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1317922025

Illinois Anti-Predatory
Lending Database
Program

Certificate of Exemption

Doc#: 1317922025 Fee: \$84.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 06/28/2013 09:52 AM Pg: 1 of 23

Report Mortgage Fraud
800-532-8785

The property identified as: PIN: 02-09-106-035-0000

Address:

Street: 1321 N PARK AVE

Street line 2:

City: PALATINE

State: IL

ZIP Code: 60067

Lender: WILMINGTON TRUST NATIONAL ASSOCIATION AS AGENT

Borrower: K. HOVNANIAN T&C HOMES AT ILLINOIS LLC

Loan / Mortgage Amount: \$220,000,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

Certificate number: FC0CFA40-A574-469C-84A1-1356B0A65512

Execution date: 06/19/2013

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MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING

K. HOVNANIAN T&C HOMES AT ILLINOIS, L.L.C.

c/o Hovnanian Enterprises, Inc.
110 West Front Street
Red Bank, NJ 07701

Organizational Identification No. 01438247

Mortgagor (Debtor)

AND

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Agent

Rodney Square North
1100 North Market Street
Wilmington, DE 19890-1600

Agent (Secured Party)

NOTE TO RECORDER: THIS MORTGAGE CONSTITUTES A FIXTURE FILING UNDER THE UCC (AS DEFINED HEREIN) AND IS TO BE CROSS-REFERENCED IN THE UCC RECORDS.

THE SECURED PARTY (MORTGAGEE) DESIRES THIS FIXTURE FILING AND FINANCING STATEMENT BE INDEXED AGAINST THE PROPERTY AND AGAINST THE RECORD OWNER OF THE REAL ESTATE DESCRIBED HEREIN.

**PREPARED BY, RECORDING REQUESTED BY,
AND WHEN RECORDED MAIL TO:**

**K. Hovnanian Homes
110 West Front Street
Red Bank, NJ 07701
Attention: Michael Discafani**

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MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING

(This instrument secures obligatory future advances and is for commercial purposes)
(Cook County, Illinois)

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (this "Mortgage") is made as of the 19th day of June, 2013, by **K. Hovnanian T&C Homes at Illinois, L.L.C.**, an Illinois limited liability company (the "Mortgagor" and "Debtor"), with an address at 110 West Front Street, Red Bank, NJ 07701, in favor of **WILMINGTON TRUST, NATIONAL ASSOCIATION**, with an address at Rodney Square North, 1100 North Market Street, Wilmington, DE 19890-1600, as collateral agent (together with any successor, the "Agent") for the Noteholders (defined below) from time to time (the "Secured Party").

WHEREAS, the Mortgagor is the owner of a certain tract or parcel of land described in Exhibit A attached hereto and made a part hereof, together with the improvements now or hereafter erected thereon; and

WHEREAS, K. Hovnanian Enterprises, Inc., a California corporation (the "Issuer") has issued those certain 9.125% Senior Secured Second Lien Notes due November 15, 2020 in an aggregate initial principal amount of \$220,000,000 (the "Notes") pursuant to that certain Indenture dated as of October 2, 2012 (as the same may be amended, supplemented or modified from time to time, the "Indenture") among the Issuer, Hovnanian Enterprises, Inc. ("Hovnanian"), the other guarantors party thereto (together with Hovnanian, the "Guarantors"), the Agent, as collateral agent for the holders of the Notes and Wilmington Trust, National Association, as trustee (the "Indenture Trustee"); and

WHEREAS, the Issuer may issue other senior secured notes or other senior secured indebtedness permitted by the Indenture to be secured by a second priority lien on the Property (defined below) (together with the Notes, the "Debt"); and

WHEREAS, the holders of the Debt (each, and any subsequent transferee, a "Noteholder" and collectively the "Noteholders") are entitled to certain security in order to secure the Issuer's and the Guarantors' obligations thereunder; and

WHEREAS, the obligations of the Issuer in respect of the indebtedness evidenced by the Debt has or will be guaranteed by the Guarantors (including Mortgagor) pursuant to the applicable Noteholder Documents (as defined below); and

WHEREAS, capitalized terms used but not defined herein shall have the meanings given to such terms in the Indenture; and

WHEREAS, Mortgagor is an affiliate of the Issuer and will substantially benefit from the issuance of the Debt.

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NOW, THEREFORE, for the purpose of securing the payment and performance of the following obligations (collectively called the “**Secured Obligations**”):

(A) The aggregate principal amount of, accrued and unpaid interest on and premium, if any, in respect of the Debt and all other loans, advances, debts, liabilities, obligations, covenants and duties owing by the Mortgagor or by the Issuer pursuant to any Noteholder Document (as defined below) to the Agent (which for purposes of clarity, includes the Agent’s role as Indenture Trustee under the Indenture), the Noteholders, or to any affiliate of Agent or any Noteholder, of any kind or nature, present or future (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency reorganization or like proceeding relating to the Mortgagor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising; and any amendments, extensions, renewals and increases of or to any of the foregoing, and all costs, fees and expenses of the Agent or any Noteholder incurred in the documentation, negotiation, modification, enforcement, collection and otherwise in connection with any of the foregoing, including reasonable attorney fees and expenses; and

(B) Any sums advanced by the Agent or which may otherwise become due pursuant to the provisions of the documents and instruments governing the Debt, the Indenture, this Mortgage or pursuant to any other document or instrument at any time delivered to the Agent in connection with any of the foregoing (as any of the same may be amended, supplemented or replaced from time to time, the “**Noteholder Documents**”).

