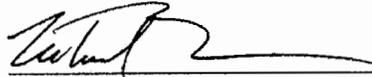


Prepared by:



Michael A. Bruno, Esq.

QUIT CLAIM DEED

This Deed is made on January 30, 2006

BETWEEN

K. HOVNANIAN AT UNION TOWNSHIP II, L.L.C., a New Jersey limited liability company, with offices locates at 110 Fieldcrest Avenue, CN 7825, Edison, New Jersey 08818-7825

referred to as the Grantor,

AND

TOWNSHIP OF UNION, in the County of Hunterdon, a municipal corporation of the State of New Jersey, with offices located at 140 Perryville Road, Hampton, New Jersey 08827

referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and Grantees listed above.

1. Transfer of Ownership. The Grantor grants and conveys (transfer of ownership of) to the Grantee any and all interest that the Grantor has in the property described below. This transfer is made for the sum of **One and 00/100 (\$1.00) Dollar** and other valuable consideration the receipt and sufficiency of which are hereby acknowledged by the Grantor.

2. Tax Map Reference. (N.J.S.A. 46:15-1.1). Township of Union, County of Hunterdon, State of New Jersey.
Block No. 22 Lot No. 20 (portion) Qualifier No. Account No.

3. Property. The Property consists of land in the Township of Union, County of Hunterdon, State of New Jersey.

The legal description is annexed hereto and made a part hereof.

BEING THE SAME PREMISES conveyed by the following Deeds:

- (i) to Joseph Boss by 1843 Deed Book 80, Page 401 and 1846 Deed Book 86, Page 228;
- (ii) to Joseph Bertram Milligan and Emma J. Milligan dated March 5, 1990 and recorded march 7, 1990, in the Hunterdon County Clerk's Office in Book 1039, Page 992; and
- (iii) to K. Hovnanian at Union Township II, LLC dated June 15, 2005 and recorded June 17, 2005, in the Hunterdon County Clerk's Office in Book 2125, Page 654.

4. Type of Deed. This Deed is called a Quitclaim Deed. The Grantor makes no promises as to the ownership or title, but simply transfers whatever interest the Grantor has to the Grantee.

5. Purpose of Deed. This Deed is intended to convey and release all of the Grantor's right, title and interest in and to the premises herein conveyed, however acquired, to Grantee.



Consideration:	1.00
Realty Tax:	0.00 E
Fees:	8.00

Instr# 8575107 Dorothy K. Tirpok
Recorded/Filed NF Hunterdon County Clerk
01/30/2006 14:16 Bk 2146 Pg 468 #Pg 5 DEED B

**COMMONWEALTH LAND TITLE INSURANCE COMPANY OF NEW
JERSEY**

TITLE INSURANCE COMMITMENT

File Number: C513425

SCHEDULE A

LEGAL DESCRIPTION - PAGE 4

BEGINNING at a concrete monument found marking the termination of course #18 in the above described 101.964 acre tract of land, also marking a common corner to lands of Daniel Minzner (Block 22, Lot 25.07) and lands of Michael Roberts & Maureen McCabe (Block 22, Lot 25.08); thence-

1. **S 05° 30' 01" E, 596.89 feet** to a point being near an iron bar found 1.59 feet southerly and 0.63 feet westerly of said point; thence --
2. **N 53° 57' 49" W, 220.85 feet** along lands of Joseph and Ruth Rubba (Block 22, Lot 25.01) to a concrete monument found; thence-
3. **N 40° 21' 35" W, 127.54 feet** along the same to a concrete monument found; thence-
4. **N 29° 03' 42" E, 419.90 feet** along lands of Robert & Roberta Grambor (Block 22, Lot 25.06), and along lands of the aforementioned Daniel Minzner (Block 22, Lot 25.07) to the point and place of beginning and containing **1.708 Acres±**.

The above described tract of land (Block 22, Lot 20) being more fully shown on a map titled "Boundary Survey for the Township of Union, Lot 20, Block 22": as prepared by Maser Consulting P.A. in December of 2005.

