

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-03-17** | Period of Report: **1994-01-31**
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FILER

AMREP CORP

CIK: **6207** | IRS No.: **590936128** | State of Incorporation: **OK** | Fiscal Year End: **0430**
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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 1994

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-4702

AMREP Corporation

(Exact name of registrant as specified in its charter)

Oklahoma 59-0936128

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer
Identification No.)

10 Columbus Circle, New York, New York 10019

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (212) 541-7300

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Number of Shares of Common Stock, par value \$.10 per share, outstanding at

FORM 10-Q

AMREP CORPORATION AND SUBSIDIARIES

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FORM 10-Q

AMREP CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

January 31, 1994 and April 30, 1993

(Thousands, except par value and number of shares)

<TABLE>
<CAPTION>

January 31,	April 30,
1994	1993

	----- (Unaudited) <C>	----- (Audited) <C>
<S>		
ASSETS		
Cash and temporary cash investments	\$ 4,818	\$ 6,856
Receivables, net:		
Real estate operations	13,976	14,809
Magazine circulation operations	28,304	20,885
Real estate inventory	54,421	46,631
Rental and other real estate projects	21,844	49,266
Investment property	14,123	14,670
Property, plant and equipment-at cost-		
net of allowance for depreciation and		
amortization: January - \$10,509		
April - \$10,132	11,799	11,518
Other assets	14,933	10,104
Excess of cost of subsidiary over net		
assets acquired	5,205	5,205
	-----	-----
	\$ 169,423	\$ 179,944
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable, deposits and		
accrued expenses	\$ 30,983	\$ 24,763
Notes payable:		
Amounts due within one year	10,323	8,044
Amounts subsequently due	21,321	23,855
Project financing	18,263	41,228
Collateralized mortgage obligations	4,850	5,561
Deferred income taxes	23,170	22,391
	-----	-----
	108,910	125,842
	-----	-----
Shareholders' equity:		
Common stock - \$.10 par value		
authorized: 20,000,000 shares		
issued: January - 7,296,125 shares		
April - 6,619,319 shares	730	662
Capital contributed in excess of par value	44,429	39,548
Retained earnings	15,354	13,892
	-----	-----
	60,513	54,102
	-----	-----
	\$ 169,423	\$ 179,944
	=====	=====

</TABLE>

See notes to consolidated financial statements.

Consolidated Statements of Operations and Retained Earnings (Unaudited)
 Nine Months Ended January 31, 1994 and 1993
 (Thousands, except shares and per share amounts)

<TABLE>
 <CAPTION>

	1994	1993
<S>	<C>	<C>
REVENUES		
Real estate operations:		
Home and condominium sales	\$ 49,014	\$ 31,920
Land sales	9,574	5,267
Rental projects	3,328	4,148
	61,916	41,335
Magazine circulation operations	25,241	21,791
Interest and other operations	4,329	4,813
	91,486	67,939
COSTS AND EXPENSES		
Real estate cost of sales	46,237	28,359
Operating expenses:		
Magazine circulation operations	18,233	16,011
Rental operations	5,091	5,569
Real estate commissions and selling	3,898	3,529
Other operations	3,398	2,842
General and administrative:		
Real estate operations and corporate	6,352	5,488
Magazine circulation operations	3,795	3,963
Interest, net	2,124	2,331
	89,128	68,092
Income (loss) before provision (benefit) for income taxes	2,358	(153)
PROVISION (BENEFIT) FOR INCOME TAXES	896	(58)
	1,462	(95)
RETAINED EARNINGS, beginning of period	13,892	13,851
RETAINED EARNINGS, end of period	\$ 15,354	\$ 13,756
NET INCOME (LOSS) PER SHARE	\$ 0.21	\$ (0.01)
Weighted average number of common shares outstanding	7,024,223	6,617,819

</TABLE>

See notes to consolidated financial statements.

FORM 10-Q
 AMREP CORPORATION AND SUBSIDIARIES
 Consolidated Statements of Operations and Retained Earnings (Unaudited)
 Three Months Ended January 31, 1994 and 1993
 (Thousands, except shares and per share amounts)

<TABLE>
 <CAPTION>

	1994	1993
	-----	-----
<S>	<C>	<C>
REVENUES		
Real estate operations:		
Home and condominium sales	\$ 17,190	\$ 10,179
Land sales	3,277	1,782
Rental projects	413	1,564
	-----	-----
	20,880	13,525
Magazine circulation operations	9,108	7,524
Interest and other operations	1,394	1,382
	-----	-----
	31,382	22,431
	-----	-----
COSTS AND EXPENSES		
Real estate cost of sales	16,305	9,305
Operating expenses:		
Magazine circulation operations	6,633	5,554
Rental projects	577	2,043
Real estate commissions and selling	1,308	1,172
Other operations	996	918
General and administrative:		
Real estate operations and corporate	2,454	2,050
Magazine circulation operations	1,278	1,286
Interest, net	760	737
	-----	-----
	30,311	23,065
	-----	-----
Income (loss) before provision (benefit) for income taxes	1,071	(634)
PROVISION (BENEFIT) FOR INCOME TAXES	407	(241)
	-----	-----
Net income (loss)	664	(393)
RETAINED EARNINGS, beginning of period	14,690	14,149
	-----	-----
RETAINED EARNINGS, end of period	\$ 15,354	\$ 13,756
	=====	=====
NET INCOME (LOSS) PER SHARE	\$ 0.09	\$ (0.06)
	=====	=====
Weighted average number of common		

shares outstanding

7,276,052

6,617,819

=====

=====

</TABLE>

See notes to consolidated financial statements.

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FORM 10-Q
AMREP CORPORATION AND SUBSIDIARIES
Statements of Cash Flows (Unaudited)
Nine Months Ended January 31, 1994 and 1993
(Thousands)

<TABLE>

<CAPTION>

	1994	1993
	-----	-----
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from real estate operations and other	\$ 64,195	\$ 48,845
Cash received from distribution operations, net of publisher payments	19,756	20,532
Interest received	813	1,311
Cash paid to suppliers and employees	(79,764)	(60,755)
Cash paid to acquire land	(1,473)	-
Interest paid	(2,909)	(4,849)
Income taxes paid	(27)	(2)
	-----	-----
Net cash provided by operating activities	591	5,082
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(1,580)	(1,068)
Proceeds from restructuring of general partnership interest of The Classic at West Palm	400	-
Proceeds from sale of property, plant, and equipment	-	1,671
Other, net	(249)	(23)
	-----	-----
Net cash provided (used) by investing activities	(1,429)	580
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Continuing operations:		
Proceeds from debt financing	15,274	9,071
Principal debt payments	(16,735)	(14,735)
Proceeds from sale of stock	161	-
Proceeds from exercise of stock options	100	-
	-----	-----
Net cash used by financing activities	(1,200)	(5,664)
	-----	-----

Decrease in cash and temporary cash investments	(2,038)	(2)
CASH AND TEMPORARY CASH INVESTMENTS, beginning of period	6,856	4,703
	-----	-----
CASH AND TEMPORARY CASH INVESTMENTS, end of period	\$ 4,818	\$ 4,701
	=====	=====

</TABLE>

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Statement of Cashflows
January 31, 1994
Page Two

<TABLE>
<CAPTION>

	1994	1993
	-----	-----
<S>	<C>	<C>
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED BY OPERATIONS:		
Net income (loss)	\$ 1,462	\$ (95)
	-----	-----
Adjustments to reconcile net income (loss) to net cash provided by operating activities -		
Depreciation	1,422	1,529
Gain on sale of property, plant, and equipment	-	(201)
Changes in assets and liabilities -		
Receivables	(6,586)	5,049
Real estate inventory	(7,790)	2,634
Rental & other real estate projects	5,184	25
Investment property	547	(4,535)
Other assets	(695)	(576)
Accounts payable, deposits and accrued expenses	6,268	1,303
Deferred income taxes	779	(51)
	-----	-----
Total adjustments	(871)	5,177
	-----	-----
Net cash provided by operating activities	\$ 591	\$ 5,082
	=====	=====

Supplemental schedule of noncash investing activities (dollars in thousands except per share amount and number of shares):

Purchase of Capital Distribution Company assets with 575,593 shares of AMREP Corporation stock valued at \$7.125 per share.	\$ 4,101	\$ -
---	----------	------

Restructuring of general partnership interest in the Classic at West Palm:

Rental project inventory	\$	23,550	\$	-
Accounts payable, deposits payable, and accrued expenses	\$	(679)	\$	-
Project financing	\$	(22,471)	\$	-

</TABLE>

See notes to consolidated financial statements.

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FORM 10-Q
AMREP CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)
Nine Months Ended January 31, 1994 and 1993

NOTE 1: The prior year financial statements have been reclassified to conform to the presentation used at April 30, 1993.

NOTE 2: The consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. The consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to reflect a fair presentation of the results for the interim periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's latest annual report on Form 10-K.

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FORM 10-Q
AMREP CORPORATION AND SUBSIDIARIES
Management's Discussion and Analysis of
Financial Condition and Results of Operations
January 31, 1994

FINANCIAL CONDITION

The lenders under the line-of-credit arrangements for Real Estate Operations which totaled \$5,750,000 at October 31, 1993, have increased their lines to \$11,250,000.

The "Rental and other real estate projects" and "Project financing" decreased from April 30, 1993, primarily due to the deconsolidation of The Classic at West Palm Beach as discussed in Results of Operations.

RESULTS OF OPERATIONS

The improvement in the results for the nine months and third quarter as compared to the similar periods last year reflects an increase in gross profit from bulk land sales of approximately \$3,010,000 and \$630,000, respectively; an increase in gross profit from housing sales of approximately \$2,280,000 and \$1,380,000, respectively; and an improvement in the results from magazine circulation operations of approximately \$1,300,000 and \$460,000, respectively.

In addition, during the third quarter fiscal 1994 the debt of The Classic at West Palm Beach Limited Partnership ("The Classic") was restructured and in the restructuring the Company's subsidiary which had been the general partner became a limited partner. Accordingly, the Company deconsolidated The Classic's operations as of October 31, 1993, and the Company's interest in The Classic now is carried as an investment. As a result of the deconsolidation, the third quarter this year, as compared to the third quarter last year, reflects a reduction in the loss from rental projects from \$479,000 last year to \$164,000 this year. However, during the nine months this year the loss from rental operations increased to \$1,763,000 compared to \$1,421,000 last year, reflecting principally operations at The Classic during the first six months. The results last year benefited from the utilization of a loss reserve recorded in an earlier year, while the results in the second quarter this year reflect the establishment of an additional loss reserve since the Company will continue to fund The Classic's cash shortfall for a time.

The improvements discussed above in the nine months and third quarter as compared to the similar periods last year

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Management Discussion
January 31, 1994
Page 2

were partially offset by: (1) An increase in indirect construction costs of approximately \$1,070,000 and \$500,000, respectively, related to increased construction activity at the Rio Rancho, Denver and New Jersey projects. Also,

during the first six months last year certain improvement reserves which no longer were required were eliminated. (2) A \$484,000 decrease in interest and other operating revenues in the nine months. This was due primarily to an approximate \$240,000 decrease in interest from land sales receivables and to an approximate \$200,000 gain from the sale of a commercial building in the first quarter last year. (3) A \$369,000 and \$136,000 increase respectively, in real estate commissions and selling due to increased housing sales. (4) An \$864,000 and \$404,000 increase respectively, in general and administrative expenses related to real estate operations and corporate.

The number of housing units closed increased by 133 units, from 425 to 558, in the nine months fiscal 1994, and by 57 units, from 135 to 192, in the third quarter fiscal 1994, as compared to the similar periods last year.

The increase in pretax income from magazine circulation operations in the nine months and third quarter as compared to the similar periods last year resulted from: (1) Increased newsstand pretax profit of approximately \$1,030,000 and \$490,000, respectively, due primarily to the acquisition of newsstand distribution contracts of Capital Distributing Company in August 1993. (2) Increased subscription fulfillment pretax profit in the nine months this year as compared to the similar period last year of approximately \$270,000. There was, however, a slight decrease in the fulfillment pretax profit in the third quarter this year as compared to the similar period last year due primarily to increased payroll and other costs related to the fulfillment operations.

The increase of \$404,000 in general and administrative expenses related to real estate operations and corporate in the third quarter this year as compared to the similar period last year primarily reflects increases in payroll and benefits and legal expenses. The increase of \$864,000 in the nine months this year as compared to the similar period last year primarily reflects the increases discussed above and in addition, the first quarter last year included a refund of general insurance premiums and other nonrecurring cost reductions.

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PART II

OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

- 10(a). Employment Agreement dated as of October 1, 1993 between Registrant and Anthony B. Gliedman, Chief Executive Officer, Chairman and President of Registrant.
- 10(b). Employment Agreement dated as of October 1, 1993 between Registrant and Daniel Friedman, Senior Vice President of Registrant.

- 10(c). Employment Agreement dated as of October 1, 1993 between Registrant and James Wall, Senior Vice President of Registrant.
- 10(d). Employment Agreement dated as of October 1, 1993 between Registrant and Harvey W. Schultz, Senior Vice President of Registrant.
- 10(e). Employment Agreement dated as of October 1, 1993 between Registrant and Mohan Vachani, Senior Vice President-Chief Financial Officer of Registrant.
- 10(f). Employment Agreement dated as of October 1, 1993 between Registrant and Rudolph J. Skalka, Vice President-Finance of Registrant.

(b) Reports on Form 8-K:

No reports on Form 8-K were filed by Registrant during the quarter ended January 31, 1994.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMREP CORPORATION
(Registrant)

Dated: March 14, 1994

By: /s/ Anthony B. Gliedman

Anthony B. Gliedman
Chairman of the Board,
Chief Executive Officer
and President

Dated: March 14, 1994

By: /s/ Rudolph J. Skalka

Rudolph J. Skalka
Vice President, Finance
and Principal Accounting
Officer

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EXHIBIT INDEX

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- 10(f). Employment Agreement dated as of October 1, 1993 between Registrant and Rudolph J. Skalka, Vice President-Finance of Registrant.

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EMPLOYMENT AGREEMENT

AGREEMENT made as of October 1, 1993 by and between AMREP CORPORATION (the "Company"), an Oklahoma corporation, and ANTHONY B. GLIEDMAN ("Executive"), an individual residing at 1647 Glenwood Road, Brooklyn, New York 11230.

W I T N E S S E T H:

WHEREAS, the Company presently employs Executive as Chairman of the Board and Chief Executive Officer of the Company and there presently exists an employment contract between the Company and Executive for a period ending September 30, 1994; and

WHEREAS, the Company desires that Executive continue in the Company's employ for the term and on the terms and conditions hereinafter set forth, and Executive is willing to do so.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby agree as follows:

1. EMPLOYMENT. The Company agrees to continue to employ, and does hereby employ, Executive as Chairman of the Board and Chief Executive Officer, and Executive hereby accepts

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such employment, for the Term, with the duties and compensation and upon the terms and conditions contained hereafter in this Agreement.

2. TERM. Unless earlier ended as hereinafter in this Agreement provided, the term of Executive's employment (the "TERM") shall continue to and end on September 30, 1996, except that on each anniversary of the date of this Agreement the Term shall automatically be extended for one year unless prior to any such anniversary either the Company or Executive shall give notice to the

other than the Term shall not be extended; and if such a notice is given, the Term shall end on the later of September 30, 1996 or the September 30th to which the Term theretofore had been extended. The September 30th on which the Term (so extended) is so to end is hereinafter called the "TERM END".

3. OFFICES AND DUTIES. (a) During the Term, Executive shall be Chairman of the Board and Chief Executive Officer of the Company. Executive shall perform his services subject only to the direction and control of the Company's Board of Directors ("BOARD") and shall report only to that Board. Executive shall not be required to perform any duties other than

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those which are consistent with his status as Chairman of the Board and Chief Executive Officer and, for so long as so elected, President of the Company.

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(b) During the Term, Executive shall devote his full working time and energies to the business and affairs of the Company. Executive agrees during the Term to use his best efforts, skill and abilities to promote the Company's interests; to serve as a director of the Company for so long as elected; to serve as a director and officer of any corporation which is a subsidiary of the Company if elected by the stockholders or board of directors of such subsidiary corporation; and, subject to the provisions of the last sentence of paragraph (a) of this Section 3, to perform such duties as may be assigned to him by the Board.

