined in, the Security Agreement;

WHEREAS, concurrently with the execution of the Indenture and this Agreement, Hovnanian, the Company and the other Grantors party thereto are also entering into that certain Pledge Agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified to the date hereof and from time to time hereafter, the **“Pledge Agreement”**) pursuant to which Hovnanian, the Company and the other Grantors are granting to the Collateral Agent, for the benefit of the Secured Noteholder Parties, Liens on the Pledged Collateral under, and as defined in, the Pledge Agreement;

WHEREAS, the Liens granted pursuant to the Security Agreement, the Pledge Agreement and all other Junior Collateral Documents (as defined in the Intercreditor Agreement) are subject to that certain Amended and Restated Intercreditor Agreement, dated as of September 8, 2016, (as amended, amended and restated, supplemented or otherwise modified from time to time, including as supplemented by the Intercreditor Agreement Joinder (as defined below), the “**Intercreditor Agreement**”) among Hovnanian, the Company, the other Grantors from time to time party thereto, Wilmington Trust, National Association, as Senior Credit Agreement Administrative Agent (as defined therein) under the Senior Credit Agreement Documents (as defined therein), Wilmington Trust, National Association, as the Mortgage Tax Collateral Agent (as defined therein) and the other parties party thereto.

WHEREAS, concurrently herewith, Hovnanian, the Company, the other Grantors party thereto, the Trustee, the Notes Collateral Agent, the Collateral Agent, the Senior Credit Agreement Administrative Agent and the Mortgage Tax Collateral Agent are entering into a joinder to the Intercreditor Agreement dated the date hereof (the “**Intercreditor Agreement Joinder**”).

NOW THEREFORE, the parties hereto desire to memorialize the foregoing and, accordingly, hereby agree as follows:

ARTICLE 1
DEFINED TERMS

Section 1.01. *Definitions*. Capitalized terms not otherwise defined herein or specified as being defined in a specific agreement or instrument shall have the meanings set forth in the Intercreditor Agreement, and the following terms shall have the following meanings:

“**Agreement**” means this Agreement, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“**Additional Authorized Representative**” means any agent or trustee for, or other representative of, the lenders or holders of any Future Second-Lien Indebtedness.

“**Additional Pari Passu Debt Documents**” means, collectively, the Junior Documents in respect of any Future Second-Lien Indebtedness.

“**Additional Pari Passu Debt**” means, subject to Article 3, any Future Second-Lien Indebtedness.

“Additional Pari Passu Secured Parties” means, at any time, subject to Article 3, the Junior Creditors in respect of Future Second-Lien Indebtedness.

“Applicable Authorized Representative” means at any time (a) until the occurrence of the Non-Controlling Authorized Representative Enforcement Date, the Authorized Representative of a Series of Secured Obligations, the aggregate principal amount of which exceeds the aggregate principal amount of each other Series of Secured Obligations and (b) from and after the Non-Controlling Authorized Representative Enforcement Date, the Major Non-Controlling Authorized Representative.

“Authorized Representatives” means collectively, the Trustee and each Additional Authorized Representative.

“Collateral” means the Junior Collateral.

“Collateral Agent” means Wilmington Trust, National Association, in its capacity as joint collateral agent (together with its successors and assigns) for the Secured Parties under the Junior Collateral Documents and the Intercreditor Agreement pursuant to the appointment in Section 2.01 hereof.

“Collateral Agency Joinder” means a joinder agreement substantially in the form of Exhibit A.

“Controlling Secured Parties” means, at any time with respect to any Collateral, the Secured Parties of the same Series as the Authorized Representative that is the Applicable Authorized Representative with respect to such Collateral at such time.

“Event of Default” means an Event of Default as defined in the Indenture (with respect to either or both issuances of Secured Notes) and/or any Additional Pari Passu Debt Document.

“Indenture” has the meaning specified in the recitals.

“Intercreditor Agreement Joinder” has the meaning specified in the recitals.

“Major Non-Controlling Authorized Representative” means, the Authorized Representative of the Series of the Secured Obligations (other than the Secured Obligations of the Controlling Secured Parties), the aggregate principal amount of which exceeds the aggregate principal amount of Secured Obligations of each other Series of Secured Obligations (other than the Secured Obligations of the Controlling Secured Parties). For purposes of this definition, the Secured Notes shall be treated as a single Series of Secured Obligations.

“Non-Controlling Authorized Representative” means, any Authorized Representative that is not the Applicable Authorized Representative at such time with respect to the Collateral.

“Non-Controlling Authorized Representative Enforcement Date” means, the date that is 180 days (throughout which 180-day period a Non-Controlling Authorized Representative was the Major Non-Controlling Authorized Representative and not the Applicable Authorized Representative with respect to the Collateral) after both (a) an Event of Default and (b) the Collateral Agent’s and each other Authorized Representative’s receipt of written notice from such Non-Controlling Authorized Representative, which notice has not been withdrawn or revoked within such 180-day period, certifying that (i) such Non-Controlling Authorized Representative is the Major Non-Controlling Authorized Representative with respect to the Collateral and that an Event of Default has occurred and is continuing and (ii) the Secured Obligations with respect to which such Non-Controlling Authorized Representative is the Authorized Representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) or in the case of the Secured Notes, at least one issuance thereof for which clause (i) has been satisfied, is currently due and payable in full, in accordance with the terms of the applicable Indenture and/or Additional Pari Passu Debt Documents; *provided* that the Non-Controlling Authorized Representative Enforcement Date shall be stayed and shall not occur (and shall be deemed not to have occurred for all purposes) with respect to the Collateral (A) at any time the Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to such Collateral (or the Applicable Authorized Representative shall have instructed the Collateral Agent to do the same) or (B) at any time the Grantor that has granted a security interest in such Collateral is then a debtor under or with respect to (or otherwise subject to) any Insolvency or Liquidation Proceeding.

“Notice of Event of Default” means a direction in writing delivered to the Collateral Agent by or with the written consent of the Applicable Authorized Representative notifying the Collateral Agent of an Event of Default under the applicable Junior Agreement.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, entity or other party, including any government and any political subdivision, agency or instrumentality thereof.

“Post-Petition Interest” means any interest or entitlement to fees or other expenses or other charges that accrues after the commencement of any Insolvency or Liquidation Proceeding, whether or not allowed or allowable in any such Insolvency or Liquidation Proceeding.

“Required Controlling Secured Parties” means, at any time with respect to the Collateral, such requisite percentage or number of Controlling Secured Parties as set forth in the applicable Junior Documents or if no such requisite percentage or number of Controlling Secured Parties is set forth in the applicable Junior Document, the Controlling Secured Parties owed or holding more than 50% of the aggregate principal amount of Indebtedness constituting Secured Obligations of all Controlling Secured Parties, at such time.

“Secured Noteholder Parties” means all Junior Creditors in respect of the Secured Notes, including the holders of the Secured Notes and all Obligations with respect thereto (including the Notes Collateral Agent, the Collateral Agent and the Trustee).

“Secured Obligations” means all Junior Claims.

“Secured Parties” means all Junior Creditors, including the Secured Noteholder Parties and the Additional Pari Passu Secured Parties.

“Series” means, (a) when used in reference to the Secured Obligations, the Junior Claims in respect of the Secured Notes, the Junior Claims in respect of the Additional Pari Passu Debt or both; provided that the Junior Claims in respect of the Secured Notes shall be considered a single Series for purposes of this Agreement and (b) when used in reference to the Secured Parties, the Secured Noteholder Parties, the Additional Pari Passu Secured Parties or both, as applicable; provided that the Secured Noteholder Parties shall be considered a single Series for purposes of this Agreement.

Section 1.01. *Certain Other Terms.*

(a) The words “herein,” “hereof,” “hereto” and “hereunder” and similar words refer to this Agreement as a whole and not to any particular Article, Section, subsection or clause in this Agreement.

(b) References herein to an Exhibit, Article, Section, subsection or clause refer to the appropriate Exhibit, or Article, Section, subsection or clause in, this Agreement.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) Any reference in this Agreement to the Security Agreement, the Pledge Agreement and the other Junior Collateral Documents shall include all appendices, exhibits and schedules to such Security Agreement, Pledge Agreement and the other Junior Collateral Documents, and all amendments, restatements, amendments and restatements, supplements or other modifications thereto entered into concurrently and in connection with the consummation of the transactions contemplated by the Indenture or from time to time thereafter.

ARTICLE 2
THE COLLATERAL AGENT

Section 2.01. *Appointment of Junior Joint Collateral Agent*

(i) The Company, the Noteholder Collateral Agent (pursuant to the authorizations set forth in the Indenture), for itself and on behalf of each Secured Noteholder Party, and each Additional Authorized Representative, for itself and on behalf of each Additional Pari Passu Secured Party represented by it, hereby appoints Wilmington Trust, National Association to act as joint collateral agent for the benefit of the Secured Parties under the Junior Collateral Documents and shall be the Junior Joint Collateral Agent under the Intercreditor Agreement. Wilmington Trust, National Association, in its capacity as the Collateral Agent hereby accepts and agrees to act as joint collateral agent for benefit of the Secured Parties under the Junior Collateral Documents and to be the Junior Joint Collateral Agent under the Intercreditor Agreement. The Collateral Agent hereby further agrees to hold, for the benefit of all present and future Secured Parties, all of each Grantor's right, title and interest in, to and under the Collateral for the benefit of all present and future Secured Parties, together with all of the Collateral Agent's right, title and interest in, to and under the Security Agreement, the Pledge Agreement, the other Junior Collateral Documents, the Intercreditor Agreement and all interests, rights, powers and remedies of the Collateral Agent thereunder or in respect thereof and all cash and non-cash proceeds thereof constituting Collateral.

(ii) Each of the Notes Collateral Agent, for itself and pursuant to the authorizations set forth in the Indenture, on behalf of each Secured Noteholder Party and each Additional Authorized Representative, for itself and on behalf of each Additional Pari Passu Secured Party represented by it, acknowledges and agrees that, pursuant to the Junior Collateral Documents, each of the Grantors has granted to the Collateral Agent, for the benefit of the Secured Parties, a security interest in all such Grantor's rights, title and interest in, to and under the Collateral to secure the payment and performance of all present and future Secured Obligations. Each of the Notes Collateral Agent, for itself and pursuant to the authorizations set forth in the Indenture, on behalf of each Secured Noteholder Party and each Additional Authorized Representative, for itself and on behalf of each Additional Pari Passu Secured Party represented by it, acknowledges and agrees that, pursuant to the Junior Collateral Documents, the aforementioned security interest granted to the Collateral Agent, for the benefit of the Secured Parties, shall for all purposes and at all times secure the Secured Obligations on an equal and ratable basis.

(iii) The parties to this Agreement further covenant and agree that the Collateral will be held and distributed among the Secured Parties by the Collateral Agent in accordance with the terms of this Agreement.

Section 2.02. Enforcement of Collateral by Collateral Agent.

(a) If the Collateral Agent at any time receives a Notice of Event of Default, the Collateral Agent shall within five (5) Business Days thereafter, notify the Company, the Notes Collateral Agent and each Additional Authorized Representative (if any) of such receipt. Upon receipt of any written directions pursuant to Section 2.02(c), the Collateral Agent shall within five (5) Business Days thereafter, send a copy thereof to the Company, the Notes Collateral Agent and each Additional Authorized Representative (if any).

(b) If an Event of Default shall have occurred and be continuing and if the Collateral Agent shall have received a Notice of Event of Default with respect thereto which has not been withdrawn in a writing delivered to the Collateral Agent by the Applicable Authorized Representative and subject to the provisions of the Intercreditor Agreement and, in the case of Collateral securing Permitted Liens (as defined in the Indenture and any Additional Pari Passu Debt Document), applicable law and the terms of the agreements governing such Permitted Liens, the Collateral Agent may exercise the rights and remedies provided in this Agreement, the Intercreditor Agreement and the other Junior Collateral Documents.

(c) Subject to Section 2.02(d), if an Event of Default shall have occurred and be continuing and if the Collateral Agent shall have received a Notice of Event of Default with respect thereto, subject to the provisions of the Intercreditor Agreement, the Applicable Authorized Representative shall have the right, by an instrument in writing executed by the Applicable Authorized Representative and delivered to the Collateral Agent, to direct the time, method and place of (x) conducting any proceeding for any right or remedy available to the Collateral Agent, or (y) exercising any power conferred on the Collateral Agent. It is understood and agreed that the Applicable Authorized Representative shall (x) deliver any written instruction that is contemplated to be delivered to the Collateral Agent hereunder, and shall take or refrain from taking any action that is contemplated to be taken, by the Applicable Authorized Representative upon receipt of approval or direction thereof from the Required Controlling Secured Parties (to the extent required by the terms of the applicable Junior Collateral Documents) and (y) upon receipt of confirmation satisfactory to the Applicable Authorized Representative that such Event of Default is no longer continuing, withdraw in a writing delivered by it to the Collateral Agent any Notice of Event of Default previously delivered by it to the Collateral Agent in respect of such Event of Default.

(d) The Collateral Agent shall not be obligated to follow any written directions received pursuant to Section 2.02(c) to the extent such written directions are known by the Collateral Agent to be in conflict with any provisions of law or if the Collateral Agent shall have received advice from independent counsel to the effect that following such written directions would result in a breach of a provision or covenant contained in the Intercreditor Agreement, the Indenture or any Additional Pari Passu Debt Document or impose individual liability on the Collateral Agent.

(e) Nothing in this Section 2.02 shall impair the right of the Collateral Agent in its discretion to take or omit to take any action deemed proper by the Collateral Agent and which action or omission is not inconsistent with the Intercreditor Agreement or the direction of the Secured Parties entitled to direct the Collateral Agent pursuant to this Section 2.02; provided, however, that the Collateral Agent shall not be under any obligation to take any action that is discretionary with the Collateral Agent under the provisions of this Agreement, under the Intercreditor Agreement or under any Junior Collateral Document.

(f) The Collateral Agent shall be under no obligation to take any action toward the enforcement of this Agreement, whether on its own motion or on the request of any other Person, which in the opinion of the Collateral Agent may involve loss, liability or expense to it, unless the Company or one or more Secured Parties shall offer and furnish security or indemnity, reasonably satisfactory to the Collateral Agent, against such loss, liability and expense to the Collateral Agent.

Section 2.03. *Application of Proceeds by Collateral Agent/Priority of Claims.* Subject to the requirements of the Intercreditor Agreement, the Collateral Agent shall cause all Proceeds of the Collateral (in the form of cash or otherwise) received by it pursuant to an enforcement of Liens and security interests in accordance with Section 2.02 or otherwise, to be applied as follows:

FIRST, ratably to the payment of all costs and expenses owing to the Collateral Agent and each Authorized Representative in respect of the Secured Obligations, their agents, attorneys and counsel, and all other expenses and liabilities incurred and advances made pursuant to the Junior Documents except as a result of their negligence or willful misconduct;

SECOND, to the payment in full of the Secured Obligations ratably in respect of the Secured Obligations in respect of each Series of Secured Obligations based upon the amount thereof outstanding on the date of such application, to be applied by the applicable Authorized Representative in accordance with the respective Junior Documents; and

THIRD, after payment in full of all of the Obligations in respect of each Series of Secured Obligations, to the Grantors or their successors or assigns, as their interests may appear, or as a court of competent jurisdiction may direct.

Section 2.04. *Prohibition on Contesting Liens.* (a) Each Secured Party agrees that it will not (and hereby waives any right to) question or contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the perfection, priority, validity, attachment or enforceability of a Lien held by or on behalf of any of the Secured Parties in all or any part of the Collateral, or the provisions of this Agreement; *provided* that nothing in this Section 2.04(a) shall be construed to prevent or impair the rights of any collateral agent to enforce this Agreement.

(b) Notwithstanding the date, time, method, manner or order of filing or recordation of any document or instrument or grant, attachment or perfection of any Liens securing any Series of Secured Obligations granted on the Collateral and notwithstanding any provision of the Uniform Commercial Code of any jurisdiction, or any other applicable law or the Junior Documents or any defect or deficiencies in the Liens securing the Secured Obligations of any Series granted on the Collateral or any other circumstance whatsoever, each Secured Party hereby agrees that the Liens securing each Series of Secured Obligations on any Collateral shall be of equal priority.

Section 2.05. *Acknowledgments.* Nothing set forth in this Agreement is intended to limit, or shall limit, any right or remedy that any Secured Party may have in its capacity as a creditor in any Insolvency or Liquidation Proceeding.

Section 2.06. *Duties of Collateral Agent.* The Collateral Agent shall not have any duties or obligations except those expressly set forth herein or in the Junior Collateral Documents to which it is a party (in its capacity as Collateral Agent) or in the Intercreditor Agreement.

Section 2.07. *Successor Agent.* (a) The Collateral Agent or any successor Collateral Agent may resign at any time by giving at least 30 days' prior written notice of resignation to the Company and each Authorized Representative, such resignation to be effective on the later of (a) the date specified in such notice and (b) the date on which a replacement agent acceptable to each Authorized Representative, and, to the extent no Event of Default exists under the Junior Documents, the Company, is appointed to act as Collateral Agent hereunder. If no such successor is appointed within such 30 day period, the Collateral Agent may petition a court of competent jurisdiction for the appointment of a successor.

(b) Any entity into which the Collateral Agent may be merged or with which it may be consolidated, or any entity resulting from any merger or consolidation to which the Collateral Agent is a party shall automatically succeed to all of the rights and obligations of the Collateral Agent hereunder without further action on the part of any of the parties hereto. Such surviving or succeeding entity (if other than the Collateral Agent) shall (a) forthwith deliver to each of the collateral agents and the Company written notice of such succession to the rights and obligations of the Collateral Agent hereunder and under the Junior Documents and an executed assignment and assumption of the Collateral Agent's rights and duties hereunder and (b) cooperate with the Company in continuing or maintaining perfection of the lien and security interest in respect of the Collateral.

Section 2.08. *Recording of Liens.* Each of the Secured Parties agrees that each filing and recordation of any document or instrument or grant, attachment or perfection of any Liens granted to any such party in the name of Wilmington Trust, National Association, as Collateral Agent, or similar name in respect of the Secured Obligations, is also a filing and recordation in favor and for the benefit of each Authorized Representative and each Series of Secured Parties and that the references to Wilmington Trust, National Association, as Collateral Agent (or similar representative name in respect of the Secured Obligations) in each such filing is a reference to the Collateral Agent, acting as representative for each Authorized Representative and each Series of Secured Parties.

Section 2.09. *Joinder to Intercreditor Agreement.* By their entry into this Agreement, each of the Authorized Representatives on behalf of themselves and each holder of Secured Obligations, (a) consents to the entry into the Intercreditor Agreement Joinder by the Collateral Agent, (b) irrevocably authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent in the Intercreditor Agreement and the Junior Collateral Documents, together with such actions and powers as are reasonably incidental thereto, and authorizes the Collateral Agent to execute any Junior Collateral Documents on behalf of all holders of Secured Obligations and to take such other actions to maintain and preserve the security interests granted pursuant to any Junior Collateral Documents and (c) agrees to be bound by the terms and provisions of such Intercreditor Agreement to the extent any Secured Obligations remain outstanding.

ARTICLE 3

ADDITIONAL PARI PASSU DEBT

(a) The Collateral Agent will act as agent hereunder for, and perform its duties set forth in this Agreement on behalf of, each holder of Secured Obligations in respect of Future Second Lien Indebtedness that is issued or incurred after the date hereof that signs, through its designated Additional Authorized Representative identified pursuant to Section 3(b), a Collateral Agency Joinder and delivers the same to the Company, the Collateral Agent and each other Authorized Representative.

(b) The Company or one or more other Grantors may designate as an additional holder of Secured Obligations hereunder the holders, lenders, agents and Additional Authorized Representatives, as applicable, in respect of such Additional Pari Passu Debt, in each case only to the extent such designation is made by the Company in accordance with the following sentence and only to the extent such incurrence is not prohibited by any Junior Document or any Senior Document. To effect any such designation the Company shall deliver to the Collateral Agent (with copies to the Trustee and each other Authorized Representative), each of the following:

(i) on or prior to the date on which such Additional Pari Passu Debt is incurred, an Officers' Certificate (as defined in the Indenture) stating that the applicable Grantors intend to incur such Additional Pari Passu Debt, and certifying that (1) such incurrence is not prohibited by and would not result in any default under any Junior Document, Senior Document or then existing Additional Pari Passu Debt Documents (other than any incurrence of Secured Obligations that would simultaneously repay all Secured Obligations of any Series or obligations under the Senior Documents, as applicable, under the Junior Documents of such Series or the Senior Documents, as applicable, under which such default would arise); (2) the Company and each other Grantor has duly authorized, executed (if applicable) and recorded (or caused to be recorded), or intends to authorize, execute and record (if applicable), in each appropriate governmental office all relevant filings and recordations, if any, reasonably necessary to ensure that such Additional Pari Passu Debt is secured by the Collateral to the extent required by the Junior Collateral Documents and in accordance with this Agreement, the Intercreditor Agreement and the other Junior Collateral Documents; and (3) all covenants and conditions precedent to the execution and delivery by the Collateral Agent of such Collateral Agency Joinder under the Junior Collateral Documents have been complied with;

(ii) a written notice specifying the name and address of the Additional Authorized Representative in respect of such Additional Pari Passu Debt for purposes of Section 4.01; and

(iii) a copy of the Collateral Agency Joinder, executed by the applicable Additional Authorized Representative (on behalf of each Additional Pari Passu Secured Party represented by it).

ARTICLE 4

MISCELLANEOUS

Section 4.01. *Notices, etc.* All notices, requests, claims, demands, waivers and other communications under this Agreement shall be delivered in accordance with the Intercreditor Agreement.

Section 4.02. *Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of, and be enforceable by, the respective successors and permitted assigns of the parties hereto.

Section 4.03. *Governing Law.* This Agreement has been delivered and accepted at and shall be deemed to have been made at New York, New York and shall be governed by and interpreted, and the rights and liabilities of the parties bound hereby determined, in accordance with the laws of the State of New York.

Section 4.04. *Consent to Jurisdiction; Waivers.* The parties hereto consent to the jurisdiction of any state or federal court located in New York, New York, and consent that all service of process may be made by registered mail directed to such party as provided in the Intercreditor Agreement. Service so made shall be deemed to be completed three days after the same shall be posted as aforesaid. The parties hereto waive any objection to any action instituted hereunder in any such court based on *forum non conveniens*, and any objection to the venue of any action instituted hereunder in any such court. Each of the parties hereto waives any right it may have to trial by jury in respect of any litigation based on, or arising out of, under or in connection with this Agreement, or any course of conduct, course of dealing, verbal or written statement or action of any party hereto in connection with the subject matter hereof.

Section 4.05. *Amendments.* This Agreement may not be modified or amended, or any provision thereof waived, except as otherwise set forth in Article 3 or in a writing signed by all the parties to this Agreement.

Section 4.06. *Effectiveness.* This Agreement shall become effective when executed and delivered by the parties hereto. This Agreement shall be effective both before and after the commencement of any Insolvency or Liquidation Proceeding. All references to the Company or any other Grantor shall include the Company or any other Grantor as debtor and debtor-in-possession and any receiver or trustee for the Company or any other Grantor (as the case may be) in any Insolvency or Liquidation Proceeding.

This Agreement may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one instrument. If any term of this Agreement or any application thereof shall be held to be invalid, illegal or unenforceable, the validity of other terms of this Agreement or any other application of such term shall in no way be affected thereby.

Section 4.07. *Collateral Agent's rights, benefits, etc.* (a) Wilmington Trust, National Association is entering into this Agreement in its capacity as Collateral Agent hereunder and as Notes Collateral Agent pursuant to the authorization set forth in Article XI of the Indenture. In acting as Notes Collateral Agent and in acting as Collateral Agent hereunder, Wilmington Trust, National Association shall be entitled to the rights, benefits, protections, indemnities and immunities granted to the Notes Collateral Agent set forth in the Junior Documents (to which the Collateral Agent is a party) in respect of the Indenture and its role as Notes Collateral Agent.

(b) [Reserved].

(c) The permissive authorizations, entitlements, powers and rights granted to each of the Collateral Agent herein shall not be construed as duties. Any exercise of discretion on behalf of the of the Collateral Agent shall be exercised in accordance with the terms of the Junior Documents.

(d) None of the collateral agents hereunder make any representation and have no responsibility as to the validity or sufficiency of this Agreement or the sufficiency of the Collateral.

(e) Notwithstanding anything herein to the contrary, none of the collateral agents hereunder shall have any duty to (i) file or prepare any financing or continuation statements or record any documents or instruments in any public office for purposes of creating, perfecting or maintaining any lien or security interest created hereunder or under the Junior Collateral Documents; (ii) take any necessary steps to preserve rights against any parties with respect to any Collateral; or (iii) take any action to protect against any diminution in value of the Collateral, except, in each case, as otherwise expressly provided in this Agreement and the Junior Documents (to which the applicable collateral agent is a party), with respect to the safe custody of any Collateral in its physical possession and the release of any liens only in accordance with the terms of the Junior Documents.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its
individual capacity, but solely as Notes Collateral Agent

By: /s/ John T. Needham, Jr.
Name: John T. Needham, Jr.
Title: Vice President

[Signature Page to Collateral Agency Agreement]

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its
individual capacity but solely as Collateral Agent under the Junior
Collateral Documents

By: /s/ John T. Needham, Jr.
Name: John T. Needham, Jr.
Title: Vice President

[Signature Page to Collateral Agency Agreement]

K. HOVNANIAN ENTERPRISES, INC.

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

HOVNANIAN ENTERPRISES, INC.

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

K. HOV IP, II, INC.

By: /s/ J. Brad O'Connor
Name: Brad O' Connor
Title: Authorized officer

On behalf of each other entity named in Schedule A hereto

By: /s/ J. Larry Sorsby
Name: J. Larry Sorsby
Title: Authorized Officer

[Signature Page to Collateral Agency Agreement]

SCHEDULE A

Arbor Trails, LLC
Builder Services NJ, L.L.C.
Builder Services PA, L.L.C.
Eastern National Title Agency, LLC
Eastern Title Agency of Illinois, 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 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 Hovnanian Homes at Maxwell Place, L.L.C.
K. HOV IP, II, Inc.
K. Hovnanian Aberdeen, LLC
K. Hovnanian Acquisitions, Inc.
K. Hovnanian at 240 Missouri, LLC
K. Hovnanian at 4S, LLC
K. Hovnanian at Aire on McDowell, LLC
K. Hovnanian at Aliso, LLC
K. Hovnanian at Allentown, L.L.C.
K. Hovnanian at Andalusia, LLC
K. Hovnanian at Asbury Park Urban Renewal, LLC
K. Hovnanian at Ashby Place, 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 Beacon Park Area 129 II, LLC
K. Hovnanian at Beacon Park Area 129, LLC
K. Hovnanian at Beacon Park Area 137, LLC
K. Hovnanian at Bella Lago, LLC
K. Hovnanian at Blackstone, LLC
K. Hovnanian at Boca Dunes, LLC
K. Hovnanian at Branchburg II, LLC
K. Hovnanian at Branchburg, L.L.C.
K. Hovnanian at Branchburg-Vollers, LLC
K. Hovnanian at Brenford Station, LLC
K. Hovnanian at Bridgeport, Inc.
K. Hovnanian at Bridgewater I, L.L.C.
K. Hovnanian at Bridgewater II, LLC

K. Hovnanian at Burch Kove, LLC
K. HOVNANIAN AT CAMP HILL, L.L.C.
K. HOVNANIAN AT CAPISTRANO, L.L.C.
K. Hovnanian at Carlsbad, LLC
K. Hovnanian at Catania, LLC
K. Hovnanian at Caton's Reserve, LLC
K. Hovnanian at Cedar Grove III, L.L.C.
K. Hovnanian at Cedar Grove Urban Renewal, LLC
K. Hovnanian at Cedar Lane, LLC
K. Hovnanian at Charter Way, LLC
K. Hovnanian at Chesterfield, L.L.C.
K. Hovnanian at Christina Court, LLC
K. Hovnanian at Cielo, L.L.C.
K. Hovnanian at Coastline, L.L.C.
K. Hovnanian at Coosaw Point, LLC
K. Hovnanian at Coral Lago, LLC
K. Hovnanian at Cortez Hill, LLC
K. Hovnanian at Denville, L.L.C.
K. Hovnanian at Deptford Township, L.L.C.
K. Hovnanian at Doylestown, LLC
K. Hovnanian at Dunellen Urban Renewal, LLC
K. Hovnanian at East Brandywine, L.L.C.
K. Hovnanian at East Brunswick III, LLC
K. Hovnanian at East Brunswick, LLC
K. Hovnanian at East Windsor, LLC
K. Hovnanian at Eden Terrace, L.L.C.
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 Estates at Wheatlands, LLC
K. Hovnanian at Evergreen, L.L.C.
K. Hovnanian at Fairfield Ridge, LLC
K. Hovnanian at Fiddymment 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 Fox Path at Hampton Lake, LLC
K. Hovnanian at Franklin II, L.L.C.
K. Hovnanian at Franklin, L.L.C.
K. Hovnanian at Freehold Township III, LLC
K. Hovnanian at Fresno, LLC
K. Hovnanian at Gallery, LLC

K. HOVNIANIAN AT GASLAMP SQUARE, L.L.C.
K. Hovnianian at Gilroy 60, LLC
K. Hovnianian at Gilroy, LLC
K. Hovnianian at Great Notch, L.L.C.
K. Hovnianian at Hackettstown II, L.L.C.
K. Hovnianian at Hampton Cove, LLC
K. Hovnianian at Hampton Lake, LLC
K. Hovnianian at Hanover Estates, LLC
K. Hovnianian at Hershey's Mill, Inc.
K. Hovnianian at Hidden Brook, LLC
K. Hovnianian at Hillsborough, LLC
K. Hovnianian at Hilltop Reserve II, LLC
K. Hovnianian at Hilltop Reserve, LLC
K. Hovnianian at Howell Fort Plains, LLC
K. Hovnianian at Howell II, LLC
K. Hovnianian at Howell, LLC
K. HOVNIANIAN AT HUDSON POINTE, L.L.C.
K. Hovnianian at Huntfield, LLC
K. Hovnianian at Indian Wells, LLC
K. Hovnianian at Island Lake, LLC
K. Hovnianian at Jackson I, L.L.C.
K. Hovnianian at Jackson, L.L.C.
K. Hovnianian at Jaeger Ranch, LLC
K. Hovnianian at Jersey City IV, L.L.C.
K. Hovnianian at Keyport, L.L.C.
K. Hovnianian at La Costa Greens, L.L.C.
K. Hovnianian at La Laguna, L.L.C.
K. Hovnianian at Lake Burden, LLC
K. Hovnianian at Lake LeClare, LLC
K. Hovnianian at Lake Rancho Viejo, LLC
K. Hovnianian at Lake Ridge Estates, LLC
K. Hovnianian at Lake Terrapin, L.L.C.
K. Hovnianian at Lee Square, L.L.C.
K. Hovnianian at Lenah Woods, LLC
K. Hovnianian at Lily Orchard, LLC
K. Hovnianian at Link Farm, LLC
K. Hovnianian at Little Egg Harbor Township II, L.L.C.
K. Hovnianian at Little Egg Harbor, L.L.C
K. Hovnianian at Lower Macungie Township I, L.L.C.
K. Hovnianian at Lower Macungie Township II, L.L.C.
K. Hovnianian at Lower Makefield Township I, L.L.C.
K. Hovnianian at Lower Moreland II, L.L.C.
K. Hovnianian at Magnolia Place, LLC
K. Hovnianian at Mahwah VI, Inc.
K. Hovnianian at Main Street Square, LLC
K. Hovnianian at Malan Park, L.L.C.

K. HOVNIANIAN AT MANALAPAN II, L.L.C.
K. Hovnianian at Manalapan III, L.L.C.
K. Hovnianian at Manalapan V, LLC
K. Hovnianian at Manalapan VI, LLC
K. Hovnianian at Mansfield II, L.L.C.
K. Hovnianian at Manteca, LLC
K. Hovnianian at Maple Avenue, L.L.C.
K. Hovnianian at Marlboro IX, LLC
K. Hovnianian at Marlboro Township IX, L.L.C.
K. Hovnianian at Marlboro Township V, L.L.C.
K. Hovnianian at Marlboro VI, L.L.C.
K. Hovnianian at Marple, LLC
K. Hovnianian at Meadowridge Villas, LLC
K. Hovnianian at Melanie Meadows, LLC
K. Hovnianian at Mendham Township, L.L.C.
K. Hovnianian at Middle Township II, L.L.C.
K. Hovnianian at Middle Township, L.L.C.
K. Hovnianian at Middletown II, L.L.C.
K. Hovnianian at Middletown III, LLC
K. Hovnianian at Middletown, LLC
K. Hovnianian at Millville I, L.L.C.
K. Hovnianian at Millville II, L.L.C.
K. Hovnianian at Monroe IV, L.L.C.
K. Hovnianian at Monroe NJ II, LLC
K. Hovnianian at Monroe NJ III, LLC
K. Hovnianian at Monroe NJ, L.L.C.
K. Hovnianian at Montana Vista, LLC
K. Hovnianian at Montgomery, LLC
K. Hovnianian at Montvale II, LLC
K. Hovnianian at Montvale, L.L.C.
K. Hovnianian at Morris Twp, LLC
K. Hovnianian at Muirfield, LLC
K. Hovnianian at North Bergen. L.L.C.
K. HOVNIANIAN AT NORTH BRUNSWICK VI, L.L.C.
K. Hovnianian at North Caldwell II, L.L.C.
K. Hovnianian at North Caldwell III, L.L.C.
K. Hovnianian at North Caldwell IV, L.L.C.
K. Hovnianian at North Wildwood, L.L.C.
K. Hovnianian at Northampton, L.L.C.
K. HOVNIANIAN AT NORTHERN WESTCHESTER, INC.
K. Hovnianian at Northfield, L.L.C.
K. Hovnianian at Northridge Estates, LLC
K. Hovnianian at Norton Lake LLC
K. Hovnianian at Nottingham Meadows, LLC
K. Hovnianian at Oak Pointe, LLC
K. Hovnianian at Ocean Township, Inc

K. Hovnanian at Ocean View Beach Club, LLC
K. Hovnanian at Oceanport, L.L.C.
K. Hovnanian at Old Bridge, L.L.C.
K. Hovnanian at Palm Valley, L.L.C.
K. Hovnanian at Park Paseo, LLC
K. Hovnanian at Parkside, LLC
K. Hovnanian at Parsippany, L.L.C.
K. Hovnanian at Pavilion Park, LLC
K. Hovnanian at Piazza D'Oro, L.L.C.
K. Hovnanian at Piazza Serena, L.L.C
K. Hovnanian at Pickett Reserve, LLC
K. Hovnanian at Pittsgrove, L.L.C.
K. Hovnanian at Plantation Lakes, L.L.C.
K. Hovnanian at Pointe 16, LLC
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL V, 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 Prairie Pointe, LLC
K. Hovnanian at Quail Creek, L.L.C.
K. Hovnanian at Rancho Cabrillo, LLC
K. HOVNANIAN AT RAPHO, L.L.C
K. Hovnanian at Redtail, LLC
K. Hovnanian at Reserves at Wheatlands, LLC
K. Hovnanian at Residence at Discovery Square, LLC
K. Hovnanian at Ridgemont, L.L.C.
K. Hovnanian at Rock Ledge, 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 Sagebrook, LLC
K. Hovnanian at Santa Nella, LLC
K. Hovnanian at Sawmill, Inc.
K. Hovnanian at Seasons Landing, LLC
K. Hovnanian at Sheldon Grove, LLC
K. Hovnanian at Shrewsbury, LLC
K. Hovnanian at Sienna Hills, LLC
K. Hovnanian at Signal Hill, LLC
K. Hovnanian at Silver Spring, L.L.C.
K. Hovnanian at Silverstone, LLC
K. Hovnanian at Skye Isle, LLC
K. Hovnanian at Skye on McDowell, LLC
K. Hovnanian at Smithville, Inc.
K. Hovnanian at Somerset, LLC
K. Hovnanian at South Brunswick II, LLC
K. Hovnanian at South Brunswick III, LLC

K. Hovnanian at South Brunswick, L.L.C.
K. Hovnanian at Spring Isle, LLC
K. Hovnanian at Stanton, LLC
K. Hovnanian at Station Square, L.L.C.
K. Hovnanian at Summerlake, LLC
K. Hovnanian at Sunridge Park, LLC
K. Hovnanian at Sunrise Trail II, LLC
K. Hovnanian at Sunrise Trail III, LLC
K. Hovnanian at Terra Bella Two, LLC
K. Hovnanian at The Commons at Richmond Hill, LLC
K. Hovnanian at The Crosby, LLC
K. Hovnanian at The Monarch, L.L.C.
K. Hovnanian at The Promenade at Beaver Creek, LLC
K. Hovnanian at Thompson Ranch, LLC
K. Hovnanian at Trafford Place, LLC
K. Hovnanian at Trail Ridge, LLC
K. Hovnanian at Tramore LLC
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 Ventana Lakes, LLC
K. Hovnanian at Verona Estates, LLC
K. HOVNANIAN AT VERONA URBAN RENEWAL, L.L.C.
K. Hovnanian at Verrado Cascina, LLC
K. Hovnanian at Verrado Marketside, LLC
K. Hovnanian at Victorville, L.L.C.
K. Hovnanian at Vineyard Heights, LLC
K. Hovnanian at Vista Del Sol, L.L.C.
K. Hovnanian at Waldwick, LLC
K. Hovnanian at Walkers Grove, LLC
K. Hovnanian at Wall Donato, LLC
K. Hovnanian at Warren Township II, LLC
K. Hovnanian at Warren Township, L.L.C.
K. Hovnanian at Waterstone, LLC
K. Hovnanian at Wayne IX, L.L.C.
K. Hovnanian at West View Estates, L.L.C.
K. Hovnanian at Westbrook, LLC
K. Hovnanian at Westshore, LLC
K. Hovnanian at Wheeler Ranch, LLC
K. Hovnanian at Wheeler Woods, LLC
K. Hovnanian at Whitemarsh, LLC
K. Hovnanian at Wildwood Bayside, L.L.C.
K. Hovnanian at Woodcreek West, LLC
K. Hovnanian at Woolwich I, L.L.C.
K. Hovnanian Belden Pointe, LLC

K. Hovnanian Belmont Reserve, LLC
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 Contractors of Ohio, LLC
K. Hovnanian Cornerstone Farms, LLC
K. Hovnanian CraftBuilt Homes of South Carolina, L.L.C.
K. Hovnanian Cypress Key, LLC
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 DFW Auburn Farms, LLC
K. Hovnanian DFW Belmont, LLC
K. Hovnanian DFW Creekside Estates II, LLC
K. Hovnanian DFW Creekside Estates, LLC
K. Hovnanian DFW Encore of Las Colinas II, LLC
K. Hovnanian DFW Encore of Las Colinas, LLC
K. Hovnanian DFW Harmon Farms, LLC
K. Hovnanian DFW Heritage Crossing, LLC
K. Hovnanian DFW Homestead, LLC

