

# SECURITIES AND EXCHANGE COMMISSION

## FORM 424B2

Prospectus filed pursuant to Rule 424(b)(2)

Filing Date: **1994-01-10**  
SEC Accession No. **0000950115-94-000010**

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### FILER

#### **TOLL BROTHERS INC**

CIK: **794170** | IRS No.: **232416878** | State of Incorpor.: **DE** | Fiscal Year End: **1031**  
Type: **424B2** | Act: **33** | File No.: **033-51775** | Film No.: **94500794**  
SIC: **1531** Operative builders

Mailing Address  
3103 PHILMONT AVENUE  
HUNTINGDON VALLEY PA  
19006

Business Address  
3103 PHILMONT AVE  
HUNTINGDON VALLEY PA  
19006  
2159388000

Information contained in this preliminary prospectus supplement is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time that a final prospectus supplement is delivered. This preliminary prospectus supplement and the accompanying prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

FILED WITH THE SECURITIES AND EXCHANGE COMMISSION  
PURSUANT TO RULE 424(b)(2)  
(File No. 33-51775)

SUBJECT TO COMPLETION JANUARY 10, 1994

PROSPECTUS SUPPLEMENT  
(To Prospectus Dated January 6, 1994)

[TOLL BROTHERS LOGO]

\$50,000,000

TOLL CORP.

% CONVERTIBLE SENIOR SUBORDINATED NOTES DUE 2004

GUARANTEED ON A SENIOR SUBORDINATED BASIS BY

TOLL BROTHERS, INC.

The Notes (the 'Notes') of Toll Corp. (the 'Issuer' or 'Toll') offered hereby are an issue of the Debt Securities described in the accompanying Prospectus (the 'Prospectus') to which this Prospectus Supplement relates. The Notes are convertible at any time prior to maturity, unless previously redeemed, into Common Stock of Toll Brothers, Inc. ('Toll Brothers' or the 'Company') at a conversion price of \$ per share, subject to adjustment in certain events. The Common Stock, \$.01 par value per share, of the Company (the 'Common Stock') is traded on the New York and Pacific Stock Exchanges under the symbol 'TOL.' On January 7, 1994, the last reported sale price of the Common Stock on the New York Stock Exchange was \$18.50 per share. The Notes mature on January , 2004. Interest will be payable semi-annually on January and July of each year, commencing July , 1994.

The Notes will be fully and unconditionally guaranteed on a senior subordinated basis (the 'Guarantee') by the Company, which owns 100% of the capital stock of the Issuer. The Notes may be redeemed at the option of the Issuer, in whole or in part, at any time on or after January , 1997, at the redemption prices set forth herein, together with accrued and unpaid interest thereon. Upon a Change of Control (as defined herein) of the Company, holders of the Notes will have the right to require the Issuer to purchase the Notes at par plus accrued and unpaid interest thereon.

The Notes will be unsecured obligations of the Issuer, and will be subordinated

in right of payment to all existing and future Senior Indebtedness of Toll (as defined herein). The Guarantee will be an unsecured obligation of the Company and will be subordinated in right of payment to all existing and future Senior Indebtedness of the Company (as defined herein). The Notes and the Guarantee will be effectively subordinated to all existing and future claims of creditors of the Company's other subsidiaries. See 'Description of Notes -- Subordination of Notes and Guarantee.' As of October 31, 1993, the amount of liabilities of the Company and its subsidiaries ranking senior to the Notes (including Senior Indebtedness of Toll and the Company and liabilities of the Company's subsidiaries other than Toll, but excluding collateralized mortgage financing) would have been \$194,302,000.

The Notes have been approved for listing on the New York Stock Exchange, subject to official notice of issuance.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

<TABLE>  
<CAPTION>

	PRICE TO PUBLIC ( 1 ) <C>	UNDERWRITING DISCOUNT <C>	PROCEEDS TO ISSUER ( 1 ) ( 2 ) <C>
<S>			
Per Note.....	%	%	%
Total ( 3 ).....	\$	\$	\$

- </TABLE>
- (1) Plus accrued interest, if any, from the date of issuance.
  - (2) Before deducting expenses, payable by the Issuer, estimated to be \$ .
  - (3) The Issuer has granted the Underwriters an option, exercisable at any time or from time to time within 30 days after the date hereof, to purchase up to an additional \$5,000,000 aggregate principal amount of Notes on the terms set forth above to cover over-allotments, if any. If the Underwriters exercise such option in full, the total Price to Public, Underwriting Discount and Proceeds to Issuer will be \$ , \$ and \$ , respectively. See 'Underwriting.'

The Notes are offered subject to receipt and acceptance by the Underwriters, to prior sale and to the Underwriters' right to reject any order in whole or in part and to withdraw, cancel or modify the offer without notice. It is expected that delivery of the Notes will be made at the office of Salomon Brothers Inc, Seven World Trade Center, New York, New York, or through the facilities of The Depository Trust Company, on or about January , 1994.

SALOMON BROTHERS INC

DILLON, READ & CO. INC.

KIDDER, PEABODY & CO.  
INCORPORATED

The date of this Prospectus Supplement is January , 1994.

