AMENDMENT TO PURCHASE AGREEMENT
(BUY DOWN)

BETWEEN: K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC., SELLER; AND

LINDA L. MITCHELL

_____, BUYER

UNIT H, BUILDING 17, PURCHASE AGREEMENT DATE 12/18/94

THE TERMS AND CONDITIONS-PURCHASE AGREEMENT EXECUTED AS SET FORTH ABOVE IS HEREBY AMENDED AS FOLLOWS:

(1) WITHIN TEN (10) BUSINESS DAYS OF A FULLY EXECUTED COPY OF THE PURCHASE AGREEMENT,THE BUYER SHALL APPLY FOR AN APPLICATION FOR MORTGAGE WITH K. HOVNANIAN MORTGAGE,INC.; IF BUYER SUBSEQUENTLY CLOSES WITH THE MORTGAGE AND CLOSES TITLE WITH SELLER BY JANUARY 31, 1995; SELLER WILL CONTRACT WITH AND PAY AT CLOSING.

(a) A DOLLAR AMOUNT SUFFICIENT TO FUND A TEMPORARY BUYDOWN, FOR THE BENEFIT OF THE BUYER, WHICH WILL PROVIDE AN INTEREST RATE OF TWO (2) PERCENTAGE POINTS BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE AT THE TIME OF BUYER'S CLOSING ON THE MORTGAGE, AND BY ONE (1) PERCENTAGE POINT BELOW WHAT THE INTEREST RATE WOULD OTHERWISE BE FOR THE SECOND YEAR OF THE BUYER'S MORTGAGE. IN THE THIRD AND FOLLOWING YEARS, BUYER'S MORTGAGE WILL BE AT THE INTEREST RATE IN EFFECT AT THE TIME OF CLOSING ON SAME. AND:

(b) A DOLLAR AMOUNT SUFFICIENT TO FUND UP TO A MAXIMUM OF THREE (3) POINTS ASSOCIATED WITH THE BUYERS MORTGAGE.

(2) WHERE THE TERMS OF THIS AMENDMENT AND THE CONTRACT OF SALE CONFLICT, THIS AMENDMENT SHALL PREVAIL.

Linda L. Mitchell 1/29/95
BUYER DATE

_____
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

BY: _____
LAURA VANVELTHOVEN
DIRECTOR OF MARKETING AND SALES
HUDSON RIVER