(c) For so long as Executive's employment by the Company during the Term shall continue, (i) Executive shall be included in the Board's slate of nominees for election as a director of the Company at every stockholders' meeting at which his term as a director would otherwise expire and the Company shall use its best efforts to cause Executive to be so elected, (ii) Executive shall be elected as Chairman of the Board and Chief Executive Officer of the Company by the Board at each meeting at which officers are elected, (iii) if the Board shall create an Executive Committee with the power to act generally between meetings of the Board, Executive shall be elected to

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serve as a member of such committee, and (iv) unless Executive otherwise agrees in writing, the headquarters for the

performance of his services shall be the principal executive offices of the Company subject to such reasonable travel as the performance of his duties in the business of the Company may require, and the principal executive offices of the Company shall be in the Greater New York Metropolitan Area.

4. COMPENSATION. (a) As used herein the following terms shall have the meanings set forth below:

"BONUS PLAN" means the Bonus Plan for Executives and Key Employees established by the Board at a meeting on September 23, 1993, as from time to time amended.

"BONUS POOL" shall have the meaning set forth in the Bonus Plan.

"CPI" means the Consumer Price Index for All Urban Consumers (CPI-U) United States City Averages (1967=100) issued by the Bureau of Labor Statistics of the United States Department of Labor or, if such Index shall be changed or discontinued, such other comparable or revised index as may be issued by the Bureau of Labor Statistics or another Agency of the United States Government.

"YEAR" means the fiscal year of the Company.

(b) During the Term and except as otherwise

provided in this Agreement, the Company shall pay Executive an annual salary (the "SALARY"). The Salary initially shall be at

an annual rate not less than \$360,000. The Salary shall be reviewed at least annually by the Board and shall be increased (the "MANDATORY INCREASE") effective each October 1st by a percentage at least equal to the percentage, if any, by which the CPI for the month of September immediately preceding such October 1st exceeds the CPI for the next preceding September; PROVIDED that if for any September the CPI is less than the CPI for the next preceding September (the "PEAK CPI"), there shall be no Mandatory Increase thereafter except to the extent that the CPI for a subsequent September is higher than the Peak CPI. After each such increase, the resultant amount shall thereafter be the Salary.

In no event shall the Salary be reduced. The Salary shall be payable in equal installments not less frequently than monthly.

(c) Except as otherwise provided in this Agreement, Executive shall be paid a Bonus (the "BONUS") for each Year ending during the Term for which there is a Bonus Pool. The Bonus shall be 25% of the Bonus Pool. The Bonus shall be paid not later than the July 31 following the end of the applicable Year.

5. EXPENSES, BENEFITS AND PERQUISITES. (a) The

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Company will pay or reimburse Executive for all travel and other expenses reasonably incurred by Executive during the Term in connection with the performance of his duties hereunder.

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(b) During the Term, Executive shall be entitled to participate in all retirement, group insurance, medical and similar programs, and stock option and other benefit plans which from time to time are available to executives of the Company, and shall be furnished with a Cadillac or equivalent automobile for which the Company shall pay the lease cost, the cost of insurance and repairs, and gas and oil for business use. Executive also shall be entitled to such other perquisites as he heretofore has received as Chairman of the Board and Chief Executive Officer of the Company.

6. DEATH OF EXECUTIVE. In the event Executive should die during the Term, this Agreement and all benefits hereunder shall terminate, except that Company shall pay Executive's surviving spouse or, if none, his estate the Executive's Salary until the earlier of the last day of the sixth month next following the month in which Executive's death occurs or the Term End. Such termination shall not affect any rights which Executive may have at the time of his death pursuant to any insurance or other death benefit, bonus, retirement or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options

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granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements. In the event

Executive's surviving spouse dies during the period when payments are to be made to her, the balance of the amount remaining to be paid at the date of her death shall be paid to her estate in like manner.

7. DISCHARGE FOR CAUSE. The Board may discharge Executive for cause at any time. Such discharge shall be effected by notice (the "DISCHARGE NOTICE") to Executive which shall specify the reasons for Executive's discharge and the effective date thereof. As used herein, the term "FOR CAUSE" shall mean only (i) chronic alcoholism, drug addiction, criminal dishonesty or (ii) willful violation of specific written directions from the Board, which directions are lawful and are consistent with the provisions of this Agreement ("WILLFUL VIOLATION"); PROVIDED, however, that if (i) such discharge is effected because of Executive's Willful Violation and (ii) within seven (7) days following the date of receipt by the Executive of the Discharge Notice Executive shall cease his Willful Violation and shall use his best efforts to carry out such written directions, the termination shall not be effective. Upon termination pursuant to this Section 7, this Agreement and all benefits hereunder shall terminate, except that such

termination shall not affect any rights which Executive may have at the time of termination pursuant to any

insurance or other death benefit, bonus, retirement, severance pay or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements.

8. DISABILITY. (a) For the purposes of this Section the following shall have the meanings set forth:

(i) "CONSULTING SERVICES" shall mean the services set forth in Section 8(d)(ii)(B)(i).

(ii) "TOTAL DISABILITY" shall mean the inability of Executive for any substantial period of time, by reason of a physical or mental condition, to either (a) fully perform the duties required of him hereunder or (b) perform Consulting Services at least 40% of his normal

working time (working full days) prior to his disability ("Normal Working Time").

(iii) "PARTIAL DISABILITY" shall mean the inability of Executive for any substantial period of time, by reason of a physical or mental condition, to fully perform the duties required of him hereunder while having the ability to perform Consulting Services at least 40% of

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his Normal Working Time.

(iv) "CONSULTING DISABILITY" shall mean a disability which arises during a period of Executive's

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Partial Disability which results in the inability of Executive to perform Consulting Services at least 40% of his Normal Working Time; and

(v) "CONSULTING PERCENTAGE" shall mean such percentage of his Normal Working Time as Executive is able to perform Consulting Services while having a Partial Disability. The Consulting Percentage shall be determined by the Board from time to time and shall be in multiples of 20%.

(b) Executive's employment as an employee hereunder may be terminated by the Company if Executive has either a Total Disability or a Partial Disability determined as provided in paragraph (i) of this Section 8. Subject to the provisions of the next sentence, such termination shall be effective on such date as the Board shall fix by resolution adopted after it has been determined that Executive has a Total Disability or a Partial Disability, which date shall not be earlier than the date on which such resolution is adopted nor earlier than six (6) months after the date on which Executive first was unable to fully perform the duties required of him hereunder. However, if at any time during the period prior to the effective date determined pursuant to the preceding sentence

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Executive has a Partial Disability, Executive shall perform such services as the Board may reasonably request for a

percentage of his Normal Working Time determined by the Board not to exceed the Consulting Percentage, and if Executive shall refuse or fail to do so, Executive's employment as an employee shall terminate on the date of such refusal or failure, such termination being hereafter called a "Work Refusal Termination".

(c) If Executive's employment as an employee is terminated pursuant to paragraph (b) of this Section 8 because Executive has a Total Disability, the Company shall pay Executive the following, in monthly installments:

(i) his Salary through the date of termination; plus

(ii) the amount of his Salary (at the rate prevailing at such termination) for the twelve (12) months after the date of such termination (but not after the Term End) plus, if the date of such termination is more than twelve (12) months prior to the Term End, one half of such amount thereafter until the Term End, the amounts payable hereunder to be increased each October 1st by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

(d) If Executive's employment as an employee is terminated pursuant to paragraph (b) of this Section 8 because

Executive has a Partial Disability and not as a result of a Work Refusal Termination, then:

(i) The Company shall pay Executive his Salary through the date of termination.

(ii) (A) Commencing the day following the date of termination of Executive's employment as an employee and until the Term End, Executive shall be a consultant to the Company and as such shall perform Consulting Services to the fullest extent he is able for a percentage of his Normal Working Time determined by the Board not to exceed his Consulting Percentage, and the Company shall pay Executive for his services as a consultant in monthly installments an amount equal to (i) 50 percent of the Salary (at the rate prevailing at the date of such

termination of Executive's employment as an employee) plus (ii) a percentage of such Salary (the "Additional Percentage") determined as follows:

<TABLE>

If the Consulting Percentage is: -----	The Additional Percentage is: -----
<S>	<C>
40%	20%
60%	30%
80%	40%

</TABLE>

The amounts determined pursuant to the preceding sentence shall be increased each October 1st by the same percentage as the percentage increase in the CPI computed as set forth

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in paragraph (b) of Section 4.

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(B) During the period Executive is a consultant to the Company, (i) Executive will provide such services concerning the business, affairs and management of the Company as may be reasonably requested by the Board, which services shall be performed at a time and place mutually convenient to both parties, and (ii) Executive shall not engage in any other employment or perform any consulting services for others. During the period he is a consultant, the Company shall supply Executive with such secretarial and other services (including transportation and the use of office facilities) as may be reasonably necessary to the performance of his duties as a consultant.

(iii) If subsequent to the time of the determination that Executive has a Partial Disability Executive shall have a Consulting Disability and pursuant to Section 8(g) his services as a Consultant are terminated, thereafter and until the Term End the Company shall pay Executive the monthly amounts he would have been paid if the Executive had had a Total Disability on the date of termination of his employment as an

employee.

(e) If Executive's employment as an employee is terminated by a Work Refusal Termination, Executive shall not

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thereafter have any right to any Salary or other compensation under this Section 8 or any other provision of this Agreement.

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(f) There shall be deducted from any compensation to which Executive may be entitled under this Section 8 an amount equal to any disability insurance payments received by Executive with respect to the period for which he may be entitled to compensation thereunder pursuant to any disability insurance policy paid for by the Company.

(g) If while Executive is a consultant he has a Consulting Disability, his services as a consultant thereupon shall terminate.

(h) Amounts paid to Executive pursuant to this Section 8 shall not diminish or otherwise adversely affect any rights which Executive may have at the time of termination pursuant to any insurance or other benefit, bonus, retirement, severance pay or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements.

(i) The determination of whether Executive has a Total Disability, Partial Disability or a Consulting Disability (and if a Partial Disability, in what percentage), shall be made by the Board.

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9. CHANGE IN CONTROL. (a) For the purposes of this Agreement there will be a "CHANGE IN CONTROL OF THE

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COMPANY" if (i) 20% or more of the voting stock of the Company becomes owned by a person or group and such person or group, by its filing on a Schedule 13D made under the Securities Exchange Act of 1934 or otherwise, indicates the intention of seeking or exercising control of the Company or reserves the right to seek or exercise control, or (ii) the Company merges or consolidates with another corporation (other than a subsidiary of the Company) or sells all or substantially all the assets of the Company, or (iii) five (5) or more of the directors of the Company resign or cease to be directors within any twelve month period for reasons other than (A) death, (B) incapacity or (C) personal reasons not arising from a hostile environment.

(b) In the event there is a Change in Control of the Company during the Term, then at any time thereafter:

(i) At the sole option of Executive an amount equal to the Bonus of the Executive for the Year immediately preceding the date of exercise of such option (the "BONUS INCREMENT") shall be added to and become part of the Salary effective as of May 1st of the Year in which Executive exercises such option (with the amount of the resulting increase in Salary applicable to the period from May 1st of such Year to and including the month of exercise payable at

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the time of exercise) and, from and after such exercise, (A) Executive shall not be entitled to any

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further Bonuses, and (B) the Salary as so increased shall be increased effective each October 1st (if any) prior to the Term End by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4; and

(ii) At any time after the option described in clause (i) of this paragraph (b) has been exercised, Executive may terminate his services as an officer and employee and become a consultant to the Company on such date as Executive elects, in which event (A) he shall serve as a consultant to the Company and perform Consulting Services from such date until the Term End, and (B) the Company shall pay Executive for his Consulting Services in monthly installments a consulting fee in an amount equal to 57-1/2% of the Salary at the rate prevailing at the date of such termination of the Executive's employment as an employee, which amount shall be increased effective each October 1st (if any) prior to the Term End by the same percentage as the percentage increase in the CPI computed as set forth

in paragraph (b) of Section 4.

10. DISCHARGE WITHOUT CAUSE OR REDUCTION IN

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RESPONSIBILITIES. (a) The Company retains the right to discharge Executive without cause at any time during the Term

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by notice of termination given to Executive, which notice shall become effective no sooner than 90 days after the giving thereof.

(b) Whether or not Executive is discharged pursuant to paragraph (a) of this Section 10, if Executive shall not be continued until Term End as Chairman of the Board and Chief Executive Officer of the Company and as a director of the Company for a reason other than cause or Executive's resignation or inability to perform, Executive shall have the right to terminate all of his obligations under this Agreement by giving notice to the Company at any time within 90 days after he ceases to hold any such offices. Such notice shall specify the date of termination which shall be no sooner than 30 days following the date on which such notice is given.

(c) If the Company discharges Executive without cause or if Executive terminates pursuant to paragraph (b) of this Section 10, then until Term End the Company shall pay Executive, in monthly installments, as severance compensation and liquidated damages, all of the compensation provided in Section 4 hereof which Executive would have received, and Executive shall be entitled to all of the benefits which he would have been entitled to receive hereunder (including, but

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not limited to, the benefits referred to in Section 5(b) hereof), had Executive not been so discharged or his offices

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not been so terminated, and the following provisions shall apply:

(i) As used herein, the term "BONUS SEGMENT" shall mean an amount equal to the Bonus paid or payable for the Year ended immediately preceding the date of discharge or termination;

(ii) If the Bonus Increment shall not have been added to and become part of the Salary pursuant to paragraph (b) of Section 9, (x) the Bonus Segment shall be added to and become part of the Salary effective as of May 1st of the Year in which such discharge or termination occurs (with the amount of the resulting increase in Salary applicable to the period from May 1st of such Year to and including the month of discharge or termination payable at the time of discharge or termination) and (y) Executive shall not be entitled to any further Bonuses;

(iii) The Salary shall be increased effective each October 1st (if any) prior to the Term End by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4;

(iv) In determining the other benefits which Executive would have received under Section 5(b) during the

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Term had such discharge or termination not occurred, it shall be assumed that Executive would have received

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benefits (including stock awards and other incentive compensation) equal to those which he received with respect to the last Year prior to the Year in which the discharge or termination occurs; and

(v) Executive shall not be required to seek or accept other employment in order to mitigate damages, and the Company's obligation to pay him following such discharge or termination shall not be reduced by the amount of any compensation actually received by Executive for employment with any other person thereafter. If any options or stock awards made prior to the date of termination shall lapse by reason of a discharge or termination governed by this Section 10, Executive shall be entitled to recover from the Company as additional severance compensation and liquidated damages amounts equal to the aggregate of all losses sustained by Executive by reason of such lapse.

11. INDEMNIFICATION AND LEGAL FEES. (a) The Company shall indemnify Executive to the fullest extent permitted by law and the certificate

of incorporation and by-laws of the Company from and against any loss, claim, liability and/or expense incurred for, or by reason of, or arising out of,

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acts of Executive as an officer and/or Director of the Company or any subsidiary.

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(b) In the event Executive institutes any legal action to enforce his rights under, or to recover damages for breach of, this Agreement and he is the prevailing party in such an action, he shall be entitled to recover from the Company any actual reasonable expenses for attorneys' fees and disbursements incurred by him in connection therewith.

12. NONCOMPETITION AND CONFIDENTIALITY AGREEMENT.

(a) During the Term, Executive will not, without the prior written consent of the Company, directly or indirectly own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as a stockholder, partner, joint venturer or otherwise with, or accept employment of any kind with, any business which, or any business or organization any part of which, competes with the businesses of the Company or any of its subsidiaries as such businesses are now conducted, in any geographical area in which such businesses are conducted during the term of this Agreement. However, nothing herein contained shall prevent Executive from investing solely as a passive investor in any securities of a corporation, partnership, trust, or other entity. For the purposes of this Agreement, Executive shall be deemed to be a

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"passive investor" if he does not control, or does not become part of any control group of, the issuer of securities acquired by Executive.

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(b) Notwithstanding anything to the contrary set forth therein, the prohibitions of paragraph (a) of this Section 12 shall not be binding on

Executive if the Company discharges Executive without cause or if the Company otherwise breaches this Agreement.