K. Hovnanian DFW Inspiration, LLC
K. Hovnanian DFW Lexington, LLC
K. Hovnanian DFW Liberty Crossing II, LLC
K. Hovnanian DFW Liberty Crossing, LLC
K. Hovnanian DFW Light Farms II, LLC
K. Hovnanian DFW Light Farms, LLC
K. Hovnanian DFW Midtown Park, LLC
K. Hovnanian DFW Palisades, LLC
K. Hovnanian DFW Parkside, LLC
K. Hovnanian DFW Ridgeview, LLC
K. Hovnanian DFW Seventeen Lakes, LLC
K. Hovnanian DFW Trailwood, LLC
K. Hovnanian DFW Villas at Mustang Park, LLC
K. Hovnanian DFW Wellington, LLC
K. Hovnanian DFW Wildridge, LLC
K. Hovnanian Eastern Pennsylvania, L.L.C.
K. Hovnanian Edgebrook, LLC
K. Hovnanian Enterprises, Inc.
K. Hovnanian Estates at Fox Chase, LLC
K. Hovnanian Estates at Regency, L.L.C.
K. Hovnanian Estates at Wekiva, LLC
K. Hovnanian Falls Pointe, LLC
K. HOVNANIAN FIRST HOMES, L.L.C.
K. Hovnanian Florida Realty, L.L.C.
K. Hovnanian Forest Valley, LLC
K. Hovnanian Grand Cypress, LLC
K. Hovnanian Grandefield, 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 Hidden Hollow, LLC
K. Hovnanian Highland Ridge, LLC
K. Hovnanian Holdings NJ, L.L.C.
K. Hovnanian Homes - DFW, L.L.C.
K. Hovnanian Homes at Brook Manor, LLC
K. Hovnanian Homes at Burke Junction, LLC
K. Hovnanian Homes at Camp Springs, L.L.C.
K. Hovnanian Homes at Creekside, LLC
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 Leigh Mill, LLC
K. Hovnanian Homes at Pender Oaks, LLC
K. Hovnanian Homes at Reedy Creek, LLC
K. Hovnanian Homes at Russett, L.L.C.
K. Hovnanian Homes at Salt Creek Landing, LLC

K. Hovnanian Homes at Shell Hall, LLC
K. Hovnanian Homes at Shenandoah Springs, LLC
K. Hovnanian Homes at St. James Place, LLC
K. Hovnanian Homes at The Abby, LLC
K. Hovnanian Homes at the Highlands, LLC
K. Hovnanian Homes at The Paddocks, LLC
K. Hovnanian Homes at Thompson's Grant, LLC
K. Hovnanian Homes at Willowsford Grant, LLC
K. Hovnanian Homes at Willowsford Greens, 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 Longacre Village, L.L.C.
K. Hovnanian Homes of Maryland, L.L.C.
K. Hovnanian Homes of Minnesota at Arbor Creek, LLC
K. Hovnanian Homes of Minnesota at Autumn Meadows, LLC
K. Hovnanian Homes of Minnesota at Brynwood, LLC
K. Hovnanian Homes of Minnesota at Cedar Hollow, LLC
K. Hovnanian Homes of Minnesota at Founder's Ridge, LLC
K. Hovnanian Homes of Minnesota at Harpers Street Woods, LLC
K. Hovnanian Homes of Minnesota at Oaks of Oxbow, LLC
K. Hovnanian Homes of Minnesota at Regent's Point, LLC
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 Houston Bayou Oaks at West Orem, LLC
K. Hovnanian Houston Cambridge Heights, LLC
K. Hovnanian Houston City Heights, LLC
K. Hovnanian Houston Creek Bend, LLC
K. Hovnanian Houston Dry Creek Village, LLC
K. Hovnanian Houston Katy Pointe, LLC
K. Hovnanian Houston Sunset Ranch, LLC
K. Hovnanian Houston Thunder Bay Subdivision, LLC
K. Hovnanian Houston Tranquility Lake Estates, LLC
K. Hovnanian Houston Woodshore, LLC
K. Hovnanian Indian Trails, LLC
K. Hovnanian LaDue Reserve, LLC
K. Hovnanian Lakes of Green, LLC
K. Hovnanian Landings 40s, LLC
K. Hovnanian Legacy at Via Bella, LLC
K. Hovnanian Liberty on Bluff Creek, LLC

K. Hovnanian Manalapan Acquisition, LLC
K. Hovnanian Monarch Grove, 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 Northpointe 40s, LLC
K. Hovnanian Norton Place, LLC
K. Hovnanian of Houston II, L.L.C.
K. Hovnanian of Ohio, LLC
K. Hovnanian Ohio Realty, 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 PRESERVE AT TURTLE CREEK LLC
K. Hovnanian Properties of Red Bank, Inc.
K. Hovnanian Reynolds Ranch, LLC
K. Hovnanian Rivendale, LLC
K. Hovnanian Riverside, LLC
K. Hovnanian Schady Reserve, LLC
K. Hovnanian Sherwood at Regency, LLC
K. Hovnanian Shore Acquisitions, L.L.C.
K. Hovnanian South Fork, LLC
K. Hovnanian South Jersey Acquisitions, L.L.C.
K. Hovnanian Southern New Jersey, L.L.C.
K. Hovnanian Sterling Ranch, LLC
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 Union Park, LLC
K. Hovnanian Venture I, L.L.C.
K. Hovnanian Village Glen, LLC
K. Hovnanian Waterbury, LLC
K. Hovnanian White Road, LLC
K. HOVNANIAN WINDWARD HOMES, LLC
K. Hovnanian Woodland Pointe, LLC
K. Hovnanian Woodridge Place, LLC
K. HOVNANIAN'S FOUR SEASONS AT BAKERSFIELD, L.L.C.
K. Hovnanian's Four Seasons at Baymont Farms L.L.C.
K. Hovnanian's Four Seasons at Beaumont, LLC
K. Hovnanian's Four Seasons at Briargate, 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 Silver Maple Farm, L.L.C.
K. Hovnanian's Four Seasons at St. Margarets Landing, L.L.C.
K. Hovnanian's Four Seasons at The Manor II, LLC
K. Hovnanian's Four Seasons at The Manor, LLC
K. Hovnanian's Parkside at Towngate, L.L.C.
K. Hovnanian's Veranda at RiverPark II, LLC
K. Hovnanian's Veranda at RiverPark, LLC
KHH Shell Hall Loan Acquisition, LLC
LANDARAMA, INC.
LAUREL HIGHLANDS, LLC
M & M AT MONROE WOODS, L.L.C.
M&M at Chesterfield, L.L.C.
M&M AT Crescent Court, L.L.C.
M&M at West Orange, L.L.C.
Matzel & Mumford at Egg Harbor, 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.
MM-BEACHFRONT NORTH I, LLC
New Home Realty, 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
Shell Hall Club Amenity Acquisition, LLC
Shell Hall Land Acquisition, LLC
STONEBROOK HOMES, INC.
Terrapin Realty, L.L.C.
The Matzel & Mumford Organization, Inc
Washington Homes, Inc.
WOODMORE RESIDENTIAL, L.L.C.
WTC VENTURES, L.L.C.

[FORM OF] COLLATERAL AGENCY JOINDER

Reference is made to the Collateral Agency Agreement, dated as of July 27 2017 (as amended, restated, supplemented or otherwise modified from time to time, the **“Collateral Agency Agreement”**), among Wilmington Trust, National Association, as collateral agent for the Secured Noteholder Parties, Wilmington Trust, National Association, as Collateral Agent, Hovnanian Enterprises, Inc., K. Hovnanian Enterprises, Inc., and each of the signatories listed on Schedule A thereto. Terms defined in the Collateral Agency Agreement and not otherwise defined herein are as defined in the Collateral Agency Agreement.

This Collateral Agency Joinder, dated as of _____, 20__ (this **“Collateral Agency Joinder”**), is being delivered pursuant to Section 3(a) of the Collateral Agency Agreement as a condition precedent to the incurrence of the indebtedness for which the undersigned is acting as agent being entitled to the benefits of being Secured Obligations under the Collateral Agency Agreement.

1. Joinder. The undersigned, _____, a _____, (the **“New Representative”**) as [collateral agent, trustee, administrative agent] under that certain [describe Additional Pari Passu Debt] (the **“Additional Pari Passu Debt”**) hereby agrees to become party as an Additional Authorized Representative and a Secured Party under the Collateral Agency Agreement for all purposes thereof on the terms set forth therein, and to be bound by the terms, conditions and provisions of the Collateral Agency Agreement as fully as if the undersigned had executed and delivered the Collateral Agency Agreement as of the date thereof.

2. Lien Sharing and Priority Confirmation. The undersigned New Representative, on behalf of itself and each holder of obligations in respect of the Additional Pari Passu Debt (together with the Additional Authorized Representative, the **“New Secured Parties”**), hereby agrees, for the enforceable benefit of all existing and future Additional Authorized Representatives, each existing and future Secured Party, and as a condition to being treated as Secured Obligations under the Collateral Agency Agreement that:

(a) all Secured Obligations will be and are secured equally and ratably by all Liens granted to the Collateral Agent, for the benefit of the Secured Parties, which are at any time granted by any Grantor to secure any Secured Obligations, and that all Liens granted pursuant to the Junior Collateral Documents will be enforceable by the Collateral Agent for the benefit of all holders of Secured Obligations equally and ratably as contemplated by the Collateral Agency Agreement;

(b) the New Representative and each other New Secured Party is bound by the terms, conditions and provisions of the Collateral Agency Agreement, the Intercreditor Agreement and the Junior Collateral Documents, including, without limitation, the provisions relating to the ranking of Liens and the order of application of proceeds from the enforcement of Liens; and

(c) the New Representative shall perform its obligations under the Collateral Agency Agreement, the Intercreditor Agreement and the Junior Collateral Documents.

3. Appointment of Collateral Agent. The New Representative, on behalf of itself and the New Secured Parties, hereby (a) appoints [Wilmington Trust, National Association]¹ to act as joint collateral agent for the benefit of the Secured Parties under the Junior Collateral Documents and shall be the Junior Joint Collateral Agent under the Intercreditor Agreement, (b) irrevocably authorizes the Collateral Agent to take such actions on its behalf, to perform its obligations and to exercise such powers as are delegated to the Collateral Agent in and under the Collateral Agency Agreement, the Intercreditor Agreement and the Junior Collateral Documents, together with such actions and powers as are reasonably incidental thereto, and authorizes the Collateral Agent to execute any Junior Collateral Documents on behalf of all Secured Parties and to take such other actions to maintain and preserve the security interests granted pursuant to any Junior Collateral Documents, and (c) acknowledges that it has received and reviewed the Collateral Agency Agreement, the Intercreditor Agreement and the Junior Collateral Documents and agrees to be bound by the terms thereof. The New Representative, on behalf of the New Secured Parties, and the Collateral Agent, on behalf of the existing Secured Parties, each hereby acknowledges and agrees that the Collateral Agent in its capacity as such shall be agent on behalf of the New Representative and on behalf of all other Secured Parties.

4. Authority as Agent. The New Representative represents, warrants and acknowledges that it has the authority to bind each of the New Secured Parties to the Collateral Agency Agreement and the Intercreditor Agreement and such New Secured Parties are hereby bound by the terms, conditions and provisions of the Collateral Agency Agreement and the Intercreditor Agreement, including, without limitation, the provisions relating to the ranking of Liens and the order of application of proceeds from the enforcement of Liens.

5. Additional Authorized Representative. The Additional Authorized Representative in respect of the Additional Pari Passu Debt is [insert name of New Representative]. The address of the Additional Authorized Representative in respect of the Additional Pari Passu Debt for purposes of all notices and other communications hereunder and under the Collateral Agency Agreement and the Intercreditor Agreement is _____, _____, Attention of _____ (Facsimile No. _____, electronic mail address: _____).

6. Officer's Certificate. The Company certifies that it has previously delivered the Officers' Certificate contemplated by Section 3(b)(i) of the Collateral Agency Agreement and all other information, evidence and documentation required by Section 3(b) of the Collateral Agency Agreement, in each case in accordance with the terms of the Collateral Agency Agreement.

7. Counterparts. This Collateral Agency Joinder may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. This Collateral Agency Joinder may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Collateral Agency Joinder by facsimile or electronic transmission, including by PDF, shall be as effective as delivery of a manually signed counterpart of this Collateral Agency Joinder. Signatures of the parties hereto transmitted by facsimile or electronic transmission shall be deemed to be their original signatures for all purposes.

¹ If a successor Collateral Agent has been appointed, replace with name such successor Collateral Agent and update signature blocks accordingly.

8. Governing Law. THIS COLLATERAL AGENCY HAS BEEN DELIVERED AND ACCEPTED AT AND SHALL BE DEEMED TO HAVE BEEN MADE AT NEW YORK, NEW YORK AND SHALL BE GOVERNED BY AND INTERPRETED, AND THE RIGHTS AND LIABILITIES OF THE PARTIES BOUND HEREBY DETERMINED, IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[Signature Pages Follow]

Exhibit A-3

IN WITNESS WHEREOF, the New Representative has caused this Collateral Agency Joinder to be duly executed and delivered as of the day and year first above written.

[NEW REPRESENTATIVE]

By: _____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION not in its individual capacity but solely in its capacity as
Collateral Agent

By: _____
Name:
Title:

K. HOVNANIAN ENTERPRISES, INC.

By: _____
Name:
Title:

HOVNANIAN ENTERPRISES, INC.

By: _____
Name:
Title:

K. HOV IP, II, INC.

By: _____
Name:
Title:

On behalf of each other entity named in Schedule A hereto

By: _____
Name:
Title:

SCHEDULE A

Arbor Trails, LLC
Builder Services NJ, L.L.C.
Builder Services PA, L.L.C.
Eastern National Title Agency, LLC
Eastern Title Agency of Illinois, 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 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 Hovnanian Homes at Maxwell Place, L.L.C.
K. HOV IP, II, Inc.
K. Hovnanian Aberdeen, LLC
K. Hovnanian Acquisitions, Inc.
K. Hovnanian at 240 Missouri, LLC
K. Hovnanian at 4S, LLC
K. Hovnanian at Aire on McDowell, LLC
K. Hovnanian at Aliso, LLC
K. Hovnanian at Allentown, L.L.C.
K. Hovnanian at Andalusia, LLC
K. Hovnanian at Asbury Park Urban Renewal, LLC
K. Hovnanian at Ashby Place, 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 Beacon Park Area 129 II, LLC
K. Hovnanian at Beacon Park Area 129, LLC
K. Hovnanian at Beacon Park Area 137, LLC
K. Hovnanian at Bella Lago, LLC
K. Hovnanian at Blackstone, LLC
K. Hovnanian at Boca Dunes, LLC
K. Hovnanian at Branchburg II, LLC
K. Hovnanian at Branchburg, L.L.C.
K. Hovnanian at Branchburg-Vollers, LLC
K. Hovnanian at Brenford Station, LLC
K. Hovnanian at Bridgeport, Inc.

K. Hovnanian at Bridgewater I, L.L.C.
K. Hovnanian at Bridgewater II, LLC
K. Hovnanian at Burch Kove, LLC
K. HOVNANIAN AT CAMP HILL, L.L.C.
K. HOVNANIAN AT CAPISTRANO, L.L.C.
K. Hovnanian at Carlsbad, LLC
K. Hovnanian at Catania, LLC
K. Hovnanian at Caton's Reserve, LLC
K. Hovnanian at Cedar Grove III, L.L.C.
K. Hovnanian at Cedar Grove Urban Renewal, LLC
K. Hovnanian at Cedar Lane, LLC
K. Hovnanian at Charter Way, LLC
K. Hovnanian at Chesterfield, L.L.C.
K. Hovnanian at Christina Court, LLC
K. Hovnanian at Cielo, L.L.C.
K. Hovnanian at Coastline, L.L.C.
K. Hovnanian at Coosaw Point, LLC
K. Hovnanian at Coral Lago, LLC
K. Hovnanian at Cortez Hill, LLC
K. Hovnanian at Denville, L.L.C.
K. Hovnanian at Deptford Township, L.L.C.
K. Hovnanian at Doylestown, LLC
K. Hovnanian at Dunellen Urban Renewal, LLC
K. Hovnanian at East Brandywine, L.L.C.
K. Hovnanian at East Brunswick III, LLC
K. Hovnanian at East Brunswick, LLC
K. Hovnanian at East Windsor, LLC
K. Hovnanian at Eden Terrace, L.L.C.
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 Estates at Wheatlands, LLC
K. Hovnanian at Evergreen, L.L.C.
K. Hovnanian at Fairfield Ridge, LLC
K. Hovnanian at Fiddymment 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 Fox Path at Hampton Lake, LLC
K. Hovnanian at Franklin II, L.L.C.
K. Hovnanian at Franklin, L.L.C.

K. Hovnanian at Freehold Township III, LLC
K. Hovnanian at Fresno, LLC
K. Hovnanian at Gallery, LLC
K. HOVNANIAN AT GASLAMP SQUARE, L.L.C.
K. Hovnanian at Geneva Meadows, LLC
K. Hovnanian at Gilroy 60, LLC
K. Hovnanian at Gilroy, LLC
K. Hovnanian at Great Notch, L.L.C.
K. Hovnanian at Hackettstown II, L.L.C.
K. Hovnanian at Hampton Cove, LLC
K. Hovnanian at Hampton Lake, LLC
K. Hovnanian at Hanover Estates, LLC
K. Hovnanian at Hershey's Mill, Inc.
K. Hovnanian at Hidden Brook, LLC
K. Hovnanian at Hillsborough, LLC
K. Hovnanian at Hilltop Reserve II, LLC
K. Hovnanian at Hilltop Reserve, LLC
K. Hovnanian at Howell Fort Plains, LLC
K. Hovnanian at Howell II, LLC
K. Hovnanian at Howell, LLC
K. HOVNANIAN AT HUDSON POINTE, L.L.C.
K. Hovnanian at Huntfield, LLC
K. Hovnanian at Indian Wells, LLC
K. Hovnanian at Island Lake, LLC
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 Keyport, L.L.C.
K. Hovnanian at La Costa Greens, L.L.C.
K. Hovnanian at La Laguna, L.L.C.
K. Hovnanian at Lake Burden, LLC
K. Hovnanian at Lake LeClare, LLC
K. Hovnanian at Lake Rancho Viejo, LLC
K. Hovnanian at Lake Ridge Estates, LLC
K. Hovnanian at Lake Terrapin, L.L.C.
K. Hovnanian at Lee Square, L.L.C.
K. Hovnanian at Lenah Woods, LLC
K. Hovnanian at Lily Orchard, LLC
K. Hovnanian at Link Farm, LLC
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 II, L.L.C.
K. Hovnanian at Magnolia Place, LLC
K. Hovnanian at Mahwah VI, Inc.
K. Hovnanian at Main Street Square, LLC
K. Hovnanian at Malan Park, L.L.C.
K. HOVNANIAN AT MANALAPAN II, L.L.C.
K. Hovnanian at Manalapan III, L.L.C.
K. Hovnanian at Manalapan V, LLC
K. Hovnanian at Manalapan VI, LLC
K. Hovnanian at Mansfield II, L.L.C.
K. Hovnanian at Manteca, LLC
K. Hovnanian at Maple Avenue, L.L.C.
K. Hovnanian at Marlboro IX, LLC
K. Hovnanian at Marlboro Township IX, L.L.C.
K. Hovnanian at Marlboro Township V, L.L.C.
K. Hovnanian at Marlboro VI, L.L.C.
K. Hovnanian at Marple, LLC
K. Hovnanian at Meadowridge Villas, LLC
K. Hovnanian at Melanie Meadows, LLC
K. Hovnanian at Mendham Township, L.L.C.
K. Hovnanian at Middle Township II, L.L.C.
K. Hovnanian at Middle Township, L.L.C.
K. Hovnanian at Middletown II, L.L.C.
K. Hovnanian at Middletown III, LLC
K. Hovnanian at Middletown, LLC
K. Hovnanian at Millville I, L.L.C.
K. Hovnanian at Millville II, L.L.C.
K. Hovnanian at Monroe IV, L.L.C.
K. Hovnanian at Monroe NJ II, LLC
K. Hovnanian at Monroe NJ III, LLC
K. Hovnanian at Monroe NJ, L.L.C.
K. Hovnanian at Montana Vista, LLC
K. Hovnanian at Montgomery, LLC
K. Hovnanian at Montvale II, LLC
K. Hovnanian at Montvale, L.L.C.
K. Hovnanian at Morris Twp, LLC
K. Hovnanian at Muirfield, LLC
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 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 Northridge Estates, LLC
K. Hovnanian at Norton Lake LLC
K. Hovnanian at Nottingham Meadows, LLC
K. Hovnanian at Oak Pointe, LLC
K. Hovnanian at Ocean Township, Inc
K. Hovnanian at Ocean View Beach Club, LLC
K. Hovnanian at Oceanport, L.L.C.
K. Hovnanian at Old Bridge, L.L.C.
K. Hovnanian at Palm Valley, L.L.C.
K. Hovnanian at Park Paseo, LLC
K. Hovnanian at Parkside, LLC
K. Hovnanian at Parsippany, L.L.C.
K. Hovnanian at Pavilion Park, LLC
K. Hovnanian at Piazza D'Oro, L.L.C.
K. Hovnanian at Piazza Serena, L.L.C
K. Hovnanian at Pickett Reserve, LLC
K. Hovnanian at Pittsgrove, L.L.C.
K. Hovnanian at Plantation Lakes, L.L.C.
K. Hovnanian at Pointe 16, LLC
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL V, 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 Prairie Pointe, LLC
K. Hovnanian at Quail Creek, L.L.C.
K. Hovnanian at Rancho Cabrillo, LLC
K. HOVNANIAN AT RAPHO, L.L.C
K. Hovnanian at Redtail, LLC
K. Hovnanian at Reserves at Wheatlands, LLC
K. Hovnanian at Residence at Discovery Square, LLC
K. Hovnanian at Ridgemont, L.L.C.
K. Hovnanian at Rock Ledge, 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 Sagebrook, LLC
K. Hovnanian at Santa Nella, LLC
K. Hovnanian at Sawmill, Inc.
K. Hovnanian at Seasons Landing, LLC
K. Hovnanian at Sheldon Grove, LLC
K. Hovnanian at Shrewsbury, LLC
K. Hovnanian at Sienna Hills, LLC
K. Hovnanian at Signal Hill, LLC
K. Hovnanian at Silver Spring, L.L.C.

K. Hovnanian at Silverstone, LLC
K. Hovnanian at Skye Isle, LLC
K. Hovnanian at Skye on McDowell, LLC
K. Hovnanian at Smithville, Inc.
K. Hovnanian at Somerset, LLC
K. Hovnanian at South Brunswick II, LLC
K. Hovnanian at South Brunswick III, LLC
K. Hovnanian at South Brunswick, L.L.C.
K. Hovnanian at Spring Isle, LLC
K. Hovnanian at Stanton, LLC
K. Hovnanian at Station Square, L.L.C.
K. Hovnanian at Summerlake, LLC
K. Hovnanian at Sunridge Park, LLC
K. Hovnanian at Sunrise Trail II, LLC
K. Hovnanian at Sunrise Trail III, LLC
K. Hovnanian at Terra Bella Two, LLC
K. Hovnanian at The Commons at Richmond Hill, LLC
K. Hovnanian at The Crosby, LLC
K. Hovnanian at The Monarch, L.L.C.
K. Hovnanian at The Promenade at Beaver Creek, LLC
K. Hovnanian at Thompson Ranch, LLC
K. Hovnanian at Trafford Place, LLC
K. Hovnanian at Trail Ridge, LLC
K. Hovnanian at Tramore LLC
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 Ventana Lakes, LLC
K. Hovnanian at Verona Estates, LLC
K. HOVNANIAN AT VERONA URBAN RENEWAL, L.L.C.
K. Hovnanian at Verrado Cascina, LLC
K. Hovnanian at Verrado Marketside, LLC
K. Hovnanian at Victorville, L.L.C.
K. Hovnanian at Vineyard Heights, LLC
K. Hovnanian at Vista Del Sol, L.L.C.
K. Hovnanian at Waldwick, LLC
K. Hovnanian at Walkers Grove, LLC
K. Hovnanian at Wall Donato, LLC
K. Hovnanian at Warren Township II, LLC
K. Hovnanian at Warren Township, L.L.C.
K. Hovnanian at Waterstone, LLC
K. Hovnanian at Wayne IX, L.L.C.
K. Hovnanian at West View Estates, L.L.C.
K. Hovnanian at Westbrook, LLC

K. Hovnanian at Westshore, LLC
K. Hovnanian at Wheeler Ranch, LLC
K. Hovnanian at Wheeler Woods, LLC
K. Hovnanian at Whitemarsh, LLC
K. Hovnanian at Wildwood Bayside, L.L.C.
K. Hovnanian at Woodcreek West, LLC
K. Hovnanian at Woolwich I, L.L.C.
K. Hovnanian Belden Pointe, LLC
K. Hovnanian Belmont Reserve, LLC
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 Contractors of Ohio, LLC
K. Hovnanian Cornerstone Farms, LLC
K. Hovnanian CraftBuilt Homes of South Carolina, L.L.C.
K. Hovnanian Cypress Key, LLC
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 DFW Auburn Farms, LLC
K. Hovnanian DFW Belmont, LLC
K. Hovnanian DFW Creekside Estates II, LLC
K. Hovnanian DFW Creekside Estates, LLC
K. Hovnanian DFW Encore of Las Colinas II, LLC
K. Hovnanian DFW Encore of Las Colinas, LLC
K. Hovnanian DFW Harmon Farms, LLC
K. Hovnanian DFW Heritage Crossing, LLC
K. Hovnanian DFW Homestead, LLC
K. Hovnanian DFW Inspiration, LLC
K. Hovnanian DFW Lexington, LLC
K. Hovnanian DFW Liberty Crossing II, LLC
K. Hovnanian DFW Liberty Crossing, LLC
K. Hovnanian DFW Light Farms II, LLC
K. Hovnanian DFW Light Farms, LLC
K. Hovnanian DFW Midtown Park, LLC
K. Hovnanian DFW Palisades, LLC
K. Hovnanian DFW Parkside, LLC
K. Hovnanian DFW Ridgeview, LLC
K. Hovnanian DFW Seventeen Lakes, LLC
K. Hovnanian DFW Trailwood, LLC
K. Hovnanian DFW Villas at Mustang Park, LLC
K. Hovnanian DFW Wellington, LLC
K. Hovnanian DFW Wildridge, LLC
K. Hovnanian Eastern Pennsylvania, L.L.C.
K. Hovnanian Edgebrook, LLC
K. Hovnanian Enterprises, Inc.
K. Hovnanian Estates at Fox Chase, LLC
K. Hovnanian Estates at Regency, L.L.C.
K. Hovnanian Estates at Wekiva, LLC
K. Hovnanian Falls Pointe, LLC
K. HOVNANIAN FIRST HOMES, L.L.C.
K. Hovnanian Florida Realty, L.L.C.
K. Hovnanian Forest Valley, LLC
K. Hovnanian Grand Cypress, LLC
K. Hovnanian Grandefield, 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 Hidden Hollow, LLC
K. Hovnanian Highland Ridge, LLC
K. Hovnanian Holdings NJ, L.L.C.
K. Hovnanian Homes - DFW, L.L.C.
K. Hovnanian Homes at Brook Manor, LLC
K. Hovnanian Homes at Burke Junction, LLC

K. Hovnanian Homes at Camp Springs, L.L.C.
K. Hovnanian Homes at Creekside, LLC
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 Leigh Mill, LLC
K. Hovnanian Homes at Pender Oaks, LLC
K. Hovnanian Homes at Reedy Creek, LLC
K. Hovnanian Homes at Russett, L.L.C.
K. Hovnanian Homes at Salt Creek Landing, LLC
K. Hovnanian Homes at Shell Hall, LLC
K. Hovnanian Homes at Shenandoah Springs, LLC
K. Hovnanian Homes at St. James Place, LLC
K. Hovnanian Homes at The Abby, LLC
K. Hovnanian Homes at the Highlands, LLC
K. Hovnanian Homes at The Paddocks, LLC
K. Hovnanian Homes at Thompson's Grant, LLC
K. Hovnanian Homes at Willowsford Grant, LLC
K. Hovnanian Homes at Willowsford Greens, 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 Longacre Village, L.L.C.
K. Hovnanian Homes of Maryland, L.L.C.
K. Hovnanian Homes of Minnesota at Arbor Creek, LLC
K. Hovnanian Homes of Minnesota at Autumn Meadows, LLC
K. Hovnanian Homes of Minnesota at Brynwood, LLC
K. Hovnanian Homes of Minnesota at Cedar Hollow, LLC
K. Hovnanian Homes of Minnesota at Founder's Ridge, LLC
K. Hovnanian Homes of Minnesota at Harpers Street Woods, LLC
K. Hovnanian Homes of Minnesota at Oaks of Oxbow, LLC
K. Hovnanian Homes of Minnesota at Regent's Point, LLC
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 Houston Bayou Oaks at West Orem, LLC
K. Hovnanian Houston Cambridge Heights, LLC
K. Hovnanian Houston City Heights, LLC
K. Hovnanian Houston Creek Bend, LLC
K. Hovnanian Houston Dry Creek Village, LLC

K. Hovnanian Houston Katy Pointe, LLC
K. Hovnanian Houston Sunset Ranch, LLC
K. Hovnanian Houston Thunder Bay Subdivision, LLC
K. Hovnanian Houston Tranquility Lake Estates, LLC
K. Hovnanian Houston Woodshore, LLC
K. Hovnanian Indian Trails, LLC
K. Hovnanian LaDue Reserve, LLC
K. Hovnanian Lakes of Green, LLC
K. Hovnanian Landings 40s, LLC
K. Hovnanian Legacy at Via Bella, LLC
K. Hovnanian Liberty on Bluff Creek, LLC
K. Hovnanian Manalapan Acquisition, LLC
K. Hovnanian Monarch Grove, 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 Northpointe 40s, LLC
K. Hovnanian Norton Place, LLC
K. Hovnanian of Houston II, L.L.C.
K. Hovnanian of Ohio, LLC
K. Hovnanian Ohio Realty, 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 PRESERVE AT TURTLE CREEK LLC
K. Hovnanian Properties of Red Bank, Inc.
K. Hovnanian Reynolds Ranch, LLC
K. Hovnanian Rivendale, LLC
K. Hovnanian Riverside, LLC
K. Hovnanian Schady Reserve, LLC
K. Hovnanian Sherwood at Regency, LLC
K. Hovnanian Shore Acquisitions, L.L.C.
K. Hovnanian South Fork, LLC
K. Hovnanian South Jersey Acquisitions, L.L.C.
K. Hovnanian Southern New Jersey, L.L.C.
K. Hovnanian Sterling Ranch, LLC
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 Union Park, LLC

K. Hovnanian Venture I, L.L.C.
K. Hovnanian Village Glen, LLC
K. Hovnanian Waterbury, LLC
K. Hovnanian White Road, LLC
K. HOVNANIAN WINDWARD HOMES, LLC
K. Hovnanian Woodland Pointe, LLC
K. Hovnanian Woodridge Place, LLC
K. HOVNANIAN'S FOUR SEASONS AT BAKERSFIELD, L.L.C.
K. Hovnanian's Four Seasons at Baymont Farms L.L.C.
K. Hovnanian's Four Seasons at Beaumont, LLC
K. Hovnanian's Four Seasons at Briargate, 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 Silver Maple Farm, L.L.C.
K. Hovnanian's Four Seasons at St. Margarets Landing, L.L.C.
K. Hovnanian's Four Seasons at The Manor II, LLC
K. Hovnanian's Four Seasons at The Manor, LLC
K. Hovnanian's Parkside at Towngate, L.L.C.
K. Hovnanian's Veranda at RiverPark II, LLC
K. Hovnanian's Veranda at RiverPark, LLC
KHH Shell Hall Loan Acquisition, LLC
LANDARAMA, INC.
LAUREL HIGHLANDS, LLC
M & M AT MONROE WOODS, L.L.C.
M&M at Chesterfield, L.L.C.
M&M AT Crescent Court, L.L.C.
M&M at West Orange, L.L.C.
Matzel & Mumford at Egg Harbor, 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.
MM-BEACHFRONT NORTH I, LLC
New Home Realty, 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
Shell Hall Club Amenity Acquisition, LLC
Shell Hall Land Acquisition, LLC
STONEBROOK HOMES, INC.
Terrapin Realty, L.L.C.
The Matzel & Mumford Organization, Inc
Washington Homes, Inc.
WOODMORE RESIDENTIAL, L.L.C.
WTC VENTURES, L.L.C.

Schedule A-12

SECURITY AGREEMENT

made by

**K. HOVNANIAN ENTERPRISES, INC.,
HOVNANIAN ENTERPRISES, INC.**

and certain of their respective Subsidiaries

in favor of

WILMINGTON TRUST, NATIONAL ASSOCIATION

as Collateral Agent

Dated as of July 27, 2017

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this “**Agreement**”), dated as of July 27, 2017, is made by K. Hovnanian Enterprises, Inc., a California corporation (the “**Issuer**”), Hovnanian Enterprises, Inc., a Delaware corporation (“**Hovnanian**”), and each of the signatories listed on Schedule A hereto (the Issuer, Hovnanian and such signatories, together with any other entity that may become a party hereto as provided herein, the “**Grantors**”), in favor of Wilmington Trust, National Association, as Collateral Agent (as defined below) for the benefit of itself, and the other Secured Parties (as defined below).

WITNESSETH:

WHEREAS, the Issuer, Hovnanian and each of the other guarantors party thereto are, concurrently herewith, entering into the Indenture dated as of the date hereof (as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Indenture**”) with Wilmington Trust, National Association, as trustee (in such capacity, the “**Trustee**”) and as collateral agent (in such capacity, the “**Notes Collateral Agent**”), pursuant to which the Issuer is issuing, and may from time to time issue, (a) the 10.000% Senior Secured Notes due 2022 (collectively, the “**10.000% Notes**”) and (b) the 10.500% Senior Secured Notes due 2024 (collectively, the “**10.500% Notes**” and together with the **10.000% Notes**, the “**Secured Notes**”), in each case, upon the terms and subject to the conditions set forth therein;

WHEREAS, concurrently with the execution of the Indenture, the Issuer, Hovnanian, each of the other Grantors and the Notes Collateral Agent are entering into the Collateral Agency Agreement, dated as of the date hereof (as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Collateral Agency Agreement**”) pursuant to which the Issuer and the Notes Collateral Agent are appointing Wilmington Trust, National Association, as the joint collateral agent for the holders of the Secured Notes (in such capacity, the “**Collateral Agent**”);

WHEREAS, the Issuer, Hovnanian and each of the other Guarantors party thereto have entered into the Credit Agreement, dated as of July 29, 2016 (as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Senior Credit Agreement**”), with Wilmington Trust, National Association, in its capacity as administrative agent acting as collateral agent (in such capacity, the “**Senior Credit Agreement Administrative Agent**”) and the lenders party thereto;

WHEREAS, in connection with the execution and delivery of the Senior Credit Agreement, the Senior Credit Agreement Administrative Agent, the Issuer, Hovnanian, the other Grantors party thereto, and the Mortgage Tax Collateral Agent (as defined therein), among others, entered into the Amended and Restated Intercreditor Agreement dated as of September 8, 2016 (as amended, supplemented, amended or restated or otherwise modified from time to time (including as supplemented by the Intercreditor Agreement Joinder (as defined below)), the “**Intercreditor Agreement**”);

WHEREAS, concurrently herewith, the Issuer, Hovnanian, the other Grantors party thereto, the Senior Credit Agreement Administrative Agent, the Collateral Agent and the Mortgage Tax Collateral Agent are entering into a joinder, dated as of the date hereof, to the Intercreditor Agreement (the “**Intercreditor Agreement Joinder**”);

WHEREAS, the Secured Notes constitute Second-Lien Indebtedness under the Intercreditor Agreement;

WHEREAS, the Issuer is a member of an affiliated group of companies that includes Hovnanian, the Issuer’s parent company, and each other Grantor;

WHEREAS, the Issuer and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the Secured Notes; and

NOW, THEREFORE, in consideration of the premises and to induce the holders to purchase the Secured Notes, each Grantor hereby agrees with the Collateral Agent, for the ratable benefit of the Secured Parties, as follows:

ARTICLE 1 DEFINED TERMS

Section 1.01. *Definitions.* (a) Definitions set forth above are incorporated herein and unless otherwise defined herein, terms defined in the Indenture and any other applicable Noteholder Document and used herein shall have the meanings respectively given to them in the Indenture and any other applicable Noteholder Document or, if not defined herein or therein, in the Intercreditor Agreement, and the following terms are used herein as defined in the New York UCC: Accounts, Chattel Paper, Commercial Tort Claims, Deposit Account, Documents, Equipment, Electronic Chattel Paper, Farm Products, Fixtures, General Intangibles, Goods, Payment Intangibles, Instruments, Inventory, Investment Property, Letter of Credit Rights, Payment Intangibles, Securities Accounts, Software and Supporting Obligations.

(b) The following terms shall have the following meanings:

“**Additional Secured Obligations**”: subject to compliance by the Issuer with Article III of the Collateral Agency Agreement with respect thereto, any obligations arising pursuant to any Indebtedness (including for the avoidance of doubt any guarantees with respect thereto) permitted to be secured on a pari passu basis with the Secured Notes pursuant to the Indenture and any other comparable Noteholder Documents then extant.

“Agreement”: this Security Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Cash Equivalents”: (i) cash, marketable direct obligations of the United States of America or any agency thereof, and certificates of deposit, demand deposits, time deposits, or repurchase agreements issued by any bank with a capital and surplus of at least \$25,000,000 organized under the laws of the United States of America or any state thereof, state or municipal securities with a rating of A-1 or better by Standard & Poor’s or by Moody’s or F-1 by Fitch, provided that such obligations, certificates of deposit, demand deposits, time deposits, and repurchase agreements have a maturity of less than one year from the date of purchase, and (ii) investment grade commercial paper or debt or commercial paper issued by any bank with a capital and surplus of at least \$25,000,000 organized under the laws of the United States of America or any state thereof having a maturity date of one year or less from the date of purchase, and (iii) funds holding assets primarily consisting of those described in clauses (i) and (ii).

“Collateral”: as defined in Article 2.

“Contracts”: any contracts and agreements for the purchase, acquisition or sale of real or personal property or the receipt or performance of services, any contract rights relating thereto, and all other rights to such contract or agreements and any right to payment for or to receive moneys due or to become due for items sold or leased or for services rendered, together with all rights of any Grantor to damages arising thereunder or to perform and to exercise all remedies thereunder.

“Copyright Licenses”: any written agreement naming any Grantor as licensor or licensee, granting any right under any Copyright, including, without limitation, the grant of rights to distribute, exploit and sell materials derived from any Copyright.

“Copyrights”: (i) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, and (ii) the right to obtain all renewals thereof.

“Deposit Accounts”: the collective reference to each Deposit Account (as such term is defined in Section 1.01(a) hereof) in the name of the applicable Grantor, together with any one or more securities accounts into which any monies on deposit in any such Deposit Account may be swept or otherwise transferred now or hereafter and from time to time, and any additional, substitute or successor Deposit Account.

“Discharge of Senior Claims”: has the meaning set forth in the Intercreditor Agreement.

“Event of Default” shall mean an “Event of Default” as defined in the Indenture with respect to either issuance of Secured Notes or any other applicable Noteholder Documents.

