

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM505367

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Security Interest (Second Lien)		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
K. HOV IP, II, INC.		01/10/2019	Corporation: CALIFORNIA
RECEIVING PARTY DATA			
Name:	Wilmington Trust, National Association, as Collateral Agent		
Street Address:	1100 N. Market St.		
Internal Address:	Rodney Square North		
City:	Wilmington		
State/Country:	DELAWARE		
Postal Code:	19890		
Entity Type:	National Banking Association: UNITED STATES		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Serial Number:	88061301	K HOVNANIAN HOMES	
CORRESPONDENCE DATA			
Fax Number:	6502515002		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	6502515027		
Email:	jmull@stblaw.com		
Correspondent Name:	Marcela Robledo		
Address Line 1:	2475 Hanover Street		
Address Line 4:	Palo Alto, CALIFORNIA 94304		
ATTORNEY DOCKET NUMBER:	045050/0110		
NAME OF SUBMITTER:	J. Jason Mull		
SIGNATURE:	/J. Jason Mull/		
DATE SIGNED:	01/10/2019		
Total Attachments: 9			
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TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement (the “**Agreement**”), dated as of January 10, 2019 is made by K. HOV IP, II, INC., a California corporation (the “**Grantor**”), in favor of Wilmington Trust, National Association, as Collateral Agent (as defined below) for the benefit of itself and the other Secured Parties.

WHEREAS, the Issuer, Hovnanian and each of the other guarantors party thereto entered 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 issued, 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, the Notes Collateral Agent and the Collateral Agent (as defined below) entered 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 Collateral Agent was appointed the Collateral Agent as the joint collateral agent for the Secured Parties (the “**Collateral Agent**”) and the Collateral Agent accepted such appointment;

WHEREAS, the Issuer, Hovnanian and each of the other Guarantors party thereto have entered into the Credit Agreement, dated as of January 29, 2018, as amended by the First Amendment dated as of May 14, 2018 (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 (in such capacity, the “**Senior Credit Agreement Administrative Agent**”) and the lenders party thereto;

WHEREAS, (i) the Issuer, Hovnanian, the Guarantors party thereto, Wilmington Trust, National Association, in its capacity as Senior Credit Agreement Administrative Agent (as defined therein), Wilmington Trust, National Association, in its capacity as Mortgage Tax Collateral Agent (as defined therein) and Wilmington Trust, National Association, in its capacity as the Junior Joint Collateral Agent (as defined therein) have entered into the Amended and Restated Intercreditor Agreement dated as of September 8, 2016, (ii) the Issuer, Hovnanian, the Guarantors party thereto, Wilmington Trust, National Association, as Trustee (as defined therein) and as Collateral Agent (as defined therein), 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 have entered into the Joinder to the Intercreditor Agreement, dated as of July 27, 2017 and (iii) the Senior Credit Agreement Administrative Agent entered into the Joinder to the Amended and Restated Intercreditor Agreement dated as of September 10, 2018, pursuant to which the Senior Credit Agreement Administrative Agent became a party to the Amended and Restated Intercreditor Agreement for the benefit of itself and the Lenders under the Senior Credit Agreement (as the same may be amended, supplemented, amended or restated or otherwise modified from time to time, the “**Amended and Restated 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 Grantor are engaged in related businesses, and the 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 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 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: _____

Name: **John T. Needham, Jr.**
Title: **Vice President**

Grantor.

K. HOV IP, II, INC.

By: _____

Name:
Title:

Grantor:

K HOV IP, II, INC.

By: 

Name: David Bachstetter

Title: Chief Executive Officer and Treasurer

Schedule A

Trademark Registrations and Applications

Trademark	Application No. / Registration No.
K HOVNANIAN HOMES	88061301

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045050-0104-11596-
Active.28544094.3

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