(c) (i) Executive acknowledges that during the term of his employment with the Company or any of its subsidiaries, he may have access to secret and confidential information with respect to some or all of the following:

(A) product and business plans, budgets, sales forecasts, design plans, research and engineering data, inventions, methods, systems and processes,

(B) customers, and

(C) trade secrets

(all such information being hereinafter referred to as "Confidential Information").

(ii) Executive agrees that (except as authorized in writing by the Company or required pursuant to legal or administrative process) he will not reveal, divulge or make known to any person, firm or corporation any Confidential Information.

(iii) Executive agrees that if after the end of

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the Term he shall discover any Confidential Information in his possession, he shall forthwith deliver the same to the Company.

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13. FISCAL YEAR. If the Company shall change its fiscal year, appropriate adjustments shall be made in the terms of this Agreement to reflect such change.

14. ARBITRATION. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in the City of New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

15. MISCELLANEOUS. (a) This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof, and the employment agreement between the parties dated November 1, 1990

(amended January 3, 1992) is hereby terminated. This Agreement may only be modified or amended by an instrument in writing executed by the parties hereto.

(b) This Agreement shall be construed and enforced in accordance with the laws of the State of New York without regard to choice of law principles.

(c) This Agreement and the rights and obligations

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of the parties hereto shall bind and inure to the

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benefit of the successor or successors of the Company, whether by merger, consolidation or otherwise.

(d) Any notice to be given pursuant to the terms of this Agreement shall be in writing and delivered by hand or sent by registered or certified mail, if to the Company, to the Secretary of the Company at its principal offices in New York, New York, and if to Executive, to his address set forth above or to such other address or to the attention of such other person as either party has specified by prior written notice to the other party.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereunto duly authorized, and Executive has executed this Agreement all as of the date first above set forth.

AMREP CORPORATION

By /s/ Anthony B. Gliedman

Chairman of the Board
of Directors

/s/ S. Fred Singer

Chairman of the Human
Resources Committee

/s/ Anthony B. Gliedman

ANTHONY B. GLIEDMAN

EMPLOYMENT AGREEMENT

AGREEMENT made as of October 1, 1993 by and between AMREP CORPORATION (the "Company"), an Oklahoma corporation, and DANIEL FRIEDMAN "Executive", an individual residing at 535 East 86th Street, New York, New York 10028.

W I T N E S S E T H:

WHEREAS, the Company presently employs Executive as a Senior Vice President with the responsibility of being the chief executive officer of Kable News Company, Inc. ("Kable"), and there presently exists an employment contract between the Company and Executive for a period ending September 30, 1994.

WHEREAS, the Company desires that Executive continue in the Company's employ for the term and on the terms and conditions hereinafter set forth, and Executive is willing to do so.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby agree as follows:

1. EMPLOYMENT. The Company agrees to continue to employ, and does hereby employ, Executive as a Senior Vice President and Executive hereby accepts such employment, for the

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Term, with the duties and compensation and upon the terms and conditions contained hereafter in this Agreement.

2. TERM. Unless earlier ended as hereinafter in this Agreement provided, the term of Executive's employment (the "TERM") shall continue to and end on September 30, 1995.

3. OFFICES AND DUTIES. (a) During the Term, Executive shall be a Senior Vice President of the Company and, for so long as Kable shall be owned by the Company and the Board of Directors of the Company ("BOARD") so desires,

shall have the responsibility of being the chief executive officer of Kable. Executive shall perform his services subject only to the direction and control of the Board and of the Chairman of the Board and President. Executive shall not be required to perform any duties other than those which are consistent with his status as a Senior Vice President of the Company.

(b) During the Term, Executive shall devote his full working time and energies to the business and affairs of the Company and Kable. Executive agrees during the Term to use his best efforts, skill and abilities to promote the interests of Kable and the Company; to serve as a director of the Company for so long as elected; to serve as a director and officer of

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any corporation which is a subsidiary of the Company if elected by the stockholders or board of directors of such subsidiary

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corporation; and, subject to the provisions of the last sentence of paragraph (a) of this Section 3, to perform such duties as may be assigned to him by the Board or the Chairman of the Board or the President.

(c) For so long as Executive's employment by the Company during the Term shall continue, (i) Executive shall be elected as a Senior Vice President of the Company by the Board at each meeting at which officers are elected, (ii) Executive shall be included in the management slate for election as a director at every stockholder meeting at which his term as a director would otherwise expire, and (iii) unless Executive otherwise consents in writing, the headquarters for the performance of his services shall be in the Greater New York Metropolitan area, subject to such reasonable travel as the performance of his duties may require.

4. COMPENSATION. (a) As used herein the following terms shall have the meanings set forth below:

"BONUS PLAN" means the Bonus Plan for Executives and Key Employees established by the Board at a meeting on September 23, 1993, as from time to time amended.

"BONUS POOL" shall have the meaning set forth in the

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Bonus Plan.

"CPI" means the Consumer Price Index for All Urban Consumers (CPI-U) United States City Averages (1967=100)

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issued by the Bureau of Labor Statistics of the United States Department of Labor or, if such Index shall be changed or discontinued, such other comparable or revised index as may be issued by the Bureau of Labor Statistics or another Agency of the United States Government.

"YEAR" means the fiscal year of the Company.

(b) During the Term and except as otherwise provided in this Agreement, the Company shall pay Executive an annual salary (the "SALARY"). The Salary initially shall be at an annual rate not less than \$236,000. The Salary shall be reviewed at least annually by the Board and shall be increased (the "MANDATORY INCREASE") October 1, 1994 by a percentage at least equal to the percentage, if any, by which the CPI for the month of September 1994 exceeds the CPI for the month of September 1993, and the resultant amount shall thereafter be the Salary. The Salary shall be payable in equal installments not less frequently than monthly.

(c) Except as otherwise provided in this Agreement, Executive shall be paid a Bonus (the "BONUS") for each Year ending during the Term for which there is a Bonus Pool. The Bonus for a Year shall be such percentage of the Bonus Pool as the Chief Executive Officer of the Company shall

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determine. The Bonus shall be paid not later than the July 31 following the end of the applicable Year.

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5. EXPENSES, BENEFITS AND PERQUISITES. (a) The Company will pay or reimburse Executive for all travel and other expenses reasonably incurred by Executive during the Term in connection with the performance of his duties hereunder.

(b) During the Term, Executive shall be entitled to participate in all retirement, group insurance, medical and similar programs, and stock option and other benefit plans which from time to time are available to executives of the Company, and shall be entitled to the perquisites which he heretofore has received as a Senior Vice President of the Company and Chief Executive Officer of Kable.

6. DEATH OF EXECUTIVE. In the event Executive should die during the Term, this Agreement and all benefits hereunder shall terminate, except that Company shall pay Executive's surviving spouse or, if none, his estate the Executive's Salary until the earlier of the last day of the sixth month next following the month in which Executive's death occurs or September 30, 1995. Such termination shall not affect any rights which Executive may have at the time of his death pursuant to any insurance or other death benefit, bonus, retirement or stock award plans or arrangements of the Company

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or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements. In the event

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Executive's surviving spouse dies during the period when payments are to be made to her, the balance of the amount remaining to be paid at the date of her death shall be paid to her estate in like manner.

7. DISCHARGE FOR CAUSE. The Board may discharge Executive for cause at any time. Such discharge shall be effected by notice (the "DISCHARGE NOTICE") to Executive which shall specify the reasons for Executive's discharge and the effective date thereof. As used herein, the term "FOR CAUSE" shall mean only (i) chronic alcoholism, drug addiction, criminal dishonesty or (ii) willful violation of specific written directions from the Board, which directions are lawful and are consistent with the provisions of this Agreement ("WILLFUL VIOLATION"); PROVIDED, however, that if (i) such discharge is effected because of Executive's Willful Violation and (ii) within seven (7) days following the date of receipt by the Executive of the Discharge Notice Executive shall cease his Willful Violation and shall use his best efforts to carry out such written directions, the termination shall not be effective. Upon termination pursuant to this Section 7, this Agreement and all benefits hereunder shall terminate, except that such

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termination shall not affect any rights which Executive may have at the time of termination pursuant to any insurance or other death benefit, bonus, retirement, severance

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pay or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements.

8. DISABILITY. (a) For the purposes of this Section the following shall have the meanings set forth:

(i) "CONSULTING SERVICES" shall mean the services set forth in Section 8(d)(ii)(B)(i).

(ii) "TOTAL DISABILITY" shall mean the inability of Executive for any substantial period of time, by reason of a physical or mental condition, to either (a) fully perform the duties required of him hereunder or (b) perform Consulting Services at least 40% of his normal working time (working full days) prior to his disability ("Normal Working Time").

(iii) "PARTIAL DISABILITY" shall mean the inability of Executive for any substantial period of time, by reason of a physical or mental condition, to fully perform the duties required of him hereunder while having the ability to perform Consulting Services at least 40% of his Normal Working Time.

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(iv) "CONSULTING DISABILITY" shall mean a disability which arises during a period of Executive's Partial Disability which results in the inability of

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Executive to perform Consulting Services at least 40% of his Normal Working Time; and

(v) "CONSULTING PERCENTAGE" shall mean such percentage of

his Normal Working Time as Executive is able to perform Consulting Services while having a Partial Disability. The Consulting Percentage shall be determined by the Board from time to time and shall be in multiples of 20%.

(b) Executive's employment as an employee hereunder may be terminated by the Company if Executive has either a Total Disability or a Partial Disability determined as provided in paragraph (i) of this Section 8. Subject to the provisions of the next sentence, such termination shall be effective on such date as the Board shall fix by resolution adopted after it has been determined that Executive has a Total Disability or a Partial Disability, which date shall not be earlier than the date on which such resolution is adopted nor earlier than six (6) months after the date on which Executive first was unable to fully perform the duties required of him hereunder. However, if at any time during the period prior to the effective date determined pursuant to the preceding sentence Executive has a Partial Disability, Executive shall perform such

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services as the Board may reasonably request for a percentage of his Normal Working Time determined by the Board

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not to exceed the Consulting Percentage, and if Executive shall refuse or fail to do so, Executive's employment as an employee shall terminate on the date of such refusal or failure, such termination being hereafter called a "Work Refusal Termination".

(c) If Executive's employment as an employee is terminated pursuant to paragraph (b) of this Section 8 because Executive has a Total Disability, the Company shall pay Executive the following, in monthly installments:

(i) his Salary through the date of termination; plus

(ii) the amount of his Salary (at the rate prevailing at such termination) for the twelve (12) months after the date of such termination (but not after the Term End) plus, if the date of such termination is more than twelve (12) months prior to the Term End, one half of such amount thereafter until the Term End, the amounts payable hereunder to be increased each October 1st by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

(d) If Executive's employment as an employee is terminated pursuant to paragraph (b) of this Section 8 because Executive has a Partial

Refusal Termination, then:

(i) The Company shall pay Executive his Salary through the date of termination.

(ii) (A) Commencing the day following the date of termination of Executive's employment as an employee and until the Term End, Executive shall be a consultant to the Company and as such shall perform Consulting Services to the fullest extent he is able for a percentage of his Normal Working Time determined by the Board not to exceed his Consulting Percentage, and the Company shall pay Executive for his services as a consultant in monthly installments an amount equal to (i) 50 percent of the Salary (at the rate prevailing at the date of such termination of Executive's employment as an employee) plus (ii) a percentage of such Salary (the "Additional Percentage") determined as follows:

<TABLE>

If the Consulting Percentage is: ----- <S>	The Additional Percentage is: ----- <C>
40%	20%
60%	30%
80%	40%

</TABLE>

The amounts determined pursuant to the preceding sentence shall be increased each October 1st by the same percentage as the percentage increase in the CPI computed as set forth

in paragraph (b) of Section 4.

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(B) During the period Executive is a consultant to the Company, (i) Executive will provide such services concerning the business, affairs and management of the Company as may be reasonably requested by the Board, which services shall be performed at a time and place mutually convenient to both parties, and (ii) Executive shall not engage in any other employment or perform any consulting services for others. During the period he is a consultant, the Company shall supply Executive with such secretarial and other services (including transportation and the use of office facilities) as may be reasonably necessary to the performance of his duties as a consultant.

(iii) If subsequent to the time of the determination that Executive has a Partial Disability Executive shall have a Consulting Disability and pursuant to Section 8(g) his services as a Consultant are terminated, thereafter and until the Term End the Company shall pay Executive the monthly amounts he would have been paid if the Executive had had a Total Disability on the date of termination of his employment as an employee.

(e) If Executive's employment as an employee is terminated by a Work Refusal Termination, Executive shall not

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thereafter have any right to any Salary or other compensation under this Section 8 or any other provision of this Agreement.

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(f) There shall be deducted from any compensation to which Executive may be entitled under this Section 8 an amount equal to any disability insurance payments received by Executive with respect to the period for which he may be entitled to compensation thereunder pursuant to any disability insurance policy paid for by the Company.

(g) If while Executive is a consultant he has a Consulting Disability, his services as a consultant thereupon shall terminate.

(h) Amounts paid to Executive pursuant to this Section 8 shall not diminish or otherwise adversely affect any rights which Executive may have at the time of termination pursuant to any insurance or other benefit, bonus, retirement, severance pay or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements.

(i) The determination of whether Executive has a Total Disability, Partial Disability or a Consulting Disability (and if a Partial Disability, in what percentage), shall be made by the Board.

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9. CHANGE IN CONTROL. (a) For the purposes of this Agreement there will be a "CHANGE IN CONTROL OF THE COMPANY" if (i) 20% or more of the voting stock of the Company

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becomes owned by a person or group and such person or group, by its filing on a Schedule 13D made under the Securities Exchange Act of 1934 or otherwise, indicates the intention of seeking or exercising control of the Company or reserves the right to seek or exercise control, or (ii) the Company merges or consolidates with another corporation (other than a subsidiary of the Company) or sells all or substantially all the assets of the Company, or (iii) five (5) or more of the directors of the Company resign or cease to be directors within any twelve month period for reasons other than (A) death, (B) incapacity or (C) personal reasons not arising from a hostile environment.

(b) In the event there is a Change in Control of the Company during the Term, then:

(i) At the sole option of Executive exercised within ninety days of such event (but not thereafter) an amount equal to the Bonus of the Executive for the Year immediately preceding the date of exercise of such option (the "BONUS INCREMENT") shall be added to and become part of the Salary effective as of May 1st of the Year in which Executive exercises such option (with the amount of the resulting increase in Salary applicable to the period from May 1st of such Year to and including the month of exercise

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payable at the time of exercise) and, from and after such exercise, (A) Executive shall not be entitled to any further Bonuses, and (B) if such option is exercised prior

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to October 1, 1994, the Salary as so increased shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4; and

(ii) If the option described in clause (i) of this paragraph (b) is exercised, Executive simultaneously may terminate his services as an officer and employee and become a consultant to the Company on such date as Executive elects, in which event (A) he shall serve as a consultant to the Company and perform Consulting Services from such date until September 30, 1995, and (B) the Company shall pay Executive for his Consulting Services in monthly installments a consulting fee in an amount equal to 57-1/2% of the Salary at the rate prevailing at the date of such termination of the Executive's employment as an employee, and if the date of such termination is prior to October 1, 1994, such amount shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

10. DISCHARGE WITHOUT CAUSE OR REDUCTION IN RESPONSIBILITIES. (a) The Company retains the right to

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discharge Executive without cause at any time during the Term by notice of termination given to Executive, which notice shall

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become effective no sooner than 90 days after the giving thereof.

(b) Whether or not Executive is discharged pursuant to paragraph (a) of this Section 10, if Executive shall not be continued until September 30, 1995 as a Senior Vice President of the Company and as a director of the Company for a reason other than cause or Executive's resignation or inability to perform, Executive shall have the right to terminate all of his obligations under this Agreement by giving notice to the Company at any time within 90 days after he ceases to hold such office. Such notice shall specify the date of

termination which shall be no sooner than 30 days following the date on which such notice is given.