“Excluded Accounts” shall mean at any time those deposit, checking or securities accounts of any of the Grantors (i) that individually have an average monthly balance (over the most recent ended 3-month period) less than \$250,000 and which together do not have an average monthly balance (for such 3-month period) in excess of \$2,000,000 in the aggregate, (ii) all escrow accounts (in which funds are held for or of others by virtue of customary real estate practice or contractual or legal requirements), (iii) the account holding amounts dedicated to the “Marie Fund” established by the Grantors for the benefit of their employees (so long as the Grantors’ deposits therein and withdrawals therefrom are consistent with past practice) and (iv) such other accounts with respect to which Hovnanian determines that the cost of perfecting a Lien thereon is excessive in relation to the benefit thereof (as reasonably determined by Hovnanian’s Board of Directors in a board resolution delivered to the Collateral Agent).

“Guarantors”: the collective reference to each Grantor other than the Issuer.

“Intellectual Property”: the collective reference to all rights, priorities and privileges, whether arising under United States, multinational or foreign laws, in, to and under the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks and the Trademark Licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Investment Property”: the collective reference to (i) all “investment property” as such term is defined in Section 9-102(a)(49) of the New York UCC, and (ii) whether or not constituting “investment property” as so defined, all Pledged Notes.

“Law”: any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, ruling, order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or settlement agreement with any Official Body.

“New York UCC”: the Uniform Commercial Code as from time to time in effect in the State of New York.

“Noteholders”: the collective reference to the “Holder” or “Holder of Notes” (as defined in the Indenture) of the 10.000% Notes and the 10.500% Notes and the holders of any Additional Secured Obligations.

“Noteholder Collateral Document”: any agreement, document or instrument pursuant to which a Lien is granted by the Issuer or any Guarantor to secure any Secured Obligations or under which rights or remedies with respect to any such Liens are governed, as the same may be amended, restated or otherwise modified from time to time.

“Noteholder Documents”: collectively, (a) the Indenture, the Secured Notes and the Noteholder Collateral Documents, (b) the documents and instruments in respect of any Additional Secured Obligations and (c) any other related document or instrument executed and delivered pursuant to any Noteholder Document described in clauses (a) and (b) above evidencing or governing any Secured Obligations as the same may be amended, restated or otherwise modified from time to time.

“Official Body”: any national, federal, state, local or other governmental or political subdivision or any agency, authority, board, bureau, central bank, commission, department or instrumentality of either, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

“Patent License”: all written agreements providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent.

“Patents”: (i) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof, (ii) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, and (iii) all rights to obtain any reissues or extensions of the foregoing.

“Perfection Agent”: (i) prior to the Discharge of Senior Claims, the Controlling Senior Collateral Agent (as defined in the Intercreditor Agreement) (including, with respect to any Collateral delivered to or held by the Perfection Agent, in its capacity as bailee for the Secured Parties under Section 5.5 of the Intercreditor Agreement) and (ii) thereafter, the Collateral Agent.

“Perfection Certificate”: with respect to any Grantor, a certificate substantially in the form of Exhibit C, completed and supplemented with the schedules contemplated thereby, and signed by an officer of such Grantor.

“Pledged Notes”: all promissory notes issued to or held by any Grantor.

“Proceeds”: all “proceeds” as such term is defined in Section 9-102(a)(64) of the New York UCC and, in any event, shall include, without limitation, all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

“Receivable”: any right to payment for real or personal property sold or leased or for services rendered, whether or not such right is evidenced by a Contract, an Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, any Account).

“Secured Obligations”: all Indebtedness and other Obligations under, and as defined in, the Indenture, the Secured Notes, the Guarantees and the related Noteholder Collateral Documents, and any Additional Secured Obligations, in each case, together with any extensions, renewals, replacements or refundings thereof and all costs and expenses of enforcement and collection, including reasonable attorney’s fees, expenses and disbursements.

“Secured Parties”: the collective reference to the Collateral Agent, the Trustee, the Notes Collateral Agent, the trustee, collateral agent or other representative with respect to any Additional Secured Obligations and the Noteholders.

“Securities Accounts”: the collective reference to the securities accounts in the name of the applicable Grantor and any additional, substitute or successor account.

“Trademark License”: any written agreement providing for the grant by or to any Grantor of any right to use any Trademark.

“Trademarks”: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now owned or hereafter acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and all common-law rights related thereto, and (ii) the right to obtain all renewals thereof.

“Vehicles”: all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state and all tires and other appurtenances to any of the foregoing.

Section 1.02. *Other Definitional Provisions.*

(a) The words “hereof,” “herein,” “hereto” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor's Collateral or the relevant part thereof.

ARTICLE 2 GRANT OF SECURITY INTEREST

Each Grantor hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in, all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the “**Collateral**”), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations:

- (a) all Accounts;
- (b) all Chattel Paper (including, Electronic Chattel Paper);
- (c) all Commercial Tort Claims (including those claims listed on Schedule B hereto, in which the claim amount individually exceeds \$2,000,000, as such schedule is amended or supplemented from time to time);
- (d) all Contracts;
- (e) all Securities Accounts;
- (f) all Deposit Accounts;
- (g) all Documents (other than title documents with respect to vehicles);
- (h) all Equipment;
- (i) all Fixtures;
- (j) all General Intangibles;
- (k) all Goods;
- (l) all Instruments;
- (m) all Intellectual Property;
- (n) all Inventory;
- (o) all Investment Property;
- (p) all letters of credit;

- (q) all Letter of Credit Rights;
- (r) all Payment Intangibles;
- (s) all Vehicles and title documents with respect to Vehicles;
- (t) all Receivables;
- (u) all Software;
- (v) all Supporting Obligations;

(w) to the extent, if any, not included in clauses (a) through (v) above, each and every other item of personal property whether now existing or hereafter arising or acquired;

- (x) all books and records pertaining to any of the Collateral; and

(y) to the extent not otherwise included, all Proceeds, Supporting Obligations and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing;

provided, however, that notwithstanding any of the other provisions set forth in this Article 2 (and notwithstanding any recording of the Collateral Agent's Lien in the U.S. Patent and Trademark Office, the U.S. Copyright Office or other registry office in any jurisdiction), this Agreement shall not constitute a grant of a security interest in, and the Collateral shall not include, (i) any property or assets constituting "Excluded Property" (as defined in the Indenture and any other applicable Noteholder Documents) or (ii) any property to the extent that such grant of a security interest is prohibited by any applicable Law of an Official Body, requires a consent not obtained of any Official Body pursuant to such Law or is prohibited by, or constitutes a breach or default under or results in the termination of or gives rise to any right of acceleration, modification or cancellation or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property or, in the case of any Investment Property, or Pledged Note, any applicable shareholder or similar agreement, except to the extent that such Law or the term in such contract, license, agreement, instrument or other document or shareholder or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable Law including Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC (or any successor provision or provisions); *provided, further*, that no security interest shall be granted in United States "intent-to-use" trademark or service mark applications unless and until acceptable evidence of use of the trademark or service mark has been filed with and accepted by the U.S. Patent and Trademark Office pursuant to Section 1(c) or Section 1(d) of the Lanham Act (U.S.C. 1051, et. seq.), and to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark or service mark applications under applicable federal Law. After such period and after such evidence of use has been filed and accepted, each Grantor acknowledges that such interest in such trademark or service mark applications will become part of the Collateral. The Collateral Agent agrees that, at any Grantor's reasonable request and expense, it will provide such Grantor confirmation that the assets described in this paragraph are in fact excluded from the Collateral during such limited period only upon receipt of an Officers' Certificate or an Opinion of Counsel to that effect. Notwithstanding the foregoing, in the event that Rule 3-16 of Regulation S-X under the Securities Act requires (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, which would require) the filing with the SEC of separate financial statements of the Issuer, any Guarantor or of K. Hovnanian JV Holdings, L.L.C., then the capital stock or other securities of the Issuer, such Guarantor or of K. Hovnanian JV Holdings, L.L.C., as applicable, shall automatically be deemed released and not to be and not to have been part of the Collateral but only to the extent necessary to not be subject to such requirement. In such event, this Agreement may be amended or modified, without the consent of any Noteholder, upon the Collateral Agent's receipt of an Officers' Certificate from the Issuer stating that such amendment is permitted hereunder and that all conditions precedent to such amendment have been complied with, which the Collateral Agent shall be entitled to conclusively rely upon, to the extent necessary to evidence the release of the lien created hereby on the shares of capital stock or other securities that are so deemed to no longer constitute part of the Collateral.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

To induce the holders to purchase the Secured Notes and to enter into this Agreement, each Grantor hereby represents and warrants to the Collateral Agent and each other Secured Party that:

Section 3.01. *Title; No Other Liens.* Except for the security interest granted to the Collateral Agent for the ratable benefit of the Secured Parties pursuant to this Agreement, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others except for the Permitted Liens. None of the Grantors has filed or consented to the filing of any financing statement or other public notice with respect to all or any part of the Collateral in any public office, except with respect to Permitted Liens.

Section 3.02. *Perfected Liens.* The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule C (which, in the case of all filings and other documents referred to on said Schedule, have been delivered, or will be delivered within the time periods set forth in Schedule C, to the Collateral Agent or the Perfection Agent, as applicable, in completed form) will constitute valid perfected (to the extent such security interest can be perfected by such filings or actions set forth on Schedule C) security interests in all of the Collateral in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for Permitted Liens.

Section 3.03. *Jurisdiction of Organization; Chief Executive Office.* On the date hereof, such Grantor's exact legal name, jurisdiction of organization, and the location of such Grantor's chief executive office, are specified in the Perfection Certificate.

Section 3.04. *Farm Products.* None of the Collateral constitutes, or is the Proceeds of, Farm Products.

Section 3.05. *Investment Property.* Such Grantor is the record and beneficial owner of, and has good title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the Permitted Liens.

Section 3.06. *Receivables.* No amount payable in excess of \$2,000,000 in the aggregate to all Grantors under or in connection with any Receivables is evidenced by any Instrument or Chattel Paper which has not been delivered to the Perfection Agent.

Section 3.07. *Perfection Certificate.* The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein, including the exact legal name and jurisdiction of organization of each Grantor, is correct and complete in all material respects as of the date hereof.

ARTICLE 4 COVENANTS

Each Grantor covenants and agrees with the Collateral Agent and the other Secured Parties that, from and after the date of this Agreement until the payment in full of all outstanding Secured Obligations:

Section 4.01. *Maintenance of Perfected Security Interest; Further Documentation.* (a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest to the extent required by this Agreement having at least the priority described in Section 3.02 and shall defend such security interest against the claims and demands of all Persons whomsoever other than any holder of Permitted Liens.

(b) At any time and from time to time, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as shall be required by applicable law for the purpose of obtaining, perfecting or preserving the security interests purported to be granted under this Agreement and of the rights and remedies herein granted, including, without limitation, (i) filing any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) subject to the Intercreditor Agreement, Section 4.18(d) of the Indenture and the comparable provisions of any other applicable Noteholder Documents, in the case of the Deposit Accounts, Investment Property, Letter of Credit Rights and the Securities Accounts and any other relevant Collateral, taking any actions necessary to enable the Perfection Agent to obtain “control” (within the meaning of the applicable Uniform Commercial Code) with respect thereto, provided that the Grantor shall not be required to take any of the actions set forth in this clause (ii) with respect to Excluded Accounts.

(c) If any Grantor shall at any time acquire a Commercial Tort Claim, in which the claim amount individually exceeds \$2,000,000, such Grantor shall promptly notify the Collateral Agent in a writing signed by such Grantor of the details thereof and grant to the Collateral Agent for the benefit of the Secured Parties in such writing a security interest therein and in the Proceeds thereof, with such writing to be in form and substance required by applicable law and such writing shall constitute a supplement to Schedule B hereto.

Section 4.02. *Changes In Name, Etc.* Such Grantor will, within thirty (30) calendar days after any change of its jurisdiction of organization or change of its name, provide written notice thereof to the Collateral Agent.

Section 4.03. *Delivery of Instruments, Certificated Securities and Chattel Paper.* If any amount in excess of \$2,000,000 in the aggregate payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument, certificated security or Chattel Paper, such Instrument, certificated security or Chattel Paper shall be promptly delivered to the Perfection Agent, duly indorsed, to be held as Collateral pursuant to this Agreement in a manner reasonably satisfactory to the Perfection Agent.

Section 4.04. *Intellectual Property.* (a) Whenever such Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or any political subdivision thereof, such Grantor shall report such filing to the Collateral Agent on or before the date upon which Hovnanian is required to file reports with the Trustee pursuant to Section 4.15 of the Indenture and the comparable provisions of any other applicable Noteholder Documents for the fiscal quarter in which such filing occurs. Such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as may be necessary to create and perfect the Collateral Agent’s and the other Secured Parties’ security interest in any registered or applied for Copyright, Patent or Trademark and the goodwill and General Intangibles of such Grantor relating thereto or represented thereby. Nothing in this Agreement prevents any Grantor from discontinuing the use or maintenance of its Intellectual Property if such Grantor determines in its reasonable business judgment that such discontinuance is desirable in the conduct of its business.

(b) Such Grantor's obligations under Section 4.04(a) above shall include executing and delivering, and having recorded, with respect to such Collateral, an agreement substantially in the form of the Trademark / Patent / Copyright Security Agreement attached hereto as Exhibit A.

ARTICLE 5
INVESTING AMOUNTS IN THE SECURITIES ACCOUNTS

Section 5.01. *Investments*. If requested by the Issuer in writing, the Perfection Agent will, from time to time, invest amounts on deposit in the Deposit Accounts or Securities Accounts in which the Collateral Agent for the benefit of the Secured Parties holds a perfected security interest, subject only to the Liens of the Senior Claims and Permitted Liens, in Cash Equivalents pursuant to the written instructions of the Issuer. All investments may, at the option of the Perfection Agent, be made in the name of the Perfection Agent or a nominee of the Perfection Agent and in a manner that preserves the Issuer's ownership of, and the Collateral Agent's perfected Lien on, such investments, subject only to the Liens of the Senior Claims and Permitted Liens. Subject to the Intercreditor Agreement and the Collateral Agency Agreement, all income received from such investments shall accrue for the benefit of the Issuer and shall be credited (promptly upon receipt by the Perfection Agent) to a Deposit Account or Securities Account, in which the Collateral Agent for the benefit of the Secured Parties holds a perfected security interest, subject only to the Liens of the Senior Claims and Permitted Liens. The Issuer will only direct the Collateral Agent to make investments in which the Collateral Agent can obtain a perfected security interest, subject only to the Liens of the Senior Claims and Permitted Liens, and the Issuer hereby agrees to execute promptly any documents which may be required to implement or effectuate the provisions of this Section.

Section 5.02. *Liability*. The Collateral Agent shall have no responsibility to the Issuer for any loss or liability arising in respect of the investments in the Deposit Accounts or Securities Accounts in which the Collateral Agent for the benefit of the Secured Parties holds a perfected security interest, subject only to the Liens of the Senior Claims and Permitted Liens (including, without limitation, as a result of the liquidation of any thereof before maturity), except to the extent that such loss or liability is found to be based on the Collateral Agent's gross negligence or willful misconduct as determined by a final and nonappealable decision of a court of competent jurisdiction.

ARTICLE 6
REMEDIAL PROVISIONS

Section 6.01. *Certain Matters Relating to Receivables.*

(a) At any time during the continuance of an Event of Default, subject to the Intercreditor Agreement and the Collateral Agency Agreement, the Collateral Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Collateral Agent may require in connection with such test verifications. The Collateral Agent shall endeavor to provide the Issuer with notice at or about the time of such verifications, *provided* that the failure to provide such notice shall not in any way compromise or adversely affect the exercise of such remedy or the Collateral Agent's rights hereunder.

(b) Each Grantor is authorized to collect such Grantor's Receivables and, subject to the Intercreditor Agreement and the Collateral Agency Agreement, the Collateral Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. The Collateral Agent shall endeavor to provide the Issuer with notice at or about the time of the exercise of its rights pursuant to the preceding sentence, *provided* that the failure to provide such notice shall not in any way compromise or adversely affect the exercise of any rights or remedies hereunder. Subject to the Intercreditor Agreement and the Collateral Agency Agreement, if requested in writing by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Perfection Agent if required, in a collateral account maintained under the sole dominion and control of the Perfection Agent, subject to withdrawal by the Perfection Agent to be applied (x) prior to the Discharge of Senior Claims, in accordance with the Intercreditor Agreement and (y) thereafter pursuant to Section 6.04 below, and (ii) until so turned over, shall be held by such Grantor in trust for the Perfection Agent and the Secured Parties, segregated from other funds of such Grantor.

(c) Subject to the Intercreditor Agreement and the Collateral Agency Agreement, at the Collateral Agent's written request at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall deliver to the Perfection Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including without limitation, all original orders, invoices and shipping receipts.

Section 6.02. *Communications with Obligors: Grantors Remain Liable.*

(a) Subject to the Intercreditor Agreement and the Collateral Agency Agreement, the Collateral Agent in its own name or in the name of others may after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables and parties to the Contracts to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any Receivables or Contracts. The Collateral Agent shall endeavor to provide the Issuer with notice at or about the time of the exercise of its rights pursuant to the preceding sentence, *provided* that the failure to provide such notice shall not in any way compromise or adversely affect the exercise of any rights or remedies hereunder.

(b) Subject to the Intercreditor Agreement and the Collateral Agency Agreement, upon the written request of the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables and parties to the Contracts that the Receivables and the Contracts, as the case may be, have been assigned to the Collateral Agent for the ratable benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Collateral Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables and Contracts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Collateral Agent or any Secured Party of any payment relating thereto, nor shall the Collateral Agent or any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto) or Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

Section 6.03. *Proceeds to Be Turned Over to Collateral Agent.* In addition to the rights of the Collateral Agent and the Secured Parties specified in Section 6.01 with respect to payments of Receivables, and subject to the Intercreditor Agreement and the Collateral Agency Agreement, if an Event of Default shall occur and be continuing, upon written request from the Collateral Agent, all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Perfection Agent and the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Perfection Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Perfection Agent, if requested). All Proceeds received by the Perfection Agent hereunder shall be held by the Perfection Agent in a collateral account maintained under its sole dominion and control. All such Proceeds while held by the Perfection Agent in a collateral account (or by such Grantor in trust for the Collateral Agent and the Secured Parties) shall continue to be held as collateral security for all the Secured Obligations and shall not constitute payment thereof until applied as provided in Section 6.04.

Section 6.04. *Application of Proceeds*. If an Event of Default shall have occurred and be continuing, at any time at the Collateral Agent's election, subject to the Intercreditor Agreement and the Collateral Agency Agreement, and any other intercreditor or collateral agency agreement entered into in connection with Indebtedness permitted under the Indenture, the Collateral Agent may apply all or any part of the Collateral, whether or not held in the Deposit Accounts, the Securities Accounts or any other collateral account, in payment of the Secured Obligations in the order set forth in the Collateral Agency Agreement.

Section 6.05. *Code and Other Remedies*. Subject to the Intercreditor Agreement and the Collateral Agency Agreement, if an Event of Default shall occur and be continuing, the Collateral Agent, on behalf of the Secured Parties, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing, the Collateral Agent, without prior demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any prior notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances, subject to the Intercreditor Agreement and the Collateral Agency Agreement, forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Collateral Agent or any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent shall endeavor to provide the Issuer with notice at or about the time of the exercise of remedies in the proceeding sentence, *provided* that the failure to provide such notice shall not in any way compromise or adversely affect the exercise of such remedies or the Collateral Agent's rights hereunder. The Collateral Agent or any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere. Subject to the Intercreditor Agreement and the Collateral Agency Agreement, the Collateral Agent shall apply the proceeds of any action taken by it pursuant to this Section 6.05 against the Secured Obligations, whether or not then due and payable, as provided in the Collateral Agency Agreement, and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including, without limitation, Section 9-615(a)(3) of the New York UCC, need the Collateral Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Collateral Agent or any Secured Party arising out of the exercise by them of any rights hereunder. If any prior notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

The Collateral Agent shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale pursuant to this Article 6 conducted in accordance with the requirements of applicable laws. Each Grantor hereby waives any claims against the Collateral Agent and the other Secured Parties arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Collateral Agent accepts the first offer received and does not offer the Collateral to more than one offeree, provided that such private sale is conducted in accordance with applicable laws and this Agreement. Each Grantor hereby agrees that in respect of any sale of any of the Collateral pursuant to the terms hereof, the Collateral Agent is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable laws, or in order to obtain any required approval of the sale or of the purchaser by any governmental authority or official, nor shall the Collateral Agent be liable or accountable to any Grantor for any discount allowed by reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.

Section 6.06. *Subordination.* Each Grantor hereby agrees that, upon the occurrence and during the continuance of an Event of Default, unless otherwise agreed by the Collateral Agent, all Indebtedness owing to it by the Issuer or any Subsidiary of the Issuer shall be fully subordinated to the indefeasible payment in full in cash of the applicable series of Secured Obligations.

Section 6.07. *Deficiency.* Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Secured Obligations and the fees, expenses and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency.

ARTICLE 7
THE COLLATERAL AGENT

Section 7.01. *Collateral Agent's Appointment as Attorney-in-fact, Etc.* (a) Subject to the Intercreditor Agreement and the Collateral Agency Agreement, each Grantor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, without prior notice to or assent by such Grantor, to do any or all of the following:

(i) following the occurrence of an Event of Default, in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or Contract or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Receivable or Contract or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as is necessary to evidence the Collateral Agent's and the Secured Parties' security interest in such Intellectual Property and the goodwill and General Intangibles of such Grantors relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 6.05, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (A) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (B) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (C) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (D) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (E) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate; (F) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), through the world for such term or terms, on such conditions, in such manner, as is necessary; and (G) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's and the Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

The Collateral Agent shall endeavor to provide the Issuer with notice at or about the time of the exercise of its rights in the preceding clause (a), *provided* that the failure to provide such notice shall not in any way compromise or adversely affect the exercise of any rights or remedies hereunder.

(b) Subject to the Intercreditor Agreement and the Collateral Agency Agreement, if any Grantor fails to perform or comply with any of its agreements contained herein, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Collateral Agent incurred in connection with actions undertaken as provided in this Section 7.01, together with, if past due, interest thereon at a rate per annum equal to at a rate per annum equal to the interest rate on the 10.000% Notes (or, if no 10.000% Notes are outstanding at such time, the 10.500% Notes and if no Secured Notes are outstanding, the rate applicable in any other Additional Secured Obligations), from the date when due to the Collateral Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Collateral Agent upon not less than five (5) Business Days' notice.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

Section 7.02. *Duty of Collateral Agent.* The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. Neither the Collateral Agent, any Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. In connection therewith, the Collateral Agent shall be under no obligation to take any action toward the enforcement of this Agreement, whether on its own motion or on the request of any other Person, which in the opinion of the Collateral Agent may involve loss, liability or expense to it, unless the Company or one or more Secured Parties shall offer and furnish security or indemnity, reasonably satisfactory to the Collateral Agent, against such loss, liability and expense to the Collateral Agent. The powers conferred on the Collateral Agent and the Secured Parties hereunder are solely to protect the Collateral Agent's and the Secured Parties' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

Section 7.03. *Execution of Financing Statements.* Pursuant to any applicable law, each Grantor authorizes the Collateral Agent to file or record financing statements and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as required by applicable law to perfect the security interests of the Collateral Agent under this Agreement. Each Grantor authorizes the Collateral Agent to use the collateral description "all personal property" or "all assets" in any such financing statements.

Section 7.04. *Authority of Collateral Agent.* Each Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and the Secured Parties, be governed by the Indenture, the Collateral Agency Agreement, other applicable Noteholder Documents and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Grantors, the Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

ARTICLE 8
MISCELLANEOUS

Section 8.01. *Amendments in Writing.* None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with the Indenture. For the avoidance of doubt, the Issuer, the other Grantors (if applicable) and the Collateral Agent may, without the consent of the Noteholders, enter into amendments or other modifications of this Agreement or any other Noteholder Collateral Document (including by entering into any collateral agency agreement or any other new or supplemental agreements) to the extent contemplated by this Agreement, Section 9.1 of the Indenture and the related provisions of any other applicable Noteholder Documents and Section 8.2(b) of the Intercreditor Agreement.

Section 8.02. *Notices.* All notices, requests and demands to or upon the Collateral Agent or any Grantor hereunder shall be effected in the manner provided for in Section 13.3 of the Indenture and the related provisions of any other applicable Noteholder Documents.

Section 8.03. *No Waiver by Course of Conduct; Cumulative Remedies.* Neither the Collateral Agent nor any Secured Party shall by any act (except by a written instrument pursuant to Section 8.01), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Collateral Agent or such Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

Section 8.04. *Enforcement Expenses; Indemnification.* (a) Each Grantor jointly and severally agrees to pay, indemnify against or reimburse each Secured Party and the Collateral Agent for all its costs and expenses incurred in enforcing or preserving any rights under this Agreement and the other Noteholder Documents to which such Grantor is a party, including, without limitation, the reasonable fees, expenses and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to the Collateral Agent and the Secured Parties.

(b) Each Grantor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Grantor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Issuer would be required to do so pursuant to Section 7.7 of the Indenture and the related provisions of any other applicable Noteholder Documents except those resulting from the Collateral Agent's or any Secured Party's willful misconduct or gross negligence.

(d) The agreements in this Section 8.04 shall survive repayment of the Secured Obligations, termination of the Noteholder Documents and resignation or removal of the Collateral Agent.

Section 8.05. *Successors and Assigns.* This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Collateral Agent and the Secured Parties and their successors and assigns; *provided* that except as permitted by the Indenture, no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent.

Section 8.06. *Set-off.* Subject to the Intercreditor Agreement and the Collateral Agency Agreement, each Grantor hereby irrevocably authorizes the Collateral Agent and each other Secured Party at any time and from time to time while an Event of Default has occurred and is continuing, without notice to such Grantor or any other Grantor, any such notice being expressly waived by each Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Collateral Agent or such other Secured Party to or for the credit or the account of such Grantor, or any part thereof in such amounts as the Collateral Agent or such other Secured Party may elect, against and on account of the obligations and liabilities of such Grantor to the Collateral Agent or such other Secured Party hereunder and claims of every nature and description of the Collateral Agent or such other Secured Party against such Grantor, in any currency, whether arising hereunder, under the Indenture or any other Noteholder Document, as the Collateral Agent or such other Secured Party may elect, whether or not the Collateral Agent or any other Secured Party has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Collateral Agent and each other Secured Party shall endeavor to notify the Issuer promptly of any such set-off and the application made by the Collateral Agent or such other Secured Party of the proceeds thereof, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Collateral Agent and each other Secured Party under this Section 8.06 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Collateral Agent or such other Secured Party may have.

Section 8.07. *Counterparts*. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

Section 8.08. *Severability*. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.09. *Section Headings*. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

Section 8.10. *Integration*. This Agreement and the other Noteholder Documents represent the agreement of the Grantors, the Collateral Agent and the Secured Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Collateral Agent or any Secured Parties relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Noteholder Documents.

Section 8.11. *Governing Law*. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 8.12. *Submission to Jurisdiction; Waivers.* Each Grantor hereby irrevocably and unconditionally:

- (a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Noteholder Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;
- (b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;
- (c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Grantor at its address referred to in Section 8.02 or at such other address of which the Collateral Agent shall have been notified pursuant thereto;
- (d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and
- (e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

Section 8.13. *Acknowledgements.* Each Grantor hereby acknowledges that:

- (a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Noteholder Documents to which it is a party;
- (b) neither the Collateral Agent nor any Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Noteholder Documents, and the relationship between the Grantors, on the one hand, and the Collateral Agent and Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and
- (c) no joint venture is created hereby or by the other Noteholder Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Grantors and the Secured Parties; and

(d) the Collateral Agent may at any time and from time to time appoint a collateral agent to maintain any of the Collateral, maintain books and records regarding any Collateral, release Collateral, and assist in any aspect arising in connection with the Collateral as the Collateral Agent may desire; and the Collateral Agent may appoint itself, any affiliate or a third party as the Collateral Agent, and all reasonable costs of the Collateral Agent shall be borne by the Grantors;

Section 8.14. *Additional Grantors.* Each Restricted Subsidiary (as defined in the Indenture and any other applicable Noteholder Documents) of Hovnanian shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of a Joinder Agreement, substantially in the form of Exhibit B hereto.

Section 8.15. *Releases.* (a) Upon the indefeasible payment in full in cash of all outstanding Secured Obligations, the Collateral shall be automatically released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Collateral Agent and each Grantor hereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors.

(b) All or a portion of the Collateral shall be released from the Liens created hereby, and a Grantor may be released from its obligations hereunder, in each case pursuant to and as provided in Section 11.4 of the Indenture with respect to the Secured Notes and the comparable provisions of any other applicable Noteholder Documents with respect to the Additional Secured Obligations. At the request and sole expense of such Grantor, upon the Collateral Agent's receipt of the documents required by Section 11.4 of the Indenture with respect to the Secured Notes and the comparable provisions of any other applicable Noteholder Documents with respect to the Additional Secured Obligations, the Collateral Agent shall deliver to such Grantor any Collateral held by the Collateral Agent hereunder, and execute and deliver to such Grantor such documents as the Grantor shall reasonably request to evidence such termination or release.

(c) None of the Grantors, the Collateral Agent, the Notes Collateral Agent or Trustee is authorized to, and each agrees not to, make any filing (including the filing of Uniform Commercial Code termination statements) to reflect on public record the termination and release of any security interest granted hereunder or in any other Noteholder Collateral Document except in connection with a termination or release permitted by Sections 8.15(a) or (b) of this Agreement.

Section 8.16. *Waiver of Jury Trial.* EXCEPT AS PROHIBITED BY LAW, EACH GRANTOR AND THE COLLATERAL AGENT, ON BEHALF OF ITSELF, THE TRUSTEE AND THE NOTES COLLATERAL AGENT, HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER DOCUMENTS OR TRANSACTIONS RELATING THERETO.

Section 8.17. *Intercreditor Agreement and Collateral Agency Agreement.* Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to this Agreement and the exercise of any right or remedy by the Collateral Agent hereunder are subject to the provisions of the Intercreditor Agreement and the Collateral Agency Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern. In the event of any conflict between the terms of the Collateral Agency Agreement and this Agreement, the terms of the Collateral Agency Agreement shall govern.

Section 8.18. *Control Agreements.* In connection with each agreement made at any time pursuant to Sections 9-104 or 8-106 of the Uniform Commercial Code among the Collateral Agent, any one or more Grantors, and any depository financial institution or issuer of uncertificated mutual fund shares or other uncertificated securities and any other Person party thereto, the Collateral Agent shall not deliver to any such depository or issuer, instructions directing the disposition of the deposit or uncertificated fund shares or other securities unless an Event of Default has occurred and is continuing at such time.

Section 8.19. *Collateral Agent Privileges, Powers and Immunities.* In the performance of its obligations, powers and rights hereunder, the Collateral Agent shall be entitled to the rights, benefits, privileges, powers and immunities afforded to it as Collateral Agent under the Indenture, the other applicable Noteholder Documents and the Collateral Agency Agreement. The Collateral Agent shall be entitled to refuse to take or refrain from taking any discretionary action or exercise any discretionary powers set forth in this Agreement unless specifically authorized under the Indenture and the other applicable Noteholder Documents or it has received with respect thereto written direction of the Issuer, the Noteholders or the Trustee in accordance with the Indenture or other applicable Noteholder Document (it being understood and agreed that the actions and directions set forth in Section 9.1 of the Indenture are not discretionary) and the Collateral Agency Agreement. Notwithstanding anything to the contrary contained herein and notwithstanding anything contained in Section 9-207 of the New York UCC, the Collateral Agent shall have no responsibility for the creation, perfection, priority, sufficiency or protection of any liens securing Secured Obligations (including, but not limited to, no obligation to prepare, record, file, re-record or re-file any financing statement, continuation statement or other instrument in any public office). The permissive rights and authorizations of the Collateral Agent hereunder shall not be construed as duties. The Collateral Agent shall be entitled to exercise its powers and duties hereunder through designees, specialists, experts or other appointees selected by it with due care and shall not be liable for the negligence or misconduct of such appointees.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, each of the undersigned has caused this Security Agreement to be duly executed and delivered as of the date first above written.

Secured Party:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Collateral Agent

By: /s/ John T. Needham, Jr.
Name: John T. Needham, Jr.
Title: Vice President

K. HOVNANIAN ENTERPRISES, INC., as Issuer

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

HOVNANIAN ENTERPRISES, INC.

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

K. HOV IP, II, INC.

By: /s/ Brad O'Connor
Name: Brad O'Connor
Title: Authorized Officer

On behalf of each other entity named in Schedule A hereto

By: /s/ J. Larry Sorsby
Name: J. Larry Sorsby
Title: Authorized Officer

SCHEDULE A – LIST OF ENTITIES

Arbor Trails, LLC
Builder Services NJ, L.L.C.
Builder Services PA, L.L.C.
Eastern National Title Agency, LLC
Eastern Title Agency of Illinois, 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 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 Hovnanian Homes at Maxwell Place, L.L.C.
K. HOV IP, II, Inc.
K. Hovnanian Aberdeen, LLC
K. Hovnanian Acquisitions, Inc.
K. Hovnanian at 240 Missouri, LLC
K. Hovnanian at 4S, LLC
K. Hovnanian at Aire on McDowell, LLC
K. Hovnanian at Aliso, LLC
K. Hovnanian at Allentown, L.L.C.
K. Hovnanian at Andalusia, LLC
K. Hovnanian at Asbury Park Urban Renewal, LLC
K. Hovnanian at Ashby Place, 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 Beacon Park Area 129 II, LLC
K. Hovnanian at Beacon Park Area 129, LLC
K. Hovnanian at Beacon Park Area 137, LLC
K. Hovnanian at Bella Lago, LLC
K. Hovnanian at Blackstone, LLC
K. Hovnanian at Boca Dunes, LLC
K. Hovnanian at Branchburg II, LLC
K. Hovnanian at Branchburg, L.L.C.
K. Hovnanian at Branchburg-Vollers, LLC
K. Hovnanian at Brenford Station, LLC
K. Hovnanian at Bridgeport, Inc.
K. Hovnanian at Bridgewater I, L.L.C.

K. Hovnanian at Bridgewater II, LLC
K. Hovnanian at Burch Kove, LLC
K. HOVNANIAN AT CAMP HILL, L.L.C.
K. HOVNANIAN AT CAPISTRANO, L.L.C.
K. Hovnanian at Carlsbad, LLC
K. Hovnanian at Catania, LLC
K. Hovnanian at Caton's Reserve, LLC
K. Hovnanian at Cedar Grove III, L.L.C.
K. Hovnanian at Cedar Grove Urban Renewal, LLC
K. Hovnanian at Cedar Lane, LLC
K. Hovnanian at Charter Way, LLC
K. Hovnanian at Chesterfield, L.L.C.
K. Hovnanian at Christina Court, LLC
K. Hovnanian at Cielo, L.L.C.
K. Hovnanian at Coastline, L.L.C.
K. Hovnanian at Coosaw Point, LLC
K. Hovnanian at Coral Lago, LLC
K. Hovnanian at Cortez Hill, LLC
K. Hovnanian at Denville, L.L.C.
K. Hovnanian at Deptford Township, L.L.C.
K. Hovnanian at Doylestown, LLC
K. Hovnanian at Dunellen Urban Renewal, LLC
K. Hovnanian at East Brandywine, L.L.C.
K. Hovnanian at East Brunswick III, LLC
K. Hovnanian at East Brunswick, LLC
K. Hovnanian at East Windsor, LLC
K. Hovnanian at Eden Terrace, L.L.C.
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 Estates at Wheatlands, LLC
K. Hovnanian at Evergreen, L.L.C.
K. Hovnanian at Fairfield Ridge, LLC
K. Hovnanian at Fiddymment 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 Fox Path at Hampton Lake, LLC
K. Hovnanian at Franklin II, L.L.C.
K. Hovnanian at Franklin, L.L.C.
K. Hovnanian at Freehold Township III, LLC
K. Hovnanian at Fresno, LLC

K. Hovnanian at Gallery, LLC
K. HOVNANIAN AT GASLAMP SQUARE, L.L.C.
K. Hovnanian at Gilroy 60, LLC
K. Hovnanian at Gilroy, LLC
K. Hovnanian at Great Notch, L.L.C.
K. Hovnanian at Hackettstown II, L.L.C.
K. Hovnanian at Hampton Cove, LLC
K. Hovnanian at Hampton Lake, LLC
K. Hovnanian at Hanover Estates, LLC
K. Hovnanian at Hershey's Mill, Inc.
K. Hovnanian at Hidden Brook, LLC
K. Hovnanian at Hillsborough, LLC
K. Hovnanian at Hilltop Reserve II, LLC
K. Hovnanian at Hilltop Reserve, LLC
K. Hovnanian at Howell Fort Plains, LLC
K. Hovnanian at Howell II, LLC
K. Hovnanian at Howell, LLC
K. HOVNANIAN AT HUDSON POINTE, L.L.C.
K. Hovnanian at Huntfield, LLC
K. Hovnanian at Indian Wells, LLC
K. Hovnanian at Island Lake, LLC
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 Keyport, L.L.C.
K. Hovnanian at La Costa Greens, L.L.C.
K. Hovnanian at La Laguna, L.L.C.
K. Hovnanian at Lake Burden, LLC
K. Hovnanian at Lake LeClare, LLC
K. Hovnanian at Lake Rancho Viejo, LLC
K. Hovnanian at Lake Ridge Estates, LLC
K. Hovnanian at Lake Terrapin, L.L.C.
K. Hovnanian at Lee Square, L.L.C.
K. Hovnanian at Lenah Woods, LLC
K. Hovnanian at Lily Orchard, LLC
K. Hovnanian at Link Farm, LLC
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 II, L.L.C.
K. Hovnanian at Magnolia Place, LLC
K. Hovnanian at Mahwah VI, Inc.
K. Hovnanian at Main Street Square, LLC

K. Hovnanian at Malan Park, L.L.C.
K. HOVNANIAN AT MANALAPAN II, L.L.C.
K. Hovnanian at Manalapan III, L.L.C.
K. Hovnanian at Manalapan V, LLC
K. Hovnanian at Manalapan VI, LLC
K. Hovnanian at Mansfield II, L.L.C.
K. Hovnanian at Manteca, LLC
K. Hovnanian at Maple Avenue, L.L.C.
K. Hovnanian at Marlboro IX, LLC
K. Hovnanian at Marlboro Township IX, L.L.C.
K. Hovnanian at Marlboro Township V, L.L.C.
K. Hovnanian at Marlboro VI, L.L.C.
K. Hovnanian at Marple, LLC
K. Hovnanian at Meadowridge Villas, LLC
K. Hovnanian at Melanie Meadows, LLC
K. Hovnanian at Mendham Township, L.L.C.
K. Hovnanian at Middle Township II, L.L.C.
K. Hovnanian at Middle Township, L.L.C.
K. Hovnanian at Middletown II, L.L.C.
K. Hovnanian at Middletown III, LLC
K. Hovnanian at Middletown, LLC
K. Hovnanian at Millville I, L.L.C.
K. Hovnanian at Millville II, L.L.C.
K. Hovnanian at Monroe IV, L.L.C.
K. Hovnanian at Monroe NJ II, LLC
K. Hovnanian at Monroe NJ III, LLC
K. Hovnanian at Monroe NJ, L.L.C.
K. Hovnanian at Montana Vista, LLC
K. Hovnanian at Montgomery, LLC
K. Hovnanian at Montvale II, LLC
K. Hovnanian at Montvale, L.L.C.
K. Hovnanian at Morris Twp, LLC
K. Hovnanian at Muirfield, LLC
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 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 Northridge Estates, LLC
K. Hovnanian at Norton Lake LLC
K. Hovnanian at Nottingham Meadows, LLC
K. Hovnanian at Oak Pointe, LLC

K. Hovnanian at Ocean Township, Inc
K. Hovnanian at Ocean View Beach Club, LLC
K. Hovnanian at Oceanport, L.L.C.
K. Hovnanian at Old Bridge, L.L.C.
K. Hovnanian at Palm Valley, L.L.C.
K. Hovnanian at Park Paseo, LLC
K. Hovnanian at Parkside, LLC
K. Hovnanian at Parsippany, L.L.C.
K. Hovnanian at Pavilion Park, LLC
K. Hovnanian at Piazza D'Oro, L.L.C.
K. Hovnanian at Piazza Serena, L.L.C
K. Hovnanian at Pickett Reserve, LLC
K. Hovnanian at Pittsgrove, L.L.C.
K. Hovnanian at Plantation Lakes, L.L.C.
K. Hovnanian at Pointe 16, LLC
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL V, 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 Prairie Pointe, LLC
K. Hovnanian at Quail Creek, L.L.C.
K. Hovnanian at Rancho Cabrillo, LLC
K. HOVNANIAN AT RAPHO, L.L.C
K. Hovnanian at Redtail, LLC
K. Hovnanian at Reserves at Wheatlands, LLC
K. Hovnanian at Residence at Discovery Square, LLC
K. Hovnanian at Ridgemont, L.L.C.
K. Hovnanian at Rock Ledge, 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 Sagebrook, LLC
K. Hovnanian at Santa Nella, LLC
K. Hovnanian at Sawmill, Inc.
K. Hovnanian at Seasons Landing, LLC
K. Hovnanian at Sheldon Grove, LLC
K. Hovnanian at Shrewsbury, LLC
K. Hovnanian at Sienna Hills, LLC
K. Hovnanian at Signal Hill, LLC
K. Hovnanian at Silver Spring, L.L.C.
K. Hovnanian at Silverstone, LLC
K. Hovnanian at Skye Isle, LLC
K. Hovnanian at Skye on McDowell, LLC
K. Hovnanian at Smithville, Inc.
K. Hovnanian at Somerset, LLC
K. Hovnanian at South Brunswick II, LLC

K. Hovnanian at South Brunswick III, LLC
K. Hovnanian at South Brunswick, L.L.C.
K. Hovnanian at Spring Isle, LLC
K. Hovnanian at Stanton, LLC
K. Hovnanian at Station Square, L.L.C.
K. Hovnanian at Summerlake, LLC
K. Hovnanian at Sunridge Park, LLC
K. Hovnanian at Sunrise Trail II, LLC
K. Hovnanian at Sunrise Trail III, LLC
K. Hovnanian at Terra Bella Two, LLC
K. Hovnanian at The Commons at Richmond Hill, LLC
K. Hovnanian at The Crosby, LLC
K. Hovnanian at The Monarch, L.L.C.
K. Hovnanian at The Promenade at Beaver Creek, LLC
K. Hovnanian at Thompson Ranch, LLC
K. Hovnanian at Trafford Place, LLC
K. Hovnanian at Trail Ridge, LLC
K. Hovnanian at Tramore LLC
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 Ventana Lakes, LLC
K. Hovnanian at Verona Estates, LLC
K. HOVNANIAN AT VERONA URBAN RENEWAL, L.L.C.
K. Hovnanian at Verrado Cascina, LLC
K. Hovnanian at Verrado Marketside, LLC
K. Hovnanian at Victorville, L.L.C.
K. Hovnanian at Vineyard Heights, LLC
K. Hovnanian at Vista Del Sol, L.L.C.
K. Hovnanian at Waldwick, LLC
K. Hovnanian at Walkers Grove, LLC
K. Hovnanian at Wall Donato, LLC
K. Hovnanian at Warren Township II, LLC
K. Hovnanian at Warren Township, L.L.C.
K. Hovnanian at Waterstone, LLC
K. Hovnanian at Wayne IX, L.L.C.
K. Hovnanian at West View Estates, L.L.C.
K. Hovnanian at Westbrook, LLC
K. Hovnanian at Westshore, LLC
K. Hovnanian at Wheeler Ranch, LLC
K. Hovnanian at Wheeler Woods, LLC
K. Hovnanian at Whitemarsh, LLC
K. Hovnanian at Wildwood Bayside, L.L.C.
K. Hovnanian at Woodcreek West, LLC
K. Hovnanian at Woolwich I, L.L.C.