[ PHOTOGRAPH ]

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES OFFERED HEREBY OR THE COMPANY'S COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK OR THE PACIFIC STOCK EXCHANGES, IN THE OVER-THE-COUNTER MARKET, OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

#### PROSPECTUS SUPPLEMENT SUMMARY

The following summary is qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in this Prospectus Supplement. Unless otherwise indicated, the information in this Prospectus Supplement assumes the Underwriters' over-allotment option will not be exercised.

#### THE COMPANY

Toll Brothers designs, builds, markets and arranges financing for single family detached and attached homes in middle and high income residential communities primarily located on land that the Company has developed. Currently, Toll Brothers operates predominantly in major suburban residential areas in southeastern Pennsylvania, central New Jersey, the Virginia and Maryland suburbs of Washington, D.C., northern Delaware and the Boston, Massachusetts metropolitan area. It is also developing communities in the Connecticut suburbs of New York City and the Hartford, Connecticut market. In 1993, the Company opened communities in Westchester County, New York and acquired a property in Nassau County, New York, two other suburbs of New York City. The Company recently acquired a property in Orange County, California which it expects to open in early 1994.

The Company markets its homes primarily to upper-income buyers, emphasizing

high-quality construction and customer satisfaction. In the five years ended October 31, 1993, Toll Brothers closed 4,422 homes in 91 communities. In recognition of its achievements in homebuilding, Toll Brothers has received numerous awards. Robert I. Toll, Chairman of the Board of Directors and Chief Executive Officer, and Bruce E. Toll, President and Chief Operating Officer, were selected as 'The Builder of the Year' for 1988 by Professional Builder magazine, a leading publication in the homebuilding industry. In 1993, the Company received numerous awards including the 'Spotlight on Building Excellence' silver award from Builder Magazine and the National Association of Homebuilders in recognition of the Company's demonstrated excellence in marketing, product design, service and overall financial performance.

On October 31, 1993, the Company was offering homes for sale in 67 communities. Single-family detached homes were being offered at prices, excluding customized options, generally ranging from \$186,000 to \$694,000, with an average base sales price of \$335,000. Attached home prices, excluding customized options, generally range from \$105,000 to \$276,000, with an average base sales price of \$194,000.

As of October 31, 1993, the Company's contract backlog had an aggregate sales value of approximately \$285,441,000 (892 homes), representing an increase of over 52% from the approximate \$187,118,000 (621 homes) contract backlog on October 31, 1992. The aggregate sales value of new contracts signed during the fiscal year ended October 31, 1993 was approximately \$490,883,000 (1,595 homes), representing an increase of over 43% from approximately \$342,811,000 (1,202 homes) for the prior fiscal year.

#### THE ISSUER

The Issuer was incorporated in Delaware on July 14, 1987 and is an indirect, wholly-owned, consolidated subsidiary of the Company. Other than the financing of other subsidiaries of the Company by lending the proceeds of the Notes offered hereby and similar activities related to previous offerings of debt securities, the Issuer has no independent operations and generates no operating revenues. Accordingly, the Issuer has no source of revenue or funds to make payments of principal or interest. Such funds will be derived from the Company or its subsidiaries. There is no present intention to have the Issuer engage in other activities.

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#### THE OFFERING

<TABLE>	
<S>	<C>
Issuer.....	Toll Corp., a Delaware corporation.
The Notes.....	\$50,000,000 aggregate principal amount of % Convertible Senior Subordinated Notes due 2004 (the 'Notes'), excluding \$5,000,000 aggregate principal amount of Notes subject to the Underwriters' over-allotment option. See 'Underwriting.'
Guarantee.....	Payment of principal and interest on the Notes will be fully and unconditionally guaranteed on a senior subordinated basis by Toll Brothers (the 'Guarantee').
Maturity.....	The Notes will mature on January , 2004 unless earlier redeemed or converted.
Payment of Interest.....	Interest on the Notes at the rate of % per annum is payable semi-annually on January and July of each year, commencing July , 1994.
Conversion Rights.....	The Notes are convertible into Common Stock of the Company at the option of the holder at any time prior to maturity, unless previously redeemed, at a conversion price of \$ per share, subject to adjustment in certain events.
Redemption at the Option of the Issuer....	On or after January , 1997 the Issuer may, upon at least 30 days notice, redeem the Notes, in whole or in part, at the redemption prices set forth herein, together with accrued and unpaid interest thereon.
Change of Control.....	The Notes are required to be repurchased at 100% of their principal amount together with accrued and unpaid interest

thereon, at the option of the holder, if a Change of Control (as defined herein) occurs.

Subordination..... The Notes will be unsecured obligations of the Issuer and will be subordinated in right of payment to all existing and future Senior Indebtedness of Toll (as defined herein). The Guarantee will be an unsecured obligation of the Company and will be subordinated in right of payment to all existing and future Senior Indebtedness of the Company (as defined herein). The Notes and the Guarantee will be effectively subordinated to all existing and future claims of creditors of the Company's other subsidiaries. As of October 31, 1993, the amount of liabilities of the Company and its subsidiaries effectively ranking senior in right of payment to the Notes (including Senior Indebtedness of Toll and the Company and liabilities of the Company's subsidiaries other than the Issuer, but excluding collateralized mortgage financing) would have been \$194,302,000. See 'Description of Notes -- Subordination of Notes and Guarantee.'

Use of Proceeds..... Repayment of bank debt, acquisition of residential development property and general corporate purposes.

