AMENDMENT TO PURCHASE AGREEME'
(BUY DOWN)

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

Joanne L Toler

_____, BUYER

UNIT A2, BUILDING 22, PURCHASE AGREEMENT DATE 10/31/93

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 BY BUYER AND SELLER, BUYER HEREBY AGREES TO MAKE APPLICATION FOR MORTGAGE WITH K. HOVNANIAN MORTGAGE CO., INC.

(2) IN THE EVENT BUYER OBTAINS A MORTGAGE COMMITMENT FROM K. HOVNANIAN MORTGAGE CO. INC. AND SUBSEQUENTLY CLOSES ON THE SAID MORTGAGE AND CLOSES TITLE TO THE PREMISES (AS DEFINED IN THE PURCHASE AGREEMENT), BUYER SHALL RECEIVE A CREDIT AT CLOSING. THE CREDIT AT BUYER'S OPTION SHALL BE IN ONE OF THE FOLLOWING TWO AMOUNTS:

(a) A SUM EQUIVALENT TO THE AMOUNT THAT WOULD BE REQUIRED TO FUND A TWO-YEAR BUYDOWN OF THE MORTGAGE, FOR THE BENEFIT OF THE BUYER, SUCH THAT FOR THE FIRST YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE TWO (2) PERCENTAGE POINTS LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF CLOSING AND FOR THE SECOND YEAR OF THE MORTGAGE, THE INTEREST RATE WOULD BE ONE (1) PERCENTAGE POINT LESS THAN WHAT THE INTEREST RATE WOULD OTHERWISE HAVE BEEN ON THE DATE OF THE CLOSING. FOR THE THIRD AND FOLLOWING YEARS, THE INTEREST RATE SHALL BE THE INTEREST RATE IN EFFECT ON THE DATE OF CLOSING; OR

(b) A SUM EQUIVALENT TO THE AMOUNT OF THE CREDIT BUYER WOULD HAVE RECEIVED UNDER PARAGRAPH (2)(a) ABOVE, TO BE UTILIZED BY BUYER TOWARDS THE PAYMENT OF POINTS AND/OR OTHER COSTS ASSOCIATED WITH THE MORTGAGE AND/OR TITLE CLOSINGS IN AN AMOUNT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS ($2,500.00).

(3) EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE AGREEMENT REMAIN IN FULL FORCE AND EFFECT.

Joanne L. Toler 12/5/93
BUYER DATE

_____
BUYER DATE

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORP. III, INC.

BY: _____
WAYNE SOOJIAN
DIRECTOR OF SALES AND MARKETING

KHOV035305