The above description was written pursuant to a survey of property designated as Block 22, Lot 20, on the municipal tax map of the Township of Union, County of Hunterdon, State of New Jersey. Said survey was prepared by Maser Consulting, PA, Hackettstown Office, 43A Newburgh Road, Suite 100, Hackettstown, New Jersey 07840, December 2005, and is marked as file No. MC UNT-146.

Issued by:

Cortes and Hay, Inc

NJ Telephone: (908) 782-8850 Fax: (908) 782-1998

PA Telephone: (610)258-6208 Fax: (610)258-4380

www.corteshay.com email: info@corteshay.com

6. **Signatures.** The Grantor signs this Deed as of the date at the top of the first page. If the Grantor is a corporation, the Deed is signed and attested to by its proper corporate officers and its corporation, this Deed is signed and attested to by its proper corporate officers and its corporate seal is affixed.

Witnessed or Attested by:

PH Sh

**K. HOVNANIAN AT UNION
TOWNSHIP II, L.L.C.**

By:

SD

Stephen M. Dahl
Authorized Officer

ACKNOWLEDGMENT

STATE OF NEW JERSEY :
: SS
COUNTY OF HUNTERDON :

I CERTIFY that on January 30th, 2006, Stephen M. Dahl, personally came before me and this person acknowledged under oath, to my satisfaction, that:

- (a) This person signed, sealed and delivered the attached document as an authorized officer of the limited liability company named in this document;
- (b) This document was signed and made by the limited liability company as its voluntary act and deed by virtue of authority from its members.

PH Sh

Paul H. Schneider
Attorney-at-Law
State of New Jersey

RECORD AND RETURN TO:

J. Peter Jost, Esq.
Union Township Attorney
65 West Main Street
P.O. Box 5389
Clinton, New Jersey 08809

::ODMA\PCDOCS\GHCDOS\511467\1

AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER

(Chapter 49, P.L.1968, as amended through Chapter 66, P.L. 2004)

To be recorded with deed pursuant to Chapter 49, P.L. 1968, as amended by Chapter 308, P.L. 1991 (N.J.S.A. 46:15-5 et seq.) BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

COUNTY OF HUNTERDON

} SS.

FOR RECORDER'S USE ONLY

Consideration \$ 1.
RTF paid by seller \$ E
Date 1-30-06 By TF

*Use symbol "C" to indicate that fee is exclusively for county use.

(1) **PARTY OR LEGAL REPRESENTATIVE** (See Instructions # 3 and #4 on reverse side)

Deponent, Stephen M. Dahl, being duly sworn according to law upon his/her oath, deposes and says that he/she is the GRANTOR Corporate Officer in a deed dated JANUARY, 2006 transferring (Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.)

real property identified as Block number 22 Lot number 20 located at TOWNSHIP OF UNION, HUNTERDON COUNTY, NEW JERSEY and annexed thereto. (Street Address, Municipality, County)

(2) **CONSIDERATION** \$ 1.00 (See Instructions #1 and #5 on reverse side)

(3) **FULL EXEMPTION FROM FEE** (See Instruction #6 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through Chapter 66, P.L. 2004, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail. CONSIDERATION IS FOR \$1.00 AND TRANSACTION IS WITH A MUNICIPAL CORPORATION OF THE STATE OF NEW JERSEY.

(4) **PARTIAL EXEMPTION FROM FEE** (See Instruction #7 on reverse side)

PARTIAL EXEMPTION FROM FEE EXEMPTION FROM FEE (See Instructions #7 on reverse side)

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption.

Deponent claims that this deed transaction is exempt from State portions of the Basic Fee, Supplemental Fee, and General Purpose Fee, as applicable, imposed by C. 176, P.L. 1975, C. 113, P.L. 2004 and C. 66, P.L. 2004 for the following reason(s):

- A. SENIOR CITIZEN Grantor(s) 62 years of age or over. * (See Instruction #7 on reverse side for A or B)
- B. BLIND PERSON Grantor(s) legally blind or; *
- DISABLED PERSON Grantor(s) permanently and totally disabled Receiving disability payments Not gainfully employed*

Senior citizens, blind or disabled persons must also meet all of the following criteria.