The Mortgagor, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, does hereby give, grant, bargain, sell, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm unto the Agent and does hereby agree that Agent shall have a security interest in, all of Mortgagor’s right, title, and interest in, to and under the following described property, all accessions and additions thereto, all substitutions therefor and replacements and proceeds thereof, and all reversions and remainders of such property now owned or held or hereafter acquired (the “**Property**”), to wit:

(a) all of the Mortgagor’s estate in those certain tracts or parcels of land located in Cook County in the State of Illinois as described in Exhibit A, which is attached hereto and incorporated herein by reference, together with all of the easements, rights of way, privileges, liberties, hereditaments, gores, streets, alleys, passages, ways, waters, watercourses, rights and appurtenances thereunto belonging or appertaining, and all of the Mortgagor’s estate, right, title, interest, claim and demand therein and in the public streets and ways adjacent thereto, either in law or in equity (the “**Land**”);

(b) all the buildings, structures and improvements of every kind and description now or hereafter erected or placed on the Land (the “**Improvements**”);

(c) all fixtures of any kind, as defined under the law of the state where the Land is located (the “**Fixtures**”);

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(d) all other machinery, apparatus, equipment, fittings, and appliances of every kind and nature whatsoever, and regardless of whether the same may now or hereafter be attached or affixed to the Land or Improvements, including, without limitation, all electrical, antipollution, heating, lighting, incinerating, power, air conditioning, plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communication machinery, apparatus, equipment, fittings, appliances, and all engines, pipes, pumps, tanks, motors, conduits, ducts, compressors, elevators and escalators, and all articles of personal property and goods of every kind and nature whatsoever, including all shades, awnings and carpets now or hereafter affixed to, attached to, placed upon, or used or usable in any way in connection with the use, enjoyment, occupancy or operation of the Land or Improvements (collectively, the “**Equipment**”);

(e) all rents, issues and profits arising or issuing from the Land and the Improvements (the “**Rents**”) including the Rents arising or issuing from all leases, licenses, subleases or any other use or occupancy agreement now or hereafter entered into covering all or any part of the Land and Improvements (the “**Leases**”), all of which Leases and Rents are hereby assigned to the Agent by the Mortgagor. The foregoing assignment shall include all fees, charges, accounts or other payments for the use or occupancy of rooms and other public facilities in hotels, motels, or other lodging properties, and all cash or securities deposited under Leases to secure performance of lessees of their obligations thereunder, whether such cash or securities are to be held until the expiration of the terms of such leases or applied to one or more installments of rent coming due prior to the expiration of such terms. The foregoing assignment extends to Rents arising both before and after the commencement by or against the Mortgagor of any case or proceeding under any Federal or State bankruptcy, insolvency or similar law, and is intended as an absolute assignment and not merely the granting of a security interest. The Mortgagor, however, shall have a license to collect, retain and use the Rents so long as no Event of Default shall have occurred and be continuing or shall exist. The Mortgagor will execute and deliver to the Agent such additional assignments and instruments as may be required by applicable law or as the Agent may require to implement, confirm, maintain and continue the assignment of Rents hereunder;

(f) to the extent assignable, all Mortgagor’s rights and interests in all agreements now or hereafter in existence providing for or relating to the construction, alteration, maintenance, repair, operation or management of the Property or any part thereof, as well as the plans and specifications therefor, and all copies thereof (together with the right to amend or terminate the same or waive the provisions of the foregoing) and any amendments, renewals and replacements thereof; to the extent permitted by the relevant authorities, all licenses, permits and approvals, and development and use rights for the ownership, construction, maintenance, operation, use and occupancy of the Property or any part thereof and any amendments, renewals and replacements thereof; all of Mortgagor’s rights and interests in all warranties and guaranties from contractors, subcontractors, suppliers and manufacturers to the maximum extent permissible relating to the Property or any part thereof; all insurance policies covering or affecting the Property or any part thereof; and

(g) without limiting any of the other provisions of this Mortgage, the Mortgagor, as debtor, expressly grants unto the Agent, as secured party, a security interest in all personal

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property of the Mortgagor, including the following, all whether now owned or hereafter acquired or arising and wherever located: (i) accounts; (ii) securities entitlements, securities accounts, commodity accounts, commodity contracts and investment property; (iii) deposit accounts; (iv) instruments (including promissory notes); (v) documents (including warehouse receipts); (vi) chattel paper (including electronic chattel paper and tangible chattel paper); (vii) inventory, including raw materials, work in process, or materials used or consumed in Mortgagor's business, items held for sale or lease or furnished or to be furnished under contracts of service, sale or lease, goods that are returned, reclaimed or repossessed; (viii) goods of every nature, including stock-in-trade, goods on consignment, standing timber that is to be cut and removed under a conveyance or contract for sale, the unborn young of animals, crops grown, growing, or to be grown, manufactured homes, computer programs embedded in such goods and farm products; (ix) equipment, including machinery, vehicles and furniture; (x) fixtures; (xi) agricultural liens; (xii) as-extracted collateral; (xiii) letter of credit rights; (xiv) general intangibles, of every kind and description, including payment intangibles, software, computer information, source codes, object codes, records and data, all existing and future customer lists, choses in action, claims (including claims for indemnification or breach of warranty), books, records, patents and patent applications, copyrights, trademarks, tradenames, tradestyles, trademark applications, goodwill, blueprints, drawings, designs and plans, trade secrets, contracts, licenses, license agreements, formulae, tax and any other types of refunds, returned and unearned insurance premiums, rights and claims under insurance policies; (xv) all rights of payment of money (including all earnest money sales deposits); (xvi) all contracts for the sale of all or any part of the Property; (xvii) all supporting obligations of all of the foregoing property; (xviii) all property of the Mortgagor now or hereafter in the Agent's possession or in transit to or from, or under the custody or control of, the Agent or any affiliate thereof; (xix) all cash and cash equivalents thereof; and (xx) all cash and noncash proceeds (including insurance proceeds) of all of the foregoing property, all products thereof and all additions and accessions thereto, substitutions therefor and replacements thereof. The Mortgagor will execute and deliver to the Agent such financing statements and other instruments as may be required by applicable law in order to perfect, protect and maintain such security interest under the Illinois Uniform Commercial Code (the "UCC") on the aforesaid collateral; and

(h) all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims.