</TABLE>

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<TABLE>  
<CAPTION>

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY  
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEAR ENDED OCTOBER 31,				
	1989	1990	1991	1992	1993
<S>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA:					
Homebuilding Revenues.....	\$178,901	\$200,198	\$177,623	\$281,755	\$395,488
Costs and expenses					
Land and housing construction.....	122,462	148,376	134,834	203,586	290,878
Selling, general and administrative.....	28,002	27,335	26,416	32,973	43,326
Interest.....	6,699	9,356	9,920	16,048	17,129
	157,163	185,067	171,170	252,607	351,333
Operating income.....	21,738	15,131	6,453	29,148	44,155
Collateralized mortgage financing operating loss, net....	(218)	(167)	(205)	(284)	(227)
Income before income taxes, extraordinary item and change in accounting.....	\$ 21,520	\$ 14,964	\$ 6,248	\$ 28,864	\$ 43,928
Income before extraordinary item and change in accounting.....	\$ 13,127	\$ 8,904	\$ 3,717	\$ 17,354	\$ 27,419
Extraordinary gain (loss) from extinguishment of debt, net of income taxes.....	--	1,084	1,296	(816)	(668)
Cumulative effect of change in accounting.....	--	--	--	--	1,307
Net income.....	\$ 13,127	\$ 9,988	\$ 5,013	\$ 16,538	\$ 28,058
Income per share					
Income before extraordinary item and change in accounting.....	\$ .44	\$ .30	\$ .12	\$ .52	\$ .82
Extraordinary gain (loss).....	--	.04	.04	(.02)	(.02)
Cumulative effect of change in accounting.....	--	--	--	--	.04
Net Income.....	\$ .44	\$ .34	\$ .16	\$ .50	\$ .84
OTHER FINANCIAL DATA:					
Homebuilding					
Depreciation and amortization.....	\$ 2,233	\$ 2,169	\$ 2,075	\$ 2,255	\$ 2,453
Interest incurred.....	\$ 19,124	\$ 17,795	\$ 12,708	\$ 14,757	\$ 20,929
Ratio of earnings to fixed charges, including consolidated mortgage financing partnerships (1) (2)...	1.36	1.28	1.20	2.63	2.72

Ratio of earnings to fixed charges, excluding consolidated mortgage financing partnerships (1) (2) ... 1.47 1.36 1.27 2.97 2.85

<TABLE>  
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	OCTOBER 31,					
	1989	1990	1991	1992	1993	AS ADJUSTED (3)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE SHEET DATA:						
Assets						
Homebuilding.....	\$291,190	\$266,942	\$269,849	\$358,599	\$464,056	\$494,056
Collateralized mortgage financing.....	56,973	49,592	42,575	26,277	11,942	11,942
Total.....	\$348,163	\$316,534	\$312,424	\$384,836	\$475,998	\$505,998
Debt						
Homebuilding						
Loans payable.....	\$ 95,508	\$ 71,707	\$ 49,943	\$ 25,756	\$ 24,779	\$ 4,779
Subordinated debt.....	69,681	61,474	55,513	128,854	174,442	224,442
Total.....	165,189	133,181	105,456	154,610	199,221	229,221
Collateralized mortgage financing.....	52,617	45,988	39,864	24,403	10,810	10,810
Total.....	\$217,806	\$179,169	\$145,320	\$179,013	\$210,031	\$240,031
Shareholders' equity.....	\$ 85,400	\$ 94,599	\$117,925	\$136,412	\$167,006	\$167,006

</TABLE>

- (1) For purposes of computing the ratio of earnings to fixed charges, earnings consist of income before income taxes, extraordinary gain (loss) and change in accounting plus interest expense and fixed charges except interest incurred. Fixed charges consist of interest incurred (whether expensed or capitalized), the portion of rent expense that is representative of the interest factor (one-third of rent expense), and amortization of debt discount and issuance costs.
- (2) The Company believes that an additional useful computation of the ratio of earnings to fixed charges would exclude interest expense attributable to the Company's consolidated mortgage financing partnerships.
- (3) As adjusted to give effect to the sale of the Notes and the application of the net proceeds therefrom.

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SUMMARY OPERATING DATA OF THE COMPANY (1)

<TABLE>  
<CAPTION>

	YEAR ENDED OCTOBER 31,				
	1989	1990	1991	1992	1993
<S>	<C>	<C>	<C>	<C>	<C>
Number of homes closed.....	676	727	676	1,019	1,324
Number of homes contracted, net.....	704	612	863	1,202	1,595
Sales value of homes contracted, net (000s).....	\$185,255	\$163,975	\$230,324	\$342,811	\$490,883
Number of homes in backlog, end of year (2).....	366	251	438	621	892
Sales value of backlog, end of year (000s) (2).....	\$104,156	\$ 69,795	\$124,148	\$187,118	\$285,441

</TABLE>

- (1) Includes all homes sold by a partnership which owned a community, completed in 1989, in which the Company had a 50% interest.
- (2) Backlog consists of homes which were under contract but not closed at the end of the year.

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## RECENT DEVELOPMENTS

On December 17, 1993 the Company's Board of Directors adopted the Toll Brothers, Inc. Key Executives and Non-Employee Directors Stock Option Plan (1993) (the '1993 Stock Option Plan') effective December 17, 1993, subject to approval by the Company's shareholders on or before December 17, 1994, and the Toll Brothers, Inc. Cash Bonus Plan (the 'Cash Bonus Plan'), subject to approval by the Company's shareholders, to be effective as of November 1, 1994. Copies of the Stock Option Plan and the Cash Bonus Plan have been filed as exhibits to the Company's Current Report on Form 8-K filed on January 7, 1994.