K. Hovnanian Belden Pointe, LLC
K. Hovnanian Belmont Reserve, LLC
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 Contractors of Ohio, LLC
K. Hovnanian Cornerstone Farms, LLC
K. Hovnanian CraftBuilt Homes of South Carolina, L.L.C.
K. Hovnanian Cypress Key, LLC
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 DFW Auburn Farms, LLC
K. Hovnanian DFW Belmont, LLC
K. Hovnanian DFW Creekside Estates II, LLC
K. Hovnanian DFW Creekside Estates, LLC
K. Hovnanian DFW Encore of Las Colinas II, LLC
K. Hovnanian DFW Encore of Las Colinas, LLC
K. Hovnanian DFW Harmon Farms, LLC
K. Hovnanian DFW Heritage Crossing, LLC

K. Hovnanian DFW Homestead, LLC
K. Hovnanian DFW Inspiration, LLC
K. Hovnanian DFW Lexington, LLC
K. Hovnanian DFW Liberty Crossing II, LLC
K. Hovnanian DFW Liberty Crossing, LLC
K. Hovnanian DFW Light Farms II, LLC
K. Hovnanian DFW Light Farms, LLC
K. Hovnanian DFW Midtown Park, LLC
K. Hovnanian DFW Palisades, LLC
K. Hovnanian DFW Parkside, LLC
K. Hovnanian DFW Ridgeview, LLC
K. Hovnanian DFW Seventeen Lakes, LLC
K. Hovnanian DFW Trailwood, LLC
K. Hovnanian DFW Villas at Mustang Park, LLC
K. Hovnanian DFW Wellington, LLC
K. Hovnanian DFW Wildridge, LLC
K. Hovnanian Eastern Pennsylvania, L.L.C.
K. Hovnanian Edgebrook, LLC
K. Hovnanian Enterprises, Inc.
K. Hovnanian Estates at Fox Chase, LLC
K. Hovnanian Estates at Regency, L.L.C.
K. Hovnanian Estates at Wekiva, LLC
K. Hovnanian Falls Pointe, LLC
K. HOVNANIAN FIRST HOMES, L.L.C.
K. Hovnanian Florida Realty, L.L.C.
K. Hovnanian Forest Valley, LLC
K. Hovnanian Grand Cypress, LLC
K. Hovnanian Grandefield, 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 Hidden Hollow, LLC
K. Hovnanian Highland Ridge, LLC
K. Hovnanian Holdings NJ, L.L.C.
K. Hovnanian Homes - DFW, L.L.C.
K. Hovnanian Homes at Brook Manor, LLC
K. Hovnanian Homes at Burke Junction, LLC
K. Hovnanian Homes at Camp Springs, L.L.C.
K. Hovnanian Homes at Creekside, LLC
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 Leigh Mill, LLC
K. Hovnanian Homes at Pender Oaks, LLC
K. Hovnanian Homes at Reedy Creek, LLC
K. Hovnanian Homes at Russett, L.L.C.

K. Hovnanian Homes at Salt Creek Landing, LLC
K. Hovnanian Homes at Shell Hall, LLC
K. Hovnanian Homes at Shenandoah Springs, LLC
K. Hovnanian Homes at St. James Place, LLC
K. Hovnanian Homes at The Abby, LLC
K. Hovnanian Homes at the Highlands, LLC
K. Hovnanian Homes at The Paddocks, LLC
K. Hovnanian Homes at Thompson's Grant, LLC
K. Hovnanian Homes at Willowsford Grant, LLC
K. Hovnanian Homes at Willowsford Greens, 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 Longacre Village, L.L.C.
K. Hovnanian Homes of Maryland, L.L.C.
K. Hovnanian Homes of Minnesota at Arbor Creek, LLC
K. Hovnanian Homes of Minnesota at Autumn Meadows, LLC
K. Hovnanian Homes of Minnesota at Brynwood, LLC
K. Hovnanian Homes of Minnesota at Cedar Hollow, LLC
K. Hovnanian Homes of Minnesota at Founder's Ridge, LLC
K. Hovnanian Homes of Minnesota at Harpers Street Woods, LLC
K. Hovnanian Homes of Minnesota at Oaks of Oxbow, LLC
K. Hovnanian Homes of Minnesota at Regent's Point, LLC
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 Houston Bayou Oaks at West Orem, LLC
K. Hovnanian Houston Cambridge Heights, LLC
K. Hovnanian Houston City Heights, LLC
K. Hovnanian Houston Creek Bend, LLC
K. Hovnanian Houston Dry Creek Village, LLC
K. Hovnanian Houston Katy Pointe, LLC
K. Hovnanian Houston Sunset Ranch, LLC
K. Hovnanian Houston Thunder Bay Subdivision, LLC
K. Hovnanian Houston Tranquility Lake Estates, LLC
K. Hovnanian Houston Woodshore, LLC
K. Hovnanian Indian Trails, LLC
K. Hovnanian LaDue Reserve, LLC
K. Hovnanian Lakes of Green, LLC
K. Hovnanian Landings 40s, LLC
K. Hovnanian Legacy at Via Bella, LLC

K. Hovnanian Liberty on Bluff Creek, LLC
K. Hovnanian Manalapan Acquisition, LLC
K. Hovnanian Monarch Grove, 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 Northpointe 40s, LLC
K. Hovnanian Norton Place, LLC
K. Hovnanian of Houston II, L.L.C.
K. Hovnanian of Ohio, LLC
K. Hovnanian Ohio Realty, 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 PRESERVE AT TURTLE CREEK LLC
K. Hovnanian Properties of Red Bank, Inc.
K. Hovnanian Reynolds Ranch, LLC
K. Hovnanian Rivendale, LLC
K. Hovnanian Riverside, LLC
K. Hovnanian Schady Reserve, LLC
K. Hovnanian Sherwood at Regency, LLC
K. Hovnanian Shore Acquisitions, L.L.C.
K. Hovnanian South Fork, LLC
K. Hovnanian South Jersey Acquisitions, L.L.C.
K. Hovnanian Southern New Jersey, L.L.C.
K. Hovnanian Sterling Ranch, LLC
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 Union Park, LLC
K. Hovnanian Venture I, L.L.C.
K. Hovnanian Village Glen, LLC
K. Hovnanian Waterbury, LLC
K. Hovnanian White Road, LLC
K. HOVNANIAN WINDWARD HOMES, LLC
K. Hovnanian Woodland Pointe, LLC
K. Hovnanian Woodridge Place, LLC
K. HOVNANIAN'S FOUR SEASONS AT BAKERSFIELD, L.L.C.
K. Hovnanian's Four Seasons at Baymont Farms L.L.C.
K. Hovnanian's Four Seasons at Beaumont, LLC
K. Hovnanian's Four Seasons at Briargate, LLC

K. HOVNIANIAN'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. HOVNIANIAN'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 Silver Maple Farm, L.L.C.
K. Hovnanian's Four Seasons at St. Margarets Landing, L.L.C.
K. Hovnanian's Four Seasons at The Manor II, LLC
K. Hovnanian's Four Seasons at The Manor, LLC
K. Hovnanian's Parkside at Towngate, L.L.C.
K. Hovnanian's Veranda at RiverPark II, LLC
K. Hovnanian's Veranda at RiverPark, LLC
KHH Shell Hall Loan Acquisition, LLC
LANDARAMA, INC.
LAUREL HIGHLANDS, LLC
M & M AT MONROE WOODS, L.L.C.
M&M at Chesterfield, L.L.C.
M&M AT Crescent Court, L.L.C.
M&M at West Orange, L.L.C.
Matzel & Mumford at Egg Harbor, 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.
MM-BEACHFRONT NORTH I, LLC
New Home Realty, 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
Shell Hall Club Amenity Acquisition, LLC
Shell Hall Land Acquisition, LLC
STONEBROOK HOMES, INC.
Terrapin Realty, L.L.C.
The Matzel & Mumford Organization, Inc
Washington Homes, Inc.
WOODMORE RESIDENTIAL, L.L.C.
WTC VENTURES, L.L.C.

SCHEDULE B

COMMERCIAL TORT CLAIMS

None

SCHEDULE C

ACTIONS REQUIRED TO PERFECT

1. With respect to each Grantor organized under the laws of the state of Arizona as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the Arizona Secretary of State.
 2. With respect to each Grantor organized under the laws of the state of California as identified on Schedule 1(a) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the California Secretary of State.
 3. With respect to each Grantor organized under the laws of the state of Delaware as identified on Schedule 1(a) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the Delaware Secretary of State.
 4. With respect to each Grantor organized under the laws of the District of Columbia as identified on Schedule 1(a) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the District of Columbia Recorder of Deeds.
 5. With respect to each Grantor organized under the laws of the state of Florida as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the Florida Secured Transaction Registry.
 6. With respect to each Grantor organized under the laws of the state of Georgia as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the Office of the Clerk of Superior Court of any County of Georgia.
 7. With respect to each Grantor organized under the laws of the state of Illinois as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the Illinois Secretary of State.
 8. With respect to each Grantor organized under the laws of the state of Kentucky as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the Kentucky Secretary of State.
 9. With respect to each Grantor organized under the laws of the state of Maryland as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the Maryland State Department of Assessments and Taxation.
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10. With respect to each Grantor organized under the laws of the state of Minnesota as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the Minnesota Secretary of State.
 11. With respect to each Grantor organized under the laws of the state of New Jersey as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the New Jersey Division of Commercial Recording.
 12. With respect to each Grantor organized under the laws of the state of New York as identified on Schedule 1(a) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the New York Secretary of State.
 13. With respect to each Grantor organized under the laws of the state of North Carolina as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the North Carolina Secretary of State.
 14. With respect to each Grantor organized under the laws of the state of Ohio as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the Ohio Secretary of State.
 15. With respect to each Grantor organized under the laws of the state of Pennsylvania as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the Pennsylvania Secretary of the Commonwealth.
 16. With respect to each Grantor organized under the laws of the state of South Carolina as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the South Carolina Secretary of State.
 17. With respect to each Grantor organized under the laws of the state of Texas as identified on Schedule 1(a) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the Texas Secretary of State.
 18. With respect to each Grantor organized under the laws of the state of Virginia as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the Virginia State Corporation Commission.
 19. With respect to each Grantor organized under the laws of the state of West Virginia as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Collateral with the West Virginia Secretary of State.
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20. With respect to the Securities Accounts and the Deposit Accounts (other than the Excluded Accounts), the bank with which such Securities Account and such Deposit Account are maintained agreeing that it will comply with instructions originated by the Perfection Agent directing disposition of the funds in such Securities Account and such Deposit Account without further consent of the relevant Grantor; provided that the Grantors shall not be required to deliver any such agreements on July 27, 2017, but will deliver such agreements as soon as commercially reasonable thereafter, but in no event later than 90 days following July 27, 2017.
 21. With respect to each Grantor that owns registered or applied for Intellectual Property, the filing of a Trademark / Patent / Copyright Security Agreement that identifies such Grantor's registered and applied for Trademarks, Patents and Copyrights with the United States Patent and Trademark Office or the United States Copyright Office, as applicable.
 22. With respect to the Pledged Collateral (as defined in the Pledge Agreement (as defined in the Indenture)) constituting certificated securities, delivery of the certificates representing such Pledged Collateral to the Perfection Agent pursuant to the Pledge Agreement in registered form, indorsed in blank, by an effective endorsement or accompanied by undated stock powers with respect thereto duly indorsed in blank by an effective endorsement.
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EXHIBIT A

Form of Trademark / Patent / Copyright Agreement

TRADEMARK / PATENT / COPYRIGHT SECURITY AGREEMENT

This Trademark / Patent / Copyright Security Agreement (the “**Agreement**”), dated as of [____], [____] is made by [___], a [___] (the “**Grantor**”) in favor of Wilmington Trust, National Association, as Collateral Agent (as defined below) for the benefit of itself, the Secured Parties (as defined below).

WHEREAS, the Issuer, Hovnanian and each of the other guarantors party thereto are, concurrently herewith, entering into the Indenture dated as of July 27, 2017 (as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Indenture**”) with Wilmington Trust, National Association, as trustee (in such capacity, the “**Trustee**”) and as collateral agent (in such capacity, the “**Notes Collateral Agent**”), pursuant to which the Issuer is issuing, and may from time to time issue, (a) the 10.000% Senior Secured Notes due 2022 (collectively, the “**10.000% Notes**”) and (b) the 10.500% Senior Secured Notes due 2024 (collectively, the “**10.500% Notes**” and together with the 10.000% Notes, the “**Secured Notes**”), in each case, upon the terms and subject to the conditions set forth therein;

WHEREAS, concurrently with the execution of the Indenture, the Issuer, Hovnanian, each of the other Grantors and the Notes Collateral Agent are entering into the Collateral Agency Agreement, dated as of July 27, 2017 (as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Collateral Agency Agreement**”) pursuant to which the Issuer and the Notes Collateral Agent are appointing the Notes Collateral Agent as the joint collateral agent for the Secured Parties (in such capacity, the “**Collateral Agent**”) and the Notes Collateral Agent is accepting such appointment;

WHEREAS, the Issuer, Hovnanian and each of the other Guarantors party thereto have entered into the Credit Agreement, dated as of July 29, 2016 (as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Senior Credit Agreement**”), with Wilmington Trust, National Association, in its capacity as administrative agent acting as collateral agent (in such capacity, the “**Senior Credit Agreement Administrative Agent**”) and the lenders party thereto;

WHEREAS, in connection with the execution and delivery of the Senior Credit Agreement, the Senior Credit Agreement Administrative Agent, the Issuer, Hovnanian, the other Grantors party thereto, and the Mortgage Tax Collateral Agent (as defined therein), among others, entered into the Amended and Restated Intercreditor Agreement dated as of September 8, 2016 (as amended, supplemented, amended or restated or otherwise modified from time to time (including as supplemented by the Intercreditor Agreement Joinder (as defined below)), the “**Intercreditor Agreement**”);

WHEREAS, concurrently herewith, the Issuer, Hovnanian, the other Grantors party thereto, the Senior Credit Agreement Administrative Agent, the Collateral Agent and the Mortgage Tax Collateral Agent are entering into a joinder, dated as of July 27, 2017, to the Intercreditor Agreement (the “**Intercreditor Agreement Joinder**”);

WHEREAS, the Secured Notes constitute Second-Lien Indebtedness under the Intercreditor Agreement;

WHEREAS, the Issuer is a member of an affiliated group of companies that includes Hovnanian, the Issuer’s parent company, and each other Grantor;

WHEREAS, the Issuer and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the Secured Notes;

WHEREAS, pursuant to and under the Indenture and the Security Agreement dated as of July 27, 2017 (the “**Security Agreement**”) among the Grantors party thereto (together with any other entity that may become a party thereto) and the Collateral Agent, the Grantor has agreed to enter into this Agreement in order to grant a security interest to the Collateral Agent in certain Intellectual Property as security for such loans and other obligations as more fully described herein; and

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. Defined Terms. Except as otherwise expressly provided herein, (i) capitalized terms used in this Agreement shall have the respective meanings assigned to them in the Security Agreement and (ii) the rules of construction set forth in Section 1. 2 of the Indenture and the comparable provisions of any other applicable Noteholder Documents shall apply to this Agreement. Where applicable and except as otherwise expressly provided herein, terms used herein (whether or not capitalized) shall have the respective meanings assigned to them in the Uniform Commercial Code as enacted in New York as amended from time to time (the “**Code**”).

2. To secure the full payment and performance of all Secured Obligations, the Grantor hereby grants to the Collateral Agent a security interest in the entire right, title and interest of such Grantor in and to all of its [Trademark/Patent/Copyrights], including those set forth on Schedule A; *provided, however*, that notwithstanding any of the other provisions set forth in this Section 2 (and notwithstanding any recording of the Collateral Agent's Lien made in the U.S. Patent and Trademark Office, U.S. Copyright Office, or other registry office in any other jurisdiction), this Agreement shall not constitute a grant of a security interest in any property to the extent that such grant of a security interest is prohibited by any applicable Law of an Official Body, requires a consent not obtained of any Official Body pursuant to such Law or is prohibited by, or constitutes a breach or default under or results in the termination of or gives rise to any right of acceleration, modification or cancellation or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property, except to the extent that such Law or the term in such contract, license, agreement, instrument or other document or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable Law including Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC (or any successor provision or provisions); *provided, further*, that no security interest shall be granted in any United States "intent-to-use" trademark or service mark applications unless and until acceptable evidence of use of the trademark or service mark has been filed with and accepted by the U.S. Patent and Trademark Office pursuant to Section 1(c) or Section 1(d) of the Lanham Act (U.S.C. 1051, et seq.), and to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such "intent-to-use" trademark or service mark applications under applicable federal Law. After such period and after such evidence of use has been filed and accepted, the Grantor acknowledges that such interest in such trademark or service mark applications will become part of the Collateral. The Collateral Agent agrees that, at the Grantor's reasonable request and expense, it will provide such Grantor confirmation that the assets described in this paragraph are in fact excluded from the Collateral during such limited period only upon receipt of an Officer's Certificate or an Opinion of Counsel to that effect.

3. The Grantor covenants and warrants that:

(a) To the knowledge of the Grantor, on the date hereof, all material Intellectual Property owned by the Grantor is valid, subsisting and unexpired, has not been abandoned and does not, to the knowledge of the Grantor, infringe the intellectual property rights of any other Person;

(b) The Grantor is the owner of each item of Intellectual Property listed on Schedule A, free and clear of any and all Liens or claims of others except for the Permitted Liens. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except as permitted pursuant to this Agreement or as permitted by the Indenture and any other applicable Noteholder Documents;

4. The Grantor agrees that, until all of the Secured Obligations shall have been indefeasibly satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with the Grantor's obligations under this Agreement, without the Collateral Agent's prior written consent which shall not be unreasonably withheld except that the Grantor may license technology in the ordinary course of business without the Collateral Agent's consent to suppliers and customers to facilitate the manufacture and use of the Grantor's products.

5. The Collateral Agent shall have, in addition to all other rights and remedies given it by this Agreement and those rights and remedies set forth in the Security Agreement and the Indenture and any other applicable Noteholder Documents, those allowed by applicable Law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Intellectual Property may be located and, without limiting the generality of the foregoing, solely if an Event of Default has occurred and is continuing, the Collateral Agent may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to the Grantor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in a city that the Collateral Agent shall designate by notice to the Grantor, the whole or from time to time any part of the Intellectual Property, or any interest which the Grantor may have therein and, after deducting from the proceeds of sale or other disposition of the Intellectual Property all expenses (including fees and expenses for brokers and attorneys), shall apply the remainder of such proceeds toward the payment of the Secured Obligations as the Collateral Agent, in its sole discretion, shall determine. Any remainder of the proceeds after payment in full of the Secured Obligations shall be paid over to the Grantor. Notice of any sale or other disposition of the Intellectual Property shall be given to the Grantor at least ten (10) days before the time of any intended public or private sale or other disposition of the Intellectual Property is to be made, which the Grantor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Collateral Agent may, to the extent permissible under applicable Law, purchase the whole or any part of the Intellectual Property sold, free from any right of redemption on the part of the Grantor, which right is hereby waived and released. The Collateral Agent shall endeavor to provide the Grantor with notice at or about the time of the exercise of remedies in the preceding sentence, provided that the failure to provide such notice shall not in any way compromise or adversely affect the exercise of such remedies or the Collateral Agent's rights hereunder.

6. All of Collateral Agent's rights and remedies with respect to the Intellectual Property, whether established hereby, by the Security Agreement or by the Indenture or any other applicable Noteholder Documents or by any other agreements or by Law, shall be cumulative and may be exercised singularly or concurrently. In the event of any irreconcilable inconsistency in the terms of this Agreement and the Security Agreement, the Security Agreement shall control.

7. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any clause or provision of this Agreement in any jurisdiction.

8. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties, provided, however, that except as permitted by the Indenture and any other applicable Noteholder Documents, the Grantor may not assign or transfer any of its rights or obligations hereunder or any interest herein and any such purported assignment or transfer shall be null and void.

9. This Agreement and the rights and obligations of the parties under this agreement shall be governed by, and construed and interpreted in accordance with, the Law of the State of New York.

10. The Grantor (i) hereby irrevocably submits to the nonexclusive general jurisdiction of the courts of the State of New York and the courts of the United States of America for the Southern District of New York, or any successor to said court (hereinafter referred to as the “**New York Courts**”) for purposes of any suit, action or other proceeding which relates to this Agreement or any other Noteholder Document, (ii) to the extent permitted by applicable Law, hereby waives and agrees not to assert by way of motion, as a defense or otherwise in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of the New York Courts, that such suit, action or proceeding is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement or any Noteholder Document may not be enforced in or by the New York Courts, (iii) hereby agrees not to seek, and hereby waives, any collateral review by any other court, which may be called upon to enforce the judgment of any of the New York Courts, of the merits of any such suit, action or proceeding or the jurisdiction of the New York Courts, and (iv) waives personal service of any and all process upon it and consents that all such service of process be made by certified or registered mail addressed as provided in Section 13 hereof or at such other address of which the Collateral Agent shall have been notified pursuant thereto and service so made shall be deemed to be completed upon actual receipt thereof. Nothing herein shall limit any Secured Party’s right to bring any suit, action or other proceeding against the Grantor or any of any of the Grantor’s assets or to serve process on the Grantor by any means authorized by Law.

11. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

12. THE GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY A JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER NOTEHOLDER DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

13. All notices, requests and demands to or upon the Collateral Agent or the Grantor shall be effected in the manner provided for in Section 13.3 of the Indenture and the related provisions of any other applicable Noteholder Documents.

14. In the performance of its obligations, powers and rights hereunder, the Collateral Agent shall be entitled to the rights, benefits, privileges, powers and immunities afforded to it as Collateral Agent under the Indenture and the other applicable Noteholder Documents. The Collateral Agent shall be entitled to refuse to take or refrain from taking any discretionary action or exercise any discretionary powers set forth in the Security Agreement unless it has received with respect thereto written direction of the Issuer or a majority of Noteholders in accordance with the Indenture and the other applicable Noteholder Documents. Notwithstanding anything to the contrary contained herein, the Collateral Agent shall have no responsibility for the creation, perfection, priority, sufficiency or protection of any liens securing Secured Obligations (including, but not limited to, no obligation to prepare, record, file, re-record or re-file any financing statement, continuation statement or other instrument in any public office). The permissive rights and authorizations of the Collateral Agent hereunder shall not be construed as duties. The Collateral Agent shall be entitled to exercise its powers and duties hereunder through designees, specialists, experts or other appointees selected by it in good faith.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the undersigned has caused this Trademark / Patent / Copyright Security Agreement to be duly executed and delivered as of the date first above written.

WILMINGTON TRUST, NATIONAL ASSOCIATION, as
Collateral Agent

By: _____
Name:
Title:

Grantor:

[Name of Grantor]

By: _____
Name:
Title:

EXHIBIT B

Form of Joinder Agreement

This JOINDER AND ASSUMPTION AGREEMENT is made _____ by _____, a _____ (the “**New Grantor**”).

Reference is made to (i) the Security Agreement dated as of July 27, 2017 by each of the Grantors (as defined therein) in favor of the Collateral Agent for the benefit of itself and the other Secured Parties (as the same may be modified, supplemented, amended or restated, the “Security Agreement”), (ii) the Pledge Agreement dated as of July 27, 2017 by each of the Pledgors (as defined therein) in favor of the Collateral Agent for the benefit of itself and the other Secured Parties (as the same may be modified, supplemented, amended or restated, the “Pledge Agreement”), (iii) the Amended and Restated Intercreditor Agreement dated as of September 8, 2016 among the Issuer, Hovnanian, the other Guarantors party thereto, the Senior Credit Agreement Administrative Agent, and the Mortgage Tax Collateral Agent, among others, (as the same may be modified, supplemented, amended or restated, including pursuant to the Intercreditor Agreement Joinder (as defined below), the “Intercreditor Agreement”), (iv) the joinder dated as of July 27, 2017, to the Intercreditor Agreement (the “Intercreditor Agreement Joinder”) and (v) the Collateral Agency Agreement dated as of July 27, 2017 by and among the Notes Collateral Agent, the Collateral Agent, Hovnanian, the Issuer and the other Grantors party thereto (as the same may be modified, supplemented, amended or restated, the “Collateral Agency Agreement”). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Security Agreement or, if not defined therein, the Pledge Agreement.

The New Grantor hereby agrees that effective as of the date hereof it hereby is, and shall be deemed to be, a Grantor under the Security Agreement, the Intercreditor Agreement and the Collateral Agency Agreement and a Pledgor under the Pledge Agreement and agrees that from the date hereof until the payment in full of the Secured Obligations and the performance of all other obligations of Issuer under the Noteholder Documents, New Grantor has assumed the obligations of a Grantor and Pledgor under, and New Grantor shall perform, comply with and be subject to and bound by, jointly and severally, each of the terms, provisions and waivers of, the Security Agreement, the Pledge Agreement, the Intercreditor Agreement, the Collateral Agency Agreement and each of the other Noteholder Documents which are stated to apply to or are made by a Grantor. Without limiting the generality of the foregoing, the New Grantor hereby represents and warrants that each of the representations and warranties set forth in the Security Agreement and the Pledge Agreement is true and correct as to New Grantor on and as of the date hereof as if made on and as of the date hereof by New Grantor.

New Grantor hereby makes, affirms, and ratifies in favor of the Secured Parties and the Collateral Agent the Security Agreement, the Pledge Agreement and each of the other Noteholder Documents given by the Grantors to the Collateral Agent. In furtherance of the foregoing, New Grantor shall execute and deliver or cause to be executed and delivered at any time and from time to time such further instruments and documents and do or cause to be done such further acts as may be reasonably necessary to carry out more effectively the provisions and purposes of this Joinder Agreement (including, for the avoidance of doubt, the actions described in Section 4.18 of the Indenture).

New Grantor has attached hereto Schedule 1 that supplements Schedules 1(a), 2(a), 2(b), 2(c), 4, 5(a) and 5(b) to the Perfection Certificate and certifies, as of the date hereof, that the supplemental information set forth therein has been prepared by the New Grantor in substantially the form of the equivalent Schedules to the Perfection Certificate, and is complete and correct in all material respects.

IN WITNESS WHEREOF, the New Grantor has duly executed this Joinder Agreement and delivered the same to the Collateral Agent for the benefit of the Secured Parties, as of the date and year first written above.

[NAME OF NEW GRANTOR]

By:_____

Title:_____

EXHIBIT C

FORM OF PERFECTION CERTIFICATE

The undersigned is a duly authorized officer of each of the entities listed on Schedule 1 hereto (each such entity, a “**Grantor**”). With reference to the Security Agreement dated as of July 27, 2017 (the “**Security Agreement**”) among K. Hovnanian Enterprises, Inc. (the “**Issuer**”), the Guarantors party thereto and Wilmington Trust, National Association, as collateral agent (the “**Collateral Agent**”) (terms defined in the Security Agreement being used herein as therein defined), each of the undersigned certifies to the Collateral Agent and each other Secured Party as follows:

1. *Names.* (a) The exact legal name of each Grantor (for which certificate or articles of incorporation, limited liability membership agreement or similar organizational documents (the “**Constituent Documents**”) were delivered to the Collateral Agent, as it appears in each respective Constituent Document), the type of organization and the jurisdiction of organization (or formation, as applicable) for such Grantor is set forth in Schedule 1(a) hereto and (b) the exact legal name (except with respect to capitalization) of each Grantor (other than a Grantor set forth on Schedule 1(a) hereto), the type of organization and the jurisdiction of organization (or formation, as applicable) for such Grantor is set forth in Schedule 1(b) hereto

2. *Lien Search Grantors.* (a) Set forth on Schedule 2(a) is the name of each Grantor selected for lien searches (the “**Lien Search Grantors**”) and the county in which each Lien Search Grantor’s chief executive office is located, if such office is not located at 110 West Front Street, Red Bank, New Jersey 07701, as applicable.

(b) Set forth in Schedule 2(b) hereto is each other entity name (including trade names or similar appellations) each Lien Search Grantor has had in the last five years, together with the date of the relevant change.

(c) Except as set forth in Schedule 2(c) hereto, no Lien Search Grantor has changed its identity or entity structure in any way within the past five years.

3. *UCC Filings.* In order to perfect the Liens granted by the Grantors, duly completed financing statements on Form UCC-1 with respect to each Grantor, with the collateral described as “All Personal Property” or “All Assets”, have been delivered to the Collateral Agent for filing in the Uniform Commercial Code filing office in each jurisdiction identified in paragraph 1 above, as applicable.

4. *Deposit Accounts and Securities Accounts.* Set forth as Schedule 4 hereto is a true and complete list of all Deposit Accounts and Securities Accounts maintained by each Grantor, including the name of each institution where each such account is held, the name of each Grantor that holds each account and whether such Deposit Account or Securities Account is currently subject to a control agreement as of the date hereof. Schedule 4 shall not include escrow accounts (in which funds are held for or of others by virtue of customary real estate practice or contractual or legal requirements).

5. *Intellectual Property.* (a) Set forth as Schedule 5(a) hereto is a true and complete list of all of each Grantor's Patents, Patent Licenses, Trademarks and Trademark Licenses (each as defined in the Security Agreement) registered with the United States Patent and Trademark Office, and all other Patents, Patent Licenses, Trademarks and Trademark Licenses, including the name of the registered owner and the registration number of each Patent, Patent License, Trademark and Trademark License owned by such Grantor.

(b) Set forth as Schedule 5(b) hereto is a true and complete list of all of each Grantor's United States Copyrights and Copyright Licenses (each as defined in the Security Agreement), and all Copyright Licenses, including the name of the registered owner and the registration number of each Copyright or Copyright License owned by such Grantor.

(c) In order to preserve, protect and perfect the security interests in the United States Trademarks, Trademark Licenses, Patents, Patent Licenses, Copyrights and Copyright Licenses set forth on Schedule 5(a) and Schedule 5(b), duly signed copies of the Intellectual Property Security Agreement by the applicable Grantor have been delivered to the Collateral Agent for filing with the United States Patent and Trademark Office and United States Copyright Office, as applicable.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2017.

[GRANTOR]

Name:
Title:

EXECUTION COPY**PLEDGE AGREEMENT**

THIS PLEDGE AGREEMENT, dated as of July 27, 2017 (as restated, amended, modified or supplemented from time to time, this “Agreement”), is given by **K. HOVNANIAN ENTERPRISES, INC.**, a California corporation (the “Issuer”), **HOVNANIAN ENTERPRISES, INC.**, a Delaware corporation (“Hovnanian”), **EACH OF THE UNDERSIGNED PARTIES LISTED ON SCHEDULE A HERETO AND EACH OF THE OTHER PERSONS AND ENTITIES THAT BECOME BOUND HEREBY FROM TIME TO TIME BY JOINDER, ASSUMPTION OR OTHERWISE** (together with the Issuer and Hovnanian, each a “Pledgor” and collectively the “Pledgors”), as a Pledgor of the equity interests in the Companies (as defined herein), as more fully set forth herein, to **WILMINGTON TRUST, NATIONAL ASSOCIATION**, in its capacity as Collateral Agent (as defined below) for the benefit of itself, the Secured Parties (as defined below).

WHEREAS, the Issuer, Hovnanian and each of the other guarantors party thereto are, concurrently herewith, entering into the Indenture dated as of the date hereof (as amended, supplemented, amended and restated or otherwise modified from time to time, the “Indenture”) with Wilmington Trust, National Association, as trustee (in such capacity, the “Trustee”) and as collateral agent (in such capacity, the “Notes Collateral Agent”), pursuant to which the Issuer is issuing, and may from time to time issue, (a) the 10.000% Senior Secured Notes due 2022 (collectively, the “10.000% Notes”) and (b) the 10.500% Senior Secured Notes due 2024 (collectively, the “10.500% Notes” and together with the 10.000% Notes, the “Secured Notes”), in each case, upon the terms and subject to the conditions set forth therein;

WHEREAS, concurrently with the execution of the Indenture, the Issuer, Hovnanian, each of the other Pledgors and the Notes Collateral Agent are entering into the Collateral Agency Agreement, dated as of the date hereof (as amended, supplemented, amended and restated or otherwise modified from time to time, the “Collateral Agency Agreement”) pursuant to which the Issuer and the Notes Collateral Agent are appointing Wilmington Trust, National Association as the joint collateral agent for the holders of the Secured Notes (in such capacity, the “Collateral Agent”);

WHEREAS, the Issuer, Hovnanian and each of the other Guarantors party thereto have entered into the Credit Agreement, dated as of July 29, 2016 (as amended, supplemented, amended and restated or otherwise modified from time to time, the “Senior Credit Agreement”), with Wilmington Trust, National Association, in its capacity as administrative agent acting as collateral agent (in such capacity, the “Senior Credit Agreement Administrative Agent”) and the lenders party thereto;

WHEREAS, in connection with the execution and delivery of the Senior Credit Agreement, the Senior Credit Agreement Administrative Agent, the Issuer, Hovnanian, the other Grantors party thereto, and the Mortgage Tax Collateral Agent (as defined therein), among others, entered into the Amended and Restated Intercreditor Agreement dated as of September 8, 2016 (as amended, supplemented, amended or restated or otherwise modified from time to time (including as supplemented by the Intercreditor Agreement Joinder (as defined below)), the “Intercreditor Agreement”);

WHEREAS, concurrently herewith, the Issuer, Hovnanian, the other Grantors party thereto, the Senior Credit Agreement Administrative Agent, the Collateral Agent and the Mortgage Tax Collateral Agent are entering into a joinder, dated as of the date hereof, to the Intercreditor Agreement (the “Intercreditor Agreement Joinder”);

WHEREAS, the Secured Notes constitute Second-Lien Indebtedness under the Intercreditor Agreement;

WHEREAS, in connection with the Indenture, the Pledgors are required to execute and deliver this Agreement to secure their obligations with respect to the Indenture and the Secured Notes; and

WHEREAS, each Pledgor owns the outstanding capital stock, shares, securities, member interests, partnership interests and other ownership interests of the Companies.

NOW, THEREFORE, in consideration of the premises and to induce the holders to purchase the Secured Notes, each Pledgor hereby agrees with the Collateral Agent, for the ratable benefit of the Secured Parties, as follows:

1. Defined Terms.

(a) Except as otherwise expressly provided herein, capitalized terms used in this Agreement (including the recitals above) shall have the respective meanings assigned to them in the Indenture and any other applicable Noteholder Document or, if not defined herein or therein, in the Intercreditor Agreement. Where applicable and except as otherwise expressly provided herein, terms used herein (whether or not capitalized) that are defined in Article 8 or Article 9 of the Uniform Commercial Code as enacted in the State of New York, as amended from time to time (the “Code”), and are not otherwise defined herein, in the Indenture and any other applicable Noteholder Document or in the Intercreditor Agreement shall have the same meanings herein as set forth therein.