(c) If the Company discharges Executive without cause or if Executive terminates pursuant to paragraph (b) of this Section 10, then until September 30, 1995 the Company shall pay Executive, in monthly installments, as severance compensation and liquidated damages, all of the compensation provided in Section 4 hereof which Executive would have received, and Executive shall be entitled to all of the benefits which he would have been entitled to receive hereunder (including, but not limited to, the benefits referred to in

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Section 5(b) hereof), had Executive not been so discharged or his offices not been so terminated, and the following

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provisions shall apply:

(i) As used herein, the term "BONUS SEGMENT" shall mean an amount equal to the Bonus paid or payable for the Year ended immediately preceding the date of discharge or termination;

(ii) If the Bonus Increment shall not have been added to and become part of the Salary pursuant to paragraph (b) of Section 9, (x) the Bonus Segment shall be added to and become part of the Salary effective as of May 1st of the Year in which such discharge or termination occurs (with the amount of the resulting increase in Salary applicable to the period from May 1st of such Year to and including the month of discharge or termination payable at the time of discharge or termination) and (y) Executive shall not be entitled to any further Bonuses;

(iii) If the date of such discharge or termination is prior to October 1, 1994, the Salary shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4;

(iv) In determining the other benefits which Executive would have received under Section 5(b) during the

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Term had such discharge or termination not occurred, it shall be assumed that Executive would have received

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benefits (including stock awards and other incentive compensation) equal to those which he received with respect to the last Year prior to the Year in which the discharge or termination occurs; and

(v) Executive shall not be required to seek or accept other employment in order to mitigate damages, and the Company's obligation to pay him following such discharge or termination shall not be reduced by the amount of any compensation actually received by Executive for employment with any other person thereafter. If any options or stock awards made prior to the date of termination shall lapse by reason of a discharge or termination governed by this Section 10, Executive shall be entitled to recover from the Company as additional severance compensation and liquidated damages amounts equal to the aggregate of all losses sustained by Executive by reason of such lapse.

11. INDEMNIFICATION AND LEGAL FEES. (a) The Company shall indemnify Executive to the fullest extent permitted by law and the certificate of incorporation and by-laws of the Company from and against any loss, claim, liability and/or expense incurred for, or by reason of, or arising out of,

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acts of Executive as an officer and/or Director of the Company or any subsidiary.

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(b) In the event Executive institutes any legal action to enforce his rights under, or to recover damages for breach of, this Agreement and he is the prevailing party in such an action, he shall be entitled to recover from the Company any actual reasonable expenses for attorneys' fees and disbursements incurred by him in connection therewith.

12. NONCOMPETITION AND CONFIDENTIALITY AGREEMENT.

(a) During the Term, Executive will not, without the prior written consent of the Company, directly or indirectly own, manage, operate,

control or participate in the ownership, management, operation or control of, or be connected as a stockholder, partner, joint venturer or otherwise with, or accept employment of any kind with, any business which, or any business or organization any part of which, competes with the businesses of the Company or any of its subsidiaries as such businesses are now conducted, in any geographical area in which such businesses are conducted during the term of this Agreement. However, nothing herein contained shall prevent Executive from investing solely as a passive investor in any securities of a corporation, partnership, trust, or other entity. For the purposes of this Agreement, Executive shall be deemed to be a

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"passive investor" if he does not control, or does not become part of any control group of, the issuer of securities acquired by Executive.

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(b) Notwithstanding anything to the contrary set forth therein, the prohibitions of paragraph (a) of this Section 12 shall not be binding on Executive if the Company discharges Executive without cause or if the Company otherwise breaches this Agreement.

(c) (i) Executive acknowledges that during the term of his employment with the Company or any of its subsidiaries, he may have access to secret and confidential information with respect to some or all of the following:

(A) product and business plans, budgets, sales forecasts, design plans, research and engineering data, inventions, methods, systems and processes,

(B) customers, and

(C) trade secrets

(all such information being hereinafter referred to as "Confidential Information").

(ii) Executive agrees that (except as authorized in writing by the Company or required pursuant to legal or administrative process) he will not reveal, divulge or make known to any person, firm or corporation any Confidential Information.

(iii) Executive agrees that if after the end of

the Term he shall discover any Confidential Information in his possession, he shall forthwith deliver the same to the Company.

13. FISCAL YEAR. If the Company shall change its fiscal year, appropriate adjustments shall be made in the terms of this Agreement to reflect such change.

14. ARBITRATION. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in the City of New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

15. MISCELLANEOUS. (a) This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof. The Restated Employment and Consulting Agreement between the parties dated February 20, 1985, as from time to time amended, is hereby terminated, and neither party shall have any rights thereunder after the date of this Agreement. This Agreement may only be modified or amended by an instrument in writing executed by the parties hereto.

(b) This Agreement shall be construed and enforced in accordance with the laws of the State of New York without regard to choice of law principles.

(c) This Agreement and the rights and obligations of the parties hereto shall bind and inure to the benefit of the successor or successors of the Company, whether by merger, consolidation or otherwise.

(d) Any notice to be given pursuant to the terms of this Agreement shall be in writing and delivered by hand or sent by registered or

certified mail, if to the Company, to the Secretary of the Company at its principal offices in New York, New York, and if to Executive, to his address set forth above or to such other address or to the attention of such other person as either party has specified by prior written notice to the other party.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereunto duly authorized, and Executive has executed this Agreement all as of the date first above set forth.

AMREP CORPORATION

By /s/ Anthony B. Gliedman

Chairman of the Board
of Directors

/s/ Daniel Friedman

DANIEL FRIEDMAN

EMPLOYMENT AGREEMENT

AGREEMENT made as of October 1, 1993 by and between AMREP CORPORATION (the "Company"), an Oklahoma corporation, and JAMES WALL ("Executive"), an individual residing at 9500 Rio Grande Blvd., N.W., Albuquerque, New Mexico 87114.

W I T N E S S E T H:

WHEREAS, the Company presently employs Executive as a Senior Vice President and there presently exists an employment contract between the Company and Executive for a period ending September 30, 1994; and

WHEREAS, the Company desires that Executive continue in the Company's employ for the term and on the terms and conditions hereinafter set forth, and Executive is willing to do so.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby agree as follows:

1. EMPLOYMENT. The Company agrees to continue to

employ, and does hereby employ, Executive as a Senior Vice President, and Executive hereby accepts such employment, for

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the Term, with the duties and compensation and upon the terms and conditions contained hereafter in this Agreement.

2. TERM. Unless earlier ended as hereinafter in this Agreement provided, the term of Executive's employment (the "TERM") shall continue to and end on September 30, 1995.

3. OFFICES AND DUTIES. (a) During the Term, Executive shall be a Senior Vice President of the Company. Executive shall perform his services

subject only to the direction and control of the Company's Board of Directors ("BOARD") and of the Chairman of the Board and President. Executive shall not be required to perform any duties other than those which are consistent with his status as a Senior Vice President of the Company.

(b) During the Term, Executive shall devote his full working time and energies to the business and affairs of the Company. Executive agrees during the Term to use his best efforts, skill and abilities to promote the Company's interests; to serve as a director of the Company for so long as elected; to serve as a director and officer of any corporation which is a subsidiary of the Company if elected by the stockholders or board of directors of such subsidiary corporation; and, subject

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to the provisions of the last

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sentence of paragraph (a) of this Section 3, to perform such duties as may be assigned to him by the Board or the Chairman of the Board or the President.

(c) For so long as Executive's employment by the Company during the Term shall continue, (i) Executive shall be elected as a Senior Vice President of the Company by the Board at each meeting at which officers are elected, (ii) Executive shall be included in the management slate for election as a director at every stockholder meeting at which his term as a director would otherwise expire, and (iii) unless Executive otherwise consents in writing, the headquarters for the performance of his services shall be the principal offices of AMREP Southwest Inc., subject to such reasonable travel as the performance of his duties may require.

4. COMPENSATION. (a) As used herein the following terms shall have the meanings set forth below:

"BONUS PLAN" means the Bonus Plan for Executives and Key Employees established by the Board at a meeting on September 23, 1993, as from time to time amended.

"BONUS POOL" shall have the meaning set forth in the Bonus Plan.

"CPI" means the Consumer Price Index for All Urban

Consumers (CPI-U) United States City Averages (1967=100) issued by the Bureau of Labor Statistics of the United

States Department of Labor or, if such Index shall be changed or discontinued, such other comparable or revised index as may be issued by the Bureau of Labor Statistics or another Agency of the United States Government.

"YEAR" means the fiscal year of the Company.

(b) During the Term and except as otherwise provided in this Agreement, the Company shall pay Executive an annual salary (the "SALARY"). The Salary initially shall be at an annual rate not less than \$215,000. The Salary shall be reviewed at least annually by the Board and shall be increased (the "MANDATORY INCREASE") October 1, 1994 by a percentage at least equal to the percentage, if any, by which the CPI for the month of September 1994 exceeds the CPI for the month of September 1993, and the resultant amount shall thereafter be the Salary. The Salary shall be payable in equal installments not less frequently than monthly.

(c) Except as otherwise provided in this Agreement, Executive shall be paid a Bonus (the "BONUS") for each Year ending during the Term for which there is a Bonus Pool. The Bonus for a Year shall be such percentage of the Bonus Pool as the Chief Executive Officer of the Company shall determine. The Bonus shall be paid not later than the July 31 following the end of the applicable Year.

5. EXPENSES, BENEFITS AND PERQUISITES. (a) The Company will pay or reimburse Executive for all travel and other expenses reasonably incurred by Executive during the Term in connection with the performance of his duties hereunder.

(b) During the Term, Executive shall be entitled to participate in all retirement, group insurance, medical and similar programs, and stock option and other benefit plans which from time to time are available to executives of the Company, and shall be entitled to the perquisites which he heretofore has received as a Senior Vice President of the Company.

6. DEATH OF EXECUTIVE. In the event Executive should die during the Term, this Agreement and all benefits hereunder shall terminate, except that Company shall pay Executive's surviving spouse or, if none, his estate the Executive's Salary until the earlier of the last day of the sixth month next following the month in which Executive's death occurs or September 30, 1995. Such termination shall not affect any rights which Executive may have at the time of his death pursuant to any insurance or other death benefit, bonus, retirement or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed

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by the provisions of such plans and arrangements. In the event

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Executive's surviving spouse dies during the period when payments are to be made to her, the balance of the amount remaining to be paid at the date of her death shall be paid to her estate in like manner.

7. DISCHARGE FOR CAUSE. The Board may discharge Executive for cause at any time. Such discharge shall be effected by notice (the "DISCHARGE NOTICE") to Executive which shall specify the reasons for Executive's discharge and the effective date thereof. As used herein, the term "FOR CAUSE" shall mean only (i) chronic alcoholism, drug addiction, criminal dishonesty or (ii) willful violation of specific written directions from the Board, which directions are lawful and are consistent with the provisions of this Agreement ("WILLFUL VIOLATION"); PROVIDED, however, that if (i) such discharge is effected because of Executive's Willful Violation and (ii) within seven (7) days following the date of receipt by the Executive of the Discharge Notice Executive shall cease his Willful Violation and shall use his best efforts to carry out such written directions, the termination shall not be effective. Upon termination pursuant to this Section 7, this Agreement and all benefits hereunder shall terminate, except that such termination shall not affect any rights which Executive may have

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at the time of termination pursuant to any insurance or other death benefit, bonus, retirement, severance

pay or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements.

8. DISABILITY.

(a) For the purposes of this Section the following shall have the meanings set forth:

(i) "CONSULTING SERVICES" shall mean the services set forth in Section 8(d)(ii)(B)(i).

(ii) "TOTAL DISABILITY" shall mean the inability of Executive for any substantial period of time, by reason of a physical or mental condition, to either (a) fully perform the duties required of him hereunder or (b) perform Consulting Services at least 40% of his normal working time (working full days) prior to his disability ("Normal Working Time").

(iii) "PARTIAL DISABILITY" shall mean the inability of Executive for any substantial period of time, by reason of a physical or mental condition, to fully perform the duties required of him hereunder while having the ability to perform Consulting Services at least 40% of his Normal Working Time.

(iv) "CONSULTING DISABILITY" shall mean a disability which arises during a period of Executive's

Partial Disability which results in the inability of Executive to perform Consulting Services at least 40% of his Normal Working Time; and

(v) "CONSULTING PERCENTAGE" shall mean such percentage of his Normal Working Time as Executive is able to perform Consulting Services while having a Partial Disability. The Consulting Percentage shall be determined by the Board from time to time and shall be in multiples of 20%.

(b) Executive's employment as an employee hereunder may be

terminated by the Company if Executive has either a Total Disability or a Partial Disability determined as provided in paragraph (i) of this Section 8. Subject to the provisions of the next sentence, such termination shall be effective on such date as the Board shall fix by resolution adopted after it has been determined that Executive has a Total Disability or a Partial Disability, which date shall not be earlier than the date on which such resolution is adopted nor earlier than six (6) months after the date on which Executive first was unable to fully perform the duties required of him hereunder. However, if at any time during the period prior to the effective date determined pursuant to the preceding sentence Executive has a Partial Disability, Executive shall perform such

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services as the Board may reasonably request for a

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percentage of his Normal Working Time determined by the Board not to exceed the Consulting Percentage, and if Executive shall refuse or fail to do so, Executive's employment as an employee shall terminate on the date of such refusal or failure, such termination being hereafter called a "Work Refusal Termination".

(c) If Executive's employment as an employee is terminated pursuant to paragraph (b) of this Section 8 because Executive has a Total Disability, the Company shall pay Executive the following, in monthly installments:

(i) his Salary through the date of termination; plus

(ii) the amount of his Salary (at the rate prevailing at such termination) for the twelve (12) months after the date of such termination (but not after the Term End) plus, if the date of such termination is more than twelve (12) months prior to the Term End, one half of such amount thereafter until the Term End, the amounts payable hereunder to be increased each October 1st by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

(d) If Executive's employment as an employee is terminated pursuant to paragraph (b) of this Section 8 because Executive has a Partial Disability and not as a result of a Work

Refusal Termination, then:

(i) The Company shall pay Executive his Salary through the date of termination.

(ii) (A) Commencing the day following the date of termination of Executive's employment as an employee and until the Term End, Executive shall be a consultant to the Company and as such shall perform Consulting Services to the fullest extent he is able for a percentage of his Normal Working Time determined by the Board not to exceed his Consulting Percentage, and the Company shall pay Executive for his services as a consultant in monthly installments an amount equal to (i) 50 percent of the Salary (at the rate prevailing at the date of such termination of Executive's employment as an employee) plus (ii) a percentage of such Salary (the "Additional Percentage") determined as follows:

<TABLE>

If the Consulting Percentage is: -----	The Additional Percentage is: -----
<S> 40%	<C> 20%
60%	30%
80%	40%

</TABLE>

The amounts determined pursuant to the preceding sentence shall be increased each October 1st by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

(B) During the period Executive is a consultant to the Company, (i) Executive will provide such services concerning the business, affairs and management of the Company as may be reasonably requested by the Board, which services shall be performed at a time and place mutually convenient to both parties, and (ii) Executive shall not engage in any other employment or perform any consulting services for others. During the period he is a consultant, the Company shall supply Executive with such secretarial and other services (including transportation and the use of office facilities) as may be reasonably necessary to the performance of his duties as a consultant.

(iii) If subsequent to the time of the determination that Executive has a Partial Disability Executive shall have a Consulting Disability and pursuant to Section 8(g) his services as a Consultant are terminated, thereafter and until the Term End the Company shall pay Executive the monthly amounts he would have been paid if the Executive had had a Total Disability on the date of termination of his employment as an employee.

(e) If Executive's employment as an employee is terminated by a Work Refusal Termination, Executive shall not thereafter have any right to any Salary or other compensation

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under this Section 8 or any other provision of this Agreement.

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(f) There shall be deducted from any compensation to which Executive may be entitled under this Section 8 an amount equal to any disability insurance payments received by Executive with respect to the period for which he may be entitled to compensation thereunder pursuant to any disability insurance policy paid for by the Company.

(g) If while Executive is a consultant he has a Consulting Disability, his services as a consultant thereupon shall terminate.

(h) Amounts paid to Executive pursuant to this Section 8 shall not diminish or otherwise adversely affect any rights which Executive may have at the time of termination pursuant to any insurance or other benefit, bonus, retirement, severance pay or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements.

(i) The determination of whether Executive has a Total Disability, Partial Disability or a Consulting Disability (and if a Partial Disability, in what percentage), shall be made by the Board.