### KEY EXECUTIVES AND NON-EMPLOYEE DIRECTORS STOCK OPTION PLAN (1993)

A subcommittee of the Board of Directors consisting of non-employee members has approved the terms of the 1993 Stock Option Plan and will act as the administrative committee for the 1993 Stock Option Plan with respect to options for certain key executives other than Robert I. Toll and Bruce E. Toll. The Board of Directors (excluding the non-employee members) will act as the administrative committee for the 1993 Stock Option Plan with respect to option grants to non-employee members of the Board of Directors.

Under the 1993 Stock Option Plan, options to purchase shares of the Company's Common Stock may be granted to those employees who are designated as 'key executives' and to the non-employee members of the Board of Directors. Options granted to employees may be either incentive stock options ('ISOs') within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, or non-qualified stock options; provided, however, that options granted to non-employee members of the Board of Directors must be non-qualified stock options.

The aggregate maximum number of shares of the Company's Common Stock available for awards under the 1993 Stock Option Plan is 1,000,000 (subject to adjustment upon the occurrence of certain events and conditions set forth in the 1993 Stock Option Plan). No 'key executive' may be granted options with respect to more than 200,000 shares of the Company's Common Stock during any calendar year. No grants of options can be made under the 1993 Stock Option Plan after December 17, 2003.

Non-employee members of the Board of Directors are granted options in accordance with a formula which provides for annual grants to each such member of the Board of Directors of options to purchase 15,000 shares. Such options will become exercisable in two equal installments on each of the first and second anniversaries of the date of grant. All options granted to non-employee members will terminate upon the occurrence of certain events or conditions but in no event shall such options be exercisable after the tenth anniversary of the date of grant.

The exercise price per share for options will be equal to the fair market value per share of the Company's Common Stock determined on the date of grant; provided, however, that under certain circumstances the exercise price per share of an ISO may not be less than 110% of the fair market value per share of the Company's Common Stock on the date of grant. The term of an incentive stock option granted under the 1993 Stock Option Plan may not exceed 10 years from the date of grant.

### CASH BONUS PLAN

The Cash Bonus Plan provides annual performance-based cash bonus compensation for Robert I. Toll and Bruce E. Toll in accordance with a formula that is based on the financial success of the Company. The formula adopted in the Cash Bonus Plan, as set forth below, is the same formula that has been in effect since its adoption on January 11, 1990. No bonus will payable under the Cash Bonus Plan unless Income Before Income Taxes (as defined below) exceeds 10% of Shareholders' Equity (as defined below) as of the end of the Company's prior fiscal year. The amount of the cash bonus payable to each of Robert I. Toll and Bruce E. Toll is equal to the sum of: (i) 1.5% of all Income Before Income Taxes in excess of 10% and up to 20% of Shareholders' Equity as of the end of the Company's prior fiscal year; (ii) 2% of all Income Before Income Taxes in excess of 20% and up to 30% of

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Shareholders' Equity as of the end of the Company's prior fiscal year; and (iii) 2.25% of all Income Before Income Taxes in excess of 30% of Shareholders' Equity

as of the end of the Company's prior fiscal year.

The term 'Income Before Income Taxes' means the amount which would be reported in conformity with generally accepted accounting principles in the Company's audited consolidated financial statements for the Company's fiscal year (before taking into account the bonus under the Cash Bonus Plan), and the term 'Shareholders' Equity' means the amount reported as such in conformity with generally accepted accounting principles in the Company's audited consolidated financial statements as of the appropriate date.

A subcommittee of the Board of Directors consisting of 'outside directors' (as defined in the Internal Revenue Code of 1986, as amended) has approved the terms of the Cash Bonus Plan and will act as the administrative committee for the Cash Bonus Plan. This administrative committee is required to certify that the performance goals established under the Cash Bonus Plan have been met prior to the payment of any bonus under the Cash Bonus Plan.

#### USE OF PROCEEDS

The net proceeds from the sale of the Notes are estimated to be \$ ( ) if the Underwriters' over-allotment option is exercised in full). The Company will use approximately \$20 million to repay a portion of its outstanding borrowings under the Revolving Credit Agreement (as defined herein). A portion of such net proceeds is expected to be used to acquire residential development property, either outright or through options. The remainder of the net proceeds from the sale of the Notes will be used for general corporate purposes and working capital needs. Pending these applications, the net proceeds are expected to be invested in high-grade, short-term, marketable, interest-bearing securities.

#### PRICE RANGE OF COMMON STOCK

The Company's Common Stock is traded principally on the New York Stock Exchange and is also listed on the Pacific Stock Exchange (symbol: 'TOL'). The following table sets forth, for the indicated periods, the high and low sales closing prices of the Common Stock as reported on the New York Stock Exchange.

<TABLE>  
<CAPTION>

	YEAR ENDED OCTOBER 31,					
	1992		1993		1994 (1)	
	HIGH	LOW	HIGH	LOW	HIGH	LOW
<S>	<C>	<C>	<C>	<C>	<C>	<C>
First Quarter.....	\$13	\$ 6	\$16 1/8	\$ 8 7/8	\$18 5/8	\$14 1/8
Second Quarter.....	14	10	16 7/8	11 1/8		
Third Quarter.....	12 1/8	7 1/2	15 1/8	8 7/8		
Fourth Quarter.....	11 3/8	7 5/8	16 1/8	10 3/4		

(1) First Quarter prices are as reported through January 7, 1994.