- Owned and occupied by grantor(s) at time of sale.
- Resident of the State of New Jersey.
- One or two-family residential premises.
- Owners as joint tenants must all qualify.

*IN THE CASE OF HUSBAND AND WIFE, ONLY ONE GRANTOR NEEDS TO QUALIFY IF OWNED AS TENANTS BY THE ENTIRETY.

C. **LOW AND MODERATE INCOME HOUSING** (See Instruction #7 on reverse side)

- Affordable according to H.U.D. standards.
- Reserved for occupancy.
- Meets income requirements of region.
- Subject to resale controls.

(5) **NEW CONSTRUCTION** (See Instructions #8 and #10 on reverse side)

- Entirely new improvement.
- Not previously occupied.
- Not previously used for any purpose.
- "NEW CONSTRUCTION" printed clearly at the top of the first page of the deed.

Deponent makes this Affidavit to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968, as amended through Chapter 66, P.L. 2004.

Subscribed and sworn to before me this 30 day of JANUARY, 2006

[Signature]
Signature of Deponent

K. HOVNANIAN AT UNION TWP.
Grantor Name

110 FIELDCREST AVE., EDISON
Deponent Address

110 FIELDCREST AVE., EDISON
Grantor Address at Time of Sale

Paul H. Schneider
Paul H. Schneider
Attorney-at-Law
State of New Jersey

GIORDANO, HALLERAN & CIESLA
Name/Company of Settlement Officer

FOR OFFICIAL USE ONLY
Instrument Number 8575107 County Hunterdon
Deed Number _____ Book _____ Page _____
Deed Dated 1-30-06 Date Recorded 1-30-06

The Director of the Division of Taxation in the Department of the Treasury has prescribed this form, as required by law. This form may not be altered or amended without the approval of the Director. For further information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division of Taxation website at www.state.nj.us/treasury/taxation/lp/localtax.htm.



State of New Jersey
SELLER'S RESIDENCY CERTIFICATION/EXEMPTION
(C.55, P.L. 2004)

(Please Print or Type)

SELLER(S) INFORMATION (See Instructions, Page 2)

Name(s)

K. Hovnanian At Union Township II, L.L.C.

Current Resident Address:

Street: 110 Fieldcrest Avenue, CN 7825

City, Town, Post Office

State

Zip Code

Edison

NJ

08818

PROPERTY INFORMATION (Brief Property Description)

Block(s)

Lot(s)

Qualifier

22

20

Street Address:

City, Town, Post Office

State

Zip Code

Township of Union

NJ

Seller's Percentage of Ownership

Consideration

Closing Date

100%

\$1.00

SELLER ASSURANCES (Check the Appropriate Box)

1. I am a resident taxpayer (individual, estate, or trust) of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
2. The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 121.
3. I am a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
4. Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
5. Seller is not individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A.54A:1-1 et seq.
6. The total consideration for the property is \$1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:5-1-1 et seq.
7. The gain from the sale will not be recognized for Federal income tax purposes under I.R.C. Section 721, 1031, 1033 or is a cemetery plot. (CIRCLE THE APPLICABLE SECTION). If such section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a New Jersey income tax return for the year of the sale.
8. Transfer by an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent's estate in accordance with the provisions of the decedent's will or the interstate laws of this state.

SELLER(S) DECLARATION

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete.

1/30/06
Date

K. HOVNANIAN AT UNION TWP II LLC
Signature

(Seller) Please indicate if Power of Attorney or Attorney In Fact



Date

END OF DOCUMENT

Signature

(Seller) Please indicate if Power of Attorney or Attorney In Fact

Prepared by:

Paul H. Schneider

PAUL H. SCHNEIDER, ESQ.