Provided, however, that if the Mortgagor shall fully pay to the Agent and satisfy and discharge the Secured Obligations, and if the Mortgagor shall keep and perform each of its other covenants, conditions and agreements set forth herein and in the other Noteholder Documents, then, upon the termination of all obligations, duties and commitments of the Mortgagor under the Secured Obligations and this Mortgage, and subject to the provisions of the paragraph entitled "Survival; Successors and Assigns" hereof, the estate hereby granted and conveyed shall become null and void and shall be released and satisfied of record by Agent at Mortgagor's expense.

To have and to hold the same unto the Agent, its successors and assigns, for the benefit of the holders from time to time of the Secured Obligations and their respective successors and assigns, forever.

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This Mortgage shall secure not only presently existing Secured Obligations under the Notes but also future advances, including but not limited to the obligations represented by the Notes, whether such advances are obligatory or to be made at the option of the Agent, or otherwise, as are made within ten (10) years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage and although there may be no Secured Obligations secured hereby outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all Secured Obligations secured hereby, including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which the Property is located. The total amount of Secured Obligations secured hereby (including disbursements which the Agent may make under this Mortgage, any of the Notes, or the Noteholder Documents, at any one time outstanding shall not exceed an amount equal to double the aggregate face amount of the Notes, plus interest thereon and any disbursements which the Agent may make under this Mortgage, any of the Notes, or the Noteholder Documents (e.g., for payment of taxes, special assessments or insurance on the Property) and interest on such disbursements (all such Secured Obligations being hereinafter referred to as the "**Maximum Amount Secured Hereby**"). This Mortgage is intended to and shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Property, to the extent of the Maximum Amount Secured Hereby.

1. **Representations and Warranties.** The Mortgagor represents and warrants to the Agent that (i) the Mortgagor has good and marketable title to an estate in fee simple absolute in the Land and Improvements and has all right, title and interest in all other property constituting a part of the Property; (ii) its name, type of organization, jurisdiction of organization, chief executive office and entity identification number (to the extent Mortgagor's state of organization assigns an entity identification number) are true and complete as set forth on the cover page to this Mortgage; (iii) this Mortgage is a valid and enforceable second lien on the Property (subject only to any applicable Permitted Liens); (iv) the Agent shall, subject to the Mortgagor's right of possession prior to an Event of Default, quietly enjoy and possess the Property; and (v) each of the "whereas" clauses is true and correct. The Mortgagor shall preserve such title as it warrants herein and the validity and priority of the lien hereof and shall forever warrant and defend the same to the Agent against the claims of all persons (other than the holders of Permitted Liens). "**Permitted Liens**" means those liens and security interests affecting the Property that are permitted under the Indenture.

2. **Affirmative Covenants.** Until all of the Secured Obligations shall have been fully paid, satisfied and discharged or this Mortgage shall otherwise be terminated or released by the Agent on behalf of the Noteholders, the Mortgagor shall:

(a) pay or perform, or cause to be paid and performed, all Secured Obligations when due as provided in the applicable Noteholder Documents;

(b) use, and permit others to use the Property only for its present use and such other uses as permitted by the terms and conditions of this Mortgage and the Noteholder Documents then in effect, applicable laws, and any other uses approved in writing by the Agent;

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(c) in the event any law is enacted or adopted or amended after the date of this Mortgage which deducts the Secured Obligations from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Mortgagor or the Agent's interest in the Property, the Mortgagor will pay such tax, with interest and penalties thereon, if any; and

(d) endeavor to notify the Agent promptly upon Mortgagor obtaining actual knowledge of the institution of any proceedings with respect to the Property for condemnation, rezoning, revocation of permits, levy, seizure, attachment, or forfeiture, or any other material and adverse matter pursuant to which the value of the Property could be significantly impaired; provided, however, in no event shall any failure by Mortgagor to notify Agent of any such proceedings constitute an Event of Default under this Mortgage or any other Noteholder Documents.

No amount paid to the Agent pursuant to Section 2(c) hereof shall be deemed to be trust funds, nor shall any such sums paid bear interest. The Agent shall have no obligation to pay any insurance premium or Imposition if at any time the funds being held by the Agent for such premium or Imposition are insufficient to make such payments. If, at any time, the funds being held by the Agent for any insurance premium or Imposition are exhausted, or if the Agent determines, in its sole discretion, that such funds will be insufficient to pay in full any insurance premium or other such amount when due, the Mortgagor shall promptly pay to the Agent, upon demand, an amount which the Agent shall estimate as sufficient to make up the deficiency. The Agent shall have the right, at its election, to apply any amount so held against the Secured Obligations due and payable, and the Mortgagor hereby grants to the Agent a lien upon and security interest in such amounts for such purpose.