#### DIVIDEND POLICY

The Company has not paid any cash dividends on its Common Stock to date and expects that for the foreseeable future it will follow a policy of retaining earnings in order to finance the continued development of its business. Payment of dividends is within the discretion of the Company's Board of Directors and will depend upon the earnings, capital requirements and operating and financial condition of the Company, among other factors. In addition, the Revolving Credit Agreement contains covenants regarding the maintenance of minimum Shareholders' Equity (as defined therein), thus limiting the amount of dividends the Company may pay.

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#### CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company at October 31, 1993 and as adjusted to give effect to the sale of the Notes and the application of the estimated net proceeds therefrom, assuming no repayment or repurchase of debt. See 'Use of Proceeds.'

<TABLE>  
<CAPTION>

	OCTOBER 31, 1993	
	ACTUAL	AS ADJUSTED
	(IN THOUSANDS)	
<S>	<C>	<C>
Debt:		
Homebuilding:		
Loans payable (1).....	\$ 24,779	\$ 4,779
10 1/2% Senior Subordinated Notes due 2002.....	100,000	100,000
9 1/2% Senior Subordinated Notes due 2003.....	74,442	74,442
% Convertible Senior Subordinated Notes due 2004.....		50,000
Total.....	199,221	229,221
Collateralized mortgage financing.....	10,810	10,810
Total debt.....	210,031	240,031
Shareholders' equity(2):		
Preferred stock, par value \$.01 per share; 15,000,000 shares authorized; none issued.....		
Common stock; par value \$.01 per share; 60,000,000 shares authorized; 33,318,760 shares issued.....	333	333
Additional paid-in capital.....	35,206	35,206
Retained earnings.....	131,467	131,467
Total shareholders' equity.....	167,006	167,006
Total debt and shareholders' equity.....	\$377,037	\$ 407,037

</TABLE>

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- (1) The Company has a \$150 million unsecured revolving credit facility with nine banks which extends through October 1996, (the 'Revolving Credit Agreement'). As of October 31, 1993, the Company had \$21.3 million of loans and approximately \$50.9 million of letters of credit outstanding under that facility. The Revolving Credit Agreement provides for extensions of the maturity date.
- (2) The Company amended its Certificate of Incorporation to reduce, and provide for future increases in, the number of authorized shares of its Common Stock. See 'Description of Capital Stock' in the Prospectus.

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[ MAP ]

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BUSINESS

GENERAL

Toll Brothers designs, builds, markets and arranges financing for single-family detached and attached homes in middle and high income residential communities primarily located on land that the Company has developed. Currently, Toll Brothers operates predominantly in major suburban residential areas in southeastern Pennsylvania, central New Jersey, the Virginia and Maryland suburbs of Washington, D.C., northern Delaware and the Boston, Massachusetts metropolitan area. It is also operating communities in the Connecticut suburbs

of New York City and the Hartford, Connecticut market. In 1993, the Company opened communities in Westchester County, New York and acquired a property in Nassau County, New York, two other suburbs of New York City. The Company also recently acquired a property in Orange County, California and expects to begin offering homes for sale there during early 1994.

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recognition of its achievements in homebuilding, Toll Brothers has received numerous awards. Robert I. Toll, Chairman of the Board of Directors and Chief Executive Officer, and Bruce E. Toll, President and Chief Operating Officer, were selected as 'The Builder of the Year' for 1988 by Professional Builder magazine, a leading publication in the homebuilding industry. In 1993, the Company received numerous awards including the 'Spotlight on Building Excellence' silver award from Builder Magazine and the National Association of Homebuilders in recognition of the Company's demonstrated excellence in marketing, product design, service and overall financial performance.

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As of October 31, 1993, the Company owned, or controlled through options, approximately 5,400 home sites in communities under development, as well as land for approximately 4,600 planned home sites in proposed communities.

Co-founded by Robert I. Toll and Bruce E. Toll, the Company commenced its business operations, through predecessor entities, in 1967. Robert I. Toll and Bruce E. Toll continue to be principal shareholders of the Company and to make significant contributions to the Company's operations. The loss of either person's services might have a material adverse effect on the Company's business and operations. The Company has developed, however, a substantial and capable management team of twenty senior officers, with an average of over eight years of experience with the Company, who are largely responsible for day-to-day operations.

The Company generally attempts to reduce certain risks homebuilders encounter by controlling land for future development through options (which allows the Company to obtain the necessary government approvals before acquiring title to the land) by beginning construction of homes after an agreement of sale has been executed and by using subcontractors to perform home construction and land development work on a fixed-price basis.

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#### THE COMMUNITIES

Toll Brothers' communities are generally located in suburban areas near major highways with access to major cities. Through 1981, all communities were located in southeastern Pennsylvania. The Company began selling homes in central New Jersey in 1982, in northern Delaware and Massachusetts in 1987, in Maryland in 1988, in Virginia and Connecticut in 1992 and in New York in 1993. As of October 31, 1993, the Company had active community developments in Pennsylvania, New Jersey, Maryland, Virginia, Massachusetts, Delaware, Connecticut and New York. The Company recently acquired its first property in Orange County, California and expects to begin offering homes for sale in early 1994.