RECORD AND RETURN TO:

J. Peter Jost, Esq.
65 West Main Street
P.O. Box 5389
Clinton, New Jersey 08809

THIS DEED, made the 30th day of January, 2006,

BETWEEN:

K. HOVNANIAN AT UNION TOWNSHIP II, L.L.C., a New Jersey limited liability company, with offices located at 110 Fieldcrest Avenue, CN 7825, Edison, New Jersey 08818-7825

(herein collectively designated as the "Grantor");

AND

TOWNSHIP OF UNION, in the County of Hunterdon, a municipal corporation of the State of New Jersey, with offices located at 140 Perryville Road, Hampton, New Jersey 08827

(herein designated as the "Grantee"),

WITNESSETH, that the Grantor, for and in consideration of TEN MILLION AND 00/100 (\$10,000,000.00) DOLLARS lawful money of the United States of America, to the Grantor in hand well and truly paid by the Grantees, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, and the Grantor being therewith fully satisfied, does by these presents grant, bargain, sell and convey unto the Grantee forever, that certain tract or parcel of land and premises, situate, lying and being in the Township of Union, in the County of Hunterdon and State of New Jersey, specifically known as Block 22, Lot 20, and as more particularly described on the legal description attached hereto as Exhibit "A".

BEING AND INTENDED as the same premises conveyed by deed from Phyllis M. Eichlin, Genevieve E. Sliker and Joseph E. Milligan, individually as heirs and devisees under the Last Will and Testament of Emma J. Milligan and Joseph Bertram Milligan and Phyllis M. Eichlin and Genevieve E. Sliker, Co-Executrices under the Last Will and Testament of Joseph Bertram Milligan, deceased and Phyllis M. Eichlin, successor Executrix under the Last Will and Testament of Emma J. Milligan, deceased, dated June 15, 2005, recorded June 17, 2005, in the Hunterdon County Clerk's Office in Deed Book 2125, Page 654.

Excepting from the above described lands are premises described in Deed Book 80, Page 401 and Deed Book 86, Page 228.

Together with all and singular the buildings, improvements, ways, woods, waters, watercourses, rights, liberties, privileges, hereditaments and appurtenances to the same belonging or in anywise appertaining; and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and of every part and parcel thereof; and also all the estate, right, title, interest, use, possession, property, claim and demand whatsoever, of the Grantor both in law and in equity, of,

**COMMONWEALTH LAND TITLE INSURANCE COMPANY OF NEW
JERSEY**

TITLE INSURANCE COMMITMENT

File Number: C513425

**SCHEDULE A
LEGAL DESCRIPTION**

NOTE FOR INFORMATION: Tax Lot 20 (portion of), Tax Block 22 in the Township of Union,
County of Hunterdon, State of New Jersey.

COMMENCING at a point marking the intersection of the centerline of Pittstown Road, County
Route 513 with the centerline of Sidney Road as in Deed Book 2125, Page 654; thence

- A S 35° 07' 32" W, 217.05 feet to a point in or near the centerline of said Pittstown Road, County
Route 513; thence-
- B. N 54° 56' 08" W, 16.50 feet to an iron bar found marking the POINT OF BEGINNING, also
marking the same point of beginning as in Deed Book 2125, Page 654, said iron bar having New
Jersey State Plane Coordinate (NAD 1983) values of N= 652,725.5373', E= 373,360.8458';
from said beginning point and running thence and continuing in said bearing system:
1. S 35° 22' 15" W, 105.03 feet along the westerly side of said Pittstown Road, County Route 513
to an iron bar found on the westerly side of the same; thence -
 2. S 32° 14' 10" W, 372.90 feet along the westerly side of the same to an iron bar found; thence-
 3. S 31° 35' 19" W, 876.34 feet along the westerly side of the same to an iron bar found; thence-
 4. S 31° 59' 13" W, 820.48 feet along the westerly side of the same to an iron bar found; thence-
 5. N 58° 00' 47" W, 16.50 feet along lands deeded to the County of Hunterdon, as in Deed Book
424, Page 222 to an iron bar found; thence-
 6. S 31° 59' 13" W, 323.40 feet along the same to a point in a tributary to the South Branch
Raritan River, located westerly of Hunterdon County Bridge Structure FU2; thence-
 7. S 55° 47' 32" W, 82.70 feet along the northerly side of an old road vacated in Vacation of
Roads Book 1, page 158 to an iron bar found; thence-
 8. S 33° 44' 56" W, 43.96 feet to an iron bar found in the centerline of said old road; thence-