3. **Negative Covenants.** Until all of the Secured Obligations shall have been fully paid, satisfied and discharged or this Mortgage shall otherwise be terminated by the Agent, the Mortgagor shall not:

(a) except as otherwise permitted by the terms and conditions of the Indenture, execute an assignment or pledge of the Rents and/or the Leases other than in favor of the Agent, accept any prepayment of an installment of any Rents prior to the due date of such installment; or enter into or amend any of the terms of any of the Leases without the Agent's prior written consent, or enter into any leases or subleases of all or any part of the Property without the Agent's prior written consent, and any such leases or subleases shall be subordinated to this Mortgage and to the Agent's rights hereunder and, to the Collateral Agent's rights under Noteholder Documents, together with any and all rents, issues or profits relating to such lease or sublease, shall be assigned to Agent at the time of execution of such lease or sublease as additional collateral security for the Secured Obligations, all in such form, substance and detail as is satisfactory to the Agent in its reasonable discretion;

(b) except as otherwise permitted by the terms and conditions of the applicable Noteholder Documents, sell, convey or otherwise transfer any interest in the Property (whether voluntarily or by operation of law), or agree to do so, without the Agent's prior written consent, except in favor of the Agent; and

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(c) take or permit any action with respect to the Property which will in any manner materially impair the security of this Mortgage or the use of the Property.

4. **Inspection of Property.** To the extent permitted by law, upon the occurrence and during the continuance of an Event of Default, the Agent or its agents shall have the right to enter the Property at any reasonable hour for the purpose of inspecting the order, condition and repair of the buildings and improvements erected thereon, as well as the conduct of operations and activities on the Property. In any such case, the Agent (or its designee) may enter the Property (and cause the Agent's employees, agents and consultants to enter the Property), upon prior written notice to the Mortgagor, to conduct any and all environmental testing deemed appropriate by the Agent in its sole discretion. The environmental testing shall be accomplished by whatever means the Agent may deem appropriate, including the taking of soil samples and the installation of ground water monitoring wells or other intrusive environmental tests. The Mortgagor shall provide the Agent (and the Agent's employees, agents and consultants) reasonable rights of access to the Property as well as such information about the Property and the past or present conduct of operations and activities thereon as the Agent, the Agent's designee or the Noteholders shall reasonably request.

5. **Events of Default.** The occurrence of an "Event of Default" (as defined in any Noteholder Document) shall be an Event of Default hereunder with respect to the applicable Debt.

6. **Rights and Remedies of Agent.** If an Event of Default occurs the Agent may, subject to the terms of the Intercreditor Agreement, at its option and without demand, notice or delay, do one or more of the following:

(a) exercise the remedies of the Collateral Agent, as set forth in the applicable Noteholder Documents;

(b) (i) institute and maintain an action of mortgage foreclosure against the Property and the interests of the Mortgagor therein; (ii) institute and maintain an action on any instruments evidencing the Secured Obligations or any portion thereof; or (iii) take such other action at law or in equity for the enforcement of any of the Noteholder Documents as the law may allow, and in each such action described in this Section 6(b) the Agent shall be entitled to all costs of suit and reasonable attorney fees;

(c) upon any sale made by virtue of this Mortgage, the Agent may bid for and acquire the Property or any part thereof, and may make settlement for the purchase price by crediting to the Secured Obligations the net sales price;

(d) Agent hereby agrees to execute and deliver to a bona fide purchaser of any platted lot a release and reconveyance of the lien of the Mortgage against such platted lot upon such purchaser's payment and performance of all of the terms and provisions required to be made or performed by such purchaser under the real estate sales contract between such purchaser and Mortgagor covering the platted lot in question all in accordance with the Noteholder Documents;

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(e) exercise any and all of the remedies of a secured party under the UCC with respect to the Property. If Agent should proceed to dispose of any of the Property in accordance with the provisions of the UCC, ten (10) days' notice by Agent to Mortgagor shall be deemed to be commercially reasonable notice under any provision of the UCC requiring notice. Mortgagor, however, agrees that all property of every nature and description, whether real or personal, covered by this Mortgage, together with all personal property used on or in connection with the Property or any business conducted thereon by the Mortgagor, at Agent's option, may be foreclosed or sold in the same proceeding, and that all property encumbered (both realty and personalty), at Agent's option, may be sold as such in one unit as a going business, subject to the provisions of applicable law;

(f) apply for and obtain, without regard to the adequacy of any security for the Secured Obligations or the solvency of the Mortgagor or any other person or entity, a receiver by any court of competent jurisdiction to take charge of all the Property, to manage, operate and carry on any business then being conducted or that could be conducted on the Property, to carry on, protect, preserve, replace and repair the Property, and receive and collect all Rents and to apply the same to pay the receiver's expenses for the operation of the Property;

(g) in addition to any remedies provided herein for an Event of Default, Agent shall have all other legal or equitable remedies allowed under applicable law (including specifically foreclosure of this instrument);

(h) with respect to any lease or sublease of the Property, (i) collect any or all of the Rents, including any Rents past due and unpaid; (ii) perform any obligation or exercise any right or remedy of the Mortgagor under any Lease; or (iii) enforce any obligation of any tenant of any of the Property; and

(i) Agent shall have the benefit of all of the provisions of the Illinois Mortgage Foreclosure Act, including all amendments thereto which may become effective from time to time after the date hereof.

The Agent may exercise any right under this Section 6, whether or not the Agent shall have entered into possession of any of the Property, and nothing herein contained shall be construed as constituting the Agent a "mortgagee in possession," unless the Agent shall have entered into and shall continue to be in actual possession of the Property. The Mortgagor hereby authorizes and directs each and every present and future tenant of any of the Property to pay all Rents directly to the Agent and to perform all other obligations of that tenant for the direct benefit of the Agent, as if the Agent were the landlord under the Lease with that tenant, immediately upon receipt of a demand by the Agent to make such payment or perform such obligations. The Mortgagor hereby waives any right, claim or demand it may now or hereafter have against any such tenant by reason of such payment of Rents or performance of obligations to the Agent, and any such payment or performance to the Agent shall discharge the obligations of the tenant to make such payment or performance to the Mortgagor.