The Company emphasizes its high-quality, detached, single-family homes, which are marketed primarily to the 'upscale' luxury market, generally consisting of persons who have previously owned a principal residence -- the so-called 'move-up' market. The Company believes that its reputation as a developer of homes for this market enhances its competitive position with respect to the sale of more moderately priced detached homes, as well as attached homes.

Each single-family home community offers several home plans, with the opportunity to select various exterior styles. The communities are designed to fit existing land characteristics, blending winding streets, cul-de-sacs and underground utilities to establish a pleasant environment. The Company strives to create a diversity of architectural style within an overall planned community. This diversity arises from: (i) variations among the models offered and in exterior design options of homes of the same basic floor plan; (ii) the preservation of existing trees and foliage whenever practicable; and (iii) the

curving street layout, which allows relatively few homes to be seen from any vantage point. Normally, homes of the same type or color may not be built next to each other. The communities have attractive entrances with distinctive signage and landscaping. This, the Company believes, avoids a 'development' appearance and gives the community a diversified neighborhood look, so as to enhance home values.

Attached home communities (townhomes, carriage homes and condominiums) are generally one to three stories and provide for limited exterior options. These communities have commonly-owned recreational acreage with swimming pools and tennis courts, and have associations through which homeowners act jointly for their common interest.

It is the Company's belief that the homes built by Toll Brothers in its named communities provide homeowners with additional value upon resale.

THE HOMES

Most single-family detached home communities offer at least three different home plans, each with several substantially different architectural styles. For example, the same basic floor plan may be selected with a Colonial, Farmhouse, Federal, Provincial or Tudor design, and exteriors may be varied further by the use of stone, stucco, brick or siding. Attached home communities generally offer

two or three different floor plans with two or three bedrooms.

In all of Toll Brothers' communities, certain options are available to the purchaser for an additional charge. The options typically are more numerous and significant on the more expensive homes. Major options include three-car garages, finished basements, finished lofts, and additional fireplaces. As a result of the additional charges for such options, the average sales price during fiscal 1993 was approximately 12.5% higher than the base sales price.