9. CHANGE IN CONTROL. (a) For the purposes of this

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Agreement there will be a "CHANGE IN CONTROL OF THE COMPANY" if (i) 20% or more of the voting stock of the Company

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becomes owned by a person or group and such person or group, by its filing on a Schedule 13D made under the Securities Exchange Act of 1934 or otherwise, indicates the intention of seeking or exercising control of the Company or reserves the right to seek or exercise control, or (ii) the Company merges or consolidates with another corporation (other than a subsidiary of the Company) or sells all or substantially all the assets of the Company, or (iii) five (5) or more of the directors of the Company resign or cease to be directors within any twelve month period for reasons other than (A) death, (B) incapacity or (C) personal reasons not arising from a hostile environment.

(b) In the event there is a Change in Control of the Company during the Term, then:

(i) At the sole option of Executive exercised within ninety days of such event (but not thereafter) an amount equal to the Bonus of the Executive for the Year immediately preceding the date of exercise of such option (the "BONUS INCREMENT") shall be added to and become part of the Salary effective as of May 1st of the Year in which Executive exercises such option (with the amount of the resulting increase in Salary applicable to the period from May 1st of such Year to and including the month of exercise payable at the time of exercise) and, from and after such

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exercise, (A) Executive shall not be entitled to any further Bonuses, and (B) if such option is exercised prior

to October 1, 1994, the Salary as so increased shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4; and

(ii) If the option described in clause (i) of this paragraph (b) is exercised, Executive simultaneously may terminate his services as an officer and employee and become a consultant to the Company on such date as Executive elects, in which event (A) he shall serve as a consultant to the Company and perform Consulting Services from such date until September 30, 1995, and (B) the Company shall pay Executive for his Consulting Services in monthly installments a consulting fee in an amount equal to 57-1/2% of the Salary at the rate prevailing at the date of such termination of the Executive's employment as an employee, and if the date of such termination is prior to October 1, 1994, such amount shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

10. DISCHARGE WITHOUT CAUSE OR REDUCTION IN RESPONSIBILITIES.

(a) The Company retains the right to discharge Executive without cause at any time during the Term by

notice of termination given to Executive, which notice shall

become effective no sooner than 90 days after the giving thereof.

(b) Whether or not Executive is discharged pursuant to paragraph (a) of this Section 10, if Executive shall not be continued until September 30, 1995 as a Senior Vice President of the Company and as a director of the Company for a reason other than cause or Executive's resignation or inability to perform, Executive shall have the right to terminate all of his obligations under this Agreement by giving notice to the Company at any time within 90 days after he ceases to hold such office. Such notice shall specify the date of termination which shall be no sooner than 30 days following the date on which such notice is given.

(c) If the Company discharges Executive without cause or if Executive terminates pursuant to paragraph (b) of this Section 10, then until

September 30, 1995 the Company shall pay Executive, in monthly installments, as severance compensation and liquidated damages, all of the compensation provided in Section 4 hereof which Executive would have received, and Executive shall be entitled to all of the benefits which he would have been entitled to receive hereunder (including, but not limited to, the benefits referred to in Section 5(b) hereof), had Executive not been so discharged or

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his offices not been so terminated, and the following

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provisions shall apply:

(i) As used herein, the term "BONUS SEGMENT" shall mean an amount equal to the Bonus paid or payable for the Year ended immediately preceding the date of discharge or termination;

(ii) If the Bonus Increment shall not have been added to and become part of the Salary pursuant to paragraph (b) of Section 9, (x) the Bonus Segment shall be added to and become part of the Salary effective as of May 1st of the Year in which such discharge or termination occurs (with the amount of the resulting increase in Salary applicable to the period from May 1st of such Year to and including the month of discharge or termination payable at the time of discharge or termination) and (y) Executive shall not be entitled to any further Bonuses;

(iii) If the date of such discharge or termination is prior to October 1, 1994, the Salary shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4;

(iv) In determining the other benefits which Executive would have received under Section 5(b) during the Term had such discharge or termination not occurred, it

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shall be assumed that Executive would have received

benefits (including stock awards and other incentive compensation) equal to those which he received with respect to the last Year prior to the Year in which the discharge or termination occurs; and

(v) Executive shall not be required to seek or accept other employment in order to mitigate damages, and the Company's obligation to pay him following such discharge or termination shall not be reduced by the amount of any compensation actually received by Executive for employment with any other person thereafter. If any options or stock awards made prior to the date of termination shall lapse by reason of a discharge or termination governed by this Section 10, Executive shall be entitled to recover from the Company as additional severance compensation and liquidated damages amounts equal to the aggregate of all losses sustained by Executive by reason of such lapse.

11. INDEMNIFICATION AND LEGAL FEES. (a) The Company shall indemnify Executive to the fullest extent permitted by law and the certificate of incorporation and by-laws of the Company from and against any loss, claim, liability and/or expense incurred for, or by reason of, or arising out of, acts of Executive as an officer and/or Director of the Company

or any subsidiary.

(b) In the event Executive institutes any legal action to enforce his rights under, or to recover damages for breach of, this Agreement and he is the prevailing party in such an action, he shall be entitled to recover from the Company any actual reasonable expenses for attorneys' fees and disbursements incurred by him in connection therewith.

12. NONCOMPETITION AND CONFIDENTIALITY AGREEMENT.

(a) During the Term, Executive will not, without the prior written consent of the Company, directly or indirectly own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as a stockholder, partner, joint venturer or otherwise with, or accept employment of any kind with, any business which, or any business or

organization any part of which, competes with the businesses of the Company or any of its subsidiaries as such businesses are now conducted, in any geographical area in which such businesses are conducted during the term of this Agreement. However, nothing herein contained shall prevent Executive from investing solely as a passive investor in any securities of a corporation, partnership, trust, or other entity. For the purposes of this Agreement, Executive shall be deemed to be a "passive investor" if he does not control, or does not become

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part of any control group of, the issuer of securities acquired by Executive.

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(b) Notwithstanding anything to the contrary set forth therein, the prohibitions of paragraph (a) of this Section 12 shall not be binding on Executive if the Company discharges Executive without cause or if the Company otherwise breaches this Agreement.

(c) (i) Executive acknowledges that during the term of his employment with the Company or any of its subsidiaries, he may have access to secret and confidential information with respect to some or all of the following:

(A) product and business plans, budgets, sales forecasts, design plans, research and engineering data, inventions, methods, systems and processes,

(B) customers, and

(C) trade secrets

(all such information being hereinafter referred to as "Confidential Information").

(ii) Executive agrees that (except as authorized in writing by the Company or required pursuant to legal or administrative process) he will not reveal, divulge or make known to any person, firm or corporation any Confidential Information.

(iii) Executive agrees that if after the end of the Term he shall discover any Confidential Information in his

possession, he shall forthwith deliver the same to the Company.

13. FISCAL YEAR. If the Company shall change its fiscal year, appropriate adjustments shall be made in the terms of this Agreement to reflect such change.

14. ARBITRATION. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in the City of New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

15. MISCELLANEOUS. (a) This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof. The employment agreement between the parties dated January 1, 1992 is hereby terminated, and neither party shall have any rights thereunder after the date of this Agreement. This Agreement may only be modified or amended by an instrument in writing executed by the parties hereto.

(b) This Agreement shall be construed and enforced in accordance with the laws of the State of New York without regard to choice of law principles.

(c) This Agreement and the rights and obligations of the parties hereto shall bind and inure to the

benefit of the successor or successors of the Company, whether by merger, consolidation or otherwise.

(d) Any notice to be given pursuant to the terms of this Agreement shall be in writing and delivered by hand or sent by registered or certified mail, if to the Company, to the Secretary of the Company at its

principal offices in New York, New York, and if to Executive, to his address set forth above or to such other address or to the attention of such other person as either party has specified by prior written notice to the other party.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereunto duly authorized, and Executive has executed this Agreement all as of the date first above set forth.

AMREP CORPORATION

By /s/ Anthony B. Gliedman

Chairman of the Board
of Directors

/s/ James Wall

JAMES WALL

EMPLOYMENT AGREEMENT

AGREEMENT made as of October 1, 1993 by and between AMREP CORPORATION (the "Company"), an Oklahoma corporation, and HARVEY W. SCHULTZ ("Executive"), an individual residing at 34 Plaza Street East, Brooklyn, New York.

W I T N E S S E T H:

WHEREAS, the Company presently employs Executive as a Senior Vice President with the responsibility of being the chief executive officer of Amrep Solutions, Inc. ("Solutions"), and there presently exists an employment contract between the Company and Executive for a period ending September 30, 1994.

WHEREAS, the Company desires that Executive continue in the Company's employ for the term and on the terms and conditions hereinafter set forth, and Executive is willing to do so.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby agree as follows:

1. EMPLOYMENT. The Company agrees to continue to employ, and does hereby employ, Executive as a Senior Vice President, and Executive hereby accepts such employment, for the Term, with the duties and compensation and upon the terms and conditions contained hereafter in this Agreement.

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2. TERM. Unless earlier ended as hereinafter in this Agreement provided, the term of Executive's employment (the "TERM") shall continue to and end on September 30, 1995.

3. OFFICES AND DUTIES. (a) During the Term, Executive shall be a Senior Vice President of the Company and, for so long as Solutions shall be owned by the Company, and the Board of Directors of the Company ("BOARD") so desires, shall have the responsibility of being the chief executive officer of Solutions. Executive shall perform his services subject only to the direction

and control of the Board and of the Chairman of the Board and President. Executive shall not be required to perform any duties other than those which are consistent with his status as a Senior Vice President of the Company.

(b) During the Term, Executive shall devote his full working time and energies to the business and affairs of the Company and Solutions. Executive agrees during the Term to use his best efforts, skill and abilities to promote the interests of Solutions and the Company; to serve as a director and officer of any corporation which is a subsidiary of the Company if elected by the stockholders or board of directors of such subsidiary corporation; and, subject to the provisions of the last sentence of paragraph (a) of this Section 3, to perform

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such duties as may be assigned to him by the Board or the Chairman of the Board or the President.

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(c) For so long as Executive's employment by the Company during the Term shall continue, (i) Executive shall be elected as a Senior Vice President of the Company by the Board at each meeting at which officers are elected, and (ii) unless Executive otherwise consents in writing, the headquarters for the performance of his services shall be in the New York metropolitan area, subject to such reasonable travel as the performance of his duties may require.

4. COMPENSATION. (a) As used herein the following terms shall have the meanings set forth below:

"BONUS PLAN" means the Bonus Plan for Executives and Key Employees established by the Board at a meeting on September 23, 1993, as from time to time amended.

"BONUS POOL" shall have the meaning set forth in the Bonus Plan.

"CPI" means the Consumer Price Index for All Urban Consumers (CPI-U) United States City Averages (1967=100) issued by the Bureau of Labor Statistics of the United States Department of Labor or, if such Index shall be changed or discontinued, such other comparable or revised index as may be issued by the Bureau of Labor Statistics or another Agency of the United States Government.

"YEAR" means the fiscal year of the Company.

(b) During the Term and except as otherwise provided in this Agreement, the Company shall pay Executive an annual salary (the "SALARY"). The Salary initially shall be at an annual rate not less than \$185,000. The Salary shall be reviewed at least annually by the Board and shall be increased (the "MANDATORY INCREASE") October 1, 1994 by a percentage at least equal to the percentage, if any, by which the CPI for the month of September 1994 exceeds the CPI for the month of September 1993, and the resultant amount shall thereafter be the Salary. The Salary shall be payable in equal installments not less frequently than monthly.

(c) Except as otherwise provided in this Agreement, Executive shall be paid a Bonus (the "BONUS") for each Year ending during the Term for which there is a Bonus Pool. The Bonus for a Year shall be such percentage of the Bonus Pool as the Chief Executive Officer of the Company shall determine. The Bonus shall be paid not later than the July 31 following the end of the applicable Year.

5. EXPENSES, BENEFITS AND PERQUISITES. (a) The Company will pay or reimburse Executive for all travel and other expenses reasonably incurred by Executive during the Term in connection with the performance of his duties hereunder.

(b) During the Term, Executive shall be entitled to participate in all retirement, group insurance, medical and

similar programs, and stock option and other benefit plans which from time to time are available to executives of the Company, and shall be entitled to the perquisites which he heretofore has received as a Senior Vice President of the Company and President of Solutions.

6. DEATH OF EXECUTIVE. In the event Executive should die during the Term, this Agreement and all benefits hereunder shall terminate, except that Company shall pay Executive's surviving spouse or, if none, his estate the Executive's Salary until the earlier of the last day of the sixth month next following the month in which Executive's death occurs or September 30, 1995. Such termination shall not affect any rights which Executive may have at the time of his death pursuant to any insurance or other death benefit, bonus, retirement or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements. In the event Executive's surviving spouse dies during the period when payments are to be made to her, the balance of the amount remaining to be paid at the date of her death shall be paid to her estate in like manner.

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7. DISCHARGE FOR CAUSE. The Board may discharge Executive for cause at any time. Such discharge shall be effected by notice (the "DISCHARGE NOTICE") to Executive which shall specify the reasons for Executive's discharge and the effective date thereof. As used herein, the term "FOR CAUSE" shall mean only (i) chronic alcoholism, drug addiction, criminal dishonesty or (ii) willful violation of specific written directions from the Board, which directions are lawful and are consistent with the provisions of this Agreement ("WILLFUL VIOLATION"); PROVIDED, however, that if (i) such discharge is effected because of Executive's Willful Violation and (ii) within seven (7) days following the date of receipt by the Executive of the Discharge Notice Executive shall cease his Willful Violation and shall use his best efforts to carry out such written directions, the termination shall not be effective. Upon termination pursuant to this Section 7, this Agreement and all benefits hereunder shall terminate, except that such termination shall not affect any rights which Executive may have at the time of termination pursuant to any insurance or other death benefit, bonus, retirement, severance pay or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which

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rights shall continue to be governed by the provisions of such plans and arrangements.

8. DISABILITY. (a) For the purposes of this Section the following shall have the meanings set forth:

(i) "CONSULTING SERVICES" shall mean the services set forth in Section 8(d)(ii)(B)(i).

(ii) "TOTAL DISABILITY" shall mean the inability of Executive for any substantial period of time, by reason of a physical or mental condition, to either (a) fully perform the duties required of him hereunder or (b) perform Consulting Services at least 40% of his normal working time (working full days) prior to his disability ("Normal Working Time").

(iii) "PARTIAL DISABILITY" shall mean the inability of Executive for any substantial period of time, by reason of a physical or mental condition, to fully perform the duties required of him hereunder while having the ability to perform Consulting Services at least 40% of his Normal Working Time.

(iv) "CONSULTING DISABILITY" shall mean a disability which arises during a period of Executive's Partial Disability which results in the inability of Executive to perform Consulting Services at least 40% of his Normal Working Time; and

(v) "CONSULTING PERCENTAGE" shall mean such percentage of his Normal Working Time as Executive is able

to perform Consulting Services while having a Partial Disability. The Consulting Percentage shall be determined by the Board from time to time and shall be in multiples of 20%.

(b) Executive's employment as an employee hereunder may be terminated by the Company if Executive has either a Total Disability or a Partial Disability determined as provided in paragraph (i) of this Section 8. Subject to the provisions of the next sentence, such termination shall be effective on such date as the Board shall fix by resolution adopted after it has been determined that Executive has a Total Disability or a Partial Disability, which date shall not be earlier than the date on which such resolution is

adopted nor earlier than six (6) months after the date on which Executive first was unable to fully perform the duties required of him hereunder. However, if at any time during the period prior to the effective date determined pursuant to the preceding sentence Executive has a Partial Disability, Executive shall perform such services as the Board may reasonably request for a percentage of his Normal Working Time determined by the Board not to exceed the Consulting Percentage, and if Executive shall refuse or fail to do so, Executive's employment as an employee shall terminate

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on the date of such refusal or failure, such termination being hereafter called a "Work Refusal Termination".