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The Agent shall have the right, in connection with the exercise of its remedies hereunder, to the appointment of a receiver to take possession and control of the Property or to collect the Rents, without notice and without regard to the adequacy of the Property to secure the Secured Obligations. The Agent or a receiver while in possession of the Property shall have the right to make repairs and to make improvements necessary or advisable in its or his opinion to preserve the Property, or to make and keep them rentable to the best advantage, and the Agent may advance moneys to a receiver for such purposes. Any moneys so expended or advanced by the Agent or by a receiver shall be added to and become a part of the Secured Obligations secured by this Mortgage.

7. **Application of Proceeds.** The Agent shall apply the proceeds of any foreclosure sale of, or other disposition or realization upon, or Rents or profits from, the Property in the manner set forth in Section 5.05 of the Indenture.

8. **Agent's Right to Protect Security.** Subject to the terms of the Intercreditor Agreement, the Agent is hereby authorized to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Agent hereunder. If an Event of Default has occurred and is continuing, Agent is hereby authorized to do any one or more of the following: (i) purchase such insurance policies covering the Property as the Agent may elect if the Mortgagor fails to maintain the insurance coverage required hereunder; and (ii) to perform or comply with any legal requirement or to pay any real estate or similar taxes or to comply with applicable law, including, without limitation, to cure any Events of Default and to protect its security in the Property.

9. **Appointment of Agent as Attorney-in-Fact.** The Agent, or any of its officers, is hereby irrevocably appointed attorney-in-fact for the Mortgagor (without requiring any of them to act as such), such appointment being coupled with an interest, and Agent is hereby authorized by Mortgagor to do any or all of the following, pursuant to the terms and conditions set forth herein and in the Noteholder Documents: (i) collect the Rents; and (ii) execute, deliver and file, at Mortgagor's sole cost and expense such financing, continuation or amendment statements and other instruments as the Agent may direct or as may be required by applicable law in order to perfect, protect and maintain its security interest under the UCC on any portion of the Property.

10. **Agent's and Secured Party's Liability; Powers.** For purposes of clarity, any reference below to Agent shall be deemed to include the Agent acting in its capacity as Secured Party. The Agent shall not be obligated to perform any discretionary act required of the Agent or exercise any discretionary powers hereunder unless (i) requested (and directed) in writing by the Issuer or a majority of Noteholders in accordance with the applicable Noteholder Document(s) and (ii) the Agent is indemnified, to its satisfaction, against all loss, cost, liability and expense that the Agent, in its reasonable discretion, believes it may incur in connection with such discretionary act or discretionary power. The Agent shall be protected in acting upon any document believed by the Agent to be genuine and shall not have any liability for any act or inaction taken or not taken hereunder except for its own willful misconduct or gross negligence. The Agent may at any time consult with counsel, and any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or not taken by the Agent in accordance with such opinion of counsel. In the performance of its obligations hereunder, the

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Agent shall be entitled to the rights, privileges, powers, indemnifications and immunities afforded to it under the applicable Noteholder Document(s). Notwithstanding anything to the contrary contained herein, the Agent shall have no responsibility for the creation, perfection, priority, sufficiency, protection or termination of any liens created hereunder (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 Agent shall be entitled to exercise its duties and rights hereunder through a designee appointed in accordance with the applicable Noteholder Document(s). Any permissive right, power or authorization granted to the Agent hereunder shall not be construed as a duty.

11. **Certain Waivers.** The Mortgagor hereby waives and releases all benefit that might accrue to the Mortgagor by virtue of any present or future law exempting the Property, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale on execution, or providing for any stay of execution, exemption from civil process or extension of time for payment or any rights of marshalling in the event of any sale hereunder of the Property, and, unless specifically required herein, all notices of the Mortgagor's default or of the Agent's election to exercise, or the Agent's actual exercise of any option under this Mortgage or any other Noteholder Document.

12. **No Merger.** There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of the Agent or any subsidiary or affiliate in any capacity, without the express prior written consent of the Agent.

13. **Notices.** All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("Notices") must be in writing and will be effective upon receipt. Notices may be given in the manner set forth in the Indenture or other applicable Noteholder Document(s) and may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this Section.

14. **Security Agreement/Fixture Filing.**

(a) This Mortgage is a Security Agreement as defined in the UCC. Notwithstanding the filing of any financing statement covering any of the Property in the records normally pertaining to personal property, all of the Property, for all purposes and in all proceedings, legal or equitable, shall be regarded (to the extent permitted by law) as part of the Land, whether or not any such item is physically attached to the Land or Improvements. The mention in any such financing statement of any of the Property shall not be construed as in any way altering any of the rights of Agent or adversely affecting the priority of the lien granted hereby or by the Noteholder Documents, but such mention in the financing statement is hereby declared to be for the protection of Agent in the event any court shall at any time hold that notice of Agent's priority of interest, to be effective against any third party, must be filed in the UCC records.

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(b) Mortgagor shall maintain, execute and deliver to Agent such documents, instruments and further assurances, from time to time, as necessary and required by applicable law to create, perfect and preserve Agent's security interest hereunder. Mortgagor hereby irrevocably authorizes Agent (without any obligation to do so) to cause financing statements (and amendments thereto and continuations thereof) and any such documents, instruments and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest. Mortgagor represents and warrants to Agent that its jurisdiction of organization is the State of Illinois.