Continued on Description Page 2

Issued by:

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**COMMONWEALTH LAND TITLE INSURANCE COMPANY OF NEW
JERSEY**

**TITLE INSURANCE COMMITMENT
File Number: C513425**

**SCHEDULE A
LEGAL DESCRIPTION - PAGE 2**

- 9 S 55° 47' 32" W, 89.66 feet along the centerline of the same to an iron set in the same; thence-
- 10 S 62° 06' 46" W, 75.09 feet along the same to an iron bar set for a corner to lands of Bethlehem Presbyterian Church (Block 22, Lot 22); thence-
- 11 N 36° 09' 22" W, 279.41 feet along said lands of Bethlehem Presbyterian Church (Block 22, Lot 22) passing through a concrete monument set on line 20.00 feet from the beginning of this course, having New Jersey State Plane Coordinate (NAD 1983) values of N= 650,464.0835', E= 371,777.0368', to a concrete monument set for a corner to the same having New Jersey State Plane Coordinate (NAD 1983) values of N= 650,673.5336', E= 371,623.9871'; thence-
- 12 N 72° 27' 09" W, 253.24 feet along the same to an iron bar found for a corner to the same, in line of other lands of Bethlehem Presbyterian Church (Block 22, Lot 23); thence-
- 13 N 04° 31' 22" W, 34.82 feet to an iron bar found for a corner to said lands of Bethlehem Presbyterian Church (Block 22, Lot 23); thence-
- 14 S 88° 24' 38" W, 191.03 feet to an iron axle found for a corner in line of lands of Gene and Betty Hartsell (Block 22, Lot 44); thence-
- 15 N 05° 26' 26" W, 737.66 feet along said lands of Gene and Betty Hartsell (Block 22, Lot 44), and along lands of Charles Neary (Block 22, Lot 24), also along lands of Joseph and Ruth Rubba (Block 22, Lot 25.01) to a point for a corner to said lands of Joseph and Ruth Rubba (Block 22, Lot 25.01), said point being near an iron bar found 1.59 feet southerly and 0.63 feet westerly from the corner; thence-
- 16 N 53° 57' 49" W, 220.85 feet along said lands of Joseph and Ruth Rubba (Block 22, Lot 25.01) to a concrete monument found for a corner to the same; thence-
- 17 N 40° 21' 35" W, 127.54 feet along the same to a concrete monument found for a corner to the same, corner to lands of Robert & Roberta Grambor (Block 22, Lot 25.06); thence-
- 18 N 29° 03' 42" E, 419.90 feet along said lands of Robert & Roberta Grambor (Block 22, Lot 25.06), and along lands of Daniel Minzner (Block 22, Lot 25.07) to a concrete monument found

Continued on Description Page 3

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**COMMONWEALTH LAND TITLE INSURANCE COMPANY OF NEW
JERSEY**

TITLE INSURANCE COMMITMENT

File Number: C513425

SCHEDULE A

LEGAL DESCRIPTION - PAGE 3

for a corner to said lands of Daniel Minzner (Block 22, Lot 25.07), corner to lands of Michael Roberts & Maureen McCabe (Block 22, Lot 25.08); thence-

19. N 05° 22' 34" W, 930.21 feet along said lands of Michael Roberts & Maureen McCabe (Block 22, Lot 25.08), and along lands of Carol Weiner (Block 22, Lot 25.09), also along lands of John and Susan Tarnoski (Block 22, Lot 25.10) to a concrete monument found for a corner to said lands of John and Susan Tarnoski (Block 22, Lot 25.10); thence-
20. N 82° 52' 42" E, 2,471.06 feet along said lands of John and Susan Tarnoski (Block 22, Lot 25 10) and along lands of Department of Corrections, State of New Jersey (Block 22, Lot 18) to a concrete monument found for a corner in line of said lands of Department of Corrections, State of New Jersey (Block 22, Lot 18), corner to lands of Herbert Koenig, Jr. (Block 22, Lot 45); thence-
21. S 28° 46' 06" W, 141.78 feet along said lands of Herbert Koenig, Jr. (Block 22, Lot 45) to an iron pipe found for a corner to the same, corner to lands of Michael Waisempacher (Block 22, Lot 42); thence-
22. S 35° 00' 46" W, 399.95 feet along said lands of Michael Waisempacher (Block 22, Lot 42), and along lands of Congregation of Jehovah Witnesses (Block 22, Lot 43) to an iron pipe found for a corner to said lands of Congregation of Jehovah Witnesses (Block 22, Lot 43); thence-
23. S 54° 56' 08" E, 283.50 feet along said lands of Congregation of Jehovah Witnesses (Block 22, Lot 43), and passing through a concrete monument set on line 18.00 feet from the termination of this course, said concrete monument having New Jersey State Plane Coordinate (NAD 1983) values of N= 652,735.8777', E= 373,346.1135' to the point and place of beginning and containing 101.964 Acres±, being the same more or less as surveyed by Maser Consulting PA in December of 2005.