(b) “Additional Secured Obligations”: shall mean, subject to compliance by the Issuer with Article III of the Collateral Agency Agreement with respect thereto, any obligations arising pursuant to any Indebtedness (including for the avoidance of doubt any guarantees with respect thereto) permitted to be secured on a pari passu basis with the Secured Notes pursuant to the Indenture and any other comparable Noteholder Documents then extant.

(c) “Company” shall mean individually each Restricted Subsidiary, and “Companies” shall mean, collectively, all Restricted Subsidiaries.

(d) “Law” shall mean any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, ruling, order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or settlement agreement with any Official Body.

(e) “Margin Stock” shall have the meaning specified in Section 4(a).

(f) “Noteholders” shall mean the collective reference to the “Holder” or “Holder of Notes” (as defined in the Indenture) of the 10.000% Notes and the 10.5000% Notes and the holders of any Additional Secured Obligations.

(g) “Noteholder Collateral Document” shall mean any agreement, document or instrument pursuant to which a Lien is granted by the Issuer or any Guarantor to secure any Secured Obligations or under which rights or remedies with respect to any such Liens are governed, as the same may be amended, restated or otherwise modified from time to time.

(h) “Noteholder Documents” shall mean collectively (a) the Indenture, the Secured Notes and the Noteholder Collateral Documents (b) the documents and instruments in respect of any Additional Secured Obligations and (c) any other related document or instrument executed and delivered pursuant to any Noteholder Document described in clauses (a) and (b) above evidencing or governing any Secured Obligations as the same may be amended, restated or otherwise modified from time to time.

(i) “Official Body” shall mean any national, federal, state, local or other governmental or political subdivision or any agency, authority, board, bureau, central bank, commission, department or instrumentality of either, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

(j) “Perfection Agent” shall mean (i) prior to the Discharge of Senior Claims, the Controlling Senior Collateral Agent (as defined in the Intercreditor Agreement)(including, with respect to any Pledged Collateral delivered to or held by the Perfection Agent, in its capacity as bailee for the Secured Parties under Section 5.5 of the Intercreditor Agreement) and (ii) thereafter, the Collateral Agent.

(k) “Perfection Certificate” shall mean with respect to any Pledgor, a certificate substantially in the form of Exhibit C to the Security Agreement, completed and supplemented with the schedules contemplated thereby, and signed by an officer of such Pledgor.

(l) “Pledged Collateral” shall mean and include the following with respect to each Company: (i) the capital stock, shares, securities, investment property, member interests, partnership interests, warrants, options, put rights, call rights, similar rights, and all other ownership or participation interests, in any Company and K. Hovnanian JV Holdings, L.L.C. owned or held by any Pledgor at any time including those in any Company hereafter formed or acquired, (ii) all rights and privileges pertaining thereto, including without limitation, all present and future securities, shares, capital stock, investment property, dividends, distributions and other ownership interests receivable in respect of or in exchange for any of the foregoing, all present and future rights to subscribe for securities, shares, capital stock, investment property or other ownership interests incident to or arising from ownership of any of the foregoing, all present and future cash, interest, stock or other dividends or distributions paid or payable on any of the foregoing, and all present and future books and records (whether paper, electronic or any other medium) pertaining to any of the foregoing, including, without limitation, all stock record and transfer books and (iii) whatever is received when any of the foregoing is sold, exchanged, replaced or otherwise disposed of, including all proceeds, as such term is defined in the Code, thereof; provided, however, that notwithstanding any of the other provisions set forth in this Agreement, this Agreement shall not constitute a grant of a security interest in, and the Pledged Collateral shall not include, (i) any property or assets constituting “Excluded Property” (as defined in the Indenture and any other applicable Noteholder Document) or (ii) any property to the extent that such grant of a security interest is prohibited by any applicable Law of an Official Body, requires a consent not obtained of any Official Body pursuant to such Law or is prohibited by, or constitutes a breach or default under or results in the termination of or gives rise to any right of acceleration, modification or cancellation or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property or, in the case of any Investment Property, or Pledged Note, any applicable shareholder or similar agreement governing such Investment Property, or Pledged Note except to the extent that such Law or the term in such contract, license, agreement, instrument or other document or shareholder or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable Law including Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC (or any successor provision or provisions). The Collateral Agent agrees that, at any Pledgor’s reasonable request and expense, it will provide such Pledgor confirmation that the assets described in this paragraph are in fact excluded from the Pledged Collateral during such limited period only upon receipt of an Officers’ Certificate or an Opinion of Counsel to that effect. Notwithstanding the foregoing, in the event that Rule 3-16 of Regulation S-X under the Securities Act requires (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, which would require) the filing with the SEC of separate financial statements of the Issuer, any Guarantor or K. Hovnanian JV Holdings, L.L.C., then the capital stock or other securities of the Issuer, such Guarantor or K. Hovnanian JV Holdings, L.L.C., as applicable, shall automatically be deemed released and not to be and not to have been part of the Pledged Collateral but only to the extent necessary to not be subject to such requirement. In such event, this Agreement may be amended or modified, without the consent of any Noteholder upon the Collateral Agent’s receipt of an Officers’ Certificate from the Issuer stating that such amendment is permitted hereunder and that all conditions precedent to such amendment have been complied with, which the Collateral Agent shall be entitled to conclusively rely upon, to the extent necessary to evidence the release of the lien created hereby on the shares of capital stock or other securities that are so deemed to no longer constitute part of the Pledged Collateral.

(m) “Secured Obligations” shall mean all Indebtedness and other Obligations under, and as defined in, the Indenture, the Secured Notes, the Guarantees and the related Noteholder Collateral Documents, and any Additional Secured Obligations, in each case, together with any extensions, renewals, replacements or refundings thereof and all costs and expenses of enforcement and collection, including reasonable attorney’s fees, expenses and disbursements.

(n) “Secured Parties”: shall mean the collective reference to the Collateral Agent, the Trustee, the Notes Collateral Agent, the trustee, collateral agent or other representative with respect to any Additional Secured Obligations and the Noteholders.

(o) “Security Agreement” shall mean the Senior Secured Security Agreement dated as of the date hereof among the Issuer, Hovnanian and certain of their respective subsidiaries and the Collateral Agent, as amended, supplemented, amended and restated or otherwise modified from time to time.

2. Grant of Security Interests.

(a) To secure the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all Secured Obligations, in full, each Pledgor hereby grants to the Collateral Agent a continuing security interest under the Code in and hereby pledges to the Collateral Agent, in each case for its benefit and the ratable benefit of the Secured Parties, all of such Pledgor’s now existing and hereafter acquired or arising right, title and interest in, to, and under the Pledged Collateral, whether now or hereafter existing and wherever located, subject only to the Liens securing the Senior Claims and other Permitted Liens.

(b) Upon the execution and delivery of this Agreement, each Pledgor shall deliver to and deposit with the Perfection Agent (or with a Person designated by the Perfection Agent to hold the Pledged Collateral on behalf of the Perfection Agent) in pledge, all of such Pledgor’s certificates, instruments or other documents comprising or evidencing the Pledged Collateral, together with undated stock powers or similar transfer documents signed in blank by such Pledgor. In the event that any Pledgor should ever acquire or receive certificates, securities, instruments or other documents evidencing the Pledged Collateral, such Pledgor shall deliver to and deposit with the Perfection Agent in pledge, all such certificates, securities, instruments or other documents which evidence the Pledged Collateral.

3. Further Assurances.

Prior to or concurrently with the execution of this Agreement, and thereafter at any time and from time to time, subject to the terms of the Intercreditor Agreement and the Collateral Agency Agreement, each Pledgor (in its capacity as a Pledgor and in its capacity as a Company) shall execute and deliver to the Collateral Agent all financing statements, continuation financing statements, assignments, certificates and documents of title, affidavits, reports, notices, schedules of account, letters of authority, further pledges, powers of attorney and all other documents (collectively, the “Security Documents”) as may be required under applicable law to perfect and continue perfecting and to create and maintain the status of the Collateral Agent’s security interest in the Pledged Collateral, subject only to the Liens securing the Senior Claims and other Permitted Liens and to fully consummate the transactions contemplated under this Agreement. Each Pledgor shall record any one or more financing statements under the applicable Uniform Commercial Code with respect to the pledge and security interest herein granted. Each Pledgor hereby irrevocably makes, constitutes and appoints the Collateral Agent (and any of the Collateral Agent’s officers or employees or agents designated by the Collateral Agent) as such Pledgor’s true and lawful attorney with power to sign the name of such Pledgor on all or any of the Security Documents which, pursuant to applicable law, must be executed, filed, recorded or sent in order to perfect or continue perfecting the Collateral Agent’s security interest in the Pledged Collateral in any jurisdiction. Such power, being coupled with an interest, is irrevocable until all of the Secured Obligations have been indefeasibly paid, in cash, in full.

4. Representations and Warranties.

Each Pledgor hereby, jointly and severally, represents and warrants to the Collateral Agent as follows:

- (a) The Pledged Collateral of such Pledgor does not include Margin Stock. “Margin Stock” as used in this clause (a) shall have the meaning ascribed to such term by Regulation U of the Board of Governors of the Federal Reserve System of the United States;
- (b) The Pledgor has and will continue to have (or, in the case of after-acquired Pledged Collateral, at the time such Pledgor acquires rights in such Pledged Collateral, will have and will continue to have), title to its Pledged Collateral, free and clear of all Liens other than Permitted Liens;
- (c) The capital stock, shares, securities, member interests, partnership interests and other ownership interests constituting the Pledged Collateral of such Pledgor have been duly authorized and validly issued to such Pledgor, are fully paid and nonassessable and constitute one hundred percent (100%) of the issued and outstanding capital stock, member interests or partnership interests of each Company;
- (d) Upon the completion of the filings and other actions specified on Schedule B attached hereto, the security interests in the Pledged Collateral granted hereunder by such Pledgor shall be valid and perfected, subject to the Lien of no other Person (other than Permitted Liens);
- (e) There are no restrictions upon the transfer of the Pledged Collateral (other than restrictions that have been waived pursuant to Section 24 hereof) and such Pledgor has the power and authority and unencumbered right to transfer the Pledged Collateral owned by such Pledgor free of any Lien (other than Permitted Liens) and without obtaining the consent of any other Person;
- (f) Such Pledgor has all necessary power to execute, deliver and perform this Agreement;
- (g) This Agreement has been duly executed and delivered and constitutes the valid and legally binding obligation of each Pledgor, enforceable in accordance with its terms, except to the extent that enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting the enforceability of creditors’ rights generally or limiting the right of specific performance;
- (h) Neither the execution or delivery by each Pledgor of this Agreement, nor the compliance with the terms and provisions hereof, will violate any provision of any Law or conflict with or result in a breach of any of the terms, conditions or provisions of any judgment, order, injunction, decree or ruling of any Official Body to which any Pledgor or any of its property is subject or any provision of any material agreement or instrument to which Pledgor is a party or by which such Pledgor or any of its property is bound;

- (i) Each Pledgor's exact legal name is as set forth on such Pledgor's signature page hereto;
- (j) The jurisdiction of incorporation, formation or organization, as applicable, of each Pledgor is as set forth on Schedule 1(a) or Schedule 1(b) to the Perfection Certificate;
- (k) Such Pledgor's chief executive office is as set forth on Schedule 2(a) to the Perfection Certificate; and
- (l) All rights of such Pledgor in connection with its ownership of each of the Companies are evidenced and governed solely by the stock certificates, instruments or other documents (if any) evidencing ownership of each of the Companies and the organizational documents of each of the Companies, and no shareholder, voting, or other similar agreements are applicable to any of the Pledged Collateral or any of any Pledgor's rights with respect thereto, and no such certificate, instrument or other document provides that any member interest, partnership interest or other intangible ownership interest in any limited liability company or partnership constituting Pledged Collateral is a "security" within the meaning of and subject to Article 8 of the Code, except pursuant to Section 5(f) hereof; and the organizational documents of each Company contain no restrictions (other than restrictions that have been waived pursuant to Section 24 hereof) on the rights of shareholders, members or partners other than those that normally would apply to a company organized under the laws of the jurisdiction of organization of each of the Companies.

5. General Covenants.

Each Pledgor, jointly and severally, hereby covenants and agrees as follows:

- (a) Each Pledgor shall do all reasonable acts that may be necessary and appropriate to maintain, preserve and protect the Pledged Collateral; and each Pledgor shall be responsible for the risk of loss of, damage to, or destruction of the Pledged Collateral owned by such Pledgor, unless such loss is the result of the gross negligence or willful misconduct of the Collateral Agent;
- (b) Each Pledgor shall appear in and defend any action or proceeding of which such Pledgor is aware which could reasonably be expected to affect, in any material respect, any Pledgor's title to, or the Collateral Agent's interest in, the Pledged Collateral or the proceeds thereof;
- (c) The books and records of each of the Pledgors and Companies, as applicable, shall disclose the Collateral Agent's security interest in the Pledged Collateral;
- (d) To the extent, following the date hereof, any Pledgor acquires capital stock, shares, securities, member interests, partnership interests, investment property and other ownership interests of any of the Companies or any other Restricted Subsidiary or any of the rights, property or securities, shares, capital stock, member interests, partnership interests, investment property or any other ownership interests described in the definition of Pledged Collateral with respect to any of the Companies or any other Restricted Subsidiary, all such ownership interests shall be subject to the terms hereof and, upon such acquisition, shall be deemed to be hereby pledged to the Collateral Agent; and each Pledgor thereupon, in confirmation thereof, shall promptly deliver all such securities, shares, capital stock, member interests, partnership interests, investment property and other ownership interests (to the extent such items are certificated), to the Perfection Agent, together with undated stock powers or other similar transfer documents, and all such control agreements, financing statements, and any other documents necessary to implement the provisions and purposes of this Agreement or as the Perfection Agent may request related thereto;

(e) Each Pledgor shall notify the Collateral Agent in writing within thirty (30) calendar days after any change in any Pledgor's chief executive office address, legal name, or state of incorporation, formation or organization; and

(f) During the term of this Agreement, no Pledgor shall permit or cause any Company which is a limited liability company or a limited partnership to (and no Pledgor (in its capacity as Company) shall) issue any certificates evidencing the ownership interests of such Company and elect to treat any ownership interests as securities that are subject to Article 8 of the Code unless such securities are immediately delivered to the Perfection Agent upon issuance, together with all evidence of such election and issuance and all Security Documents as set forth in Section 3 hereof.

6. Other Rights With Respect to Pledged Collateral.

In addition to the other rights with respect to the Pledged Collateral granted to the Collateral Agent hereunder, at any time and from time to time, after and during the continuation of an Event of Default, the Collateral Agent, at its option and at the expense of the Pledgors, may, subject to the Intercreditor Agreement, the Collateral Agency Agreement and any other intercreditor agreement entered into in connection with Indebtedness permitted under the Indenture and any other applicable Noteholder Document: (a) transfer into its own name, or into the name of its nominee, all or any part of the Pledged Collateral, thereafter receiving all dividends, income or other distributions upon the Pledged Collateral; (b) take control of and manage all or any of the Pledged Collateral; (c) apply to the payment of any of the Secured Obligations, whether any be due and payable or not, any moneys, including cash dividends and income from any Pledged Collateral, now or hereafter in the hands of the Collateral Agent or any Affiliate of the Collateral Agent, on deposit or otherwise, belonging to any Pledgor, as the Collateral Agent in its sole discretion shall determine; and (d) do anything which any Pledgor is required but fails to do hereunder. The Collateral Agent shall endeavor to provide the Issuer with notice at or about the time of the exercise of its rights pursuant to the preceding sentence, provided that the failure to provide such notice shall not in any way compromise or adversely affect the exercise of any rights or remedies hereunder.

7. Additional Remedies Upon Event of Default.

Upon the occurrence of any Event of Default and while such Event of Default shall be continuing, the Collateral Agent shall have, in addition to all rights and remedies of a secured party under the Code or other applicable Law, and in addition to its rights under Section 6 above and under the other Noteholder Documents, the following rights and remedies, in each case subject to the Intercreditor Agreement, the Collateral Agency Agreement and any other intercreditor agreement entered into in connection with Indebtedness permitted under the Indenture and any other applicable Noteholder Document:

(a) The Collateral Agent may, after ten (10) days' advance notice to a Pledgor, sell, assign, give an option or options to purchase or otherwise dispose of such Pledgor's Pledged Collateral or any part thereof at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may deem commercially reasonable. Each Pledgor agrees that ten (10) days' advance notice of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Pledgor recognizes that the Collateral Agent may be compelled to resort to one or more private sales of the Pledged Collateral to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such securities, shares, capital stock, member interests, partnership interests, investment property or ownership interests for their own account for investment and not with a view to the distribution or resale thereof.

(b) The proceeds of any collection, sale or other disposition of the Pledged Collateral, or any part thereof, shall be applied against the Secured Obligations, whether or not all the same be then due and payable, as provided in the Collateral Agency Agreement. The Collateral Agent shall incur no liability as a result of the sale of the Pledged Collateral, or any part thereof, at any private sale pursuant to this Section 7 conducted in accordance with the requirements of applicable laws. Each Pledgor hereby waives any claims against the Collateral Agent and the other Secured Parties arising by reason of the fact that the price at which the Pledged Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Collateral Agent accepts the first offer received and does not offer the Pledged Collateral to more than one offeree, provided that such private sale is conducted in accordance with applicable laws and this Agreement. Each Pledgor hereby agrees that in respect of any sale of any of the Pledged Collateral pursuant to the terms hereof, the Collateral Agent is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable laws, or in order to obtain any required approval of the sale or of the purchaser by any governmental authority or official, nor shall the Collateral Agent be liable or accountable to any Pledgor for any discount allowed by reason of the fact that such Pledged Collateral is sold in compliance with any such limitation or restriction.

8. Collateral Agent's Duties.

The powers conferred on the Collateral Agent hereunder are solely to protect its interest (on behalf of itself and the Secured Parties) in the Pledged Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Pledged Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Pledged Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Pledged Collateral.

9. Additional Pledgors.

It is anticipated that additional persons may from time to time become Subsidiaries of the Issuer or a Guarantor, each of whom will be required to join this Agreement as a Pledgor hereunder to the extent that such new Subsidiary is required to become a Guarantor under the Indenture and applicable Noteholder Documents and owns equity interests in any other Person that is a Restricted Subsidiary. It is acknowledged and agreed that such new Subsidiaries of the Issuer or a Guarantor may become Pledgors hereunder and will be bound hereby simply by executing and delivering to the Collateral Agent a Supplemental Indenture (in the form of Exhibit B to the Indenture) and a Joinder Agreement in the form of Exhibit B to the Security Agreement. No notice of the addition of any Pledgor shall be required to be given to any pre-existing Pledgor, and each Pledgor hereby consents thereto.

10. No Waiver; Cumulative Remedies.

No failure to exercise, and no delay in exercising, on the part of the Collateral Agent, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any further exercise thereof or the exercise of any other right, power or privilege. No waiver of a single Event of Default shall be deemed a waiver of a subsequent Event of Default. The remedies herein provided are cumulative and not exclusive of any remedies provided under the other Noteholder Documents or by Law, rule or regulation and the Collateral Agent may enforce any one or more remedies hereunder successively or concurrently at its option. Each Pledgor waives any right to require the Collateral Agent to proceed against any other Person or to exhaust any of the Pledged Collateral or other security for the Secured Obligations or to pursue any remedy in the Collateral Agent's power.

11. Waivers.

Each Pledgor hereby waives any and all defenses which any Pledgor may now or hereafter have based on principles of suretyship, impairment of collateral, or the like and each Pledgor hereby waives any defense to or limitation on its obligations under this Agreement arising out of or based on any event or circumstance referred to in the immediately preceding Section hereof. Without limiting the generality of the foregoing and to the fullest extent permitted by applicable law, each Pledgor hereby further waives each of the following:

(i) All notices, disclosures and demands of any nature which otherwise might be required from time to time to preserve intact any rights against such Pledgor, including the following: any notice of any event or circumstance described in the immediately preceding Section hereof; any notice required by any law, regulation or order now or hereafter in effect in any jurisdiction; any notice of nonpayment, nonperformance, dishonor, or protest under any Noteholder Document or any of the Secured Obligations; any notice of the incurrence of any Secured Obligation; any notice of any default or any failure on the part of such Pledgor or the Issuer or any other Person to comply with any Noteholder Document or any of the Secured Obligations or any requirement pertaining to any direct or indirect security for any of the Secured Obligations; and any notice or other information pertaining to the business, operations, condition (financial or otherwise), or prospects of the Issuer or any other Person;

(ii) Any right to any marshalling of assets, to the filing of any claim against such Pledgor or the Issuer or any other Person in the event of any bankruptcy, insolvency, reorganization, or similar proceeding, or to the exercise against such Pledgor or the Issuer, or any other Person of any other right or remedy under or in connection with any Noteholder Document or any of the Secured Obligations or any direct or indirect security for any of the Secured Obligations; any requirement of promptness or diligence on the part of the Collateral Agent, the Trustee, the Notes Collateral Agent, the Noteholders or any other Person; any requirement to exhaust any remedies under or in connection with, or to mitigate the damages resulting from default under, any Noteholder Document or any of the Secured Obligations or any direct or indirect security for any of the Secured Obligations; any benefit of any statute of limitations; and any requirement of acceptance of this Agreement or any other Noteholder Document, and any requirement that any Pledgor receive notice of any such acceptance; and

(iii) Any defense or other right arising by reason of any Law now or hereafter in effect in any jurisdiction pertaining to election of remedies (including anti-deficiency laws, "one action" laws, or the like), or by reason of any election of remedies or other action or inaction by any Secured Party (including commencement or completion of any judicial proceeding or nonjudicial sale or other action in respect of collateral security for any of the Secured Obligations), which results in denial or impairment of the right of any Secured Party to seek a deficiency against the Issuer or any other Person or which otherwise discharges or impairs any of the Secured Obligations.

12. Assignment.

All rights of the Collateral Agent under this Agreement shall inure to the benefit of its successors and assigns. All obligations of each Pledgor shall bind its successors and assigns; provided, however, that no Pledgor may assign or transfer any of its rights and obligations hereunder or any interest herein, and any such purported assignment or transfer shall be null and void.

13. Severability.

Any provision (or portion thereof) of this Agreement which shall be held invalid or unenforceable shall be ineffective without invalidating the remaining provisions hereof (or portions thereof).

14. Governing Law.

This Agreement and the rights and obligations of the parties under this Agreement shall be governed by, and construed and interpreted in accordance with, the Law of the State of New York.

15. Notices.

All notices, requests, demands, directions and other communications (collectively, "notices") given to or made upon any party hereto under the provisions of this Agreement shall be given or made as set forth in Section 13.3 of the Indenture and the related provisions of any other applicable Noteholder Document, and the Pledgors (in their capacity as Pledgors and in their capacity as Companies) shall simultaneously send to the Collateral Agent any notices such Pledgor or such Company delivers to each other regarding any of the Pledged Collateral.

16. Specific Performance.

Each Pledgor acknowledges and agrees that, in addition to the other rights of the Collateral Agent hereunder and under the other Noteholder Documents, because the Collateral Agent's remedies at law for failure of any Pledgor to comply with the provisions hereof relating to the Collateral Agent's rights (i) to inspect the books and records related to the Pledged Collateral, (ii) to receive the various notifications any Pledgor is required to deliver hereunder, (iii) to obtain copies of agreements and documents as provided herein with respect to the Pledged Collateral, (iv) to enforce the provisions hereof pursuant to which any Pledgor has appointed the Collateral Agent its attorney-in-fact and (v) to enforce the Collateral Agent's remedies hereunder, would be inadequate and that any such failure would not be adequately compensable in damages, such Pledgor agrees that each such provision hereof may be specifically enforced, subject to the Intercreditor Agreement and the Collateral Agency Agreement.

17. Voting Rights in Respect of the Pledged Collateral.

So long as no Event of Default shall occur and be continuing under the Indenture or any other applicable Noteholder Document, each Pledgor may exercise any and all voting and other consensual rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement or the other Noteholder Documents; provided, however, that such Pledgor will not exercise or will refrain from exercising any such voting and other consensual right pertaining to the Pledged Collateral, as the case may be, if such action would have a material adverse effect on the value of any Pledged Collateral. At any time and from time to time, after and during the continuation of an Event of Default, no Pledgor shall be permitted to exercise any of its respective voting and other consensual rights whatsoever pertaining to the Pledged Collateral or any part thereof; provided, however, in addition to the other rights with respect to the Pledged Collateral granted to the Collateral Agent or any other Secured Party hereunder, at any time and from time to time, after and during the continuation of an Event of Default and subject to the provisions of the Intercreditor Agreement, the Collateral Agency Agreement, and any other intercreditor agreement entered into in connection with Indebtedness permitted under the Indenture and any other applicable Noteholder Document, the Collateral Agent may exercise any and all voting and other consensual rights of each and every Pledgor pertaining to the Pledged Collateral or any part thereof. The Collateral Agent shall endeavor to provide the Issuer with notice at or about the time of the exercise by Collateral Agent of the voting or other consensual rights of such Pledgor pertaining to the Pledged Collateral, provided that the failure to provide such notice shall not in any way compromise or adversely affect the exercise of Collateral Agent's rights or remedies hereunder. Without limiting the generality of the foregoing and in addition thereto, Pledgors shall not vote to enable, or take any other action to permit, any Company to: (i) issue any other ownership interests of any nature or to issue any other securities, investment property or other ownership interests convertible into or granting the right to purchase or exchange for any other ownership interests of any nature of any such Company, except as permitted by the Indenture and any other applicable Noteholder Document; or (ii) enter into any agreement or undertaking restricting the right or ability of such Pledgor or the Collateral Agent to sell, assign or transfer any of the Pledged Collateral without the Collateral Agent's prior written consent, except as permitted by the Indenture and any other applicable Noteholder Document.

18. Consent to Jurisdiction.

Each Pledgor (as a Pledgor and as a Company) hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Noteholder Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Pledgor at its address referred to in Section 8.02 of the Security Agreement or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

19. Waiver of Jury Trial.

EXCEPT AS PROHIBITED BY LAW, EACH PLEDGOR (AS A PLEDGOR AND AS A COMPANY), EACH OF THE COMPANIES AND THE COLLATERAL AGENT, ON BEHALF OF ITSELF, THE TRUSTEE AND THE NOTES COLLATERAL AGENT, HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY A JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER DOCUMENTS OR TRANSACTIONS RELATING THERETO.

20. Entire Agreement; Amendments.

(a) This Agreement and the other Noteholder Documents constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements relating to a grant of a security interest in the Pledged Collateral by any Pledgor to the Collateral Agent in relation to the Secured Obligations.

(b) Except as expressly provided in (i) Section 9.1 of the Indenture with respect to the Secured Notes and the comparable provisions of any other applicable Noteholder Documents with respect to the Additional Secured Obligations, (ii) Section 9 with respect to additional Pledgors, (iii) Section 21 with respect to the release of Pledgors and Companies, (iv) Section 11.4 of the Indenture and (v) Section 8.01 of the Security Agreement, this Agreement may not be amended or supplemented except by a writing signed by the Collateral Agent and the Pledgors.

21. Automatic Release of Related Collateral and Equity.

At any time after the initial execution and delivery of this Agreement to the Collateral Agent, the Pledgors and their respective Pledged Collateral and the Companies and K. Hovnanian JV Holdings, L.L.C. may be released from this Agreement in accordance with and pursuant to Section 11.4 of the Indenture and the comparable provisions of any other applicable Noteholder Documents, or at the times and to the extent required by the Intercreditor Agreement and the Collateral Agency Agreement. No notice of such release of any Pledgor or such Pledgor's Pledged Collateral shall be required to be given to any other Pledgor and each Pledgor hereby consents thereto.

22. Counterparts; Electronic Transmission of Signatures.

This Agreement may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument. Each Pledgor acknowledges and agrees that a telecopy or electronic (i.e., "e-mail" or "portable document folio" ("pdf")) transmission to the Collateral Agent of the signature pages hereof purporting to be signed on behalf of any Pledgor shall constitute effective and binding execution and delivery hereof by such Pledgor.

23. Construction.

The rules of construction contained in Section 1.2 of the Indenture and the comparable provisions of any other applicable Noteholder Documents apply to this Agreement.

24. Waiver of Restrictions.

Each Pledgor agrees that any restriction on transfer (if any) of the Pledged Collateral contained in the organizational documents to which such Pledgor is a party, is hereby waived, and further agrees that any such restriction does not apply to the grant of security interest made hereunder or to any transfer of the Pledged Collateral to a Secured Party or any third party in connection with an exercise of remedies hereunder.

25. Intercreditor Agreement and the Collateral Agency Agreement.

Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to this Agreement and the exercise of any right or remedy by the Collateral Agent hereunder are subject to the provisions of the Intercreditor Agreement and the Collateral Agency Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern. In the event of any conflict between the terms of the Collateral Agency Agreement and this Agreement, the terms of the Collateral Agency Agreement shall govern.

26. Collateral Agent Privileges, Powers and Immunities.

In the performance of its obligations, powers and rights hereunder, the Collateral Agent shall be entitled to the rights, benefits, privileges, powers and immunities afforded to it as Collateral Agent under the Indenture, the applicable Noteholder Document and the Collateral Agency Agreement. The Collateral Agent shall take or refrain from taking any discretionary action or exercise any discretionary powers set forth in this Agreement in accordance with, and subject to, the Indenture and applicable Noteholder Document (it being understood and agreed that the actions and directions set forth in Section 9.1 of the Indenture are not discretionary) and the Collateral Agency Agreement. Notwithstanding anything to the contrary contained herein and notwithstanding anything contained in Section 9-207 of the New York UCC, the Collateral Agent shall have no responsibility for the creation, perfection, priority, sufficiency or protection of any liens securing Secured Obligations (including, but not limited to, no obligation to prepare, record, file, re-record or re-file any financing statement, continuation statement or other instrument in any public office). The permissive rights and authorizations of the Collateral Agent hereunder shall not be construed as duties. The Collateral Agent shall be entitled to exercise its powers and duties hereunder through designees, specialists, experts or other appointees selected by it with due care and shall not be liable for the negligence or misconduct of such appointees. The Collateral Agent shall be under no obligation to take any action toward the enforcement of this Agreement, whether on its own motion or on the request of any other Person, which in the opinion of the Collateral Agent may involve loss, liability or expense to it, unless the Company or one or more Secured Parties shall offer and furnish security or indemnity, reasonably satisfactory to the Collateral Agent, against such loss, liability and expense to the Collateral Agent.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Collateral Agent

By: /s/ John T. Needham, Jr.
Name: John T. Needham, Jr.
Title: Vice President

[Signature Page to Pledge Agreement]

Pledgors:

K. HOVNANIAN ENTERPRISES, INC.

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

HOVNANIAN ENTERPRISES, INC.

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

K. HOV IP, II, INC.

By: /s/ Brad O'Connor
Name: Brad O'Connor
Title: Authorized Officer

**ON BEHALF OF EACH OTHER ENTITY NAMED IN
SCHEDULE A HERETO**

By: /s/ J. Larry Sorsby
Name: J. Larry Sorsby
Title: Authorized Officer

[Signature Page to Pledge Agreement]

**SCHEDULE A
TO
PLEDGE AGREEMENT**

Arbor Trails, LLC
Builder Services NJ, L.L.C.
Builder Services PA, L.L.C.
Eastern National Title Agency, LLC
Eastern Title Agency of Illinois, 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 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 Hovnanian Homes at Maxwell Place, L.L.C.
K. HOV IP, II, Inc.
K. Hovnanian Aberdeen, LLC
K. Hovnanian Acquisitions, Inc.
K. Hovnanian at 240 Missouri, LLC
K. Hovnanian at 4S, LLC
K. Hovnanian at Aire on McDowell, LLC
K. Hovnanian at Aliso, LLC
K. Hovnanian at Allentown, L.L.C.
K. Hovnanian at Andalusia, LLC
K. Hovnanian at Asbury Park Urban Renewal, LLC
K. Hovnanian at Ashby Place, 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 Beacon Park Area 129 II, LLC
K. Hovnanian at Beacon Park Area 129, LLC
K. Hovnanian at Beacon Park Area 137, LLC
K. Hovnanian at Bella Lago, LLC
K. Hovnanian at Blackstone, LLC
K. Hovnanian at Boca Dunes, LLC
K. Hovnanian at Branchburg II, LLC
K. Hovnanian at Branchburg, L.L.C.
K. Hovnanian at Branchburg-Vollers, LLC
K. Hovnanian at Brenford Station, LLC
K. Hovnanian at Bridgeport, Inc.

K. Hovnanian at Bridgewater I, L.L.C.
K. Hovnanian at Bridgewater II, LLC
K. Hovnanian at Burch Kove, LLC
K. HOVNANIAN AT CAMP HILL, L.L.C.
K. HOVNANIAN AT CAPISTRANO, L.L.C.
K. Hovnanian at Carlsbad, LLC
K. Hovnanian at Catania, LLC
K. Hovnanian at Caton's Reserve, LLC
K. Hovnanian at Cedar Grove III, L.L.C.
K. Hovnanian at Cedar Grove Urban Renewal, LLC
K. Hovnanian at Cedar Lane, LLC
K. Hovnanian at Charter Way, LLC
K. Hovnanian at Chesterfield, L.L.C.
K. Hovnanian at Christina Court, LLC
K. Hovnanian at Cielo, L.L.C.
K. Hovnanian at Coastline, L.L.C.
K. Hovnanian at Coosaw Point, LLC
K. Hovnanian at Coral Lago, LLC
K. Hovnanian at Cortez Hill, LLC
K. Hovnanian at Denville, L.L.C.
K. Hovnanian at Deptford Township, L.L.C.
K. Hovnanian at Doylestown, LLC
K. Hovnanian at Dunellen Urban Renewal, LLC
K. Hovnanian at East Brandywine, L.L.C.
K. Hovnanian at East Brunswick III, LLC
K. Hovnanian at East Brunswick, LLC
K. Hovnanian at East Windsor, LLC
K. Hovnanian at Eden Terrace, L.L.C.
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 Estates at Wheatlands, LLC
K. Hovnanian at Evergreen, L.L.C.
K. Hovnanian at Fairfield Ridge, LLC
K. Hovnanian at Fiddymment 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 Fox Path at Hampton Lake, LLC
K. Hovnanian at Franklin II, L.L.C.
K. Hovnanian at Franklin, L.L.C.
K. Hovnanian at Freehold Township III, LLC

K. Hovnanian at Fresno, LLC
K. Hovnanian at Gallery, LLC
K. HOVNANIAN AT GASLAMP SQUARE, L.L.C.
K. Hovnanian at Gilroy 60, LLC
K. Hovnanian at Gilroy, LLC
K. Hovnanian at Great Notch, L.L.C.
K. Hovnanian at Hackettstown II, L.L.C.
K. Hovnanian at Hampton Cove, LLC
K. Hovnanian at Hampton Lake, LLC
K. Hovnanian at Hanover Estates, LLC
K. Hovnanian at Hershey's Mill, Inc.
K. Hovnanian at Hidden Brook, LLC
K. Hovnanian at Hillsborough, LLC
K. Hovnanian at Hilltop Reserve II, LLC
K. Hovnanian at Hilltop Reserve, LLC
K. Hovnanian at Howell Fort Plains, LLC
K. Hovnanian at Howell II, LLC
K. Hovnanian at Howell, LLC
K. HOVNANIAN AT HUDSON POINTE, L.L.C.
K. Hovnanian at Huntfield, LLC
K. Hovnanian at Indian Wells, LLC
K. Hovnanian at Island Lake, LLC
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 Keyport, L.L.C.
K. Hovnanian at La Costa Greens, L.L.C.
K. Hovnanian at La Laguna, L.L.C.
K. Hovnanian at Lake Burden, LLC
K. Hovnanian at Lake LeClare, LLC
K. Hovnanian at Lake Rancho Viejo, LLC
K. Hovnanian at Lake Ridge Estates, LLC
K. Hovnanian at Lake Terrapin, L.L.C.
K. Hovnanian at Lee Square, L.L.C.
K. Hovnanian at Lenah Woods, LLC
K. Hovnanian at Lily Orchard, LLC
K. Hovnanian at Link Farm, LLC
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 II, L.L.C.
K. Hovnanian at Magnolia Place, LLC
K. Hovnanian at Mahwah VI, Inc.