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(c) If Executive's employment as an employee is terminated pursuant to paragraph (b) of this Section 8 because Executive has a Total Disability, the Company shall pay Executive the following, in monthly installments:

(i) his Salary through the date of termination; plus

(ii) the amount of his Salary (at the rate prevailing at such termination) for the twelve (12) months after the date of such termination (but not after the Term End) plus, if the date of such termination is more than twelve (12) months prior to the Term End, one half of such amount thereafter until the Term End, the amounts payable hereunder to be increased each October 1st by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

(d) If Executive's employment as an employee is terminated pursuant to paragraph (b) of this Section 8 because Executive has a Partial Disability and not as a result of a Work Refusal Termination, then:

(i) The Company shall pay Executive his Salary through the date of termination.

(ii) (A) Commencing the day following the

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date of termination of Executive's employment as an employee and until the Term End, Executive shall be a

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consultant to the Company and as such shall perform Consulting Services to the fullest extent he is able for a percentage of his Normal Working Time determined by the Board not to exceed his Consulting Percentage, and the Company shall pay Executive for his services as a consultant in monthly installments an amount equal to (i) 50 percent of the Salary (at the rate prevailing at the date of such termination of Executive's employment as an employee) plus (ii) a percentage of such Salary (the "Additional Percentage") determined as follows:

<TABLE>

If the Consulting Percentage is: ----- <S>	The Additional Percentage is: ----- <C>
40%	20%
60%	30%
80%	40%

</TABLE>

The amounts determined pursuant to the preceding sentence shall be increased each October 1st by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

(B) During the period Executive is a consultant to the Company, (i) Executive will provide such services concerning the business, affairs and management

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of the Company as may be reasonably requested by the Board, which services shall be performed at a time and place

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mutually convenient to both parties, and (ii) Executive shall not engage in any other employment or perform any consulting services for others. During the period he is a consultant, the Company shall supply Executive with such secretarial and other services (including transportation and the use of office facilities) as may be reasonably necessary to the performance of his duties as a consultant.

(iii) If subsequent to the time of the determination that Executive has a Partial Disability Executive shall have a Consulting Disability and pursuant to Section 8(g) his services as a Consultant are terminated, thereafter and until the Term End the Company shall pay Executive the monthly amounts he would have been paid if the Executive had had a Total Disability on the date of termination of his employment as an employee.

(e) If Executive's employment as an employee is terminated by a Work Refusal Termination, Executive shall not thereafter have any right to any Salary or other compensation under this Section 8 or any other provision of this Agreement.

(f) There shall be deducted from any compensation to which Executive may be entitled under this Section 8 an amount equal to any disability insurance payments received by

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Executive with respect to the period for which he may be entitled to compensation thereunder pursuant to any

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disability insurance policy paid for by the Company.

(g) If while Executive is a consultant he has a Consulting Disability, his services as a consultant thereupon shall terminate.

(h) Amounts paid to Executive pursuant to this Section 8 shall not diminish or otherwise adversely affect any rights which Executive may have at the time of termination pursuant to any insurance or other benefit, bonus, retirement, severance pay or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements.

(i) The determination of whether Executive has

a Total Disability, Partial Disability or a Consulting Disability (and if a Partial Disability, in what percentage), shall be made by the Board.

9. CHANGE IN CONTROL. (a) For the purposes of this Agreement there will be a "CHANGE IN CONTROL OF THE COMPANY" if (i) 20% or more of the voting stock of the Company becomes owned by a person or group and such person or group, by its filing on a Schedule 13D made under the Securities Exchange Act of 1934 or otherwise, indicates the intention of seeking or

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exercising control of the Company or reserves the right to seek or exercise control, or (ii) the Company merges or consolidates

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with another corporation (other than a subsidiary of the Company) or sells all or substantially all the assets of the Company, or (iii) five (5) or more of the directors of the Company resign or cease to be directors within any twelve month period for reasons other than (A) death, (B) incapacity or (C) personal reasons not arising from a hostile environment.

(b) In the event there is a Change in Control of the Company during the Term, then:

(i) At the sole option of Executive exercised within ninety days of such event (but not thereafter) an amount equal to the Bonus of the Executive for the Year immediately preceding the date of exercise of such option (the "BONUS INCREMENT") shall be added to and become part of the Salary effective as of May 1st of the Year in which Executive exercises such option (with the amount of the resulting increase in Salary applicable to the period from May 1st of such Year to and including the month of exercise payable at the time of exercise) and, from and after such exercise, (A) Executive shall not be entitled to any further Bonuses, and (B) if such option is exercised prior to October 1, 1994, the Salary as so increased shall be increased effective October 1, 1994 by the same percentage

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as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4; and

(ii) If the option described in clause (i) of

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this paragraph (b) is exercised, Executive simultaneously may terminate his services as an officer and employee and become a consultant to the Company on such date as Executive elects, in which event (A) he shall serve as a consultant to the Company and perform Consulting Services from such date until September 30, 1995, and (B) the Company shall pay Executive for his Consulting Services in monthly installments a consulting fee in an amount equal to 57-1/2% of the Salary at the rate prevailing at the date of such termination of the Executive's employment as an employee, and if the date of such termination is prior to October 1, 1994, such amount shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

10. DISCHARGE WITHOUT CAUSE OR REDUCTION IN RESPONSIBILITIES.

(a) The Company retains the right to discharge Executive without cause at any time during the Term by notice of termination given to Executive, which notice shall become effective no sooner than 90 days after the giving thereof.

(b) Whether or not Executive is discharged pursuant to paragraph (a) of this Section 10, if Executive shall

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not be continued until September 30, 1995 as a Senior

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Vice President of the Company for a reason other than cause or Executive's resignation or inability to perform, Executive shall have the right to terminate all of his obligations under this Agreement by giving notice to the Company at any time within 90 days after he ceases to hold such office. Such notice shall specify the date of termination which shall be no sooner than 30 days following the date on which such notice is given.

(c) If the Company discharges Executive without cause or if Executive terminates pursuant to paragraph (b) of this Section 10, then until September 30, 1995 the Company shall pay Executive, in monthly installments, as severance compensation and liquidated damages, all of the compensation provided

in Section 4 hereof which Executive would have received, and Executive shall be entitled to all of the benefits which he would have been entitled to receive hereunder (including, but not limited to, the benefits referred to in Section 5(b) hereof), had Executive not been so discharged or his offices not been so terminated, and the following provisions shall apply:

(i) As used herein, the term "BONUS SEGMENT" shall mean an amount equal to the Bonus paid or payable for the Year ended immediately preceding the date of discharge

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or termination;

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(ii) If the Bonus Increment shall not have been added to and become part of the Salary pursuant to paragraph (b) of Section 9, (x) the Bonus Segment shall be added to and become part of the Salary effective as of May 1st of the Year in which such discharge or termination occurs (with the amount of the resulting increase in Salary applicable to the period from May 1st of such Year to and including the month of discharge or termination payable at the time of discharge or termination) and (y) Executive shall not be entitled to any further Bonuses;

(iii) If the date of such discharge or termination is prior to October 1, 1994, the Salary shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4;

(iv) In determining the other benefits which Executive would have received under Section 5(b) during the Term had such discharge or termination not occurred, it shall be assumed that Executive would have received benefits (including stock awards and other incentive compensation) equal to those which he received with respect to the last Year prior to the Year in which the discharge or termination

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occurs; and

(v) Executive shall not be required to seek or accept other employment in order to mitigate damages, and the Company's obligation to pay him following such discharge or termination shall not be reduced by the amount of any compensation actually received by Executive for employment with any other person thereafter. If any options or stock awards made prior to the date of termination shall lapse by reason of a discharge or termination governed by this Section 10, Executive shall be entitled to recover from the Company as additional severance compensation and liquidated damages amounts equal to the aggregate of all losses sustained by Executive by reason of such lapse.

11. INDEMNIFICATION AND LEGAL FEES. (a) The Company shall indemnify Executive to the fullest extent permitted by law and the certificate of incorporation and by-laws of the Company from and against any loss, claim, liability and/or expense incurred for, or by reason of, or arising out of, acts of Executive as an officer and/or Director of the Company or any subsidiary.

(b) In the event Executive institutes any legal action to enforce his rights under, or to recover damages for breach of, this Agreement and he is the prevailing party in such

an action, he shall be entitled to recover from the

Company any actual reasonable expenses for attorneys' fees and disbursements incurred by him in connection therewith.

12. NONCOMPETITION AND CONFIDENTIALITY AGREEMENT.

(a) During the Term, Executive will not, without the prior written consent of the Company, directly or indirectly own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as a stockholder, partner, joint venturer or otherwise with, or accept employment of any kind with, any business which, or any business or organization any part of which, competes with the businesses of the Company or any of its subsidiaries as such businesses are now conducted, in any geographical area in which such businesses are conducted during the term of this Agreement. However, nothing herein contained shall prevent Executive from

investing solely as a passive investor in any securities of a corporation, partnership, trust, or other entity. For the purposes of this Agreement, Executive shall be deemed to be a "passive investor" if he does not control, or does not become part of any control group of, the issuer of securities acquired by Executive.

(b) Notwithstanding anything to the contrary set forth therein, the prohibitions of paragraph (a) of this Section

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12 shall not be binding on Executive if the Company

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discharges Executive without cause or if the Company otherwise breaches this Agreement.

(c) (i) Executive acknowledges that during the term of his employment with the Company or any of its subsidiaries, he may have access to secret and confidential information with respect to some or all of the following:

(A) product and business plans, budgets, sales forecasts, design plans, research and engineering data, inventions, methods, systems and processes,

(B) customers, and

(C) trade secrets

(all such information being hereinafter referred to as "Confidential Information").

(ii) Executive agrees that (except as authorized in writing by the Company or required pursuant to legal or administrative process) he will not reveal, divulge or make known to any person, firm or corporation any Confidential Information.

(iii) Executive agrees that if after the end of the Term he shall discover any Confidential Information in his possession, he shall forthwith deliver the same to the Company.

13. FISCAL YEAR. If the Company shall change its

fiscal year, appropriate adjustments shall be made in the terms of this Agreement to reflect such change.

14. ARBITRATION. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in the City of New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

15. MISCELLANEOUS. (a) This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof. The Employment Agreement between the parties dated February 1, 1992 is hereby terminated and neither party shall have any rights thereunder after the date of this Agreement. This Agreement may only be modified or amended by an instrument in writing executed by the parties hereto.

(b) This Agreement shall be construed and enforced in accordance with the laws of the State of New York without regard to choice of law principles.

(c) This Agreement and the rights and obligations of the parties hereto shall bind and inure to the benefit of the successor or successors of the Company, whether by merger, consolidation or otherwise.

(d) Any notice to be given pursuant to the terms

of this Agreement shall be in writing and delivered by hand or

sent by registered or certified mail, if to the Company, to the Secretary of the Company at its principal offices in New York, New York, and if to Executive, to his address set forth above or to such other address or to the attention of such

other person as either party has specified by prior written notice to the other party.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereunto duly authorized, and Executive has executed this Agreement all as of the date first above set forth.

AMREP CORPORATION

By /s/ Anthony B. Gliedman

Chairman of the Board
of Directors

/s/ Harvey W. Schultz

HARVEY W. SCHULTZ

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EMPLOYMENT AGREEMENT

AGREEMENT made as of October 1, 1993 by and between AMREP CORPORATION (the "Company"), an Oklahoma corporation, and MOHAN VACHANI ("Executive"), an individual residing at 1 Diablo View Drive, Orinda, California.

W I T N E S S E T H:

WHEREAS, the Company presently employs Executive as a Senior Vice President-Chief Financial Officer and desires that Executive continue in the Company's employ for the term and on the terms and conditions hereinafter set forth, and Executive is willing to do so.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby agree as follows:

1. EMPLOYMENT. The Company agrees to continue to employ, and does hereby employ, Executive as Senior Vice President-Chief Financial Officer, and Executive hereby accepts

such employment, for the Term, with the duties and compensation and upon the terms and conditions contained hereafter in this Agreement.

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2. TERM. Unless earlier ended as hereinafter in this Agreement provided, the term of Executive's employment (the "TERM") shall continue to and end on September 30, 1995.

3. OFFICES AND DUTIES. (a) During the Term, Executive shall be a Senior Vice President and Chief Financial Officer of the Company and also shall be General Manager of the Company's Pacific Operations. Executive shall perform his services subject only to the direction and control of the Company's Board of Directors ("BOARD") and of the Chairman of the Board and President. Executive shall not be required to perform any duties other than those which are

consistent with his status as a Senior Vice President of the Company.

(b) During the Term, Executive shall devote his full working time and energies to the business and affairs of the Company. Executive agrees during the Term to use his best efforts, skill and abilities to promote the Company's interests; to serve as a director of the Company for so long as elected; to serve as a director and officer of any corporation which is a subsidiary of the Company if elected by the stockholders or board of directors of such subsidiary corporation; and, subject to the provisions of the last sentence of paragraph (a) of this

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Section 3, to perform such duties as may be assigned to him by the Board or the Chairman of the Board or the President.

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(c) For so long as Executive's employment by the Company during the Term shall continue, (i) Executive shall be elected as a Senior Vice President of the Company by the Board at each meeting at which officers are elected, and (ii) unless Executive otherwise consents in writing, the headquarters for the performance of his services shall be the principal offices of the Corporation in New York City, subject to such reasonable travel as the performance of his duties may require, it being expected that Executive will spend a portion of his time each month on the West Coast.

4. COMPENSATION. (a) As used herein the following terms shall have the meanings set forth below:

"BONUS PLAN" means the Bonus Plan for Executives and Key Employees established by the Board at a meeting on September 23, 1993, as from time to time amended.

"BONUS POOL" shall have the meaning set forth in the Bonus Plan.

"CPI" means the Consumer Price Index for All Urban Consumers (CPI-U) United States City Averages (1967=100) issued by the Bureau of Labor Statistics of the United States Department of Labor or, if such Index shall be

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changed or discontinued, such other comparable or revised

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index as may be issued by the Bureau of Labor Statistics or another Agency of the United States Government.

"YEAR" means the fiscal year of the Company.

(b) During the Term and except as otherwise provided in this Agreement, the Company shall pay Executive an annual salary (the "SALARY"). The Salary initially shall be at an annual rate not less than \$236,500. The Salary shall be reviewed at least annually by the Board and shall be increased (the "MANDATORY INCREASE") October 1, 1994 by a percentage at least equal to the percentage, if any, by which the CPI for the month of September 1994 exceeds the CPI for the month of September 1993, and the resultant amount shall thereafter be the Salary. The Salary shall be payable in equal installments not less frequently than monthly.

(c) Except as otherwise provided in this Agreement, Executive shall be paid a Bonus (the "BONUS") for each Year ending during the Term for which there is a Bonus Pool. The Bonus for a Year shall be such percentage of the Bonus Pool as the Chief Executive Officer of the Company shall determine. The Bonus shall be paid not later than the July 31 following the end of the applicable Year.

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5. EXPENSES, BENEFITS AND PERQUISITES. (a) The Company will pay or reimburse Executive for all travel and

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other expenses reasonably incurred by Executive during the Term in connection with the performance of his duties hereunder.

(b) During the Term, Executive shall be entitled to participate in all retirement, group insurance, medical and similar programs, and stock option and other benefit plans which from time to time are available to executives of the Company, and shall receive a car allowance of \$450 per month.

6. DEATH OF EXECUTIVE. In the event Executive should die during

the Term, this Agreement and all benefits hereunder shall terminate, except that Company shall pay Executive's surviving spouse or, if none, his estate the Executive's Salary until the earlier of the last day of the sixth month next following the month in which Executive's death occurs or September 30, 1995. Such termination shall not affect any rights which Executive may have at the time of his death pursuant to any insurance or other death benefit, bonus, retirement or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements. In the event Executive's surviving spouse dies during the period when

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payments are to be made to her, the balance of the amount remaining to be paid at the date of her death shall be paid to her estate in like manner.

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7. DISCHARGE FOR CAUSE. The Board may discharge Executive for cause at any time. Such discharge shall be effected by notice (the "DISCHARGE NOTICE") to Executive which shall specify the reasons for Executive's discharge and the effective date thereof. As used herein, the term "FOR CAUSE" shall mean only (i) chronic alcoholism, drug addiction, criminal dishonesty or (ii) willful violation of specific written directions from the Board, which directions are lawful and are consistent with the provisions of this Agreement ("WILLFUL VIOLATION"); PROVIDED, however, that if (i) such discharge is effected because of Executive's Willful Violation and (ii) within seven (7) days following the date of receipt by the Executive of the Discharge Notice Executive shall cease his Willful Violation and shall use his best efforts to carry out such written directions, the termination shall not be effective. Upon termination pursuant to this Section 7, this Agreement and all benefits hereunder shall terminate, except that such termination shall not affect any rights which Executive may have at the time of termination pursuant to any insurance or other death benefit, bonus, retirement, severance pay or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which

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rights shall continue to be governed by the provisions of such plans and arrangements.