(c) This Mortgage shall also constitute a "fixture filing" for the purposes of the UCC against all of the Property which is or is to become fixtures related to the Property. The information in this section is provided so that this Mortgage shall comply with the requirements of the UCC for a mortgage instrument to be filed as a financing statement. Mortgagor is the "Debtor" and its name and mailing address are set forth in the preamble of this Mortgage. Agent is the "Secured Party" and its name and mailing address from which information concerning the security interest granted herein may be obtained are also set forth in the preamble of this Mortgage. A statement describing the portion of the Property comprising the fixtures hereby secured is set forth in the definition of the Secured Obligations. Mortgagor represents and warrants to Agent that Mortgagor is the record owner of the applicable fee title or owner of the leasehold interest in the Property. The organizational identification number of the Mortgagor is set forth on the cover sheet of this Mortgage (to the extent Mortgagor's state of organization assigns an entity organizational number).

15. **Further Acts.** The Mortgagor will, at the cost of the Mortgagor and without expense to the Agent, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances, from time to time, as may be required by applicable law for the better assuring, conveying, assigning, transferring or confirming unto the Agent the property and rights hereby mortgaged, or which Mortgagor may be or may hereafter become bound to convey or assign to the Agent, or for carrying out the intent of or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage. The Mortgagor grants to the Agent an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to the Agent under this Mortgage, at law or in equity.

16. **Documentary Stamps, Mortgage Recording or Intangibles Taxes.** If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to any applicable Noteholder Document or this Mortgage, or impose any other tax or charge on the same, the Mortgagor will pay for the same, with interest and penalties thereon, if any.

17. **Preservation of Rights.** No delay or omission on the part of the Agent to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Agent's action or inaction impair any such right or power. The Agent's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Agent may have under other agreements, at law or in equity.

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18. **Illegality.** If any provision contained in this Mortgage should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Mortgage.

19. **Changes in Writing.** No modification, amendment or waiver of, or consent to any departure by the Mortgagor from, any provision of this Mortgage will be effective unless made in a writing signed by the Mortgagor and the Agent, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Mortgagor will entitle the Mortgagor to any other or further notice or demand in the same, similar or other circumstance.

20. **Survival; Successors and Assigns.** This Mortgage will be binding upon and inure to the benefit of the Mortgagor and the Agent and their respective heirs, executors, administrators, successors and assigns; provided, however, that the Mortgagor may not assign this Mortgage in whole or in part without the Agent's prior written consent and the Agent at any time may assign this Mortgage in whole or in part; and provided, further, that the rights and benefits under the Paragraphs entitled "Inspection of Property" and "Indemnity" hereof shall also inure to the benefit of any persons or entities who acquire title or ownership of the Property from or through the Agent or any Noteholder or through action of the Agent or any Noteholder (including a foreclosure, sheriff's or judicial sale). The provisions of Paragraphs entitled "Inspection of Property" and "Indemnity" shall survive the termination, satisfaction or release of this Mortgage, the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure.

21. **Interpretation.** In this Mortgage, unless the Agent and the Mortgagor otherwise agree in writing, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including" "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of sections) or exhibits are to those of this Mortgage; and references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Mortgage. Section headings in this Mortgage are included for convenience of reference only and shall not constitute a part of this Mortgage for any other purpose. If this Mortgage is executed by more than one party as Mortgagor, the obligations of such persons or entities will be joint and several.

22. **Indemnity.** The Mortgagor agrees to indemnify each of the Agent, any other agent acting in a similar capacity as trustee or collateral agent under the Indenture, the Indenture Trustee and each legal entity, if any, who controls, is controlled by or is under common control with the Agent or the Indenture Trustee or any other agent acting in a similar capacity as trustee or collateral agent under the Noteholder Documents, and each of their respective directors, officers, employees and agents (the "**Indemnified Parties**"), and to hold each Indemnified Party harmless from and against, any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party

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may incur, or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Mortgagor), in connection with or arising out of or relating to the matters referred to in this Mortgage, including without limitation any claims of slander of title, or any inaccuracy with respect to the legal description, whether (i) arising from or incurred in connection with any breach of a representation, warranty or covenant by the Mortgagor; or (ii) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's or any Affiliate of such Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section 22 shall survive the termination of this Mortgage, payment of any Secured Obligations and assignment of any rights hereunder. The Mortgagor may participate at its expense in the defense of any such action or claim.

23. **Release.** The lien of this Mortgage shall be released (i) in whole, upon the indefeasible payment in full of all outstanding Secured Obligations, (ii) in whole upon the release of the Mortgagor pursuant to Section 6.03 of the Indenture, (iii) in whole or in part pursuant to Section 11.04 of the Indenture, and (iv) in whole upon the Property becoming Excluded Property. In any of such events, the Agent shall, at the Mortgagor's cost and expense, promptly execute and deliver to the Mortgagor such releases and other documents as the Mortgagor may reasonably request to effectively confirm such release.

From time to time, upon reasonable request of Mortgagor, Agent shall execute and deliver to Mortgagor lien releases or subordinations with respect to Permitted Liens of the types described in clauses (f) and (g) of the definition of Permitted Liens set forth in the Indenture, upon receipt of a written certification by the Mortgagor that such lien is a Permitted Lien.

24. **Governing Law and Jurisdiction.** **THIS MORTGAGE HAS BEEN DELIVERED TO AND ACCEPTED BY THE AGENT AND WILL BE DEEMED TO BE MADE IN THE STATE OF NEW YORK. THIS MORTGAGE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCEPT THAT THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED SHALL GOVERN THE CREATION, PERFECTION AND FORECLOSURE OF THE LIENS CREATED HEREUNDER ON THE PROPERTY OR ANY INTEREST THEREIN. MORTGAGOR HEREBY IRREVOCABLY CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF THE NEW YORK SUPREME COURT AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND 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 DIRECTED TO MORTGAGOR AT THE ADDRESSES PROVIDED IN THE FIRST PARAGRAPH OF THIS MORTGAGE AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT THEREOF. MORTGAGOR WAIVES ANY OBJECTION TO JURISDICTION AND VENUE OF ANY ACTION INSTITUTED AGAINST IT AS**

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PROVIDED HEREIN AND AGREES NOT TO ASSERT ANY DEFENSE BASED ON LACK OF JURISDICTION OR VENUE.