K. Hovnanian at Main Street Square, LLC
K. Hovnanian at Malan Park, L.L.C.
K. HOVNANIAN AT MANALAPAN II, L.L.C.
K. Hovnanian at Manalapan III, L.L.C.
K. Hovnanian at Manalapan V, LLC
K. Hovnanian at Manalapan VI, LLC
K. Hovnanian at Mansfield II, L.L.C.
K. Hovnanian at Manteca, LLC
K. Hovnanian at Maple Avenue, L.L.C.
K. Hovnanian at Marlboro IX, LLC
K. Hovnanian at Marlboro Township IX, L.L.C.
K. Hovnanian at Marlboro Township V, L.L.C.
K. Hovnanian at Marlboro VI, L.L.C.
K. Hovnanian at Marple, LLC
K. Hovnanian at Meadowridge Villas, LLC
K. Hovnanian at Melanie Meadows, LLC
K. Hovnanian at Mendham Township, L.L.C.
K. Hovnanian at Middle Township II, L.L.C.
K. Hovnanian at Middle Township, L.L.C.
K. Hovnanian at Middletown II, L.L.C.
K. Hovnanian at Middletown III, LLC
K. Hovnanian at Middletown, LLC
K. Hovnanian at Millville I, L.L.C.
K. Hovnanian at Millville II, L.L.C.
K. Hovnanian at Monroe IV, L.L.C.
K. Hovnanian at Monroe NJ II, LLC
K. Hovnanian at Monroe NJ III, LLC
K. Hovnanian at Monroe NJ, L.L.C.
K. Hovnanian at Montana Vista, LLC
K. Hovnanian at Montgomery, LLC
K. Hovnanian at Montvale II, LLC
K. Hovnanian at Montvale, L.L.C.
K. Hovnanian at Morris Twp, LLC
K. Hovnanian at Muirfield, LLC
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 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 Northridge Estates, LLC
K. Hovnanian at Norton Lake LLC
K. Hovnanian at Nottingham Meadows, LLC

K. Hovnanian at Oak Pointe, LLC
K. Hovnanian at Ocean Township, Inc
K. Hovnanian at Ocean View Beach Club, LLC
K. Hovnanian at Oceanport, L.L.C.
K. Hovnanian at Old Bridge, L.L.C.
K. Hovnanian at Palm Valley, L.L.C.
K. Hovnanian at Park Paseo, LLC
K. Hovnanian at Parkside, LLC
K. Hovnanian at Parsippany, L.L.C.
K. Hovnanian at Pavilion Park, LLC
K. Hovnanian at Piazza D'Oro, L.L.C.
K. Hovnanian at Piazza Serena, L.L.C
K. Hovnanian at Pickett Reserve, LLC
K. Hovnanian at Pittsgrove, L.L.C.
K. Hovnanian at Plantation Lakes, L.L.C.
K. Hovnanian at Pointe 16, LLC
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL V, 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 Prairie Pointe, LLC
K. Hovnanian at Quail Creek, L.L.C.
K. Hovnanian at Rancho Cabrillo, LLC
K. HOVNANIAN AT RAPHO, L.L.C
K. Hovnanian at Redtail, LLC
K. Hovnanian at Reserves at Wheatlands, LLC
K. Hovnanian at Residence at Discovery Square, LLC
K. Hovnanian at Ridgemont, L.L.C.
K. Hovnanian at Rock Ledge, 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 Sagebrook, LLC
K. Hovnanian at Santa Nella, LLC
K. Hovnanian at Sawmill, Inc.
K. Hovnanian at Seasons Landing, LLC
K. Hovnanian at Sheldon Grove, LLC
K. Hovnanian at Shrewsbury, LLC
K. Hovnanian at Sienna Hills, LLC
K. Hovnanian at Signal Hill, LLC
K. Hovnanian at Silver Spring, L.L.C.
K. Hovnanian at Silverstone, LLC
K. Hovnanian at Skye Isle, LLC
K. Hovnanian at Skye on McDowell, LLC
K. Hovnanian at Smithville, Inc.
K. Hovnanian at Somerset, LLC

K. Hovnanian at South Brunswick II, LLC
K. Hovnanian at South Brunswick III, LLC
K. Hovnanian at South Brunswick, L.L.C.
K. Hovnanian at Spring Isle, LLC
K. Hovnanian at Stanton, LLC
K. Hovnanian at Station Square, L.L.C.
K. Hovnanian at Summerlake, LLC
K. Hovnanian at Sunridge Park, LLC
K. Hovnanian at Sunrise Trail II, LLC
K. Hovnanian at Sunrise Trail III, LLC
K. Hovnanian at Terra Bella Two, LLC
K. Hovnanian at The Commons at Richmond Hill, LLC
K. Hovnanian at The Crosby, LLC
K. Hovnanian at The Monarch, L.L.C.
K. Hovnanian at The Promenade at Beaver Creek, LLC
K. Hovnanian at Thompson Ranch, LLC
K. Hovnanian at Trafford Place, LLC
K. Hovnanian at Trail Ridge, LLC
K. Hovnanian at Tramore LLC
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 Ventana Lakes, LLC
K. Hovnanian at Verona Estates, LLC
K. HOVNANIAN AT VERONA URBAN RENEWAL, L.L.C.
K. Hovnanian at Verrado Cascina, LLC
K. Hovnanian at Verrado Marketside, LLC
K. Hovnanian at Victorville, L.L.C.
K. Hovnanian at Vineyard Heights, LLC
K. Hovnanian at Vista Del Sol, L.L.C.
K. Hovnanian at Waldwick, LLC
K. Hovnanian at Walkers Grove, LLC
K. Hovnanian at Wall Donato, LLC
K. Hovnanian at Warren Township II, LLC
K. Hovnanian at Warren Township, L.L.C.
K. Hovnanian at Waterstone, LLC
K. Hovnanian at Wayne IX, L.L.C.
K. Hovnanian at West View Estates, L.L.C.
K. Hovnanian at Westbrook, LLC
K. Hovnanian at Westshore, LLC
K. Hovnanian at Wheeler Ranch, LLC
K. Hovnanian at Wheeler Woods, LLC
K. Hovnanian at Whitemarsh, LLC
K. Hovnanian at Wildwood Bayside, L.L.C.
K. Hovnanian at Woodcreek West, LLC

K. Hovnanian at Woolwich I, L.L.C.
K. Hovnanian Belden Pointe, LLC
K. Hovnanian Belmont Reserve, LLC
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 Contractors of Ohio, LLC
K. Hovnanian Cornerstone Farms, LLC
K. Hovnanian CraftBuilt Homes of South Carolina, L.L.C.
K. Hovnanian Cypress Key, LLC
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 DFW Auburn Farms, LLC
K. Hovnanian DFW Belmont, LLC
K. Hovnanian DFW Creekside Estates II, LLC
K. Hovnanian DFW Creekside Estates, LLC
K. Hovnanian DFW Encore of Las Colinas II, LLC
K. Hovnanian DFW Encore of Las Colinas, LLC
K. Hovnanian DFW Harmon Farms, LLC

K. Hovnanian DFW Heritage Crossing, LLC
K. Hovnanian DFW Homestead, LLC
K. Hovnanian DFW Inspiration, LLC
K. Hovnanian DFW Lexington, LLC
K. Hovnanian DFW Liberty Crossing II, LLC
K. Hovnanian DFW Liberty Crossing, LLC
K. Hovnanian DFW Light Farms II, LLC
K. Hovnanian DFW Light Farms, LLC
K. Hovnanian DFW Midtown Park, LLC
K. Hovnanian DFW Palisades, LLC
K. Hovnanian DFW Parkside, LLC
K. Hovnanian DFW Ridgeview, LLC
K. Hovnanian DFW Seventeen Lakes, LLC
K. Hovnanian DFW Trailwood, LLC
K. Hovnanian DFW Villas at Mustang Park, LLC
K. Hovnanian DFW Wellington, LLC
K. Hovnanian DFW Wildridge, LLC
K. Hovnanian Eastern Pennsylvania, L.L.C.
K. Hovnanian Edgebrook, LLC
K. Hovnanian Enterprises, Inc.
K. Hovnanian Estates at Fox Chase, LLC
K. Hovnanian Estates at Regency, L.L.C.
K. Hovnanian Estates at Wekiva, LLC
K. Hovnanian Falls Pointe, LLC
K. HOVNANIAN FIRST HOMES, L.L.C.
K. Hovnanian Florida Realty, L.L.C.
K. Hovnanian Forest Valley, LLC
K. Hovnanian Grand Cypress, LLC
K. Hovnanian Grandefield, 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 Hidden Hollow, LLC
K. Hovnanian Highland Ridge, LLC
K. Hovnanian Holdings NJ, L.L.C.
K. Hovnanian Homes - DFW, L.L.C.
K. Hovnanian Homes at Brook Manor, LLC
K. Hovnanian Homes at Burke Junction, LLC
K. Hovnanian Homes at Camp Springs, L.L.C.
K. Hovnanian Homes at Creekside, LLC
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 Leigh Mill, LLC
K. Hovnanian Homes at Pender Oaks, LLC
K. Hovnanian Homes at Reedy Creek, LLC

K. Hovnanian Homes at Russett, L.L.C.
K. Hovnanian Homes at Salt Creek Landing, LLC
K. Hovnanian Homes at Shell Hall, LLC
K. Hovnanian Homes at Shenandoah Springs, LLC
K. Hovnanian Homes at St. James Place, LLC
K. Hovnanian Homes at The Abby, LLC
K. Hovnanian Homes at the Highlands, LLC
K. Hovnanian Homes at The Paddocks, LLC
K. Hovnanian Homes at Thompson's Grant, LLC
K. Hovnanian Homes at Willowsford Grant, LLC
K. Hovnanian Homes at Willowsford Greens, 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 Longacre Village, L.L.C.
K. Hovnanian Homes of Maryland, L.L.C.
K. Hovnanian Homes of Minnesota at Arbor Creek, LLC
K. Hovnanian Homes of Minnesota at Autumn Meadows, LLC
K. Hovnanian Homes of Minnesota at Brynwood, LLC
K. Hovnanian Homes of Minnesota at Cedar Hollow, LLC
K. Hovnanian Homes of Minnesota at Founder's Ridge, LLC
K. Hovnanian Homes of Minnesota at Harpers Street Woods, LLC
K. Hovnanian Homes of Minnesota at Oaks of Oxbow, LLC
K. Hovnanian Homes of Minnesota at Regent's Point, LLC
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 Houston Bayou Oaks at West Orem, LLC
K. Hovnanian Houston Cambridge Heights, LLC
K. Hovnanian Houston City Heights, LLC
K. Hovnanian Houston Creek Bend, LLC
K. Hovnanian Houston Dry Creek Village, LLC
K. Hovnanian Houston Katy Pointe, LLC
K. Hovnanian Houston Sunset Ranch, LLC
K. Hovnanian Houston Thunder Bay Subdivision, LLC
K. Hovnanian Houston Tranquility Lake Estates, LLC
K. Hovnanian Houston Woodshore, LLC
K. Hovnanian Indian Trails, LLC
K. Hovnanian LaDue Reserve, LLC
K. Hovnanian Lakes of Green, LLC
K. Hovnanian Landings 40s, LLC

K. Hovnanian Legacy at Via Bella, LLC
K. Hovnanian Liberty on Bluff Creek, LLC
K. Hovnanian Manalapan Acquisition, LLC
K. Hovnanian Monarch Grove, 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 Northpointe 40s, LLC
K. Hovnanian Norton Place, LLC
K. Hovnanian of Houston II, L.L.C.
K. Hovnanian of Ohio, LLC
K. Hovnanian Ohio Realty, 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 PRESERVE AT TURTLE CREEK LLC
K. Hovnanian Properties of Red Bank, Inc.
K. Hovnanian Reynolds Ranch, LLC
K. Hovnanian Rivendale, LLC
K. Hovnanian Riverside, LLC
K. Hovnanian Schady Reserve, LLC
K. Hovnanian Sherwood at Regency, LLC
K. Hovnanian Shore Acquisitions, L.L.C.
K. Hovnanian South Fork, LLC
K. Hovnanian South Jersey Acquisitions, L.L.C.
K. Hovnanian Southern New Jersey, L.L.C.
K. Hovnanian Sterling Ranch, LLC
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 Union Park, LLC
K. Hovnanian Venture I, L.L.C.
K. Hovnanian Village Glen, LLC
K. Hovnanian Waterbury, LLC
K. Hovnanian White Road, LLC
K. HOVNANIAN WINDWARD HOMES, LLC
K. Hovnanian Woodland Pointe, LLC
K. Hovnanian Woodridge Place, LLC
K. HOVNANIAN'S FOUR SEASONS AT BAKERSFIELD, L.L.C.
K. Hovnanian's Four Seasons at Baymont Farms L.L.C.
K. Hovnanian's Four Seasons at Beaumont, LLC

K. Hovnanian's Four Seasons at Briargate, 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 Silver Maple Farm, L.L.C.
K. Hovnanian's Four Seasons at St. Margarets Landing, L.L.C.
K. Hovnanian's Four Seasons at The Manor II, LLC
K. Hovnanian's Four Seasons at The Manor, LLC
K. Hovnanian's Parkside at Towngate, L.L.C.
K. Hovnanian's Veranda at RiverPark II, LLC
K. Hovnanian's Veranda at RiverPark, LLC
KHH Shell Hall Loan Acquisition, LLC
LANDARAMA, INC.
LAUREL HIGHLANDS, LLC
M & M AT MONROE WOODS, L.L.C.
M&M at Chesterfield, L.L.C.
M&M AT Crescent Court, L.L.C.
M&M at West Orange, L.L.C.
Matzel & Mumford at Egg Harbor, 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.
MM-BEACHFRONT NORTH I, LLC
New Home Realty, 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
Shell Hall Club Amenity Acquisition, LLC
Shell Hall Land Acquisition, LLC
STONEBROOK HOMES, INC.
Terrapin Realty, L.L.C.
The Matzel & Mumford Organization, Inc
Washington Homes, Inc.
WOODMORE RESIDENTIAL, L.L.C.
WTC VENTURES, L.L.C.

SCHEDULE B

Actions to Perfect

1. With respect to each Pledgor organized under the laws of the state of Arizona as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the Arizona Secretary of State.
 2. With respect to each Pledgor organized under the laws of the state of California as identified on Schedule 1(a) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the California Secretary of State.
 3. With respect to each Pledgor organized under the laws of the state of Delaware as identified on Schedule 1(a) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the Delaware Secretary of State.
 4. With respect to each Pledgor organized under the laws of the District of Columbia as identified on Schedule 1(a) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the District of Columbia Recorder of Deeds.
 5. With respect to each Pledgor organized under the laws of the state of Florida as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the Florida Secured Transaction Registry.
 6. With respect to each Pledgor organized under the laws of the state of Georgia as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the Office of the Clerk of Superior Court of any County of Georgia.
 7. With respect to each Pledgor organized under the laws of the state of Illinois as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the Illinois Secretary of State.
 8. With respect to each Pledgor organized under the laws of the state of Kentucky as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the Kentucky Secretary of State.
 9. With respect to each Pledgor organized under the laws of the state of Maryland as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the Maryland State Department of Assessments and Taxation.
 10. With respect to each Pledgor organized under the laws of the state of Minnesota as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the Minnesota Secretary of State.
 11. With respect to each Pledgor organized under the laws of the state of New Jersey as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the New Jersey Division of Commercial Recording.
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12. With respect to each Pledgor organized under the laws of the state of New York as identified on Schedule 1(a) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the New York Secretary of State.
13. With respect to each Pledgor organized under the laws of the state of North Carolina as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the North Carolina Secretary of State.
14. With respect to each Pledgor organized under the laws of the state of Ohio as identified on Schedule 1(a) or Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the Ohio Secretary of State.
15. With respect to each Pledgor organized under the laws of the state of Pennsylvania as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the Pennsylvania Secretary of the Commonwealth.
16. With respect to each Pledgor organized under the laws of the state of South Carolina as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the South Carolina Secretary of State.
17. With respect to each Pledgor organized under the laws of the state of Texas as identified on Schedule 1(a) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the Texas Secretary of State.
18. With respect to each Pledgor organized under the laws of the state of Virginia as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the Virginia State Corporation Commission.
19. With respect to each Pledgor organized under the laws of the state of West Virginia as identified on Schedule 1(b) of the Perfection Certificate, the filing of a Uniform Commercial Code Financing Statement that identifies the Pledged Collateral with the West Virginia Secretary of State.
20. With respect to the Pledged Collateral (as defined in the Pledge Agreement (as defined in the Indenture)) constituting certificated securities, delivery of the certificates representing such Pledged Collateral to the Perfection Agent pursuant to the Pledge Agreement in registered form, indorsed in blank, by an effective endorsement or accompanied by undated stock powers with respect thereto duly indorsed in blank by an effective endorsement.

EXECUTION COPY

JOINDER TO INTERCREDITOR AGREEMENT

Reference is made to that Amended and Restated Intercreditor Agreement, dated as of September 8, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the “Intercreditor Agreement”), by and among Hovnanian Enterprises, Inc. (the “Company”), K. Hovnanian Enterprises, Inc. (the “Issuer”), each other Grantor from time to time party thereto, Wilmington Trust, National Association, in its capacity as the Senior Credit Agreement Administrative Agent under the Senior Credit Agreement Documents, Wilmington Trust, National Association, in its capacity as the Mortgage Tax Collateral Agent, and Wilmington Trust, National Association, in its capacity as the Junior Joint Collateral Agent, among others. Capitalized terms used herein without definition shall have the meaning assigned thereto in the Intercreditor Agreement (as supplemented by this Joinder (as defined below)).

This Joinder to Intercreditor Agreement, dated as of July 27, 2017 (this “Joinder”), is being delivered in connection with the execution and delivery of that certain Indenture dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the “Indenture”) among the Company, the Issuer, each other Guarantor (as defined therein) from time to time party thereto, and Wilmington Trust, National Association, in its capacity, as trustee (in such capacity, the “Trustee”) and as collateral agent (in such capacity, the “Notes Collateral Agent”), pursuant to which the Company is issuing (a) the 10.000% Senior Secured Notes due 2022 (the “10.000% Notes”) and (b) the 10.500% Senior Secured Notes due 2024 (the “10.500% Notes”) and together with the 10.000% Notes, the “Secured Notes”), which Secured Notes constitute Future Second-Lien Indebtedness and which holders of the Secured Notes (the “Noteholders”) constitutes Junior Creditors, in each case, under the Intercreditor Agreement.

In connection with the issuance of the Secured Notes, the Company, the Issuer and each other Grantor party thereto are entering into (a) that certain Collateral Agency Agreement dated the date hereof (the “Collateral Agency Agreement”) among the Company, each other Grantor from time to time party thereto, Wilmington Trust, National Association, in its capacity as Notes Collateral Agent and Wilmington Trust, National Association, as joint collateral agent for the Secured Notes and any Future Second-Lien Indebtedness (“Collateral Agent”), pursuant to which the Notes Collateral Agent has appointed the Collateral Agent as the Junior Joint Collateral Agent for purposes of the Intercreditor Agreement and the Junior Collateral Documents, (b) that certain Security Agreement dated as of the date hereof among the Company, the Issuer, each other Grantor party thereto and the Collateral Agent (as amended, supplemented or otherwise modified from time to time, the “Security Agreement”), (c) that certain Pledge Agreement dated as of the date hereof among the Company, the Issuer, each other Grantor party thereto and the Collateral Agent (as amended, supplemented or otherwise modified from time to time, the “Pledge Agreement”) and (d) that certain Second Amended and Restated Mortgage Tax Collateral Agency Agreement dated as of the date hereof among the Company, each other Grantor from time to time party thereto, Wilmington Trust, National Association, in its capacity as the Senior Credit Agreement Administrative Agent under the Senior Credit Agreement Documents, Wilmington Trust, National Association, in its capacity as the Notes Collateral Agent, and Wilmington Trust, National Association, in its capacity as the Collateral Agent pursuant to which Wilmington Trust, National Association is being appointed as the Mortgage Tax Collateral Agent with respect to the Secured Notes for purposes of the Intercreditor Agreement and the Mortgage Tax Collateral (as amended, supplemented or otherwise modified from time to time, the “Second Amended and Restated Mortgage Tax Collateral Agreement”).

1. Appointment of Junior Joint Collateral Agent. The New Junior Representative (as defined below), on behalf of itself and the New Junior Creditors (as defined below), (a) confirms that pursuant to the Collateral Agency Agreement the Collateral Agent has appointed Wilmington Trust, National Association, as the Junior Joint Collateral Agent for purposes of the Intercreditor Agreement and the Junior Collateral Documents, and (b) has irrevocably authorized, pursuant to the Collateral Agency Agreement, the Junior Joint Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Junior Joint Collateral Agent in the Intercreditor Agreement and the Junior Collateral Documents, together with such actions and powers as are reasonably incidental thereto, and authorizes the Junior Joint Collateral Agent to execute any Junior Collateral Documents on behalf of all Junior Creditors and to take such other actions to maintain and preserve the security interests granted pursuant to any Junior Collateral Documents.

2. Joinder. The undersigned, Wilmington Trust, National Association (the “New Junior Representative”) in its capacity as the Trustee, the Notes Collateral Agent and as Collateral Agent hereby joins the Intercreditor Agreement as Junior Representatives and as Junior Joint Collateral Agent acting for and behalf of the Noteholders as Junior Creditors under, and as defined in, the Intercreditor Agreement for all purposes thereof on the terms set forth therein, and agrees to be bound by the terms, conditions and provisions of the Intercreditor Agreement as fully as if the undersigned had executed and delivered the Intercreditor Agreement as of the date thereof.

3. Lien Sharing and Priority Confirmation. The New Junior Representative, on behalf of itself and each Noteholder (together with the New Junior Representative, the “New Junior Creditors”), hereby agrees, as a condition to having the obligations in respect of the Secured Notes being treated as Future Second-Lien Indebtedness and Junior Claims under the Intercreditor Agreement that: (a) as set forth in the Collateral Agency Agreement, all Junior Claims will be and are secured equally and ratably by all Liens granted to the Junior Joint Collateral Agent, for the benefit of the Junior Creditors, on Junior Collateral and that all Liens granted pursuant to the Junior Collateral Documents will be enforceable by the Junior Joint Collateral Agent for the benefit of all Junior Creditors equally and ratably as contemplated by the Intercreditor Agreement and the Junior Documents; (b) the New Junior Representative and each other New Junior Creditor are bound by the terms, conditions and provisions of the Intercreditor Agreement, including, without limitation, the provisions relating to the ranking of Liens and the order of application of proceeds from the enforcement of Liens; and (c) the New Junior Representative shall perform its obligations under the Intercreditor Agreement.

4. Appointment of Mortgage Tax Collateral Agent. The New Junior Representative, on behalf of itself and the New Junior Creditors, (a) pursuant to the Mortgage Tax Collateral Agency Agreement Joinder, has appointed Wilmington Trust, National Association as the Mortgage Tax Collateral Agent for purposes of the Intercreditor Agreement and the applicable Junior Collateral Documents, and (b) irrevocably authorizes the Mortgage Tax Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Mortgage Tax Collateral Agent in the Intercreditor Agreement in relation to the Secured Notes and the Junior Collateral Documents, together with such actions and powers as are reasonably incidental thereto, and authorizes the Junior Joint Collateral Agent to execute any applicable Junior Collateral Documents on behalf of all Junior Creditors and to take such other actions to maintain and preserve the security interests granted pursuant to any such Junior Collateral Documents.

5. Authority as Agent. The New Junior Representative represents, warrants and acknowledges that, pursuant to the authorizations set forth in the Indenture, it has the authority to bind each of the New Junior Creditors to the Intercreditor Agreement and the Junior Collateral Documents.

6. Construction. From this date hereof, references to the Intercreditor Agreement shall mean and include the Intercreditor Agreement as supplemented by this Joinder and references to the following shall be interpreted to mean as follows:

“Amended and Restated Collateral Agency Agreement” shall include the “Amended and Restated Mortgage Tax Collateral Agency Agreement and shall no longer include the Amended and Restated Collateral Agency Agreement dated September 8, 2016”

“Amended and Restated Second Lien Collateral Agency Agreement” shall include the Collateral Agency Agreement and shall no longer include the Second Lien Collateral Agency Agreement, dated as of September 8, 2016, in respect of the Junior Notes;

“Amended and Restated Junior Pledge Agreement” shall include the Pledge Agreement and shall no longer include any pledge agreement in respect of the Junior Notes;

“Amended and Restated Junior Security Agreement” shall include the Security Agreement and shall no longer include any security agreement in respect of the Junior Notes;

“Junior Agreement” shall include the Indenture and shall no longer include the 9.125% Junior Indenture or the 10.000% Junior Indenture;

“Junior Claims” shall include the Secured Notes, the guarantees in respect thereof and the Obligations in respect of the foregoing and shall no longer include the Junior Notes;

“Junior Collateral” shall include all of the assets of any Grantor, whether real, personal or mixed, with respect to which a lien is granted as security for any Junior Claims;

“Junior Collateral Agent” shall include the Collateral Agent and shall no longer include the Junior Notes Collateral Agent;

“Junior Collateral Documents” shall include the Collateral Agency Agreement, the Security Agreement and Pledge Agreement and all other agreements, documents and filings in respect of and related to the Secured Notes;

“Junior Creditors” shall include the New Junior Representative and the New Junior Creditors and shall no longer include the Junior Noteholders;

“Junior Documents” shall include the Indenture and the agreements and documents in respect thereof and related thereto (including the Intercreditor Agreement (as supplemented by this Joinder), the Amended and Restated Collateral Agency Agreement and the Junior Collateral Documents);

“Junior Joint Collateral Agent” shall include Wilmington Trust, National Association, as the Junior Joint Collateral Agent appointed under the Collateral Agency Agreement; in each case, for all purposes thereof and of the Intercreditor Agreement and shall no longer include the Collateral Agent in respect of the Junior Notes; and

“Mortgage Tax Collateral Agent” shall include Wilmington Trust, National Association, as the Mortgage Tax Collateral Agent appointed under the Second Amended and Restated Mortgage Tax Collateral Agency Agreement in respect of the Secured Notes for all purposes thereof and under the Intercreditor Agreement.

7. Counterparts. This Joinder may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract.

8. Governing Law. THIS JOINDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

9. Miscellaneous. The provisions of Section 8 of the Intercreditor Agreement shall apply with like effect to this Joinder.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties caused this Joinder to be duly executed and delivered as of the day and year first above written.

Notice Address:

Collateral Agent

Wilmington Trust, National Association

WILMINGTON TRUST, NATIONAL ASSOCIATION

not in its individual capacity but solely in its capacity as Collateral Agent

Rodney Square North

1100 North Market Street

Wilmington, DE 19890-1600

Attention: K. Hovnanian Administrator

Telecopy: 302-636-4149

By: /s/ John T. Needham, Jr.

Name: John T. Needham, Jr.

Title: Vice President

Notice Address:

Trustee

Wilmington Trust, National Association

WILMINGTON TRUST, NATIONAL ASSOCIATION

not in its individual capacity but solely in its capacity as Trustee

Rodney Square North

1100 North Market Street

Wilmington, DE 19890-1600

Attention: K. Hovnanian Administrator

Telecopy: 302-636-4149

By: /s/ John T. Needham, Jr.

Name: John T. Needham, Jr.

Title: Vice President

[Signature Page to Joinder to Intercreditor Agreement]

Notice Address:

Wilmington Trust, National Association

Rodney Square North
1100 North Market Street
Wilmington, DE 19890-1600
Attention: K. Hovnanian Administrator
Telecopy: 302-636-4149

WILMINGTON TRUST, NATIONAL ASSOCIATION
not in its individual capacity but solely as Junior Joint Collateral Agent

By: /s/ John T. Needham, Jr.
Name: John T. Needham, Jr.
Title: Vice President

Notice Address:

Wilmington Trust, National Association

50 South Sixth Street, Suite 1290
Minneapolis, MN 55402
Attention: K. Hovnanian
Administrator
Telecopy: 612-217-5651

WILMINGTON TRUST, NATIONAL ASSOCIATION
not in its individual capacity but solely as Senior Credit Agreement Administrative
Agent

By: /s/ Jeffrey Rose
Name: Jeffrey Rose
Title: Vice President

[Signature Page to Joinder to Intercreditor Agreement]

Notice Address:

Wilmington Trust, National Association

Rodney Square North
1100 North Market Street
Wilmington, DE 19890-1600
Attention: K. Hovnanian Administrator
Telecopy: 302-636-4149

WILMINGTON TRUST, NATIONAL ASSOCIATION
not in its individual capacity but solely as Mortgage Tax Collateral Agent

By: /s/ John T. Needham, Jr.
Name: John T. Needham, Jr.
Title: Vice President

[Signature Page to Joinder to Intercreditor Agreement]

K. HOVNANIAN ENTERPRISES, INC.

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

HOVNANIAN ENTERPRISES, INC.

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

K. HOV IP, II, Inc.

By: /s/ Brad O'Connor
Name: Brad O'Connor
Title: Authorized Officer

On behalf of each other entity named in Schedule A hereto

By: /s/ J. Larry Sorsby
Name: J. Larry Sorsby
Title: Authorized Officer

[Signature Page to Joinder to Intercreditor Agreement]

Arbor Trails, LLC
Builder Services NJ, L.L.C.
Builder Services PA, L.L.C.
Eastern National Title Agency, LLC
Eastern Title Agency of Illinois, 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 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 Hovnanian Homes at Maxwell Place, L.L.C.
K. HOV IP, II, Inc.
K. Hovnanian Aberdeen, LLC
K. Hovnanian Acquisitions, Inc.
K. Hovnanian at 240 Missouri, LLC
K. Hovnanian at 4S, LLC
K. Hovnanian at Aire on McDowell, LLC
K. Hovnanian at Aliso, LLC
K. Hovnanian at Allentown, L.L.C.
K. Hovnanian at Andalusia, LLC
K. Hovnanian at Asbury Park Urban Renewal, LLC
K. Hovnanian at Ashby Place, 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 Beacon Park Area 129 II, LLC
K. Hovnanian at Beacon Park Area 129, LLC
K. Hovnanian at Beacon Park Area 137, LLC
K. Hovnanian at Bella Lago, LLC
K. Hovnanian at Blackstone, LLC
K. Hovnanian at Boca Dunes, LLC
K. Hovnanian at Branchburg II, LLC
K. Hovnanian at Branchburg, L.L.C.
K. Hovnanian at Branchburg-Vollers, LLC
K. Hovnanian at Brenford Station, LLC
K. Hovnanian at Bridgeport, Inc.

K. Hovnanian at Bridgewater I, L.L.C.
K. Hovnanian at Bridgewater II, LLC
K. Hovnanian at Burch Kove, LLC
K. HOVNANIAN AT CAMP HILL, L.L.C.
K. HOVNANIAN AT CAPISTRANO, L.L.C.
K. Hovnanian at Carlsbad, LLC
K. Hovnanian at Catania, LLC
K. Hovnanian at Caton's Reserve, LLC
K. Hovnanian at Cedar Grove III, L.L.C.
K. Hovnanian at Cedar Grove Urban Renewal, LLC
K. Hovnanian at Cedar Lane, LLC
K. Hovnanian at Charter Way, LLC
K. Hovnanian at Chesterfield, L.L.C.
K. Hovnanian at Christina Court, LLC
K. Hovnanian at Cielo, L.L.C.
K. Hovnanian at Coastline, L.L.C.
K. Hovnanian at Coosaw Point, LLC
K. Hovnanian at Coral Lago, LLC
K. Hovnanian at Cortez Hill, LLC
K. Hovnanian at Denville, L.L.C.
K. Hovnanian at Deptford Township, L.L.C.
K. Hovnanian at Doylestown, LLC
K. Hovnanian at Dunellen Urban Renewal, LLC
K. Hovnanian at East Brandywine, L.L.C.
K. Hovnanian at East Brunswick III, LLC
K. Hovnanian at East Brunswick, LLC
K. Hovnanian at East Windsor, LLC
K. Hovnanian at Eden Terrace, L.L.C.
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 Estates at Wheatlands, LLC
K. Hovnanian at Evergreen, L.L.C.
K. Hovnanian at Fairfield Ridge, LLC
K. Hovnanian at Fiddymment 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 Fox Path at Hampton Lake, LLC
K. Hovnanian at Franklin II, L.L.C.
K. Hovnanian at Franklin, L.L.C.
K. Hovnanian at Freehold Township III, LLC

K. Hovnanian at Fresno, LLC
K. Hovnanian at Gallery, LLC
K. HOVNANIAN AT GASLAMP SQUARE, L.L.C.
K. Hovnanian at Gilroy 60, LLC
K. Hovnanian at Gilroy, LLC
K. Hovnanian at Great Notch, L.L.C.
K. Hovnanian at Hackettstown II, L.L.C.
K. Hovnanian at Hampton Cove, LLC
K. Hovnanian at Hampton Lake, LLC
K. Hovnanian at Hanover Estates, LLC
K. Hovnanian at Hershey's Mill, Inc.
K. Hovnanian at Hidden Brook, LLC
K. Hovnanian at Hillsborough, LLC
K. Hovnanian at Hilltop Reserve II, LLC
K. Hovnanian at Hilltop Reserve, LLC
K. Hovnanian at Howell Fort Plains, LLC
K. Hovnanian at Howell II, LLC
K. Hovnanian at Howell, LLC
K. HOVNANIAN AT HUDSON POINTE, L.L.C.
K. Hovnanian at Huntfield, LLC
K. Hovnanian at Indian Wells, LLC
K. Hovnanian at Island Lake, LLC
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 Keyport, L.L.C.
K. Hovnanian at La Costa Greens, L.L.C.
K. Hovnanian at La Laguna, L.L.C.
K. Hovnanian at Lake Burden, LLC
K. Hovnanian at Lake LeClare, LLC
K. Hovnanian at Lake Rancho Viejo, LLC
K. Hovnanian at Lake Ridge Estates, LLC
K. Hovnanian at Lake Terrapin, L.L.C.
K. Hovnanian at Lee Square, L.L.C.
K. Hovnanian at Lenah Woods, LLC
K. Hovnanian at Lily Orchard, LLC
K. Hovnanian at Link Farm, LLC
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 II, L.L.C.
K. Hovnanian at Magnolia Place, LLC
K. Hovnanian at Mahwah VI, Inc.

K. Hovnanian at Main Street Square, LLC
K. Hovnanian at Malan Park, L.L.C.
K. HOVNANIAN AT MANALAPAN II, L.L.C.
K. Hovnanian at Manalapan III, L.L.C.
K. Hovnanian at Manalapan V, LLC
K. Hovnanian at Manalapan VI, LLC
K. Hovnanian at Mansfield II, L.L.C.
K. Hovnanian at Manteca, LLC
K. Hovnanian at Maple Avenue, L.L.C.
K. Hovnanian at Marlboro IX, LLC
K. Hovnanian at Marlboro Township IX, L.L.C.
K. Hovnanian at Marlboro Township V, L.L.C.
K. Hovnanian at Marlboro VI, L.L.C.
K. Hovnanian at Marple, LLC
K. Hovnanian at Meadowridge Villas, LLC
K. Hovnanian at Melanie Meadows, LLC
K. Hovnanian at Mendham Township, L.L.C.
K. Hovnanian at Middle Township II, L.L.C.
K. Hovnanian at Middle Township, L.L.C.
K. Hovnanian at Middletown II, L.L.C.
K. Hovnanian at Middletown III, LLC
K. Hovnanian at Middletown, LLC
K. Hovnanian at Millville I, L.L.C.
K. Hovnanian at Millville II, L.L.C.
K. Hovnanian at Monroe IV, L.L.C.
K. Hovnanian at Monroe NJ II, LLC
K. Hovnanian at Monroe NJ III, LLC
K. Hovnanian at Monroe NJ, L.L.C.
K. Hovnanian at Montana Vista, LLC
K. Hovnanian at Montgomery, LLC
K. Hovnanian at Montvale II, LLC
K. Hovnanian at Montvale, L.L.C.
K. Hovnanian at Morris Twp, LLC
K. Hovnanian at Muirfield, LLC
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 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 Northridge Estates, LLC
K. Hovnanian at Norton Lake LLC
K. Hovnanian at Nottingham Meadows, LLC

K. Hovnanian at Oak Pointe, LLC
K. Hovnanian at Ocean Township, Inc
K. Hovnanian at Ocean View Beach Club, LLC
K. Hovnanian at Oceanport, L.L.C.
K. Hovnanian at Old Bridge, L.L.C.
K. Hovnanian at Palm Valley, L.L.C.
K. Hovnanian at Park Paseo, LLC
K. Hovnanian at Parkside, LLC
K. Hovnanian at Parsippany, L.L.C.
K. Hovnanian at Pavilion Park, LLC
K. Hovnanian at Piazza D'Oro, L.L.C.
K. Hovnanian at Piazza Serena, L.L.C
K. Hovnanian at Pickett Reserve, LLC
K. Hovnanian at Pittsgrove, L.L.C.
K. Hovnanian at Plantation Lakes, L.L.C.
K. Hovnanian at Pointe 16, LLC
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL V, 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 Prairie Pointe, LLC
K. Hovnanian at Quail Creek, L.L.C.
K. Hovnanian at Rancho Cabrillo, LLC
K. HOVNANIAN AT RAPHO, L.L.C
K. Hovnanian at Redtail, LLC
K. Hovnanian at Reserves at Wheatlands, LLC
K. Hovnanian at Residence at Discovery Square, LLC
K. Hovnanian at Ridgemont, L.L.C.
K. Hovnanian at Rock Ledge, 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 Sagebrook, LLC
K. Hovnanian at Santa Nella, LLC
K. Hovnanian at Sawmill, Inc.
K. Hovnanian at Seasons Landing, LLC
K. Hovnanian at Sheldon Grove, LLC
K. Hovnanian at Shrewsbury, LLC
K. Hovnanian at Sienna Hills, LLC
K. Hovnanian at Signal Hill, LLC
K. Hovnanian at Silver Spring, L.L.C.
K. Hovnanian at Silverstone, LLC
K. Hovnanian at Skye Isle, LLC
K. Hovnanian at Skye on McDowell, LLC
K. Hovnanian at Smithville, Inc.
K. Hovnanian at Somerset, LLC

K. Hovnanian at South Brunswick II, LLC
K. Hovnanian at South Brunswick III, LLC
K. Hovnanian at South Brunswick, L.L.C.
K. Hovnanian at Spring Isle, LLC
K. Hovnanian at Stanton, LLC
K. Hovnanian at Station Square, L.L.C.
K. Hovnanian at Summerlake, LLC
K. Hovnanian at Sunridge Park, LLC
K. Hovnanian at Sunrise Trail II, LLC
K. Hovnanian at Sunrise Trail III, LLC
K. Hovnanian at Terra Bella Two, LLC
K. Hovnanian at The Commons at Richmond Hill, LLC
K. Hovnanian at The Crosby, LLC
K. Hovnanian at The Monarch, L.L.C.
K. Hovnanian at The Promenade at Beaver Creek, LLC
K. Hovnanian at Thompson Ranch, LLC
K. Hovnanian at Trafford Place, LLC
K. Hovnanian at Trail Ridge, LLC
K. Hovnanian at Tramore LLC
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 Ventana Lakes, LLC
K. Hovnanian at Verona Estates, LLC
K. HOVNANIAN AT VERONA URBAN RENEWAL, L.L.C.
K. Hovnanian at Verrado Cascina, LLC
K. Hovnanian at Verrado Marketside, LLC
K. Hovnanian at Victorville, L.L.C.
K. Hovnanian at Vineyard Heights, LLC
K. Hovnanian at Vista Del Sol, L.L.C.
K. Hovnanian at Waldwick, LLC
K. Hovnanian at Walkers Grove, LLC
K. Hovnanian at Wall Donato, LLC
K. Hovnanian at Warren Township II, LLC
K. Hovnanian at Warren Township, L.L.C.
K. Hovnanian at Waterstone, LLC
K. Hovnanian at Wayne IX, L.L.C.
K. Hovnanian at West View Estates, L.L.C.
K. Hovnanian at Westbrook, LLC
K. Hovnanian at Westshore, LLC
K. Hovnanian at Wheeler Ranch, LLC
K. Hovnanian at Wheeler Woods, LLC
K. Hovnanian at Whitemarsh, LLC
K. Hovnanian at Wildwood Bayside, L.L.C.
K. Hovnanian at Woodcreek West, LLC

K. Hovnanian at Woolwich I, L.L.C.
K. Hovnanian Belden Pointe, LLC
K. Hovnanian Belmont Reserve, LLC
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 Contractors of Ohio, LLC
K. Hovnanian Cornerstone Farms, LLC
K. Hovnanian CraftBuilt Homes of South Carolina, L.L.C.
K. Hovnanian Cypress Key, LLC
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 DFW Auburn Farms, LLC
K. Hovnanian DFW Belmont, LLC
K. Hovnanian DFW Creekside Estates II, LLC
K. Hovnanian DFW Creekside Estates, LLC
K. Hovnanian DFW Encore of Las Colinas II, LLC
K. Hovnanian DFW Encore of Las Colinas, LLC
K. Hovnanian DFW Harmon Farms, LLC

K. Hovnanian DFW Heritage Crossing, LLC
K. Hovnanian DFW Homestead, LLC
K. Hovnanian DFW Inspiration, LLC
K. Hovnanian DFW Lexington, LLC
K. Hovnanian DFW Liberty Crossing II, LLC
K. Hovnanian DFW Liberty Crossing, LLC
K. Hovnanian DFW Light Farms II, LLC
K. Hovnanian DFW Light Farms, LLC
K. Hovnanian DFW Midtown Park, LLC
K. Hovnanian DFW Palisades, LLC
K. Hovnanian DFW Parkside, LLC
K. Hovnanian DFW Ridgeview, LLC
K. Hovnanian DFW Seventeen Lakes, LLC
K. Hovnanian DFW Trailwood, LLC
K. Hovnanian DFW Villas at Mustang Park, LLC
K. Hovnanian DFW Wellington, LLC
K. Hovnanian DFW Wildridge, LLC
K. Hovnanian Eastern Pennsylvania, L.L.C.
K. Hovnanian Edgebrook, LLC
K. Hovnanian Enterprises, Inc.
K. Hovnanian Estates at Fox Chase, LLC
K. Hovnanian Estates at Regency, L.L.C.
K. Hovnanian Estates at Wekiva, LLC
K. Hovnanian Falls Pointe, LLC
K. HOVNaNIAN FIRST HOMES, L.L.C.
K. Hovnanian Florida Realty, L.L.C.
K. Hovnanian Forest Valley, LLC
K. Hovnanian Grand Cypress, LLC
K. Hovnanian Grandefield, 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 Hidden Hollow, LLC
K. Hovnanian Highland Ridge, LLC
K. Hovnanian Holdings NJ, L.L.C.
K. Hovnanian Homes - DFW, L.L.C.
K. Hovnanian Homes at Brook Manor, LLC
K. Hovnanian Homes at Burke Junction, LLC
K. Hovnanian Homes at Camp Springs, L.L.C.
K. Hovnanian Homes at Creekside, LLC
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 Leigh Mill, LLC
K. Hovnanian Homes at Pender Oaks, LLC
K. Hovnanian Homes at Reedy Creek, LLC

K. Hovnanian Homes at Russett, L.L.C.
K. Hovnanian Homes at Salt Creek Landing, LLC
K. Hovnanian Homes at Shell Hall, LLC
K. Hovnanian Homes at Shenandoah Springs, LLC
K. Hovnanian Homes at St. James Place, LLC
K. Hovnanian Homes at The Abby, LLC
K. Hovnanian Homes at the Highlands, LLC
K. Hovnanian Homes at The Paddocks, LLC
K. Hovnanian Homes at Thompson's Grant, LLC
K. Hovnanian Homes at Willowsford Grant, LLC
K. Hovnanian Homes at Willowsford Greens, 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 Longacre Village, L.L.C.
K. Hovnanian Homes of Maryland, L.L.C.
K. Hovnanian Homes of Minnesota at Arbor Creek, LLC
K. Hovnanian Homes of Minnesota at Autumn Meadows, LLC
K. Hovnanian Homes of Minnesota at Brynwood, LLC
K. Hovnanian Homes of Minnesota at Cedar Hollow, LLC
K. Hovnanian Homes of Minnesota at Founder's Ridge, LLC
K. Hovnanian Homes of Minnesota at Harpers Street Woods, LLC
K. Hovnanian Homes of Minnesota at Oaks of Oxbow, LLC
K. Hovnanian Homes of Minnesota at Regent's Point, LLC
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 Houston Bayou Oaks at West Orem, LLC
K. Hovnanian Houston Cambridge Heights, LLC
K. Hovnanian Houston City Heights, LLC
K. Hovnanian Houston Creek Bend, LLC
K. Hovnanian Houston Dry Creek Village, LLC
K. Hovnanian Houston Katy Pointe, LLC
K. Hovnanian Houston Sunset Ranch, LLC
K. Hovnanian Houston Thunder Bay Subdivision, LLC
K. Hovnanian Houston Tranquility Lake Estates, LLC
K. Hovnanian Houston Woodshore, LLC
K. Hovnanian Indian Trails, LLC
K. Hovnanian LaDue Reserve, LLC
K. Hovnanian Lakes of Green, LLC
K. Hovnanian Landings 40s, LLC

K. Hovnanian Legacy at Via Bella, LLC
K. Hovnanian Liberty on Bluff Creek, LLC
K. Hovnanian Manalapan Acquisition, LLC
K. Hovnanian Monarch Grove, 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 Northpointe 40s, LLC
K. Hovnanian Norton Place, LLC
K. Hovnanian of Houston II, L.L.C.
K. Hovnanian of Ohio, LLC
K. Hovnanian Ohio Realty, 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 PRESERVE AT TURTLE CREEK LLC
K. Hovnanian Properties of Red Bank, Inc.
K. Hovnanian Reynolds Ranch, LLC
K. Hovnanian Rivendale, LLC
K. Hovnanian Riverside, LLC
K. Hovnanian Schady Reserve, LLC
K. Hovnanian Sherwood at Regency, LLC
K. Hovnanian Shore Acquisitions, L.L.C.
K. Hovnanian South Fork, LLC
K. Hovnanian South Jersey Acquisitions, L.L.C.
K. Hovnanian Southern New Jersey, L.L.C.
K. Hovnanian Sterling Ranch, LLC
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 Union Park, LLC
K. Hovnanian Venture I, L.L.C.
K. Hovnanian Village Glen, LLC
K. Hovnanian Waterbury, LLC
K. Hovnanian White Road, LLC
K. HOVNANIAN WINDWARD HOMES, LLC
K. Hovnanian Woodland Pointe, LLC
K. Hovnanian Woodridge Place, LLC
K. HOVNANIAN'S FOUR SEASONS AT BAKERSFIELD, L.L.C.
K. Hovnanian's Four Seasons at Baymont Farms L.L.C.
K. Hovnanian's Four Seasons at Beaumont, LLC

K. Hovnanian's Four Seasons at Briargate, 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 Silver Maple Farm, L.L.C.
K. Hovnanian's Four Seasons at St. Margarets Landing, L.L.C.
K. Hovnanian's Four Seasons at The Manor II, LLC
K. Hovnanian's Four Seasons at The Manor, LLC
K. Hovnanian's Parkside at Towngate, L.L.C.
K. Hovnanian's Veranda at RiverPark II, LLC
K. Hovnanian's Veranda at RiverPark, LLC
KHH Shell Hall Loan Acquisition, LLC
LANDARAMA, INC.
LAUREL HIGHLANDS, LLC
M & M AT MONROE WOODS, L.L.C.
M&M at Chesterfield, L.L.C.
M&M AT Crescent Court, L.L.C.
M&M at West Orange, L.L.C.
Matzel & Mumford at Egg Harbor, 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.
MM-BEACHFRONT NORTH I, LLC
New Home Realty, 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
Shell Hall Club Amenity Acquisition, LLC
Shell Hall Land Acquisition, LLC
STONEBROOK HOMES, INC.
Terrapin Realty, L.L.C.
The Matzel & Mumford Organization, Inc
Washington Homes, Inc.
WOODMORE RESIDENTIAL, L.L.C.
WTC VENTURES, L.L.C.