8. DISABILITY. (a) For the purposes of this Section the following shall have the meanings set forth:

(i) "CONSULTING SERVICES" shall mean the services set forth in Section 8(d)(ii)(B)(i).

(ii) "TOTAL DISABILITY" shall mean the inability of Executive for any substantial period of time, by reason of a physical or mental condition, to either (a) fully perform the duties required of him hereunder or (b) perform Consulting Services at least 40% of his normal working time (working full days) prior to his disability ("Normal Working Time").

(iii) "PARTIAL DISABILITY" shall mean the inability of Executive for any substantial period of time, by reason of a physical or mental condition, to fully perform the duties required of him hereunder while having the ability to perform Consulting Services at least 40% of his Normal Working Time.

(iv) "CONSULTING DISABILITY" shall mean a disability which arises during a period of Executive's Partial Disability which results in the inability of Executive to perform Consulting Services at least 40% of his Normal Working Time; and

(v) "CONSULTING PERCENTAGE" shall mean such percentage of his Normal Working Time as Executive is able

to perform Consulting Services while having a Partial Disability. The Consulting Percentage shall be determined by the Board from time to time and shall be in multiples of 20%.

(b) Executive's employment as an employee hereunder may be terminated by the Company if Executive has either a Total Disability or a Partial Disability determined as provided in paragraph (i) of this Section 8. Subject to the provisions of the next sentence, such termination shall be effective on such date as the Board shall fix by resolution adopted after it has been determined that Executive has a Total Disability or a Partial Disability,

which date shall not be earlier than the date on which such resolution is adopted nor earlier than six (6) months after the date on which Executive first was unable to fully perform the duties required of him hereunder. However, if at any time during the period prior to the effective date determined pursuant to the preceding sentence Executive has a Partial Disability, Executive shall perform such services as the Board may reasonably request for a percentage of his Normal Working Time determined by the Board not to exceed the Consulting Percentage, and if Executive shall refuse or fail to do so, Executive's employment as an employee shall terminate

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on the date of such refusal or failure, such termination being hereafter called a "Work Refusal Termination".

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(c) If Executive's employment as an employee is terminated pursuant to paragraph (b) of this Section 8 because Executive has a Total Disability, the Company shall pay Executive the following, in monthly installments:

(i) his Salary through the date of termination; plus

(ii) the amount of his Salary (at the rate prevailing at such termination) for the twelve (12) months after the date of such termination (but not after the Term End) plus, if the date of such termination is more than twelve (12) months prior to the Term End, one half of such amount thereafter until the Term End, the amounts payable hereunder to be increased each October 1st by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

(d) If Executive's employment as an employee is terminated pursuant to paragraph (b) of this Section 8 because Executive has a Partial Disability and not as a result of a Work Refusal Termination, then:

(i) The Company shall pay Executive his Salary through the date of termination.

(ii) (A) Commencing the day following the

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date of termination of Executive's employment as an employee and until the Term End, Executive shall be a

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consultant to the Company and as such shall perform Consulting Services to the fullest extent he is able for a percentage of his Normal Working Time determined by the Board not to exceed his Consulting Percentage, and the Company shall pay Executive for his services as a consultant in monthly installments an amount equal to (i) 50 percent of the Salary (at the rate prevailing at the date of such termination of Executive's employment as an employee) plus (ii) a percentage of such Salary (the "Additional Percentage") determined as follows:

<TABLE>

If the Consulting Percentage is: ----- <S>	The Additional Percentage is: ----- <C>
40%	20%
60%	30%
80%	40%

</TABLE>

The amounts determined pursuant to the preceding sentence shall be increased each October 1st by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

(B) During the period Executive is a consultant to the Company, (i) Executive will provide such services concerning the business, affairs and management

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of the Company as may be reasonably requested by the Board, which services shall be performed at a time and place

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mutually convenient to both parties, and (ii) Executive shall not engage in any other employment or perform any consulting services for others. During the period he is a consultant, the Company shall supply Executive with such secretarial and other services (including transportation and the use of office facilities) as may be reasonably necessary to the performance of his duties as a consultant.

(iii) If subsequent to the time of the determination that Executive has a Partial Disability Executive shall have a Consulting Disability and pursuant to Section 8(g) his services as a Consultant are terminated, thereafter and until the Term End the Company shall pay Executive the monthly amounts he would have been paid if the Executive had had a Total Disability on the date of termination of his employment as an employee.

(e) If Executive's employment as an employee is terminated by a Work Refusal Termination, Executive shall not thereafter have any right to any Salary or other compensation under this Section 8 or any other provision of this Agreement.

(f) There shall be deducted from any compensation to which Executive may be entitled under this Section 8 an amount equal to any disability insurance payments received by

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Executive with respect to the period for which he

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may be entitled to compensation thereunder pursuant to any disability insurance policy paid for by the Company.

(g) If while Executive is a consultant he has a Consulting Disability, his services as a consultant thereupon shall terminate.

(h) Amounts paid to Executive pursuant to this Section 8 shall not diminish or otherwise adversely affect any rights which Executive may have at the time of termination pursuant to any insurance or other benefit, bonus, retirement, severance pay or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements.

(i) The determination of whether Executive has

a Total Disability, Partial Disability or a Consulting Disability (and if a Partial Disability, in what percentage), shall be made by the Board.

9. CHANGE IN CONTROL. (a) For the purposes of this Agreement there will be a "CHANGE IN CONTROL OF THE COMPANY" if (i) 20% or more of the voting stock of the Company becomes owned by a person or group and such person or group, by

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its filing on a Schedule 13D made under the Securities Exchange Act of 1934 or otherwise, indicates the intention of seeking or exercising control of the Company or reserves the right to seek

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or exercise control, or (ii) the Company merges or consolidates with another corporation (other than a subsidiary of the Company) or sells all or substantially all the assets of the Company, or (iii) five (5) or more of the directors of the Company resign or cease to be directors within any twelve month period for reasons other than (A) death, (B) incapacity or (C) personal reasons not arising from a hostile environment.

(b) In the event there is a Change in Control of the Company during the Term, then at any time thereafter:

(i) At the sole option of Executive an amount equal to the Bonus of the Executive for the Year immediately preceding the date of exercise of such option (the "BONUS INCREMENT") shall be added to and become part of the Salary effective as of May 1st of the Year in which Executive exercises such option (with the amount of the resulting increase in Salary applicable to the period from May 1st of such Year to and including the month of exercise payable at the time of exercise) and, from and after such exercise, (A) Executive shall not be entitled to any further Bonuses, and (B) if such option is exercised prior to October 1, 1994, the Salary as so increased shall be increased effective October 1, 1994 by the same percentage as the percentage

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increase in the CPI computed as set forth in paragraph (b) of Section 4; and

(ii) At any time after the option described in clause (i) of this paragraph (b) has been exercised, Executive may terminate his services as an officer and employee and become a consultant to the Company on such date as Executive elects, in which event (A) he shall serve as a consultant to the Company and perform Consulting Services from such date until September 30, 1995, and (B) the Company shall pay Executive for his Consulting Services in monthly installments a consulting fee in an amount equal to 57-1/2% of the Salary at the rate prevailing at the date of such termination of the Executive's employment as an employee, and if the date of such termination is prior to October 1, 1994, such amount shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

10. DISCHARGE WITHOUT CAUSE OR REDUCTION IN RESPONSIBILITIES.

(a) The Company retains the right to discharge Executive without cause at any time during the Term by notice of termination given to Executive, which notice shall become effective no sooner than 90 days after the giving thereof.

(b) Whether or not Executive is discharged pursuant to paragraph (a) of this Section 10, if Executive

shall not be continued until September 30, 1995 as a Senior Vice President of the Company for a reason other than cause, Executive's resignation or inability to perform, Executive shall have the right to terminate all of his obligations under this Agreement by giving notice to the Company at any time within 90 days after he ceases to hold such office. Such notice shall specify the date of termination which shall be no sooner than 30 days following the date on which such notice is given.

(c) If the Company discharges Executive without cause or if Executive terminates pursuant to paragraph (b) of this Section 10, then until September 30, 1995 the Company shall pay Executive, in monthly installments, as severance compensation and liquidated damages, all of the compensation provided in Section 4 hereof which Executive would have received, and Executive shall be entitled to all of the benefits which he would have been entitled to receive hereunder (including, but not limited to, the benefits referred to in Section

5(b) hereof), had Executive not been so discharged or his offices not been so terminated, and the following provisions shall apply:

(i) As used herein, the term "BONUS SEGMENT" shall mean an amount equal to the Bonus paid or payable for

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the Year ended immediately preceding the date of discharge

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or termination;

(ii) If the Bonus Increment shall not have been added to and become part of the Salary pursuant to paragraph (b) of Section 9, (x) the Bonus Segment shall be added to and become part of the Salary effective as of May 1st of the Year in which such discharge or termination occurs (with the amount of the resulting increase in Salary applicable to the period from May 1st of such Year to and including the month of discharge or termination payable at the time of discharge or termination) and (y) Executive shall not be entitled to any further Bonuses;

(iii) If the date of such discharge or termination is prior to October 1, 1994, the Salary shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4;

(iv) In determining the other benefits which Executive would have received under Section 5(b) during the Term had such discharge or termination not occurred, it shall be assumed that Executive would have received benefits (including stock awards and other incentive compensation) equal to those which he received with respect to the last

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Year prior to the Year in which the discharge or termination occurs; and

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(v) Executive shall not be required to seek or accept other employment in order to mitigate damages, and the Company's obligation to pay him following such discharge or termination shall not be reduced by the amount of any compensation actually received by Executive for employment with any other person thereafter. If any options or stock awards made prior to the date of termination shall lapse by reason of a discharge or termination governed by this Section 10, Executive shall be entitled to recover from the Company as additional severance compensation and liquidated damages amounts equal to the aggregate of all losses sustained by Executive by reason of such lapse.

11. INDEMNIFICATION AND LEGAL FEES. (a) The Company shall indemnify Executive to the fullest extent permitted by law and the certificate of incorporation and by-laws of the Company from and against any loss, claim, liability and/or expense incurred for, or by reason of, or arising out of, acts of Executive as an officer and/or Director of the Company or any subsidiary.

(b) In the event Executive institutes any legal action to enforce his rights under, or to recover damages for

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breach of, this Agreement and he is the prevailing party in such an action, he shall be entitled to recover from the

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Company any actual reasonable expenses for attorneys' fees and disbursements incurred by him in connection therewith.

12. NONCOMPETITION AND CONFIDENTIALITY AGREEMENT.

(a) During the Term, Executive will not, without the prior written consent of the Company, directly or indirectly own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as a stockholder, partner, joint venturer or otherwise with, or accept employment of any kind with, any business which, or any business or organization any part of which, competes with the businesses of the Company or any of its subsidiaries as such businesses are now conducted, in any geographical area in which such businesses are conducted during the term of this Agreement. However, nothing herein contained shall prevent Executive from investing solely as a passive investor in any securities of a corporation, partnership, trust, or other entity. For the purposes of this Agreement, Executive shall be deemed to be a "passive investor" if he does not control, or does not become part of any control group of, the issuer of securities acquired

by Executive.

(b) Notwithstanding anything to the contrary set

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forth therein, the prohibitions of paragraph (a) of this Section 12 shall not be binding on Executive if the Company

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discharges Executive without cause or if the Company otherwise breaches this Agreement.

(c) (i) Executive acknowledges that during the term of his employment with the Company or any of its subsidiaries, he may have access to secret and confidential information with respect to some or all of the following:

(A) product and business plans, budgets, sales forecasts, design plans, research and engineering data, inventions, methods, systems and processes,

(B) customers, and

(C) trade secrets

(all such information being hereinafter referred to as "Confidential Information").

(ii) Executive agrees that (except as authorized in writing by the Company or required pursuant to legal or administrative process) he will not reveal, divulge or make known to any person, firm or corporation any Confidential Information.

(iii) Executive agrees that if after the end of the Term he shall discover any Confidential Information in his possession, he shall forthwith deliver the same to the Company.

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13. FISCAL YEAR. If the Company shall change its fiscal year, appropriate adjustments shall be made in the terms of this Agreement to reflect

such change.

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14. ARBITRATION. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in the City of New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

15. MISCELLANEOUS. (a) This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof. This Agreement may only be modified or amended by an instrument in writing executed by the parties hereto.

(b) This Agreement shall be construed and enforced in accordance with the laws of the State of New York without regard to choice of law principles.

(c) This Agreement and the rights and obligations of the parties hereto shall bind and inure to the benefit of the successor or successors of the Company, whether by merger, consolidation or otherwise.

(d) Any notice to be given pursuant to the terms of this Agreement shall be in writing and delivered by hand or

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sent by registered or certified mail, if to the Company, to the Secretary of the Company at its principal offices in New York, New York, and if to Executive, to his address set forth above

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or to such other address or to the attention of such other person as either party has specified by prior written notice to the other party.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereunto duly authorized, and Executive has executed this Agreement all as of the date first above set forth.

AMREP CORPORATION

By /s/ Anthony B. Gliedman

Chairman of the Board
of Directors

/s/ Mohan Vachani

MOHAN VACHANI

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EMPLOYMENT AGREEMENT

AGREEMENT made as of October 1, 1993 by and between AMREP CORPORATION (the "Company"), an Oklahoma corporation, and RUDOLPH J. SKALKA ("Executive"), an individual residing at 23 Bouvant Drive, Princeton, New Jersey 08540.

W I T N E S S E T H:

WHEREAS, the Company presently employs Executive as Vice President-Finance and desires that Executive continue in the Company's employ for the term and on the terms and conditions hereinafter set forth, and Executive is willing to do so.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby agree as follows:

1. EMPLOYMENT. The Company agrees to continue to employ, and does hereby employ, Executive as Vice President- Finance, and Executive hereby accepts such employment, for the Term, with the duties and compensation and upon the terms

and conditions contained hereafter in this Agreement.

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2. TERM. Unless earlier ended as hereinafter in this Agreement provided, the term of Executive's employment (the "TERM") shall continue to and end on September 30, 1995.

3. OFFICES AND DUTIES. (a) During the Term, Executive shall be Vice President-Finance of the Company. Executive shall perform his services subject only to the direction and control of the Company's Board of Directors ("BOARD") and of the Chairman of the Board and President. Executive shall not be required to perform any duties other than those which are consistent with his status as a Vice President of the Company.

(b) During the Term Executive shall devote his full working time and energies to the business and affairs of the Company. Executive agrees during the Term to use his best efforts, skill and abilities to promote the Company's interests; to serve as a director and officer of any corporation which is a subsidiary of the Company if elected by the stockholders or board of directors of such subsidiary corporation; and, subject to the provisions of the last sentence of paragraph (a) of this Section 3, to perform such duties as may be assigned to him by the Board or the Chairman of the Board or the President.

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(c) For so long as Executive's employment by the Company during the Term shall continue (i) Executive shall be

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elected a Vice President of the Company at each meeting at which officers are elected, and (ii) unless Executive otherwise consents in writing, the headquarters for the performance of his services shall be the principal offices of the Corporation in New York City, subject to such reasonable travel as the performance of his duties may require.

4. COMPENSATION. (a) As used herein the following terms shall have the meanings set forth below:

"BONUS PLAN" means the Bonus Plan for Executives and Key Employees established by the Board at a meeting on September 23, 1993, as from time to time amended.

"BONUS POOL" shall have the meaning set forth in the Bonus Plan.

"CPI" means the Consumer Price Index for All Urban Consumers (CPI-U) United States City Averages (1967=100) issued by the Bureau of Labor Statistics of the United States Department of Labor or, if such Index shall be changed or discontinued, such other comparable or revised index as may be issued by the Bureau of Labor Statistics or another Agency of the United States Government.

"YEAR" means the fiscal year of the Company.