25. **Protective Advances**. All advances, disbursements and expenditures made by Agent before and during foreclosure, prior to sale and, where applicable, after sale, for the following purposes, including interest thereon, are hereinafter referred to as “**Protective Advances**”:

- (a) advances pursuant to this Section 25;
- (b) advances in accordance with the terms of this Mortgage to: (i) protect, preserve or restore the Property; (ii) preserve the lien of this Mortgage or the priority thereof; or (iii) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 15-1302 of the Illinois Mortgage Foreclosure Act;
- (c) payments of (i) when due installments of principal, interest or other obligations in accordance with the terms of any Prior Encumbrance (as that term is defined below); (ii) when due, installments of real estate taxes and other Impositions; (iii) other obligations authorized by this Mortgage; or (iv) with court approval any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, all as referred to in the first paragraph of this Section of this Mortgage and in Section 15-1505 of the Illinois Mortgage Foreclosure Act;
- (d) reasonable attorney fees and other costs incurred in connection with the foreclosure of this Mortgage as referred to in Sections 1504(d)(2) and 15-1510 of the Illinois Mortgage Foreclosure Act and in connection with any other litigation or administrative proceeding to which the Agent may be or become or be threatened or contemplated to be a party, including probate and bankruptcy proceedings, or in the preparation for the commencement or defense of any such suit or proceeding; including filing fees, appraisers’ fees, outlays for documents and expert evidence, witness fees, stenographer’s charges, publication costs, and costs (which may be estimated as to items to be expended after entry of judgment) of procuring all such abstracts of title, title charges and examinations, foreclosure minutes, title insurance policies, torrens certificates, appraisals, and similar data and assurances with respect to title and value as Agent may deem reasonably necessary either to prosecute or defend such suit or, in the case of foreclosure, to evidence to bidders at any sale which may be had pursuant to the foreclosure judgment the true condition of the title to or the value of the Property;
- (e) Agent’s reasonable fees and costs arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 15-1508 of the Illinois Mortgage Foreclosure Act;
- (f) payment by Agent of Impositions as required of Mortgagor by Section 2(c) of this Mortgage;
- (g) expenses deductible from proceeds of sale referred to in Subsections (a) and (b) of Section 15-1512 of the Illinois Mortgage Foreclosure Act; and

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(h) expenses incurred and expenditures made by Agent for any one or more of the following: (i) premiums upon casualty and liability insurance made by Agent whether or not Agent or a receiver is in possession, if reasonably required, without regard to the limitation to maintaining of insurance in effect at the time any receiver or mortgagee takes possession of the Property imposed by Subsection (c)(1) of Section 15-1704 of the Illinois Mortgage Foreclosure Act; (ii) payments required or deemed by Agent to be for the benefit of the Property or required to be made by the owner of the Property under any grant or declaration of easement, easement agreement, reciprocal easement agreement, agreement with any adjoining land owners or other instruments creating covenants or restrictions for the benefit of or affecting the Property; (iii) shared or common expense assessments payable to any association or corporation in which the owner of the premises is a member in any way affecting the Property; (iv) operating deficits incurred by Agent in possession or reimbursed by Agent to any receiver; (v) if the loan secured hereby is a construction loan, costs incurred by Agent for completion of construction as may be authorized by the Credit Agreement; (vi) fees and costs incurred to obtain an environmental assessment report relating to the Property; and (vii) any monies expended in excess of the face amount of the Notes.

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time the Mortgage is recorded, pursuant to Subsection (b)(5) of Section 15-1307 of the Illinois Mortgage Foreclosure Act.

The Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Illinois Mortgage Foreclosure Act, be included in:

- (a) determination of the amount of indebtedness secured by this Mortgage at any time;
- (b) the indebtedness found due and owing to the Agent in the judgment of foreclosure and any subsequent amendment of such judgment, supplemental judgments, orders, adjudication's or findings by the court of any additional indebtedness becoming due after entry of such judgment, it being hereby agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;
- (c) if right of redemption has not been waived by this Mortgage, computation of the amount required to redeem, pursuant to Subsections (d)(2) and (e) of Section 15-1603 of the Illinois Mortgage Foreclosure Act;
- (d) determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Illinois Mortgage Foreclosure Act;
- (e) determination of the application of income in the hands of any receiver or mortgagee in possession; and
- (f) computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Section 15-1508 and Section 15-1511 of the Illinois Mortgage Foreclosure Act.

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All moneys paid for Protective Advances or any of the other purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorney fees, and any other moneys advanced by Agent to protect the Property and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate. Inaction of Agent shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor.

Should the proceeds of the Debt or any part thereof, or any amount paid out or advanced hereunder by Agent, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any senior mortgage (as described in Subsection (i) of Section 15-1505 of the Illinois Mortgage Foreclosure Act) or any other lien or encumbrance upon the Property or any part thereof on a parity with or prior or superior to the lien hereof ("**Prior Encumbrance**"), then as additional security hereunder, the Agent shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, however remote, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

26. **Change in Name or Locations.** The Mortgagor hereby agrees that if the location of any of the Property changes from the Land or its chief executive office, or if the Mortgagor changes its name, its type of organization, its state of organization (if Mortgagor is a registered organization), its principal residence (if Mortgagor is an individual), its chief executive office (if Mortgagor is a general partnership or non-registered organization) or establishes a name in which it may do business that is not the current name of the Mortgagor, the Mortgagor will promptly notify the Agent in writing of the additions or changes.