Subject to an area of questionable title located in the westerly portion of the above described tract, described as two parcels deeded from Young to Boss as in Deed Book 86, Page 228 and Deed Book 80, Page 401, also described as parcels "A" and "B" in quitclaim Deed Book 1039, Page 992, Milligan to Milligan and being more particularly described as follows:

Continued on Description Page 4

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JERSEY**

TITLE INSURANCE COMMITMENT

File Number: C513425

SCHEDULE A

LEGAL DESCRIPTION - PAGE 4

BEGINNING at a concrete monument found marking the termination of course #18 in the above described 101.964 acre tract of land, also marking a common corner to lands of Daniel Minzner (Block 22, Lot 25.07) and lands of Michael Roberts & Maureen McCabe (Block 22, Lot 25.08); thence-

1. S 05° 30' 01" E, 596.89 feet to a point being near an iron bar found 1.59 feet southerly and 0.63 feet westerly of said point; thence --
2. N 53° 57' 49" W, 220.85 feet along lands of Joseph and Ruth Rubba (Block 22, Lot 25.01) to a concrete monument found; thence-
3. N 40° 21' 35" W, 127.54 feet along the same to a concrete monument found; thence-
4. N 29° 03' 42" E, 419.90 feet along lands of Robert & Roberta Grambor (Block 22, Lot 25.06), and along lands of the aforementioned Daniel Minzner (Block 22, Lot 25.07) to the point and place of beginning and containing 1.708 Acres±.

The above described tract of land (Block 22, Lot 20) being more fully shown on a map titled "Boundary Survey for the Township of Union, Lot 20, Block 22"; as prepared by Maser Consulting P.A. in December of 2005.

The above description was written pursuant to a survey of property designated as Block 22, Lot 20, on the municipal tax map of the Township of Union, County of Hunterdon, State of New Jersey. Said survey was prepared by Maser Consulting, PA, Hackettstown Office, 43A Newburgh Road, Suite 100, Hackettstown, New Jersey 07840, December 2005, and is marked as file No. MC UNT-146.

Issued by:

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AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER

(Chapter 49, P.L. 1968, as amended through Chapter 66, P.L. 2004)

To be recorded with deed pursuant to Chapter 49, P.L. 1968, as amended by Chapter 308, P.L. 1991 (N.J.S.A. 46:15-5 et seq.)
BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

COUNTY OF Hunterdon

} SS.

FOR RECORDER'S USE ONLY	
Consideration	\$ <u>10,000,000.00</u>
RTF paid by seller	\$ <u>E</u>
Date <u>1-30-06</u>	By <u>MF</u>

*Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (See Instructions # 3 and #4 on reverse side)

Deponent, Stephen M. Dabul, being duly sworn according to law upon his/her oath,
 (Name)
 deposes and says that he/she is the Grantor Corporate Officer in a deed dated January, 2006 transferring
 (Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.)
 real property identified as Block number 22 Lot number 20 located at
 TOWNSHIP OF UNION, HUNTERDON COUNTY, NEW JERSEY and annexed thereto.
 (Street Address, Municipality, County)

(2) CONSIDERATION \$ 10,000,000.00 (See Instructions #1 and #5 on reverse side)

(3) FULL EXEMPTION FROM FEE (See Instruction #6 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through Chapter 66, P.L. 2004, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail.
TRANSACTION IS WITH A MUNICIPAL CORPORATION OF THE STATE OF NEW JERSEY.