EXECUTION COPY

SECOND AMENDED AND RESTATED MORTGAGE TAX COLLATERAL AGENCY AGREEMENT, dated as of July 27, 2017, by and among HOVNANIAN ENTERPRISES, INC., (the “**Company**”) K. HOVNANIAN ENTERPRISES, INC., (“**Hovnanian**”), each of the signatories listed on Schedule A hereto (the “**Grantors**”), WILMINGTON TRUST, NATIONAL ASSOCIATION, in its capacity as administrative agent acting as collateral agent under the Senior Credit Agreement Documents (as defined below) (in such capacity, together with its successors and assigns, the “**Senior Credit Agreement Administrative Agent**”), WILMINGTON TRUST, NATIONAL ASSOCIATION, in its capacity as collateral agent for the Mortgage Tax Collateral (as defined below) (together with its successor and assigns, the “**Mortgage Tax Collateral Agent**”), WILMINGTON TRUST, NATIONAL ASSOCIATION, in its capacity as collateral agent under the Indenture (as defined below) (in such capacity, together with its successors and assigns, the “**Notes Collateral Agent**”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, in its capacity as the Junior Joint Collateral Agent (as defined below) for the benefit of itself, and the holders of the Secured Notes (as defined below).

RECITALS

WHEREAS, the Company, Hovnanian and each of the other Guarantors party thereto have entered into the Credit Agreement, dated as of July 29, 2016 (as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Senior Credit Agreement**”), with the Senior Credit Agreement Administrative Agent and the lenders party thereto;

WHEREAS, in connection with the execution and delivery of the Senior Credit Agreement, the Company, Hovnanian, the other Grantors party thereto, the Senior Credit Agreement Administrative Agent and the Mortgage Tax Collateral Agent (as defined therein), among others, entered into the Amended and Restated Intercreditor Agreement dated as of September 8, 2016 (as amended, supplemented, amended or restated or otherwise modified from time to time (including as supplemented by the Intercreditor Agreement Joinder (as defined below)), the “**Intercreditor Agreement**”);

WHEREAS, concurrently with the entry into the Senior Credit Agreement, the Company, Hovnanian, the other Grantors party thereto, the Senior Credit Agreement Administrative Agent entered into that certain Amended and Restated Collateral Agency Agreement dated as of September 8, 2016 to provide for a collateral agent to enter into mortgages in certain jurisdictions (as heretofore amended, supplemented, amended or restated or otherwise modified from time to time, the “**Existing Mortgage Tax Collateral Agreement**”);

WHEREAS, the Company, Hovnanian and each of the other guarantors party thereto are, concurrently herewith, entering into the Indenture dated as of the date hereof (as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Indenture**”) with Wilmington Trust, National Association, as trustee (in such capacity, the “**Trustee**”) and as Notes Collateral Agent, pursuant to which the Company is issuing (a) the 10.000% Senior Secured Notes due 2022 (collectively, the “**10.000% Notes**”) and (b) the 10.500% Senior Secured Notes due 2024 (collectively, the “**10.500% Notes**” and together with the 10.000% Notes, the “**Secured Notes**”), in each case, upon the terms and subject to the conditions set forth therein;

WHEREAS, concurrently with the issuance of the Secured Notes, the Issuer has discharged and satisfied in full on the date hereof, the 7.25% Senior Secured First Lien Notes due 2020, the 9.125% Senior Secured Second Lien Notes due 2020 and 10.000% Senior Secured Second Lien Notes due 2018, in each case, in accordance with the terms of the respective indentures;

WHEREAS, concurrently with the execution of the Indenture, the Company, Hovnanian, each of the other Grantors and the Notes Collateral Agent are entering into the Collateral Agency Agreement, dated as of the date hereof (as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Collateral Agency Agreement**”) pursuant to which the Company and the Notes Collateral Agent are appointing Wilmington Trust, National Association as joint collateral agent for the holders of the Secured Notes (in such capacity, the “**Junior Joint Collateral Agent**”);

WHEREAS, concurrently herewith, the Company, Hovnanian, the other Grantors party thereto, the Senior Credit Agreement Administrative Agent, the Trustee, the Notes Collateral Agent, the Junior Joint Collateral Agent and the Mortgage Tax Collateral Agent are entering into a joinder, dated as of the date hereof, to the Intercreditor Agreement (the “**Intercreditor Agreement Joinder**”);

WHEREAS, in connection with the entry into the Intercreditor Agreement Joinder, the parties hereby desire to amend and restate the Existing Mortgage Tax Collateral Agency Agreement in its entirety;

NOW, THEREFORE, in consideration foregoing, the parties hereby agree to amend and restate the Existing Mortgage Tax Collateral Agency Agreement in its entirety as follows:

ARTICLE 1
DEFINED TERMS

Section 1.01. *Definitions.* As used in this Agreement, the following terms shall have the following meanings:

“**Agreement**” shall mean this Second Amended and Restated Mortgage Tax Collateral Agency Agreement, as amended, supplemented, amended and restated or otherwise modified from time to time in accordance with the terms hereof.

“**Applicable Intercreditor Agreements**” means the Intercreditor Agreement, the Super Priority Intercreditor Agreement or the Collateral Agency Agreement, as applicable.

“**Collateral Agency Agreement**” has the meaning specified in the recitals hereto.

“**Collateral Agents**” means the collective reference to the Senior Credit Agreement Administrative Agent, the Notes Collateral Agent and the Junior Joint Collateral Agent.

“**Company**” has the meaning specified in the recitals hereto.

“**Discharge of Senior Credit Agreement Claims**” shall have the meaning given to that term in the Super Priority Intercreditor Agreement.

“**Event of Default**” means, (i) prior to the Discharge of Senior Claims, an Event of Default as defined in any Senior Agreement and (ii) thereafter, an Event of Default as defined in any Junior Agreement.

“**Grantors**” has the meaning specified in the recitals hereto.

“**Hovnanian**” has the meaning specified in the recitals hereto.

“**Indenture**” has the meaning specified in the recitals hereto.

“**Intercreditor Agreement**” has the meaning specified in the recitals hereto.

“**Junior Joint Collateral Agent**” has the meaning specified in the preamble hereto.

“**Lenders**” shall have the meaning specified in the Senior Credit Agreement Documents.

“**Mortgage Tax Collateral**” means the real property located in the Mortgage Tax States and identified to the Mortgage Tax Collateral Agent pursuant to Section 5.7 of the Intercreditor Agreement and Section 5.7 of the Super Priority Intercreditor Agreement.

“Mortgage Tax Collateral Agent” has the meaning specified in the preamble hereto.

“Mortgages” means the mortgages, deeds of trust and deeds to secure debt with respect to the Mortgage Tax Collateral.

“Noteholders” means the collective reference to the “Holder” or “Holder of Notes” (as defined in the Indenture) of the Secured Notes.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, entity or other party, including any government and any political subdivision, agency or instrumentality thereof.

“Secured Parties” shall mean the Senior Credit Agreement Administrative Agent, the Lenders, the Trustee, the Notes Collateral Agent, the Noteholders and the Junior Joint Collateral Agent.

“Senior Collateral Agent” means, (i) prior to the Discharge of Senior Credit Agreement Claims, the Senior Credit Agreement Administrative Agent and (ii) thereafter, the Senior Notes Collateral Agent (if any).

“Senior Credit Agreement” has the meaning specified in the recitals hereto.

“Senior Credit Agreement Documents” means the Loan Documents under, and as defined in the Senior Credit Agreement.

“Senior Credit Agreement Administrative Agent” has the meaning specified in the preamble hereto.

“Transaction Documents” shall mean the collective reference to the Senior Documents and the Junior Documents.

“Trustee” has the meaning specified in the preamble hereto.

Section 1.02. *Certain Other Terms.*

(a) The words “herein”, “hereof”, “hereto” and “hereunder” and similar words refer to this Agreement as a whole and not to any particular Article, Section, subsection or clause in this Agreement.

(b) References herein to an Exhibit, Article, Section, subsection or clause refer to the appropriate Exhibit, or Article, Section, subsection or clause in, this Agreement.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) Any reference in this Agreement to any Transaction Documents shall include all appendices, exhibits and schedules to such Transaction Documents, and, unless specifically stated otherwise, all amendments, restatements, supplements or other modifications thereto, and as the same may be in effect at any and all times such reference becomes operative.

(e) The term “including” means “including without limitation” except when used in the computation of time periods.

(f) The terms “Mortgage Tax Collateral Agent”, “Senior Credit Agreement Administrative Agent”, “Notes Collateral Agent” and “Junior Joint Collateral Agent” include any agent appointed by any of the foregoing collateral agents to act in such capacity or their respective successors and permitted assigns.

(g) References in this Agreement to any statute shall be to such statute as amended or modified and in effect from time to time.

(h) Capitalized terms not otherwise defined herein or specified as being defined in a specific agreement or instrument shall have the meanings set forth in the Intercreditor Agreement.

ARTICLE 2 THE AGENT

Section 2.01. *Authorization and Action.* Subject to the provisions of the Applicable Intercreditor Agreement, the Mortgage Tax Collateral Agent shall act as agent for each of the Collateral Agents for the purposes of (i) entering into the Mortgages as Mortgage Tax Collateral Agent on behalf of the Secured Parties upon receipt of written notice from either the Senior Collateral Agent or the Junior Joint Collateral Agent stating that specified collateral constitutes Mortgage Tax Collateral and directing the Mortgage Tax Collateral Agent to enter into a Mortgage, (ii) receiving and managing the Mortgage Tax Collateral including the execution of all instruments, the making of all filings and continuation statements and similar instruments in any applicable jurisdiction and the taking of all actions, as shall, in the reasonable judgment of the Mortgage Tax Collateral Agent, be necessary to continue the effectiveness, in favor of the Mortgage Tax Collateral Agent, for the benefit of the Secured Parties, as security for the Obligations arising under the Transaction Documents valid, perfected liens on all of the Mortgage Tax Collateral, (iii) receiving and providing notices and other communications pursuant to the Mortgages and (iv) subject to Section 2.02, exercising the rights and remedies of the beneficiary or mortgagee under the Mortgages. The parties hereto agree that nothing in this Agreement shall affect, impair or interrupt the continuous Liens created pursuant to the Mortgages as of the date of the original grant of such Liens and such Liens remain in full force and effect on a continuous basis, unimpaired, uninterrupted and undischarged, and having the same perfected status and priority immediately prior to the date of this Agreement.

Section 2.02. *Enforcement of Mortgage Tax Collateral by Mortgage Tax Collateral Agent.*

(a) Subject to the Applicable Intercreditor Agreement, the Mortgage Tax Collateral Agent, for the benefit of the Secured Parties, is authorized, from time to time, to take such action for the protection and enforcement of its rights under this Agreement and under the Mortgages as may be necessary or appropriate and in the interests of the Secured Parties, *provided that*:

(i) unless and until the Mortgage Tax Collateral Agent is notified in writing signed by the Senior Collateral Agent (or, after Discharge of Senior Claims occurs with respect to the Senior Documents, by the Junior Joint Collateral Agent) that an Event of Default shall have occurred and be continuing, the Mortgage Tax Collateral Agent shall not take any action under this Agreement or the Mortgages except for the performance of such duties as are specifically set forth herein or in the Mortgages or in the Applicable Intercreditor Agreement and except as may be requested from time to time in writing signed by the Senior Collateral Agent (or, after Discharge of Senior Claims occurs with respect to the Senior Documents, by the Junior Joint Collateral Agent) and no implied covenants or obligations shall be read into this Agreement against the Mortgage Tax Collateral Agent;

(ii) the Mortgage Tax Collateral Agent shall not be deemed to have knowledge of the existence of any condition or event which constitutes an Event of Default and may act as if no such Event of Default exists, unless notified in writing by the Senior Collateral Agent (or, after Discharge of Senior Claims occurs with respect to the Senior Documents, by the Junior Joint Collateral Agent) or by the Company, which notice shall expressly indicate that the specified condition or event is an “Event of Default,” as the case may be; and

(iii) subject to the Applicable Intercreditor Agreement, if and so long as an Event of Default shall have occurred and be continuing and the Mortgage Tax Collateral Agent shall have been notified in writing thereof in accordance with Section 2.02(a)(i) above, the Mortgage Tax Collateral Agent shall exercise such rights, powers and remedies (whether vested in it by this Agreement or the Transaction Documents or by law or in equity or by statute or otherwise) for the protection and enforcement of its rights under this Agreement or the Mortgages as the Mortgage Tax Collateral Agent may be directed in a written instrument signed by the Senior Collateral Agent (or, after Discharge of Senior Claims occurs with respect to the Senior Documents, by the Junior Joint Collateral Agent).

(b) Subject to the Applicable Intercreditor Agreement, whenever any action is required or proposed to be taken hereunder, under the Mortgages or under the Applicable Intercreditor Agreement by the Mortgage Tax Collateral Agent, such action shall be taken (i) at the written direction, or subject to the written approval or consent, of the Senior Collateral Agent, or (ii), after Discharge of Senior Claims, at the direction, or subject to the approval or consent, of the Junior Joint Collateral Agent. The Mortgage Tax Collateral Agent shall be under no duty to inquire into, and shall not be liable for, the authority of either the Senior Collateral Agent or the Junior Joint Collateral Agent to act in accordance with the terms of the Transaction Documents.

Notwithstanding anything herein to the contrary, the Mortgage Tax Collateral Agent shall not have any duty to (i) file or prepare any financing or continuation statements or record any documents or instruments in any public office for purposes of creating, perfecting or maintaining any lien or security interest created hereunder or under the Transaction Documents; (ii) take any necessary steps to preserve rights against any parties with respect to any Collateral; or (iii) take any action to protect against any diminution in value of the Collateral, except, in each case, as otherwise expressly provided in this Agreement and the other Transaction Documents (to which the Mortgage Tax Collateral Agent is party) with respect to the safe custody of any Collateral in its physical possession and the release of any liens only in accordance with the terms of the Transaction Documents.

Section 2.03. *Application of Moneys by Mortgage Tax Collateral Agent.* Until Discharge of Senior Claims, the Mortgage Tax Collateral Agent shall cause all net proceeds of the sale or other transfer of any Mortgage Tax Collateral to be applied as directed by the Senior Collateral Agent in accordance with the terms of the Applicable Intercreditor Agreement. Upon Discharge of Senior Claims, the net proceeds of any sale or other transfer of any Mortgage Tax Collateral shall be applied as directed by the Junior Joint Collateral Agent, subject to the provisions of the Applicable Intercreditor Agreement.

Section 2.04 *Duties of Mortgage Tax Collateral Agent.*

(a) Each of the Company and the Senior Credit Agreement Administrative Agent hereby reaffirms, respectively, the appointment of the Mortgage Tax Collateral Agent, and the Notes Collateral Agent and the Junior Joint Collateral Agent, pursuant to the authority under the Collateral Agency Agreement, the Junior Documents and the Junior Collateral Documents, respectively, hereby appoints Wilmington Trust, National Association as the Mortgage Tax Collateral Agent hereunder and the Mortgage Tax Collateral Agent hereby accepts such appointment, in each case upon the terms and subject to the conditions set forth herein, including the following:

(i) the Mortgage Tax Collateral Agent shall be under no liability with respect to any action taken in accordance with a written request given as provided in Section 2.02, except that nothing contained herein shall relieve the Mortgage Tax Collateral Agent from liability for its own gross negligence or willful misconduct;

(ii) the Mortgage Tax Collateral Agent makes no representation and has no responsibility as to the validity or sufficiency of the Transaction Documents or the sufficiency of the Mortgage Tax Collateral;

(iii) in making any payment or in taking any other action hereunder in respect of any obligations arising under the Mortgages or the Applicable Intercreditor Agreement, the Mortgage Tax Collateral Agent may rely upon a certificate of the Senior Collateral Agent (or, after Discharge of Senior Claims, of the Junior Joint Collateral Agent) and the Mortgage Tax Collateral Agent shall be protected in making any payment in respect of any obligation in reliance upon any such certificate believed by the Mortgage Tax Collateral Agent to be genuine, in the absence of gross negligence or willful misconduct;

(iv) in the absence of gross negligence or willful misconduct on its part, the Mortgage Tax Collateral Agent may rely and shall be protected in acting upon any resolution, certificate, opinion, consent or other document reasonably believed by it to be genuine and to have been executed or presented by the proper party or parties;

(v) the Mortgage Tax Collateral Agent shall not be liable for any error of judgment made in good faith unless committing such error of judgment constitutes gross negligence or willful misconduct;

(vi) in the absence of gross negligence or willful misconduct, the Mortgage Tax Collateral Agent shall not be liable with respect to any action it takes or omits to take in good faith in accordance with the written direction of the Senior Collateral Agent or for any failure to take action in the absence of written direction from the Senior Collateral Agent (or, after Discharge of Senior Claims occurs with respect to the Senior Documents, the Junior Joint Collateral Agent);

(vii) money held in trust by the Mortgage Tax Collateral Agent need not be segregated from other funds held by the Mortgage Tax Collateral Agent except to the extent required by law or the terms of this Agreement or the Applicable Intercreditor Agreement; and

(viii) the Mortgage Tax Collateral Agent may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Agreement or the Transaction Documents shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of counsel, *provided* that such action or omission by the Mortgage Tax Collateral Agent does not constitute willful misconduct or gross negligence.

(b) Except as otherwise expressly provided herein or in the Mortgages, the Mortgage Tax Collateral Agent shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Company or Hovnanian under the Transaction Documents.

(c) In the absence of gross negligence or willful misconduct, the Mortgage Tax Collateral Agent shall not be liable or responsible for any losses incurred or suffered by any holder of Senior Claims (including any Senior Noteholder (if any) or Lender) or any holder of Junior Claims (including any Junior Creditor), or any decrease in the value of the Mortgage Tax Collateral, resulting from any sale or disposition of Mortgage Tax Collateral made in accordance with the terms hereof and of the Mortgages and the Applicable Intercreditor Agreement. In no event shall the Mortgage Tax Collateral Agent be personally liable for any taxes or any other governmental charges imposed upon or in respect of the Mortgage Tax Collateral or upon the income or other distributions thereon.

(d) The Mortgage Tax Collateral Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, except to the extent such failure constitutes bad faith, gross negligence or willful misconduct.

(e) The Mortgage Tax Collateral Agent shall not be subject to any fiduciary or implied duties, regardless of whether an Event of Default has occurred and is continuing. The Mortgage Tax Collateral Agent shall not take any discretionary action or exercise any discretionary powers, except discretionary rights and powers specifically contemplated by the Transaction Documents to be exercised at the direction of the applicable Collateral Agent. Notwithstanding the foregoing, the Mortgage Tax Collateral Agent shall notify the Collateral Agents of any notice of tax delinquency, lien, lis pendens or other matter received by the Mortgage Tax Collateral Agent.

(f) The Mortgage Tax Collateral Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Mortgage Tax Collateral Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Mortgage Tax Collateral Agent, the Mortgage Tax Collateral Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. The Mortgage Tax Collateral Agent may also rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon, except to the extent the Mortgage Tax Collateral Agent is required to rely on a written statement pursuant to the provisions hereof or pursuant to the Applicable Intercreditor Agreement.

(g) Mortgage Tax Collateral Agent may delegate its duties or obligations under this Agreement to a sub-agent or designees acceptable to the Collateral Agents and shall not be liable for the acts of any such party appointed by it with due care.

(h) The permissive rights, powers and authorizations granted to the Mortgage Tax Collateral Agent hereunder shall not be construed as duties.

(i) In acting as Mortgage Tax Collateral Agent hereunder, in addition to the rights, benefits, protections, immunities and indemnities set forth herein, Wilmington Trust, National Association shall be entitled to the same rights, benefits, protections, immunities and indemnities afforded to Wilmington Trust, National Association in its capacities as Senior Collateral Agent (to the extent such role exists) and Junior Joint Collateral Agent.

Section 2.05. *Compensation, Indemnity, Expenses, etc.*

(a) The Company agrees to compensate the Mortgage Tax Collateral Agent for the services to be rendered hereunder in accordance with the terms of that certain fee letter, dated as of October 2, 2012, between the Company and the Mortgage Tax Collateral Agent.

(b) The Company, from time to time upon request, will pay or reimburse the Mortgage Tax Collateral Agent on a current basis for all its reasonable expenses and disbursements arising out of or in connection with the enforcement of this Agreement and the performance of its duties hereunder, including, without limitation, the reasonable fees and disbursements of its counsel and of its agents not regularly in its employ.

(c) Each of the Company, Hovnanian and the Guarantors (as defined in the Senior Credit Agreement) hereby, jointly and severally, indemnify and agree to hold harmless the Mortgage Tax Collateral Agent to the extent permitted by law from and against any and all losses, damages, claims, costs and expenses, including reasonable legal fees and expenses (and also including reasonable legal fees and expenses incurred in connection with the enforcement of this indemnity and the successful defense of a claim brought against it hereunder) which it may incur in the lawful exercise, defense or performance of any of its rights or powers as set forth in this Agreement, the Applicable Intercreditor Agreement or any other Transaction Documents (except for the Mortgage Tax Collateral Agent's own gross negligence or willful misconduct).

(d) The provisions of this Section 2.05 shall survive the termination of this Agreement or the resignation and removal of the Mortgage Tax Collateral Agent.

Section 2.06. *Successor Agent.*

(a) The Mortgage Tax Collateral Agent or any successor Mortgage Tax Collateral Agent may resign at any time by giving at least 30 days' prior written notice of resignation to the Company, the Senior Collateral Agent and the Junior Joint Collateral Agent, such resignation to be effective on the later of (a) the date specified in such notice and (b) the date on which a replacement trustee acceptable to the Collateral Agents is appointed to act as Mortgage Tax Collateral Agent hereunder. The Mortgage Tax Collateral Agent may be removed for cause by any Collateral Agent in an instrument or instruments in writing delivered to the Mortgage Tax Collateral Agent and the Company. The Mortgage Tax Collateral Agent may be removed without cause by action taken by the Collateral Agents in an instrument or instruments in writing delivered to the Mortgage Tax Collateral Agent and the Company. In case the office of Mortgage Tax Collateral Agent shall become vacant for any reason, the Senior Collateral Agent (or, after Discharge of Senior Claims occurs with respect to the Senior Documents, the Junior Joint Collateral Agent) shall appoint a successor Mortgage Tax Collateral Agent to fill such vacancy by an instrument or instruments in writing delivered to such successor Mortgage Tax Collateral Agent, the retiring Mortgage Tax Collateral Agent and the Company. If a successor or interim Mortgage Tax Collateral Agent does not take office within 30 days after the retiring Mortgage Tax Collateral Agent resigns or is removed, the retiring Mortgage Tax Collateral Agent or the Senior Collateral Agent (or, after Discharge of Senior Claims with respect to the Senior Documents, the Junior Joint Collateral Agent) may petition any court of competent jurisdiction for the appointment of a successor Mortgage Tax Collateral Agent. Upon the appointment of any successor or interim Mortgage Tax Collateral Agent pursuant to this Section 2.06(a), such successor or interim Mortgage Tax Collateral Agent shall immediately and without any further action succeed to all the rights and obligations of the retiring Mortgage Tax Collateral Agent hereunder and under the Mortgages as if originally named herein and therein and the retiring Mortgage Tax Collateral Agent shall duly assign, transfer and deliver to such successor or interim Mortgage Tax Collateral Agent all the rights and moneys at the time held by the retiring Mortgage Tax Collateral Agent under the Mortgages hereunder and shall execute and deliver such proper instruments as may be reasonably requested to evidence such assignment, transfer and delivery.

(b) Any entity into which the Mortgage Tax Collateral Agent may be merged or with which it may be consolidated, or any entity resulting from any merger or consolidation to which the Mortgage Tax Collateral Agent is a party shall automatically succeed to all of the rights and obligations of the Mortgage Tax Collateral Agent hereunder and under the Transaction Documents without further action on the part of any of the parties hereto. Such surviving or succeeding entity (if other than the Mortgage Tax Collateral Agent) shall (a) forthwith deliver to each of the Collateral Agents and the Company written notice of such succession to the rights and obligations of the Mortgage Tax Collateral Agent hereunder and under the Transaction Documents and an executed assignment and assumption of the Mortgage Tax Collateral Agent's rights and duties hereunder and (b) cooperate with the Company in continuing or maintaining perfection of the lien and security interest in respect of the Mortgage Tax Collateral.

(c) Anything contained in the Transaction Documents to the contrary notwithstanding, the Mortgage Tax Collateral Agent and the Collateral Agents hereby agree that if, due to the resignation of the Mortgage Tax Collateral Agent in accordance with Section 2.06 hereof, the Mortgage Tax Collateral Agent fails to exercise any remedies with respect to the Mortgage Tax Collateral at (i) the direction, or subject to the approval or consent, of the Senior Collateral Agent or (ii) after Discharge of Senior Claims occurs with respect to the Senior Documents, the direction, or subject to the approval or consent, of the Junior Joint Collateral Agent, then each shall be entitled to protect and enforce any rights of the Mortgage Tax Collateral Agent arising out of this Agreement or the Transaction Documents, subject to the Applicable Intercreditor Agreement.

ARTICLE 3
MISCELLANEOUS

Section 3.01. *Notices, etc.* All notices, requests, claims, demands, waivers and other communications under this Agreement shall be in writing and shall be delivered by facsimile, courier services or personal delivery to the following addresses, or to such other addresses as shall be designated from time to time by a party in accordance with this Section 3.01:

(a) if to Mortgage Tax Collateral Agent:

Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-1600
Attention: GCM - K. Hovnanian Administrator
Facsimile: 302-636-4149

(b) if to Senior Credit Agreement Administrative Agent:

Wilmington Trust, National Association
50 South Sixth Street, Suite 1290
Minneapolis, MN 55402
Attention: K. Hovnanian Administrator
Telecopy: 612-217-5651

(c) if to Notes Collateral Agent:

Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-1600
Attention: GCM - K. Hovnanian Administrator
Facsimile: 302-636-4149

(d) if to Junior Joint Collateral Agent:

Wilmington Trust, National Association
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-1600
Attention: GCM - K. Hovnanian Administrator
Facsimile: 302-636-4149

(e) if to the Company

K. Hovnanian Enterprises, Inc.
c/o Hovnanian Enterprises, Inc.
110 West Front Street
P.O. Box 500
Red Bank, New Jersey 07701
Facsimile: 732-747-6835
Attention: David Bachstetter

Section 3.02. *Conflicts.* In the event any provision of this Agreement conflicts with any provision of any Applicable Intercreditor Agreement, the provisions of such Applicable Intercreditor Agreement shall govern and control, except with respect to the rights, benefits, protections, immunities and indemnities of the Mortgage Tax Collateral Agent which shall be governed by this Agreement.

Section 3.03. *Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and permitted assigns of the parties hereto.

This Agreement has been delivered and accepted at and shall be deemed to have been made at New York, New York and shall be governed by and interpreted, and the rights and liabilities of the parties bound hereby determined, in accordance with the laws of the State of New York.

The parties hereto consent to the jurisdiction of any state or federal court located in New York, New York, and consent that all service of process may be made by registered mail directed to such party as provided in Section 3.01 for such party. Service so made shall be deemed to be completed three days after the same shall be posted as aforesaid. The parties hereto waive any objection to any action instituted hereunder in any such court based on *forum non conveniens*, and any objection to the venue of any action instituted hereunder in any such court. Each of the parties hereto waives any right it may have to trial by jury in respect of any litigation based on, or arising out of, under or in connection with this Agreement, or any course of conduct, course of dealing, verbal or written statement or action of any party hereto in connection with the subject matter hereof.

This Agreement may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one instrument. If any term of this Agreement or any application thereof shall be held to be invalid, illegal or unenforceable, the validity of other terms of this Agreement or any other application of such term shall in no way be affected thereby.

Section 3.04. *Collateral Agents.* It is understood and agreed that (a) Wilmington Trust, National Association is entering into this Agreement as Senior Credit Agreement Administrative Agent and the rights, benefits, protections, indemnifications and immunities afforded to the Senior Credit Agreement Administrative Agent in the Senior Credit Agreement shall apply to the Senior Credit Agreement Administrative Agent hereunder, (b) Wilmington Trust, National Association is entering into this Agreement as the Notes Collateral Agent and the rights, benefits, protections, indemnifications and immunities afforded to the Notes Collateral Agent, respectively, in the Junior Documents shall apply to the Notes Collateral Agent, hereunder, and (c) Wilmington Trust, National Association is entering into this Agreement as Junior Joint Collateral Agent and the rights, benefits, protections, indemnifications and immunities afforded to the Junior Joint Collateral Agent in the Junior Collateral Documents shall apply to the Junior Joint Collateral Agent hereunder. The permissive rights, benefits, authorizations and powers granted to Wilmington Trust, National Association in any of its capacities hereunder shall not be construed as duties. Any exercise of discretion hereunder by Wilmington Trust, National Association in any of the above capacities shall be exercised in accordance with the Senior Credit Agreement or Junior Documents, as applicable.

Section 3.05. *Amendments.*

(a) No amendment, modification or waiver of any of the provisions of this Agreement shall be deemed to be made unless the same shall be in writing signed on behalf of the party making the same or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. The Company and the Grantors shall not have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent their rights are affected.

(b) Notwithstanding anything in this Section 3.05 to the contrary, in connection with the addition of parties holding Future First-Lien Indebtedness (or any agent or trustee therefor) and/or Future Second-Lien Indebtedness (or any agent or trustee therefor), as applicable, to the Intercreditor Agreement pursuant to Section 8.2(b) thereof, this Agreement may be amended, supplemented or otherwise modified at the request of the Company, at the Company's expense, with the consent of the Mortgage Tax Collateral Agent but without the consent of any other party hereto or any Person for whom such party acts as representative, to add such parties holding such Future First-Lien Indebtedness (or any agent or trustee therefor) and/or Future Second-Lien Indebtedness (or any agent or trustee therefor), as applicable, to this Agreement for the purposes of appointing the Mortgage Tax Collateral Agent to act on behalf of such parties as collateral agent to enter into mortgages in certain jurisdictions on the terms set forth in this Agreement.

(c) Any such additional party, the Senior Credit Agreement Administrative Agent, the Notes Collateral Agent, the Junior Joint Collateral Agent and the Mortgage Tax Collateral Agent shall be entitled to conclusively rely solely on an Officers' Certificate (as defined in the Indenture) delivered to them that such amendment, supplement or other modification is authorized or permitted by, and complies with the provisions of, this Agreement, the Security Documents, the Senior Credit Agreement and the Indenture and that all conditions precedent in such documents to such amendment, supplement or other modification have been complied with.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its
individual capacity, but solely as Mortgage Tax Collateral Agent

By: /s/ John T. Needham, Jr.
Name: John T. Needham, Jr.
Title: Vice President

[Signature Page to Amended and Restated Mortgage Tax Collateral Agency Agreement]

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its
individual capacity, but solely as Senior Credit Agreement
Administrative Agent and acting in such capacity as collateral agent

By: /s/ Jeffrey Rose
Name: Jeffrey Rose
Title: Vice President

[Signature Page to Amended and Restated Mortgage Tax Collateral Agency Agreement]

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its
individual capacity, but solely as Notes Collateral Agent

By: /s/ John T. Needham, Jr.
Name: John T. Needham, Jr.
Title: Vice President

[Signature Page to Amended and Restated Mortgage Tax Collateral Agency Agreement]

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its
individual capacity, but solely as Junior Joint Collateral Agent

By: /s/ John T. Needham, Jr.

Name: John T. Needham, Jr.

Title: Vice President

[Signature Page to Amended and Restated Mortgage Tax Collateral Agency Agreement]

K. HOVNANIAN ENTERPRISES, INC.

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

HOVNANIAN ENTERPRISES, INC.

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

K. HOV IP, II, Inc.

By: /s/ Brad O'Connor
Name: Brad O'Connor
Title: Authorized Officer

On behalf of each other entity named in Schedule A hereto

By: /s/ J. Larry Sorsby
Name: J. Larry Sorsby
Title: Authorized Officer

[Signature Page to Amended and Restated Collateral Agency Agreement]

SCHEDULE A – LIST OF ENTITIES

Arbor Trails, LLC
Builder Services NJ, L.L.C.
Builder Services PA, L.L.C.
Eastern National Title Agency, LLC
Eastern Title Agency of Illinois, 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 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 Hovnanian Homes at Maxwell Place, L.L.C.
K. HOV IP, II, Inc.
K. Hovnanian Aberdeen, LLC
K. Hovnanian Acquisitions, Inc.
K. Hovnanian at 240 Missouri, LLC
K. Hovnanian at 4S, LLC
K. Hovnanian at Aire on McDowell, LLC
K. Hovnanian at Aliso, LLC
K. Hovnanian at Allentown, L.L.C.
K. Hovnanian at Andalusia, LLC
K. Hovnanian at Asbury Park Urban Renewal, LLC
K. Hovnanian at Ashby Place, 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 Beacon Park Area 129 II, LLC
K. Hovnanian at Beacon Park Area 129, LLC
K. Hovnanian at Beacon Park Area 137, LLC
K. Hovnanian at Bella Lago, LLC
K. Hovnanian at Blackstone, LLC
K. Hovnanian at Boca Dunes, LLC
K. Hovnanian at Branchburg II, LLC
K. Hovnanian at Branchburg, L.L.C.
K. Hovnanian at Branchburg-Vollers, LLC
K. Hovnanian at Brenford Station, LLC
K. Hovnanian at Bridgeport, Inc.