26. **Waiver of Right of Redemption.** To the full extent permitted by law, Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any advantage of, any stay, exemption or extension law or any so called "Moratorium Law" now or at any time hereafter in force, nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Property, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date hereof, it being the intent hereof that any and all such right of redemption of Mortgagor, and of all other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Mortgagor agrees that it will not, by involving or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Agent, but will suffer and permit the exercise of every such right, power and remedy

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as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Secured Obligations.

27. **WAIVER OF JURY TRIAL.** TO THE EXTENT PERMITTED BY LAW, THE MORTGAGOR IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS MORTGAGE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS MORTGAGE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE MORTGAGOR ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY

28. **Intercreditor Agreement.** Notwithstanding anything herein to the contrary, the lien and security interest granted to the Agent pursuant to this Mortgage and the exercise of any right or remedy by the Agent hereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Mortgage, the terms of the Intercreditor Agreement shall govern.

29. **Acknowledgment of Receipt.** The Mortgagor hereby acknowledges receipt of a true copy of this Mortgage without charge.

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The Mortgagor acknowledges that it has read and understood all the provisions of this Mortgage, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

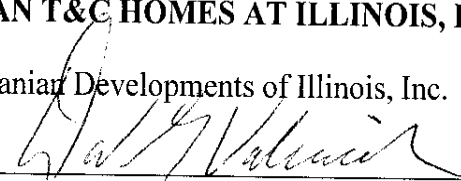
WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

MORTGAGOR:

K. HOVNANIAN T&C HOMES AT ILLINOIS, L.L.C.

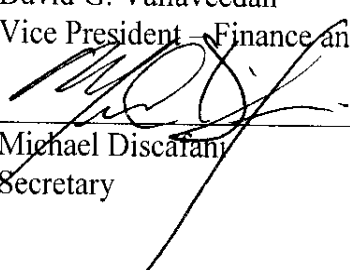
By: K. Hovnanian Developments of Illinois, Inc.

By:



David G. Valiavedan
Vice President - Finance and Treasurer

Attest:



Michael Discarano
Secretary

Property of Cook County Clerk's Office

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ACKNOWLEDGEMENT

STATE OF NEW JERSEY

COUNTY OF MONMOUTH

ON THIS, the 19th day of June, 2013 before me, the undersigned Notary Public of said State, personally appeared David G. Valiaveedan, who acknowledged himself to be the Vice President – Finance and Treasurer of K. Hovnanian Developments of Illinois, Inc., the sole member of K. Hovnanian T&C Homes at Illinois, L.L.C., the entity named in the foregoing instrument, and who, in such capacity, is authorized to do so and did execute the foregoing instrument as such entity's voluntary act and deed for the purposes therein contained by signing on behalf of said entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Shauna Ehlers

(Print Name and Title)

Shauna Ehlers
Notary Public
New Jersey
My Commission Expires 7-28-2014

Attest:

Theresa Cornisse

Name: Theresa Cornisse

Title: _____

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EXHIBIT A

Legal Description

Property of Cook County Clerk's Office

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Cook County

Ravinia Estates:

Lots 2, 3, 6, 7, 11, 13, 14, 15, 16 and 17 in PARK AVENUE ESTATES SUBDIVISION, being a subdivision of certain lots in the Northwest Quarter of Section 9, Township 42 North, Range 10 East of the Third Principal Meridian, according to the plat thereof recorded April 13, 2006 as Document 0610331038 as corrected by Certificate of Correction recorded January 17, 2007 as Document 0701755208, in Cook County, Illinois.

Lot	Street Address	City	State	Zip Code	PIN #
2	1321 N. Park Ave.	Palatine	IL	60074	02-09-106-035-0000
3	1327 N. Park Ave.	Palatine	IL	60074	02-09-106-036-0000
6	1322 N. Park Ave.	Palatine	IL	60074	02-09-105-036-0000
7	1316 N. Park Ave.	Palatine	IL	60074	02-09-105-037-0000
11	1317 N. Deer Ave.	Palatine	IL	60074	02-09-105-041-0000
13	1384 W. Hill Street	Palatine	IL	60074	02-09-105-043-0000
14	1390 W. Hill Street	Palatine	IL	60074	02-09-105-044-0000
15	1396 W. Hill Street	Palatine	IL	60074	02-09-105-045-0000
16	1402 W. Hill Street	Palatine	IL	60074	02-09-104-025-0000
17	1326 N. Deer Ave.	Palatine	IL	60074	02-09-104-026-0000

Lots 1, 3-8 (inclusive), 11 and 12 in the PUD Plat of Nick's Subdivision No. 2, being a Planned Unit Development of Lots 105, 106, 107 and 108 of Robert Parlett's Arlington Crest Estates, being a subdivision of part of the Northeast Quarter of Section 25, Township 42 North, Range 10 East of the Third Principal Meridian, according to the plat thereof recorded April 25, 2006 as Document 0611518050, in Cook County, Illinois.

Lot	Street Address	City	State	Zip Code	PIN #
1	796 Ravinia Circle	Palatine	IL	60074	02-24-408-004
3	784 Ravinia Circle	Palatine	IL	60074	02-24-408-006
4	778 Ravinia Circle	Palatine	IL	60074	02-24-408-007
5	772 Ravinia Circle	Palatine	IL	60074	02-24-408-008
6	766 Ravinia Circle	Palatine	IL	60074	02-24-408-009
7	760 Ravinia Circle	Palatine	IL	60074	02-24-408-010
8	754 Ravinia Circle	Palatine	IL	60074	02-24-408-011
11	771 Ravinia Circle	Palatine	IL	60074	02-24-408-002
12	779 Ravinia Circle	Palatine	IL	60074	02-24-408-003