(4) PARTIAL EXEMPTION FROM FEE (See Instruction #7 on reverse side)

PARTIAL EXEMPTION FROM FEE EXEMPTION FROM FEE (See Instructions #7 on reverse side)

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption.

Deponent claims that this deed transaction is exempt from State portions of the Basic Fee, Supplemental Fee, and General Purpose Fee, as applicable, imposed by C. 176, P.L. 1975, C. 113, P.L. 2004 and C. 66, P.L. 2004 for the following reason(s):

- A. SENIOR CITIZEN Grantor(s) 62 years of age or over. * (See Instruction #7 on reverse side for A or B)
- B. BLIND PERSON Grantor(s) legally blind or; *
- DISABLED PERSON Grantor(s) permanently and totally disabled Receiving disability payments Not gainfully employed*

Senior citizens, blind or disabled persons must also meet all of the following criteria.

- Owned and occupied by grantor(s) at time of sale.
- Resident of the State of New Jersey.
- One or two-family residential premises.
- Owners as joint tenants must all qualify.

*IN THE CASE OF HUSBAND AND WIFE, ONLY ONE GRANTOR NEEDS TO QUALIFY IF OWNED AS TENANTS BY THE ENTIRETY.

C. LOW AND MODERATE INCOME HOUSING (See Instruction #7 on reverse side)

- Affordable according to H.U.D. standards.
- Reserved for occupancy.
- Meets income requirements of region.
- Subject to resale controls.

(5) NEW CONSTRUCTION (See Instructions #8 and #10 on reverse side)

- Entirely new improvement.
- Not previously occupied.
- Not previously used for any purpose.
- "NEW CONSTRUCTION" printed clearly at the top of the first page of the deed.

Deponent makes this Affidavit to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968, as amended through Chapter 66, P.L. 2004.

Subscribed and sworn to before me this 30th day of JANUARY, 2006

Paul H. Schneider
 Paul H. Schneider
 Attorney-at-Law
 State of New Jersey

[Signature]
 Signature of Deponent

110 FIELDCREST AVE, EDISON
 Deponent Address

K. HOVNIANIAN AT UNION TWP.
 Grantor Name

110 FIELDCREST AVE, EDISON
 Grantor Address at Time of Sale

GIORDANO, HALLERAN & CIESLA
 Name/Company of Settlement Officer

FOR OFFICIAL USE ONLY	
Instrument Number	<u>2575104</u>
Deed Number	Book <u>7</u> Page <u>1</u>
Deed Dated <u>1-30-06</u>	Date Recorded <u>1-30-06</u>

The Director of the Division of Taxation in the Department of the Treasury has prescribed this form, as required by law.
 This form may not be altered or amended without the approval of the Director.
 For further information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division of Taxation website at www.state.nj.us/treasury/taxation/lpt/localtax.htm.

AFFIDAVIT OF CONSIDERATION FOR USE BY BUYER

(Chapter 49, P.L. 1968, as amended through Chapter 19, P.L. 2005)

To be recorded with deed pursuant to Chapter 49, P.L. 1968, as amended by Chapter 308, P.L. 1991 (N.J.S.A. 46:15-5 et seq.)
BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

FOR RECORDER'S USE ONLY	
Consideration	\$ 10,000,000.-
RTF paid by buyer	\$ E
Date	1-30-06
By	mf

COUNTY OF Hunterdon } ss.