K. Hovnanian at Bridgewater I, L.L.C.
K. Hovnanian at Bridgewater II, LLC
K. Hovnanian at Burch Kove, LLC
K. HOVNANIAN AT CAMP HILL, L.L.C.
K. HOVNANIAN AT CAPISTRANO, L.L.C.
K. Hovnanian at Carlsbad, LLC
K. Hovnanian at Catania, LLC
K. Hovnanian at Caton's Reserve, LLC
K. Hovnanian at Cedar Grove III, L.L.C.
K. Hovnanian at Cedar Grove Urban Renewal, LLC
K. Hovnanian at Cedar Lane, LLC
K. Hovnanian at Charter Way, LLC
K. Hovnanian at Chesterfield, L.L.C.
K. Hovnanian at Christina Court, LLC
K. Hovnanian at Cielo, L.L.C.
K. Hovnanian at Coastline, L.L.C.
K. Hovnanian at Coosaw Point, LLC
K. Hovnanian at Coral Lago, LLC
K. Hovnanian at Cortez Hill, LLC
K. Hovnanian at Denville, L.L.C.
K. Hovnanian at Deptford Township, L.L.C.
K. Hovnanian at Doylestown, LLC
K. Hovnanian at Dunellen Urban Renewal, LLC
K. Hovnanian at East Brandywine, L.L.C.
K. Hovnanian at East Brunswick III, LLC
K. Hovnanian at East Brunswick, LLC
K. Hovnanian at East Windsor, LLC
K. Hovnanian at Eden Terrace, L.L.C.
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 Estates at Wheatlands, LLC
K. Hovnanian at Evergreen, L.L.C.
K. Hovnanian at Fairfield Ridge, LLC
K. Hovnanian at Fiddymment 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 Fox Path at Hampton Lake, LLC
K. Hovnanian at Franklin II, L.L.C.
K. Hovnanian at Franklin, L.L.C.

K. Hovnanian at Freehold Township III, LLC
K. Hovnanian at Fresno, LLC
K. Hovnanian at Gallery, LLC
K. HOVNANIAN AT GASLAMP SQUARE, L.L.C.
K. Hovnanian at Gilroy 60, LLC
K. Hovnanian at Gilroy, LLC
K. Hovnanian at Great Notch, L.L.C.
K. Hovnanian at Hackettstown II, L.L.C.
K. Hovnanian at Hampton Cove, LLC
K. Hovnanian at Hampton Lake, LLC
K. Hovnanian at Hanover Estates, LLC
K. Hovnanian at Hershey's Mill, Inc.
K. Hovnanian at Hidden Brook, LLC
K. Hovnanian at Hillsborough, LLC
K. Hovnanian at Hilltop Reserve II, LLC
K. Hovnanian at Hilltop Reserve, LLC
K. Hovnanian at Howell Fort Plains, LLC
K. Hovnanian at Howell II, LLC
K. Hovnanian at Howell, LLC
K. HOVNANIAN AT HUDSON POINTE, L.L.C.
K. Hovnanian at Huntfield, LLC
K. Hovnanian at Indian Wells, LLC
K. Hovnanian at Island Lake, LLC
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 Keyport, L.L.C.
K. Hovnanian at La Costa Greens, L.L.C.
K. Hovnanian at La Laguna, L.L.C.
K. Hovnanian at Lake Burden, LLC
K. Hovnanian at Lake LeClare, LLC
K. Hovnanian at Lake Rancho Viejo, LLC
K. Hovnanian at Lake Ridge Estates, LLC
K. Hovnanian at Lake Terrapin, L.L.C.
K. Hovnanian at Lee Square, L.L.C.
K. Hovnanian at Lenah Woods, LLC
K. Hovnanian at Lily Orchard, LLC
K. Hovnanian at Link Farm, LLC
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 II, L.L.C.

K. Hovnanian at Magnolia Place, LLC
K. Hovnanian at Mahwah VI, Inc.
K. Hovnanian at Main Street Square, LLC
K. Hovnanian at Malan Park, L.L.C.
K. HOVNANIAN AT MANALAPAN II, L.L.C.
K. Hovnanian at Manalapan III, L.L.C.
K. Hovnanian at Manalapan V, LLC
K. Hovnanian at Manalapan VI, LLC
K. Hovnanian at Mansfield II, L.L.C.
K. Hovnanian at Manteca, LLC
K. Hovnanian at Maple Avenue, L.L.C.
K. Hovnanian at Marlboro IX, LLC
K. Hovnanian at Marlboro Township IX, L.L.C.
K. Hovnanian at Marlboro Township V, L.L.C.
K. Hovnanian at Marlboro VI, L.L.C.
K. Hovnanian at Marple, LLC
K. Hovnanian at Meadowridge Villas, LLC
K. Hovnanian at Melanie Meadows, LLC
K. Hovnanian at Mendham Township, L.L.C.
K. Hovnanian at Middle Township II, L.L.C.
K. Hovnanian at Middle Township, L.L.C.
K. Hovnanian at Middletown II, L.L.C.
K. Hovnanian at Middletown III, LLC
K. Hovnanian at Middletown, LLC
K. Hovnanian at Millville I, L.L.C.
K. Hovnanian at Millville II, L.L.C.
K. Hovnanian at Monroe IV, L.L.C.
K. Hovnanian at Monroe NJ II, LLC
K. Hovnanian at Monroe NJ III, LLC
K. Hovnanian at Monroe NJ, L.L.C.
K. Hovnanian at Montana Vista, LLC
K. Hovnanian at Montgomery, LLC
K. Hovnanian at Montvale II, LLC
K. Hovnanian at Montvale, L.L.C.
K. Hovnanian at Morris Twp, LLC
K. Hovnanian at Muirfield, LLC
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 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 Northridge Estates, LLC
K. Hovnanian at Norton Lake LLC
K. Hovnanian at Nottingham Meadows, LLC
K. Hovnanian at Oak Pointe, LLC
K. Hovnanian at Ocean Township, Inc
K. Hovnanian at Ocean View Beach Club, LLC
K. Hovnanian at Oceanport, L.L.C.
K. Hovnanian at Old Bridge, L.L.C.
K. Hovnanian at Palm Valley, L.L.C.
K. Hovnanian at Park Paseo, LLC
K. Hovnanian at Parkside, LLC
K. Hovnanian at Parsippany, L.L.C.
K. Hovnanian at Pavilion Park, LLC
K. Hovnanian at Piazza D'Oro, L.L.C.
K. Hovnanian at Piazza Serena, L.L.C
K. Hovnanian at Pickett Reserve, LLC
K. Hovnanian at Pittsgrove, L.L.C.
K. Hovnanian at Plantation Lakes, L.L.C.
K. Hovnanian at Pointe 16, LLC
K. HOVNANIAN AT PORT IMPERIAL URBAN RENEWAL V, 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 Prairie Pointe, LLC
K. Hovnanian at Quail Creek, L.L.C.
K. Hovnanian at Rancho Cabrillo, LLC
K. HOVNANIAN AT RAPHO, L.L.C
K. Hovnanian at Redtail, LLC
K. Hovnanian at Reserves at Wheatlands, LLC
K. Hovnanian at Residence at Discovery Square, LLC
K. Hovnanian at Ridgemont, L.L.C.
K. Hovnanian at Rock Ledge, 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 Sagebrook, LLC
K. Hovnanian at Santa Nella, LLC
K. Hovnanian at Sawmill, Inc.
K. Hovnanian at Seasons Landing, LLC
K. Hovnanian at Sheldon Grove, LLC
K. Hovnanian at Shrewsbury, LLC
K. Hovnanian at Sienna Hills, LLC
K. Hovnanian at Signal Hill, LLC
K. Hovnanian at Silver Spring, L.L.C.
K. Hovnanian at Silverstone, LLC

K. Hovnanian at Skye Isle, LLC
K. Hovnanian at Skye on McDowell, LLC
K. Hovnanian at Smithville, Inc.
K. Hovnanian at Somerset, LLC
K. Hovnanian at South Brunswick II, LLC
K. Hovnanian at South Brunswick III, LLC
K. Hovnanian at South Brunswick, L.L.C.
K. Hovnanian at Spring Isle, LLC
K. Hovnanian at Stanton, LLC
K. Hovnanian at Station Square, L.L.C.
K. Hovnanian at Summerlake, LLC
K. Hovnanian at Sunridge Park, LLC
K. Hovnanian at Sunrise Trail II, LLC
K. Hovnanian at Sunrise Trail III, LLC
K. Hovnanian at Terra Bella Two, LLC
K. Hovnanian at The Commons at Richmond Hill, LLC
K. Hovnanian at The Crosby, LLC
K. Hovnanian at The Monarch, L.L.C.
K. Hovnanian at The Promenade at Beaver Creek, LLC
K. Hovnanian at Thompson Ranch, LLC
K. Hovnanian at Trafford Place, LLC
K. Hovnanian at Trail Ridge, LLC
K. Hovnanian at Tramore LLC
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 Ventana Lakes, LLC
K. Hovnanian at Verona Estates, LLC
K. HOVNANIAN AT VERONA URBAN RENEWAL, L.L.C.
K. Hovnanian at Verrado Cascina, LLC
K. Hovnanian at Verrado Marketside, LLC
K. Hovnanian at Victorville, L.L.C.
K. Hovnanian at Vineyard Heights, LLC
K. Hovnanian at Vista Del Sol, L.L.C.
K. Hovnanian at Waldwick, LLC
K. Hovnanian at Walkers Grove, LLC
K. Hovnanian at Wall Donato, LLC
K. Hovnanian at Warren Township II, LLC
K. Hovnanian at Warren Township, L.L.C.
K. Hovnanian at Waterstone, LLC
K. Hovnanian at Wayne IX, L.L.C.
K. Hovnanian at West View Estates, L.L.C.
K. Hovnanian at Westbrook, LLC
K. Hovnanian at Westshore, LLC

K. Hovnanian at Wheeler Ranch, LLC
K. Hovnanian at Wheeler Woods, LLC
K. Hovnanian at Whitemarsh, LLC
K. Hovnanian at Wildwood Bayside, L.L.C.
K. Hovnanian at Woodcreek West, LLC
K. Hovnanian at Woolwich I, L.L.C.
K. Hovnanian Belden Pointe, LLC
K. Hovnanian Belmont Reserve, LLC
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 Contractors of Ohio, LLC
K. Hovnanian Cornerstone Farms, LLC
K. Hovnanian CraftBuilt Homes of South Carolina, L.L.C.
K. Hovnanian Cypress Key, LLC
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 DFW Auburn Farms, LLC

K. Hovnanian DFW Belmont, LLC
K. Hovnanian DFW Creekside Estates II, LLC
K. Hovnanian DFW Creekside Estates, LLC
K. Hovnanian DFW Encore of Las Colinas II, LLC
K. Hovnanian DFW Encore of Las Colinas, LLC
K. Hovnanian DFW Harmon Farms, LLC
K. Hovnanian DFW Heritage Crossing, LLC
K. Hovnanian DFW Homestead, LLC
K. Hovnanian DFW Inspiration, LLC
K. Hovnanian DFW Lexington, LLC
K. Hovnanian DFW Liberty Crossing II, LLC
K. Hovnanian DFW Liberty Crossing, LLC
K. Hovnanian DFW Light Farms II, LLC
K. Hovnanian DFW Light Farms, LLC
K. Hovnanian DFW Midtown Park, LLC
K. Hovnanian DFW Palisades, LLC
K. Hovnanian DFW Parkside, LLC
K. Hovnanian DFW Ridgeview, LLC
K. Hovnanian DFW Seventeen Lakes, LLC
K. Hovnanian DFW Trailwood, LLC
K. Hovnanian DFW Villas at Mustang Park, LLC
K. Hovnanian DFW Wellington, LLC
K. Hovnanian DFW Wildridge, LLC
K. Hovnanian Eastern Pennsylvania, L.L.C.
K. Hovnanian Edgebrook, LLC
K. Hovnanian Enterprises, Inc.
K. Hovnanian Estates at Fox Chase, LLC
K. Hovnanian Estates at Regency, L.L.C.
K. Hovnanian Estates at Wekiva, LLC
K. Hovnanian Falls Pointe, LLC
K. HOVNANIAN FIRST HOMES, L.L.C.
K. Hovnanian Florida Realty, L.L.C.
K. Hovnanian Forest Valley, LLC
K. Hovnanian Grand Cypress, LLC
K. Hovnanian Grandefield, 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 Hidden Hollow, LLC
K. Hovnanian Highland Ridge, LLC
K. Hovnanian Holdings NJ, L.L.C.
K. Hovnanian Homes - DFW, L.L.C.
K. Hovnanian Homes at Brook Manor, LLC
K. Hovnanian Homes at Burke Junction, LLC
K. Hovnanian Homes at Camp Springs, L.L.C.

K. Hovnanian Homes at Creekside, LLC
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 Leigh Mill, LLC
K. Hovnanian Homes at Pender Oaks, LLC
K. Hovnanian Homes at Reedy Creek, LLC
K. Hovnanian Homes at Russett, L.L.C.
K. Hovnanian Homes at Salt Creek Landing, LLC
K. Hovnanian Homes at Shell Hall, LLC
K. Hovnanian Homes at Shenandoah Springs, LLC
K. Hovnanian Homes at St. James Place, LLC
K. Hovnanian Homes at The Abby, LLC
K. Hovnanian Homes at the Highlands, LLC
K. Hovnanian Homes at The Paddocks, LLC
K. Hovnanian Homes at Thompson's Grant, LLC
K. Hovnanian Homes at Willowsford Grant, LLC
K. Hovnanian Homes at Willowsford Greens, 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 Longacre Village, L.L.C.
K. Hovnanian Homes of Maryland, L.L.C.
K. Hovnanian Homes of Minnesota at Arbor Creek, LLC
K. Hovnanian Homes of Minnesota at Autumn Meadows, LLC
K. Hovnanian Homes of Minnesota at Brynwood, LLC
K. Hovnanian Homes of Minnesota at Cedar Hollow, LLC
K. Hovnanian Homes of Minnesota at Founder's Ridge, LLC
K. Hovnanian Homes of Minnesota at Harpers Street Woods, LLC
K. Hovnanian Homes of Minnesota at Oaks of Oxbow, LLC
K. Hovnanian Homes of Minnesota at Regent's Point, LLC
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 Houston Bayou Oaks at West Orem, LLC
K. Hovnanian Houston Cambridge Heights, LLC
K. Hovnanian Houston City Heights, LLC
K. Hovnanian Houston Creek Bend, LLC
K. Hovnanian Houston Dry Creek Village, LLC
K. Hovnanian Houston Katy Pointe, LLC

K. Hovnanian Houston Sunset Ranch, LLC
K. Hovnanian Houston Thunder Bay Subdivision, LLC
K. Hovnanian Houston Tranquility Lake Estates, LLC
K. Hovnanian Houston Woodshore, LLC
K. Hovnanian Indian Trails, LLC
K. Hovnanian LaDue Reserve, LLC
K. Hovnanian Lakes of Green, LLC
K. Hovnanian Landings 40s, LLC
K. Hovnanian Legacy at Via Bella, LLC
K. Hovnanian Liberty on Bluff Creek, LLC
K. Hovnanian Manalapan Acquisition, LLC
K. Hovnanian Monarch Grove, 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 Northpointe 40s, LLC
K. Hovnanian Norton Place, LLC
K. Hovnanian of Houston II, L.L.C.
K. Hovnanian of Ohio, LLC
K. Hovnanian Ohio Realty, 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 PRESERVE AT TURTLE CREEK LLC
K. Hovnanian Properties of Red Bank, Inc.
K. Hovnanian Reynolds Ranch, LLC
K. Hovnanian Rivendale, LLC
K. Hovnanian Riverside, LLC
K. Hovnanian Schady Reserve, LLC
K. Hovnanian Sherwood at Regency, LLC
K. Hovnanian Shore Acquisitions, L.L.C.
K. Hovnanian South Fork, LLC
K. Hovnanian South Jersey Acquisitions, L.L.C.
K. Hovnanian Southern New Jersey, L.L.C.
K. Hovnanian Sterling Ranch, LLC
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 Union Park, LLC
K. Hovnanian Venture I, L.L.C.

K. Hovnanian Village Glen, LLC
K. Hovnanian Waterbury, LLC
K. Hovnanian White Road, LLC
K. HOVNANIAN WINDWARD HOMES, LLC
K. Hovnanian Woodland Pointe, LLC
K. Hovnanian Woodridge Place, LLC
K. HOVNANIAN'S FOUR SEASONS AT BAKERSFIELD, L.L.C.
K. Hovnanian's Four Seasons at Baymont Farms L.L.C.
K. Hovnanian's Four Seasons at Beaumont, LLC
K. Hovnanian's Four Seasons at Briargate, 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 Silver Maple Farm, L.L.C.
K. Hovnanian's Four Seasons at St. Margarets Landing, L.L.C.
K. Hovnanian's Four Seasons at The Manor II, LLC
K. Hovnanian's Four Seasons at The Manor, LLC
K. Hovnanian's Parkside at Towngate, L.L.C.
K. Hovnanian's Veranda at RiverPark II, LLC
K. Hovnanian's Veranda at RiverPark, LLC
KHH Shell Hall Loan Acquisition, LLC
LANDARAMA, INC.
LAUREL HIGHLANDS, LLC
M & M AT MONROE WOODS, L.L.C.
M&M at Chesterfield, L.L.C.
M&M AT Crescent Court, L.L.C.
M&M at West Orange, L.L.C.
Matzel & Mumford at Egg Harbor, 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.
MM-BEACHFRONT NORTH I, LLC
New Home Realty, 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
Shell Hall Club Amenity Acquisition, LLC
Shell Hall Land Acquisition, LLC
STONEBROOK HOMES, INC.
Terrapin Realty, L.L.C.
The Matzel & Mumford Organization, Inc
Washington Homes, Inc.
WOODMORE RESIDENTIAL, L.L.C.
WTC VENTURES, L.L.C.

EXECUTION VERSION

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement (the “**Agreement**”), dated as of July 27, 2017 is made by K. HOV IP, II, INC., a California corporation (the “**Grantor**”) in favor of Wilmington Trust, National Association, as Collateral Agent (in such capacity, the “**Collateral Agent**”) for the benefit of itself and the other Secured Parties (as defined below).

WHEREAS, the Issuer, Hovnanian and each of the other guarantors party thereto are, concurrently herewith, entering into the Indenture dated as of the date hereof (as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Indenture**”) with Wilmington Trust, National Association, as trustee (in such capacity, the “**Trustee**”) and as collateral agent (in such capacity, the “**Collateral Agent**”), pursuant to which the Issuer are issuing, and may from time to time issue, (a) the 10.000% Senior Secured Notes due 2022 (collectively, the “**10.000% Notes**”) and (b) the 10.500% Senior Secured Notes due 2024 (collectively, the “**10.500% Notes**” and together with the 10.000% Notes, the “**Secured Notes**”), in each case, upon the terms and subject to the conditions set forth therein;

WHEREAS, concurrently with the execution of the Indenture, the Issuer, Hovnanian, each of the other Grantors and the Collateral Agent are entering into the Collateral Agency Agreement, dated as of the date hereof (as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Collateral Agency Agreement**”) pursuant to which the Issuer and the Collateral Agent are appointing the Collateral Agent as the joint collateral agent for the Secured Parties (the “**Joint Collateral Agent**”) and the Collateral Agent is accepting such appointment;

WHEREAS, the Issuer, Hovnanian and each of the other Guarantors party thereto have entered into the Credit Agreement, dated as of July 29, 2016, as amended, supplemented, amended and restated or otherwise modified from time to time, the “**Senior Credit Agreement**”) with Wilmington Trust, National Association, in its capacity as administrative agent acting as Collateral Agent (in such capacity, the “**Senior Credit Agreement Administrative Agent**”) and the lenders party thereto;

WHEREAS, in connection with the execution and delivery of the Senior Credit Agreement, the Senior Credit Agreement Administrative Agent, the Issuer, Hovnanian, the Grantors party thereto and the Mortgage Tax Collateral Agent, among others, entered into the Amended and Restated Intercreditor Agreement dated as of September 8, 2016 (as amended, supplemented, amended or restated or otherwise modified from time to time (including as supplemented by the Intercreditor Agreement Joinder as of the date hereof), the “**Intercreditor Agreement**”);

WHEREAS, concurrently herewith, the Issuer, Hovnanian, the Grantors party thereto, the Joint Collateral Agent and the Mortgage Tax Collateral Agent are entering into a joinder, dated as of the date hereof, to the Intercreditor Agreement;

WHEREAS, the Secured Notes constitute Second-Lien Indebtedness under the Intercreditor Agreement;

WHEREAS, the Issuer is a member of an affiliated group of companies that includes Hovnanian, the Issuer's parent company, and each other Grantor;

WHEREAS, the Issuer and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the Secured Notes;

WHEREAS, pursuant to and under the Indenture and the Senior Secured Security Agreement dated as of the date hereof (the "**Security Agreement**") among the Grantors party thereto (together with any other entity that may become a party thereto) and the Collateral Agent, the Grantor has agreed to enter into this Agreement in order to grant a security interest to the Collateral Agent in certain Intellectual Property as security for such loans and other obligations as more fully described herein; and

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. Defined Terms. Except as otherwise expressly provided herein, (i) capitalized terms used in this Agreement shall have the respective meanings assigned to them in the Security Agreement and (ii) the rules of construction set forth in Section 1.2 of the Indenture shall apply to this Agreement. Where applicable and except as otherwise expressly provided herein, terms used herein (whether or not capitalized) shall have the respective meanings assigned to them in the Uniform Commercial Code as enacted in New York as amended from time to time.

2. To secure the full payment and performance of all Secured Obligations, the Grantor hereby grants to the Collateral Agent a security interest in the entire right, title and interest of such Grantor in and to all of its Trademarks, including those set forth on Schedule A; *provided, however*, that notwithstanding any of the other provisions set forth in this Section 2 (and notwithstanding any recording of the Collateral Agent's Lien made in the U.S. Patent and Trademark Office, U.S. Copyright Office, or other registry office in any other jurisdiction), this Agreement shall not constitute a grant of a security interest in any property to the extent that such grant of a security interest is prohibited by any applicable Law of an Official Body, requires a consent not obtained of any Official Body pursuant to such Law or is prohibited by, or constitutes a breach or default under or results in the termination of or gives rise to any right of acceleration, modification or cancellation or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property, except to the extent that such Law or the term in such contract, license, agreement, instrument or other document or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable Law including 9-406, 9-407, 9-408 or 9-409 of the New York UCC (or any successor provision or provisions); *provided, further*, that no security interest shall be granted in any United States "intent-to-use" trademark or service mark applications unless and until acceptable evidence of use of the trademark or service mark has been filed with and accepted by the U.S. Patent and Trademark Office pursuant to Section 1(c) or Section 1(d) of the Lanham Act (U.S.C. 1051, et seq.), and to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such "intent-to-use" trademark or service mark applications under applicable federal Law. After such period and after such evidence of use has been filed and accepted, the Grantor acknowledges that such interest in such trademark or service mark applications will become part of the Collateral. The Collateral Agent agrees that, at the Grantor's reasonable request and expense, it will provide such Grantor confirmation that the assets described in this paragraph are in fact excluded from the Collateral during such limited period only upon receipt of an Officer's Certificate or an Opinion of Counsel to that effect.

3. The Grantor covenants and warrants that:

(a) To the knowledge of the Grantor, on the date hereof, all material Intellectual Property owned by the Grantor is valid, subsisting and unexpired, has not been abandoned and does not, to the knowledge of the Grantor, infringe the intellectual property rights of any other Person;

(b) The Grantor is the owner of each item of Intellectual Property listed on Schedule A, free and clear of any and all Liens or claims of others except for the Permitted Liens. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except as permitted pursuant to this Agreement or as permitted by the Indenture;

4. The Grantor agrees that, until all of the Secured Obligations shall have been indefeasibly satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with the Grantor's obligations under this Agreement, without the Collateral Agent's prior written consent which shall not be unreasonably withheld except that the Grantor may license technology in the ordinary course of business without the Collateral Agent's consent to suppliers and customers to facilitate the manufacture and use of the Grantor's products.

5. The Collateral Agent shall have, in addition to all other rights and remedies given it by this Agreement and those rights and remedies set forth in the Security Agreement and the Indenture, those allowed by applicable Law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Intellectual Property may be located and, without limiting the generality of the foregoing, solely if an Event of Default has occurred and is continuing, the Collateral Agent may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to the Grantor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in a city that the Collateral Agent shall designate by notice to the Grantor, in Pittsburgh, Pennsylvania or elsewhere, the whole or from time to time any part of the Intellectual Property, or any interest which the Grantor may have therein and, after deducting from the proceeds of sale or other disposition of the Intellectual Property all expenses (including fees and expenses for brokers and attorneys), shall apply the remainder of such proceeds toward the payment of the Secured Obligations as the Collateral Agent, in its sole discretion, shall determine. Any remainder of the proceeds after payment in full of the Secured Obligations shall be paid over to the Grantor. Notice of any sale or other disposition of the Intellectual Property shall be given to the Grantor at least ten (10) days before the time of any intended public or private sale or other disposition of the Intellectual Property is to be made, which the Grantor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Collateral Agent may, to the extent permissible under applicable Law, purchase the whole or any part of the Intellectual Property sold, free from any right of redemption on the part of the Grantor, which right is hereby waived and released. The Collateral Agent shall endeavor to provide the Borrower with notice at or about the time of the exercise of remedies in the preceding sentence, provided that the failure to provide such notice shall not in any way compromise or adversely affect the exercise of such remedies or the Collateral Agent's rights hereunder.

6. All of Collateral Agent's rights and remedies with respect to the Intellectual Property, whether established hereby, by the Security Agreement or by the Indenture or by any other agreements or by Law, shall be cumulative and may be exercised singularly or concurrently. In the event of any irreconcilable inconsistency in the terms of this Agreement and the Security Agreement, the Security Agreement shall control.

7. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any clause or provision of this Agreement in any jurisdiction.

8. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties, provided, however, that except as permitted by the Indenture, the Grantor may not assign or transfer any of its rights or obligations hereunder or any interest herein and any such purported assignment or transfer shall be null and void.

9. This Agreement and the rights and obligations of the parties under this agreement shall be governed by, and construed and interpreted in accordance with, the Law of the State of New York.

10. The Grantor (i) hereby irrevocably submits to the nonexclusive general jurisdiction of the courts of the State of New York and the courts of the United States of America for the Southern District of New York, or any successor to said court (hereinafter referred to as the “**New York Courts**”) for purposes of any suit, action or other proceeding which relates to this Agreement or any other Noteholder Document, (ii) to the extent permitted by applicable Law, hereby waives and agrees not to assert by way of motion, as a defense or otherwise in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of the New York Courts, that such suit, action or proceeding is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement or any Noteholder Document may not be enforced in or by the New York Courts, (iii) hereby agrees not to seek, and hereby waives, any collateral review by any other court, which may be called upon to enforce the judgment of any of the New York Courts, of the merits of any such suit, action or proceeding or the jurisdiction of the New York Courts, and (iv) waives personal service of any and all process upon it and consents that all such service of process be made by certified or registered mail addressed as provided in Section 13 hereof or at such other address of which the Collateral Agent shall have been notified pursuant thereto and service so made shall be deemed to be completed upon actual receipt thereof. Nothing herein shall limit any Secured Party’s right to bring any suit, action or other proceeding against the Grantor or any of any of the Grantor’s assets or to serve process on the Grantor by any means authorized by Law.

11. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

12. THE GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY A JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER NOTEHOLDER DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

13. All notices, requests and demands to or upon the Collateral Agent or the Grantor shall be effected in the manner provided for in Section 13.3 of the Indenture.

14. In the performance of its obligations, powers and rights hereunder, the Collateral Agent shall be entitled to the rights, benefits, privileges, powers and immunities afforded to it as Collateral Agent under the Indenture. The Collateral Agent shall be entitled to refuse to take or refrain from taking any discretionary action or exercise any discretionary powers set forth in the Security Agreement unless it has received with respect thereto written direction of the Issuer or a majority of Noteholders in accordance with the Indenture. Notwithstanding anything to the contrary contained herein, the Collateral Agent shall have no responsibility for the creation, perfection, priority, sufficiency or protection of any liens securing Secured Obligations (including, but not limited to, no obligation to prepare, record, file, re-record or re-file any financing statement, continuation statement or other instrument in any public office). The permissive rights and authorizations of the Collateral Agent hereunder shall not be construed as duties. The Collateral Agent shall be entitled to exercise its powers and duties hereunder through designees, specialists, experts or other appointees selected by it in good faith.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the undersigned has caused this Trademark Security Agreement to be duly executed and delivered as of the date first above written.

WILMINGTON TRUST,
NATIONAL ASSOCIATION,
as Collateral Agent

By: /s/ John T. Needham, Jr.
Name: John T. Needham, Jr.
Title: Vice President

[Signature Page to Trademark Security Agreement]

Grantor:

K. HOV IP, II, INC.

By: /s/ Brad O'Connor
Name: Brad O'Connor
Title: Authorized Officer

[Signature Page to Trademark Security Agreement]

Schedule A

Trademark Registrations and Applications

Trademark	Application No. / Registration No.
55 NEVER LOOKED SO GOOD	4035326
FROM YOUR HOME TO OURS	3682068
HOME DESIGN GALLERY	3017498
HOVNANIAN ENTERPRISES	3782845
HOVNANIAN ENTERPRISES, INC. and Design	3786278
IF YOU'RE NOT 55, YOU'LL WISH YOU WERE	3564614
K HOVNANIAN HOMES and Design	3493815
K. HOVNANIAN	3579682
KHOV	2710008
KHOV.COM	2544720
LET'S BUILD IT TOGETHER	2965030
LIFE. STYLE. CHOICES.	2725754
M&M MATZEL & MUMFORD Design	3485602
NATURE TECHNOLOGY EFFICIENCY and Design	4152642
NATURE TECHNOLOGY EFFICIENCY and Design	4204392
NATURE TECHNOLOGY EFFICIENCY	4116384
NATURE TECHNOLOGY EFFICIENCY	4116385
THE FIRST NAME IN LASTING VALUE	1418620
THE NAME BEHIND THE DREAM	3832465
WONDER HOMES	2671912
STYLESUITE	4126920
Design	2040802
BRIGHTON HOMES	2412033
BRIGHTON HOMES	2395356
MISSION EXCELLENCE	5179939

HOVNANIAN ENTERPRISES, INC.

For Immediate Release

Contact: J. Larry Sorsby
Executive Vice President & CFO
732-747-7800

Jeffrey T. O'Keefe
Vice President of Investor Relations
732-747-7800

K. HOVNANIAN ENTERPRISES, INC. ANNOUNCES EXPIRATION OF TENDER OFFERS FOR CERTAIN OF ITS SENIOR SECURED NOTES AND SATISFACTION AND DISCHARGE OF INDENTURES RELATING THERETO

RED BANK, NJ, July 27, 2017 — Hovnanian Enterprises, Inc. (NYSE:HOV) (the “Company”) announced today that in connection with the previously announced tender offers (the “Tender Offers”) by its wholly owned subsidiary, K. Hovnanian Enterprises, Inc. (“K. Hovnanian”), to purchase for cash any and all of its \$75 million 10.000% Senior Secured Second Lien Notes due 2018 (the “2018 Notes”), \$145 million 9.125% Senior Secured Second Lien Notes due 2020 (the “2020 9.125% Notes”) and \$577 million 7.250% Senior Secured First Lien Notes due 2020 (the “2020 7.25% Notes” and, together with the 2018 Notes and the 2020 9.125% Notes, the “Tender Notes”) and related consent solicitations (the “Consent Solicitations”) on the terms and subject to the conditions set forth in an Offer to Purchase and Consent Solicitation Statement, dated June 26, 2017 (as supplemented by the supplement dated July 10, 2017, the “Statement”), and in the related Letter of Transmittal and Consent (the “Letter of Transmittal” and collectively with the Statement, the “Tender Offer Documents”):

(1) the Tenders Offers expired at 11:59 p.m., New York City time, on July 26, 2017 (the “Expiration Time”);

(2) as of the Expiration Time, K. Hovnanian had received tenders and consents from the holders of \$75,000,000, or 100.00%, of the total outstanding principal amount of the 2018 Notes;

(3) as of the Expiration Time, K. Hovnanian had received tenders and consents from the holders of \$87,321,000, or approximately 60.22%, of the total outstanding principal amount of the 2020 9.125% Notes;

(4) as of the Expiration Time, K. Hovnanian had received tenders and consents from the holders of \$575,912,000, or approximately 99.81%, of the total outstanding principal amount of the 2020 7.25% Notes; and

(5) K. Hovnanian has accepted for purchase all Tender Notes validly tendered and not validly withdrawn in the Tender Offers.

Registered holders of each series of Tender Notes (the “Holders”) who validly tendered and did not validly withdraw their Tender Notes on or prior to the applicable early tender deadline received on July 27, 2017 the applicable Total Consideration (as set forth below), which includes an Early Tender Payment (as set forth below). Holders who validly tendered their Tender Notes on or prior to the Expiration Time but after the applicable early tender deadline received on July 27, 2017 the applicable Tender Offer Consideration (as set forth below), which is an amount equal to the applicable Total Consideration less the Early Tender Payment, for their Tender Notes. In addition to the Total Consideration or the Tender Offer Consideration, as applicable, all Holders whose Tender Notes were purchased in the Tender Offers received accrued and unpaid interest in respect of their purchased Tender Notes from the most recent interest payment date to, but not including, July 27, 2017.

The table below sets forth the Tender Offer Consideration, Early Tender Payment and Total Consideration for the Tender Offers.

Title of Security	Principal Amount	Tender Offer Consideration⁽¹⁾	Early Tender Payment⁽¹⁾	Total Consideration⁽¹⁾⁽²⁾
2018 Notes	\$75,000,000	\$1,029.60	\$50.00	\$1,079.60
2020 9.125% Notes	\$145,000,000	\$980.00	\$50.00	\$1,030.00
2020 7.250% Notes	\$577,000,000	\$980.00	\$50.00	\$1,030.00

⁽¹⁾ Per \$1,000 principal amount of Tender Notes that were accepted for purchase.

⁽²⁾ Includes the applicable Early Tender Payment.

The Company also announced that:

(1) on July 27, 2017, K. Hovnanian satisfied and discharged its obligations under the indenture under which the 2020 9.125% Notes were issued (the “2020 9.125% Notes Indenture”) and the related security documents in accordance with the satisfaction and discharge provisions of the 2020 9.125% Notes Indenture and in connection therewith will call for redemption on November 15, 2017 all 2020 9.125% Notes that were not validly tendered as of the Expiration Time in accordance with the redemption provisions of the 2020 9.125% Notes Indenture. Upon the satisfaction and discharge of the 2020 9.125% Notes Indenture on July 27, 2017, all of the liens on the collateral securing the 2020 9.125% Notes were released and K. Hovnanian, the Company and the other guarantors were discharged from their respective obligations under the 2020 9.125% Notes and the guarantees thereof; and

(2) on July 27, 2017, K. Hovnanian satisfied and discharged its obligations under the indenture under which the 2020 7.25% Notes were issued (the “2020 7.25% Notes Indenture”) and the related security documents in accordance with the satisfaction and discharge provisions of the 2020 7.25% Notes Indenture and in connection therewith will call for redemption on October 15, 2017 all 2020 7.25% Notes that were not validly tendered as of the Expiration Time in accordance with the redemption provisions of the 2020 7.25% Notes Indenture. Upon the satisfaction and discharge of the 2020 7.25% Notes Indenture on July 27, 2017, all of the liens on the collateral securing the 2020 7.25% Notes were released and K. Hovnanian, the Company and the other guarantors were discharged from their respective obligations under the 2020 7.25% Notes and the guarantees thereof.

The consents received in the Consent Solicitations exceeded the amount needed to approve the proposed amendments to the indenture under which the 2018 Notes were issued and the 2020 7.25% Notes Indenture and the related security documents. The consents received in the Consent Solicitation for the 2020 9.125% Notes exceeded the amount needed to approve certain but not all of the proposed amendments to the 2020 9.125% Notes Indenture and the related security documents. However, prior to accepting the Tender Notes in the Tender Offers, K. Hovnanian waived the conditions relating to (i) the receipt of the Required Consents (as defined in the Statement) with respect to the 2020 9.125% Notes and (ii) the execution and delivery of a supplemental indenture and applicable security release documents effecting the proposed amendments with respect to each series of Tender Notes.

K. Hovnanian funded the purchase of the Tender Notes in the Tender Offers and the satisfaction and discharge of the 2020 9.125% Notes Indenture and the 2020 7.25% Notes Indenture with the net proceeds from its previously announced offering of senior secured notes, which offering also closed on July 27, 2017.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy the secured notes, the Tender Notes or any other securities of the Company or K. Hovnanian in any jurisdiction in which such an offer or sale would be unlawful. The Tender Offers and Consent Solicitations were made solely on the terms and subject to the conditions set forth in the Tender Offer Documents and the information in this press release is qualified by reference to such Tender Offer Documents.

About Hovnanian Enterprises

Hovnanian Enterprises, Inc., founded in 1959 by Kevork S. Hovnanian, is headquartered in Red Bank, New Jersey. The Company is one of the nation's largest homebuilders with operations in Arizona, California, Delaware, Florida, Georgia, Illinois, Maryland, New Jersey, Ohio, Pennsylvania, South Carolina, Texas, Virginia, Washington, D.C. and West Virginia. The Company's homes are marketed and sold under the trade names K. Hovnanian® Homes, Brighton Homes® and Parkwood Builders. As the developer of K. Hovnanian's® Four Seasons communities, the Company is also one of the nation's largest builders of active lifestyle communities.

Forward-Looking Statements

All statements in this press release that are not historical facts should be considered as "Forward-Looking Statements." Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such forward-looking statements include but are not limited to statements related to the Company's goals and expectations with respect to its financial results for future financial periods. Although we believe that our plans, intentions and expectations reflected in, or suggested by, such forward-looking statements are reasonable, we can give no assurance that such plans, intentions or expectations will be achieved. By their nature, forward-looking statements: (i) speak only as of the date they are made, (ii) are not guarantees of future performance or results and (iii) are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from those forward-looking statements as a result of a variety of factors. Such risks, uncertainties and other factors include, but are not limited to, (1) changes in general and local economic, industry and business conditions and impacts of a sustained homebuilding downturn; (2) adverse weather and other environmental conditions and natural disasters; (3) levels of indebtedness and restrictions on the Company's operations and activities imposed by the agreements governing the Company's outstanding indebtedness; (4) the Company's sources of liquidity; (5) changes in credit ratings; (6) changes in market conditions and seasonality of the Company's business; (7) the availability and cost of suitable land and improved lots; (8) shortages in, and price fluctuations of, raw materials and labor; (9) regional and local economic factors, including dependency on certain sectors of the economy, and employment levels affecting home prices and sales activity in the markets where the Company builds homes; (10) fluctuations in interest rates and the availability of mortgage financing; (11) changes in tax laws affecting the after-tax costs of owning a home; (12) operations through joint ventures with third parties; (13) government regulation, including regulations concerning development of land, the home building, sales and customer financing processes, tax laws and the environment; (14) product liability litigation, warranty claims and claims made by mortgage investors; (15) levels of competition; (16) availability and terms of financing to the Company; (17) successful identification and integration of acquisitions; (18) significant influence of the Company's controlling stockholders; (19) availability of net operating loss carryforwards; (20) utility shortages and outages or rate fluctuations; (21) geopolitical risks, terrorist acts and other acts of war; (22) increases in cancellations of agreements of sale; (23) loss of key management personnel or failure to attract qualified personnel; (24) information technology failures and data security breaches; (25) legal claims brought against us and not resolved in our favor; and (26) certain risks, uncertainties and other factors described in detail in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2016 and subsequent filings with the Securities and Exchange Commission. Except as otherwise required by applicable securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.