The range of base sales prices for the Company's lines of homes as of October 31, 1993 was as follows:

```

<TABLE>
<S>
Single-Family Detached Homes:
  Executive..... $186,000 -- $620,000
  Estate..... 340,000 -- 694,000
Attached Homes..... 105,000 -- 276,000
</TABLE>

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Contracts for the sale of homes are at fixed prices. The prices at which homes are offered have generally increased from time to time during the sellout period for each community; however, there can be no assurance that sales prices will increase in the future.

The Company uses some of the same basic home designs in similar communities. However, the Company is continuously developing new designs to replace or augment existing ones as part of its continuing efforts to assure that its homes are responsive to current consumer preferences. For new designs, the Company has its own architectural staff and occasionally engages unaffiliated architectural firms.

RESIDENTIAL COMMUNITIES UNDER DEVELOPMENT

The Company generally constructs model homes at each of its communities. Construction of single-family detached homes is usually commenced only after an agreement of sale has been executed, while construction of attached home buildings is generally commenced only after agreements of sale have been executed for a majority of the homes in that building.

The following table summarizes certain information with respect to residential communities of Toll Brothers under development as of October 31, 1993:

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<TABLE>
<CAPTION>

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STATE	NUMBER OF COMMUNITIES	HOMES APPROVED	HOMES CLOSED	HOMES UNDER CONTRACT AND NOT CLOSED	HOME SITES AVAILABLE
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -

	<C>	<C>	<C>	<C>	<C>
Pennsylvania:					
Philadelphia suburbs.....	35	4,233	1,527	438	2,268
Allentown/Bethlehem.....	3	148	127	14	7
New Jersey:					
North central.....	9	451	111	58	282
Central.....	8	499	145	47	307
South central.....	4	410	206	41	163
Virginia.....	10	823	146	115	562
Delaware.....	5	545	245	41	259
Massachusetts.....	6	719	267	72	380
Maryland.....	2	132	72	11	49
Connecticut.....	4	217	42	35	140
New York.....	3	161	3	20	138
	--	-----	-----	-----	-----
Total.....	89(1)	8,338	2,891	892	4,555(2)
	--	-----	-----	-----	-----
	--	-----	-----	-----	-----

</TABLE>

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- (1) Of these 89 communities, 67 had homes being offered for sale, 11 had not yet opened for sale, and 11 had been sold out, but not all closings had been completed. Of the 67 communities in which homes were being offered for sale as of October 31, 1993, 62 were single-family detached home communities containing a total of 17 homes under construction but not under contract (exclusive of model homes) and 5 were attached home communities containing a total of 21 homes under construction but not under contract (exclusive of model homes).
  - (2) On October 31, 1993, significant site improvements had not commenced on approximately 2,671 of the 4,555 available home sites. Of the 4,555 available home sites, 375 were not owned, but were controlled through options.

#### LAND POLICY

Before entering into a contract to acquire land, Toll Brothers completes extensive comparative studies and analyses on detailed Company-designed forms which assist the Company in evaluating the acquisition. Toll Brothers generally follows a policy of acquiring options to purchase land for future communities. These options or purchase agreements are generally on a non-recourse basis, thereby limiting the Company's financial exposure to the amounts invested in property and pre-development

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costs. This policy of land acquisition may somewhat raise the price of land that the Company eventually acquires, but significantly reduces risk. This policy generally allows the Company to obtain necessary development approvals before acquisition of the land, thereby enhancing the value of the options and the land eventually acquired.

The Company's purchase agreements are typically subject to numerous conditions including, but not limited to, the Company's ability to obtain necessary governmental approvals for the proposed community. Generally, the down payment on the agreement will be returned to the Company if all approvals are not obtained, although pre-development costs may not be recoverable. The Company has the ability to extend many of these options for varying periods of time, in some cases by the payment of an additional deposit, and in some cases, without an additional payment. The Company has the right to cancel any of its land agreements by forfeiture of the Company's down payment on the agreement. In such instances, the Company generally is not able to recover any pre-development costs.

During the past several years, the number of buyers competing for land in the Company's market area has diminished, while the number of sellers has increased, resulting in more advantageous prices and terms for potential land acquisitions by the Company. Further, many of the land parcels being offered for sale are fully approved, and often improved, subdivisions; in general, such types of subdivisions previously have not been available for acquisition in the Company's market area. The Company has purchased many of these subdivisions outright and has acquired control of several others. In addition, the Company acquired a number of loan assets (secured by liens on development property) from the Resolution Trust Corporation and various banks with the intention of converting a substantial portion of the value to land for new communities.

Included in the loan assets purchased, however, were certain loan assets which the Company will not convert to new communities but will sell or collect. The Company will continue to look to acquire additional loan assets to convert to land for new communities.

The Company also continues to explore additional geographic areas for expansion. In the Company's view, the rolling recession in the United States has created a bottoming market in some parts of the nation as other markets become strong. In some of the Company's existing geographic markets, the demand for land is becoming more competitive, while in others, attractive opportunities remain.

Accordingly, the continuation of the Company's development activities over the long term will be dependent upon its continued ability to locate, enter into contracts to acquire, obtain governmental approvals for, consummate the acquisition of, and improve suitable parcels of land.

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The following is a summary of the parcels of land that the Company either owns or controls through options at October 31, 1993 for proposed communities, as distinguished from those currently under development:

<TABLE>  
<CAPTION>

STATE	NUMBER OF COMMUNITIES	NUMBER OF ACRES	NUMBER OF HOMES PLANNED
-----	-----	-----	-----
<S>	<C>	<C>	<C>
Pennsylvania.....	8	838	867
New Jersey: (1)			
North Central.....	3	795	581
Central.....	12	1,823	2,016
Virginia (2).....	5	286	421
Maryland.....	2	193	246
Massachusetts.....	1	54	63
Connecticut.....	1	20	13
New York.....	5	292	199
California.....	1	50	162
	---	-----	-----
Total.....	38	4,351	4,568 (3)
	---	-----	-----
	---	-----	-----

</TABLE>

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- (1) New Jersey includes two communities which contain plans for 170 'Mount Laurel II' units which will either be rented or sold at lower than market rentals or prices. See 'Business -- Regulation and Environmental Matters.'
  - (2) Virginia includes one community which contains plans for 30 affordable dwelling units which will be sold at lower than market prices.
  - (3) Of these 4,568 planned home sites, 3,896 were not owned, 2,734 lots were controlled through options and 1,162 lots were controlled through loan assets secured by liens.

The aggregate option deposits and related pre-development costs for proposed communities were approximately \$37,645,000 at October 31, 1993. The aggregate purchase price of land parcels under option at October 31, 1993 was approximately \$176,219,000. If all of the above land were to be developed, the Company believes it would have sufficient land to maintain its development activities at current levels for more than the next three years.

The Company regularly evaluates the economic and market feasibility of all of the land it controls for proposed communities. During the year ended October 31, 1993, such feasibility analyses resulted in approximately \$354,000 of capitalized costs related to proposed communities being charged to expense because they were no longer deemed to be recoverable.

There can be no assurance that the Company will be successful in securing necessary development approvals for the land currently under its control or for which the Company may acquire options in the future or, that upon obtaining such development approvals, the Company will elect to complete its purchases under such options. The Company has generally been successful in the past in obtaining governmental approvals, has substantial land currently under its control for which it is seeking such approvals (as set forth in the table above), and devotes significant resources to locating suitable additional land and to