(1) PARTY OR LEGAL REPRESENTATIVE (See Instructions # 3 and #4 on reverse side)

Deponent, Bruce A. Rossi, being duly sworn according to law upon his/her oath,
(Name)

deposes and says that he/she is the Grantee-mayor in a deed dated 1-30-2006 transferring
(Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.)

real property identified as Block number 22 Lot number 20 located at
TOWNSHIP OF UNION, HUNTERDON COUNTY, NEW JERSEY and annexed thereto.
(Street Address, Municipality, County)

(2) CONSIDERATION \$ 10,000,000.00 (See Instructions #1 and #5 on reverse side)

Entire consideration is in excess of \$1,000,000:

PROPERTY CLASSIFICATION CHECKED BELOW SHOULD BE TAKEN FROM THE OFFICIAL TAX LIST (WHICH IS A PUBLIC RECORD) OF THE MUNICIPALITY WHERE THE PROPERTY IS LOCATED IN THE YEAR THAT THE TRANSFER IS MADE.

(A) When Grantee pays:

- Class 2 - Residential (4 Families or less)
- Class 4C - Residential Cooperative Unit
- Class 3A - Farm property (Regular) and any other real property transferred to same grantee in conjunction with transfer of Class 3A property.

(B) When Grantee does not have to pay, fill out below:

- Property class. Circle applicable class(es): 1 4A 4B 4C 15
- Exempt Organization Pursuant to Federal Internal Revenue Code of 1986

Property classes: 1-Vacant Land, 4A-Commercial, 4B-Industrial, 4C-Apartment (other than residential cooperative unit), 15-Public Property

(3) FULL EXEMPTION FROM FEE (See Instruction #6 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through Chapter 66, P.L. 2004, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail.

TRANSACTION IS WITH A MUNICIPAL CORPORATION OF THE STATE OF NEW JERSEY.

Deponent makes this Affidavit to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968, as amended through Chapter 19, P.L. 2005.

Subscribed and sworn to before me this 30 day of JANUARY, 2006

Bruce A. Rossi, Mayor
Signature of Deponent

TOWNSHIP OF UNION
Grantee Name

140 PERRYVILLE ROAD
HAMPTON, NJ 08827
Deponent Address

140 PERRYVILLE ROAD
HAMPTON, NJ 08827
Grantee Address

J. Robert Tost
Attorney at Law of mf

Name/Company of Settlement Officer

FOR OFFICIAL USE ONLY	
Instrument Number	<u>8573104</u> County <u>Hunterdon</u>
Deed Number	Book Page
Deed Dated	<u>1-30-06</u> Date Recorded <u>1-30-06</u>

The Director of the Division of Taxation in the Department of the Treasury has prescribed this form, as required by law. This form may not be altered or amended without the approval of the Director. For further information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division of Taxation website at www.state.nj.us/treasury/taxation/lpt/localtax.htm.



State of New Jersey
SELLER'S RESIDENCY CERTIFICATION/EXEMPTION
(C.55, P.L. 2004)

(Please Print or Type)

SELLER(S) INFORMATION (See Instructions, Page 2)

Name(s)

K. Hovnanian At Union Township II, L.L.C.

Current Resident Address:

Street: 110 Fieldcrest Avenue, CN 7825

City, Town, Post Office

State

Zip Code

Edison

NJ

08818

PROPERTY INFORMATION (Brief Property Description)

Block(s)

Lot(s)

Qualifier

22

20

Street Address:

City, Town, Post Office

State

Zip Code

Township of Union

NJ

Seller's Percentage of Ownership

Consideration

Closing Date

100%

\$10,000,000.00

SELLER ASSURANCES (Check the Appropriate Box)

1. I am a resident taxpayer (individual, estate, or trust) of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
2. The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 121.
3. I am a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
4. Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
5. Seller is not individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A.54A:1-1 et seq.
6. The total consideration for the property is \$1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:5-1-1 et seq.
7. The gain from the sale will not be recognized for Federal income tax purposes under I.R.C. Section 721, 1031, 1033 or is a cemetery plot. (CIRCLE THE APPLICABLE SECTION). If such section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a New Jersey income tax return for the year of the sale.
8. Transfer by an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent's estate in accordance with the provisions of the decedent's will or the interstate laws of this state.

SELLER(S) DECLARATION

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete.

1/30/06
Date

K. HOVNANIAN AT UNION TOWNSHIP LLC
Signature
(Seller) Please indicate if Power of Attorney or Attorney in Fact



Date

END OF DOCUMENT

Signature

(Seller) Please indicate if Power of Attorney or Attorney in Fact