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(b) During the Term and except as otherwise provided in this Agreement, the Company shall pay Executive an annual salary (the "SALARY"). The Salary initially shall be at

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an annual rate not less than \$151,600. The Salary shall be reviewed at least annually by the Board and shall be increased (the "MANDATORY INCREASE") October 1, 1994 by a percentage at least equal to the percentage, if any, by which the CPI for the month of September 1994 exceeds the CPI for the month of September 1993, and the resultant amount shall thereafter be the Salary. The Salary shall be payable in equal installments not less frequently than monthly.

(c) Except as otherwise provided in this Agreement, Executive shall be paid a Bonus (the "BONUS") for each Year ending during the Term for which there is a Bonus Pool. The Bonus for a Year shall be such percentage of the Bonus Pool as the Chief Executive Officer of the Company shall determine. The Bonus shall be paid not later than the July 31 following the end of the applicable Year.

5. EXPENSES, BENEFITS AND PERQUISITES. (a) The Company will pay or reimburse Executive for all travel and other expenses reasonably incurred by Executive during the Term in connection with the performance of his duties hereunder.

(b) During the Term, Executive shall be entitled to participate in all retirement, group insurance, medical and

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similar programs, and stock option and other benefit plans which from time to time are available to executives of the Company, and shall be entitled to the perquisites which he

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heretofore has received as Vice President-Finance of the Company.

6. DEATH OF EXECUTIVE. In the event Executive should die during the Term, this Agreement and all benefits hereunder shall terminate, except that Company shall pay Executive's surviving spouse or, if none, his estate the

Executive's Salary until the earlier of the last day of the sixth month next following the month in which Executive's death occurs or September 30, 1995. Such termination shall not affect any rights which Executive may have at the time of his death pursuant to any insurance or other death benefit, bonus, retirement or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements. In the event Executive's surviving spouse dies during the period when payments are to be made to her, the balance of the amount remaining to be paid at the date of her death shall be paid to her estate in like manner.

7. DISCHARGE FOR CAUSE. The Board may discharge Executive for cause at any time. Such discharge shall be

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effected by notice (the "DISCHARGE NOTICE") to Executive which shall specify the reasons for Executive's discharge and the

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effective date thereof. As used herein, the term "FOR CAUSE" shall mean only (i) chronic alcoholism, drug addiction, criminal dishonesty or (ii) willful violation of specific written directions from the Board, which directions are lawful and are consistent with the provisions of this Agreement ("WILLFUL VIOLATION"); PROVIDED, however, that if (i) such discharge is effected because of Executive's Willful Violation and (ii) within seven (7) days following the date of receipt by the Executive of the Discharge Notice Executive shall cease his Willful Violation and shall use his best efforts to carry out such written directions, the termination shall not be effective. Upon termination pursuant to this Section 7, this Agreement and all benefits hereunder shall terminate, except that such termination shall not affect any rights which Executive may have at the time of termination pursuant to any insurance or other death benefit, bonus, retirement, severance pay or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements.

8. DISABILITY. (a) For the purposes of this

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Section the following shall have the meanings set forth:

(i) "CONSULTING SERVICES" shall mean the services set forth in Section 8(d)(ii)(B)(i).

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(ii) "TOTAL DISABILITY" shall mean the inability of Executive for any substantial period of time, by reason of a physical or mental condition, to either (a) fully perform the duties required of him hereunder or (b) perform Consulting Services at least 40% of his normal working time (working full days) prior to his disability ("Normal Working Time").

(iii) "PARTIAL DISABILITY" shall mean the inability of Executive for any substantial period of time, by reason of a physical or mental condition, to fully perform the duties required of him hereunder while having the ability to perform Consulting Services at least 40% of his Normal Working Time.

(iv) "CONSULTING DISABILITY" shall mean a disability which arises during a period of Executive's Partial Disability which results in the inability of Executive to perform Consulting Services at least 40% of his Normal Working Time; and

(v) "CONSULTING PERCENTAGE" shall mean such percentage of his Normal Working Time as Executive is able to perform Consulting Services while having a Partial Disability. The Consulting Percentage shall be determined

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by the Board from time to time and shall be in multiples of 20%.

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(b) Executive's employment as an employee hereunder may be terminated by the Company if Executive has either a Total Disability or a Partial Disability determined as provided in paragraph (i) of this Section 8. Subject to the provisions of the next sentence, such termination shall be effective on such date as the Board shall fix by resolution adopted after it has been determined that Executive has a Total Disability or a Partial Disability, which date shall not be earlier than the date on which such resolution is adopted nor earlier than six (6) months after the date on which Executive first

was unable to fully perform the duties required of him hereunder. However, if at any time during the period prior to the effective date determined pursuant to the preceding sentence Executive has a Partial Disability, Executive shall perform such services as the Board may reasonably request for a percentage of his Normal Working Time determined by the Board not to exceed the Consulting Percentage, and if Executive shall refuse or fail to do so, Executive's employment as an employee shall terminate on the date of such refusal or failure, such termination being hereafter called a "Work Refusal Termination".

(c) If Executive's employment as an employee is terminated pursuant to paragraph (b) of this Section 8 because

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Executive has a Total Disability, the Company shall pay Executive the following, in monthly installments:

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(i) his Salary through the date of termination; plus

(ii) the amount of his Salary (at the rate prevailing at such termination) for the twelve (12) months after the date of such termination (but not after the Term End) plus, if the date of such termination is more than twelve (12) months prior to the Term End, one half of such amount thereafter until the Term End, the amounts payable hereunder to be increased each October 1st by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

(d) If Executive's employment as an employee is terminated pursuant to paragraph (b) of this Section 8 because Executive has a Partial Disability and not as a result of a Work Refusal Termination, then:

(i) The Company shall pay Executive his Salary through the date of termination.

(ii) (A) Commencing the day following the date of termination of Executive's employment as an employee and until the Term End, Executive shall be a consultant to the Company and as such shall perform Consulting Services to the fullest extent he is able for a percentage of his Normal

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Working Time determined by the Board not to exceed his Consulting Percentage, and the

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Company shall pay Executive for his services as a consultant in monthly installments an amount equal to (i) 50 percent of the Salary (at the rate prevailing at the date of such termination of Executive's employment as an employee) plus (ii) a percentage of such Salary (the "Additional Percentage") determined as follows:

<TABLE>

If the Consulting Percentage is: -----	The Additional Percentage is: -----
<S> 40%	<C> 20%
60%	30%
80%	40%

</TABLE>

The amounts determined pursuant to the preceding sentence shall be increased each October 1st by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

(B) During the period Executive is a consultant to the Company, (i) Executive will provide such services concerning the business, affairs and management of the Company as may be reasonably requested by the Board, which services shall be performed at a time and place mutually convenient to both parties, and (ii) Executive shall not engage in any other employment or perform any

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consulting services for others. During the period he is a consultant, the Company shall supply Executive with such

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secretarial and other services (including transportation and the use of office facilities) as may be reasonably necessary to the performance of his duties as a consultant.

(iii) If subsequent to the time of the determination that Executive has a Partial Disability Executive shall have a Consulting Disability and pursuant to Section 8(g) his services as a Consultant are terminated, thereafter and until the Term End the Company shall pay Executive the monthly amounts he would have been paid if the Executive had had a Total Disability on the date of termination of his employment as an employee.

(e) If Executive's employment as an employee is terminated by a Work Refusal Termination, Executive shall not thereafter have any right to any Salary or other compensation under this Section 8 or any other provision of this Agreement.

(f) There shall be deducted from any compensation to which Executive may be entitled under this Section 8 an amount equal to any disability insurance payments received by Executive with respect to the period for which he may be entitled to compensation thereunder pursuant to any disability insurance policy paid for by the Company.

(g) If while Executive is a consultant he has a

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Consulting Disability, his services as a consultant thereupon shall terminate.

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(h) Amounts paid to Executive pursuant to this Section 8 shall not diminish or otherwise adversely affect any rights which Executive may have at the time of termination pursuant to any insurance or other benefit, bonus, retirement, severance pay or stock award plans or arrangements of the Company or any subsidiary, or any stock option plan or any options granted thereunder, which rights shall continue to be governed by the provisions of such plans and arrangements.

(i) The determination of whether Executive has a Total Disability, Partial Disability or a Consulting Disability (and if a Partial Disability, in what percentage), shall be made by the Board.

9. CHANGE IN CONTROL. (a) For the purposes of this Agreement

there will be a "CHANGE IN CONTROL OF THE COMPANY" if (i) 20% or more of the voting stock of the Company becomes owned by a person or group and such person or group, by its filing on a Schedule 13D made under the Securities Exchange Act of 1934 or otherwise, indicates the intention of seeking or exercising control of the Company or reserves the right to seek or exercise control, or (ii) the Company merges or consolidates with another corporation (other than a subsidiary of the

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Company) or sells all or substantially all the assets of the Company, or (iii) five (5) or more of the directors of the Company resign or cease to be directors within any twelve month

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period for reasons other than (A) death, (B) incapacity or (C) personal reasons not arising from a hostile environment.

(b) In the event there is a Change in Control of the Company during the Term, then:

(i) At the sole option of Executive exercised within ninety days of such event (but not thereafter) an amount equal to the Bonus of the Executive for the Year immediately preceding the date of exercise of such option (the "BONUS INCREMENT") shall be added to and become part of the Salary effective as of May 1st of the Year in which Executive exercises such option (with the amount of the resulting increase in Salary applicable to the period from May 1st of such Year to and including the month of exercise payable at the time of exercise) and, from and after such exercise, (A) Executive shall not be entitled to any further Bonuses, and (B) if such option is exercised prior to October 1, 1994, the Salary as so increased shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4; and

(ii) If the option described in clause (i) of this paragraph (b) is exercised, Executive simultaneously

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may terminate his services as an officer and employee and become a consultant to the Company on such date as

Executive elects, in which event (A) he shall serve as a consultant to the Company and perform Consulting Services from such date until September 30, 1995, and (B) the Company shall pay Executive for his Consulting Services in monthly installments a consulting fee in an amount equal to 57-1/2% of the Salary at the rate prevailing at the date of such termination of the Executive's employment as an employee, and if the date of such termination is prior to October 1, 1994, such amount shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4.

10. DISCHARGE WITHOUT CAUSE OR REDUCTION IN RESPONSIBILITIES.

(a) The Company retains the right to discharge Executive without cause at any time during the Term by notice of termination given to Executive, which notice shall become effective no sooner than 90 days after the giving thereof.

(b) Whether or not Executive is discharged pursuant to paragraph (a) of this Section 10, if Executive shall not be continued until September 30, 1995 as a Vice President of the Company for a reason other than cause or Executive's

resignation or inability to perform. Executive shall have the right to terminate all of his obligations under this Agreement by giving notice to the Company at any time

within 90 days after he ceases to hold such office. Such notice shall specify the date of termination which shall be no sooner than 30 days following the date on which such notice is given.

(c) If the Company discharges Executive without cause or if Executive terminates pursuant to paragraph (b) of this Section 10, then until September 30, 1995 the Company shall pay Executive, in monthly installments, as severance compensation and liquidated damages, all of the compensation provided in Section 4 hereof which Executive would have received, and Executive shall be entitled to all of the benefits which he would have been entitled to receive hereunder (including, but not limited to, the benefits referred to in Section 5(b) hereof), had Executive not been so discharged or his offices not been so

terminated, and the following provisions shall apply:

(i) As used herein, the term "BONUS SEGMENT" shall mean an amount equal to the Bonus paid or payable for the Year ended immediately preceding the date of discharge or termination;

(ii) If the Bonus Increment shall not have been added to and become part of the Salary pursuant to paragraph (b) of Section 9, (x) the Bonus Segment shall be added to

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and become part of the Salary effective as of May

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1st of the Year in which such discharge or termination occurs (with the amount of the resulting increase in Salary applicable to the period from May 1st of such Year to and including the month of discharge or termination payable at the time of discharge or termination) and (y) Executive shall not be entitled to any further Bonuses;

(iii) If the date of such discharge or termination is prior to October 1, 1994, the Salary shall be increased effective October 1, 1994 by the same percentage as the percentage increase in the CPI computed as set forth in paragraph (b) of Section 4;

(iv) In determining the other benefits which Executive would have received under Section 5(b) during the Term had such discharge or termination not occurred, it shall be assumed that Executive would have received benefits (including stock awards and other incentive compensation) equal to those which he received with respect to the last Year prior to the Year in which the discharge or termination occurs; and

(v) Executive shall not be required to seek or accept other employment in order to mitigate damages, and the Company's obligation to pay him following such discharge

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or termination shall not be reduced by the amount of any compensation actually received by Executive for

employment with any other person thereafter. If any options or stock awards made prior to the date of termination shall lapse by reason of a discharge or termination governed by this Section 10, Executive shall be entitled to recover from the Company as additional severance compensation and liquidated damages amounts equal to the aggregate of all losses sustained by Executive by reason of such lapse.

11. INDEMNIFICATION AND LEGAL FEES. (a) The Company shall indemnify Executive to the fullest extent permitted by law and the certificate of incorporation and by-laws of the Company from and against any loss, claim, liability and/or expense incurred for, or by reason of, or arising out of, acts of Executive as an officer and/or Director of the Company or any subsidiary.

(b) In the event Executive institutes any legal action to enforce his rights under, or to recover damages for breach of, this Agreement and he is the prevailing party in such an action, he shall be entitled to recover from the Company any actual reasonable expenses for attorneys' fees and disbursements incurred by him in connection therewith.

12. NONCOMPETITION AND CONFIDENTIALITY AGREEMENT.

(a) During the Term, Executive will not, without

the prior written consent of the Company, directly or indirectly own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as a stockholder, partner, joint venturer or otherwise with, or accept employment of any kind with, any business which, or any business or organization any part of which, competes with the businesses of the Company or any of its subsidiaries as such businesses are now conducted, in any geographical area in which such businesses are conducted during the term of this Agreement. However, nothing herein contained shall prevent Executive from investing solely as a passive investor in any securities of a corporation, partnership, trust, or other entity. For the purposes of this Agreement, Executive shall be deemed to be a "passive investor" if he does not control, or does not become part of any control group of, the issuer of securities acquired by Executive.

(b) Notwithstanding anything to the contrary set forth therein, the prohibitions of paragraph (a) of this Section 12 shall not be binding on Executive if the Company discharges Executive without cause or if the Company otherwise breaches this Agreement.

(c) (i) Executive acknowledges that during the

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term of his employment with the Company or any of its subsidiaries, he may have access to secret and confidential

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information with respect to some or all of the following:

(A) product and business plans, budgets, sales forecasts, design plans, research and engineering data, inventions, methods, systems and processes,

(B) customers, and

(C) trade secrets

(all such information being hereinafter referred to as "Confidential Information").

(ii) Executive agrees that (except as authorized in writing by the Company or required pursuant to legal or administrative process) he will not reveal, divulge or make known to any person, firm or corporation any Confidential Information.

(iii) Executive agrees that if after the end of the Term he shall discover any Confidential Information in his possession, he shall forthwith deliver the same to the Company.

13. FISCAL YEAR. If the Company shall change its fiscal year, appropriate adjustments shall be made in the terms of this Agreement to reflect such change.

14. ARBITRATION. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall

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be settled by arbitration in the City of New York in accordance with the Commercial Arbitration Rules of the American

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Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

15. MISCELLANEOUS. (a) This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof. This Agreement may only be modified or amended by an instrument in writing executed by the parties hereto.

(b) This Agreement shall be construed and enforced in accordance with the laws of the State of New York without regard to choice of law principles.

(c) This Agreement and the rights and obligations of the parties hereto shall bind and inure to the benefit of the successor or successors of the Company, whether by merger, consolidation or otherwise.

(d) Any notice to be given pursuant to the terms of this Agreement shall be in writing and delivered by hand or sent by registered or certified mail, if to the Company, to the Secretary of the Company at its principal offices in New York, New York, and if to Executive, to his address set forth above or to such other address or to the attention of such other person

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as either party has specified by prior written notice to the other party.

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IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereunto duly authorized, and Executive has executed this Agreement all as of the date first above set forth.

AMREP CORPORATION

By /s/ Anthony B. Gliedman

Chairman of the Board

of Directors

/s/ Rudolph J. Skalka

RUDOLPH J. SKALKA

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