obtaining the required approvals on land under its control. Failure to locate sufficient suitable land or to obtain necessary governmental approvals, however, may impair the ability of the Company over the long term to maintain current levels of development activities.

The Company generally has not purchased land for speculation or with the contemplation of selling it for profit.

#### COMMUNITY DEVELOPMENT

The Company expends considerable effort in developing a concept for each community, which includes determination of size, style and price range of the homes, layout of the streets and individual lots, and overall community design. Necessary governmental subdivision and other approvals are sought, which typically require at least 24 months and sometimes several years to obtain. The

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Company then improves the land by grading and clearing the site, installing roads, underground utility lines and pipes, erecting distinctive entrance structures, and staking out individual home sites.

Each community is managed by a project manager who is located at the site. Working with construction supervisors, marketing personnel and, when required, other Company and outside professionals such as engineers, architects and legal counsel, the project manager is responsible for supervising and coordinating the various developmental steps from acquisition through the approval stage, marketing, construction and customer service, including monitoring the progress of work and controlling expenditures. Major decisions regarding each community are made by senior members of the Company's management.

The Company recognizes revenue only upon the closing of home sales (the point at which title and possession are transferred to the buyer), which generally occurs shortly after construction is substantially completed. The most significant variable affecting the timing of the Company's revenue stream, other than housing demand, is receipt of final regulatory approvals, which, in turn, permits the Company to begin the process of obtaining executed contracts for sales of homes. Receipt of such final approvals is not seasonal. Although the Company's sales and construction activities vary somewhat with the seasons, affecting the timing of closings, any such seasonal effect is relatively insignificant compared to the effect of receipt of final governmental approvals.

Subcontractors perform all home construction and land development work, generally under fixed-price contracts. Toll Brothers acts as a general contractor and purchases some, but not all, of the building supplies it requires (see 'Panel Plant'). The Company is not, and does not anticipate, experiencing a shortage of either subcontractors or supplies of building materials. The Company's construction superintendents and assistant superintendents coordinate subcontracting activities and supervise all aspects of construction work and quality control. The Company seeks to achieve homebuyer satisfaction by generally providing its construction superintendents with incentive compensation arrangements based on each homebuyer's responses on pre-closing and post-closing checklists.

The Company maintains insurance to protect against certain risks associated with its activities. These insurance coverages include, among others, general liability, 'all-risk' property, workers' compensation, automobile, and employee fidelity. The Company believes the amounts and extent of such insurance coverages are adequate.

#### MARKETING

The Company believes that its marketing strategy, which emphasizes its more expensive 'Estate' and 'Executive' lines of homes, has enhanced the Company's reputation as a builder-developer of high-quality upscale housing. The Company believes this reputation results in greater demand for all of the Company's lines of homes. The Company generally includes attractive decorative moldings such as chair rails, crown moldings, dentil moldings and other aesthetic features, even in its less expensive homes, on the basis that this additional construction expense is important to its marketing effort.

In addition to relying on management's extensive experience, the Company determines the prices for its homes through a Company-designed value analysis program that compares a Toll Brothers home with homes offered by other builders in the relevant marketing area. The Company accomplishes this by assigning a positive or negative dollar value to differences in product features, such as amenities, location and marketing.

Toll Brothers expends great effort in creating its model homes, which play an important role in the Company's marketing. In its models, Toll Brothers creates an attractive atmosphere, with bread baking in the oven, fires burning in fireplaces, and background music. Interior decorations vary among the models and are carefully selected based upon the lifestyles of the prospective buyers.

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The sales office located in each community is generally staffed by Company sales personnel, who are compensated with salary and commission. In addition, a significant portion of Toll Brothers' sales is derived from the introduction of customers to its communities by local cooperating realtors.

The Company advertises extensively in newspapers, other local and regional publications (including concert programs and hotel room magazines), and on billboards. The Company also uses videotapes and attractive four-color brochures to describe each community.

All Toll Brothers homes are sold under the Company's one-year limited warranty as to workmanship and two-year limited warranty as to mechanical equipment, supplemented by the Home Owners Warranty program, a privately insured program sponsored by the National Association of Home Builders, which provides to home purchasers a limited ten-year warranty as to structural integrity.

#### CUSTOMER FINANCING

The Company makes arrangements with a variety of mortgage lenders to provide homebuyers a range of conventional mortgage financing programs. By making available an array of attractive mortgage programs to qualified purchasers, the Company is able to better coordinate and expedite the entire sales transaction by ensuring that mortgage commitments are received and that closings take place on a timely and efficient basis. During fiscal 1993, approximately 68% of the Company's closings were financed through mortgage programs offered or sponsored by the Company. In addition, during the same period, the Company's homebuyers, on average, financed approximately 71% of the purchase price of their home.

The Company secures the availability of a variety of competitive market rate mortgage products from both national and regional lenders. Such availability is generally obtained at no cost to the Company and is committed for varying lengths of time and amounts.

The Company also obtains forward commitments for fixed and variable rate mortgage financing which contain various rate protection features. Such commitments generally cost the Company from zero to one percent of the mortgage funds reserved and typically have terms of 9 to 18 months. As of October 31, 1993, there were approximately \$22 million of such commitments available, which expire at various dates through December 1994.

#### PANEL PLANT

Toll Brothers owns a facility of approximately 200,000 square feet in which it manufactures open wall panels, roof and floor trusses, and certain interior and exterior millwork to supply a portion of the Company's construction needs. This operation also permits Toll Brothers to purchase wholesale lumber, plywood, windows, doors, certain other interior and exterior millwork and other building materials to supply its communities. The Company believes that increased efficiency, cost savings and productivity result from the operation of this plant and from such wholesale purchases of material. This plant generally does not sell to or supply to any purchasers other than Toll Brothers. The property, which is located in Morrisville, Pennsylvania, is adjacent to U.S. Route 1, a major thoroughfare, and is served by rail.

#### COMPETITION

The homebuilding business is highly competitive and fragmented. The Company competes with numerous homebuilders of varying size, ranging from local to national in scope, some of which have greater sales and financial resources than the Company. Resales of homes also provide competition. The Company competes primarily on the basis of price, location, design, quality, service and reputation; however, during the past several years, the Company's financial stability, relative to others in its industry (some of which have gone out of business), has become an increasingly favorable competitive factor.

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The Company is subject to various local, state and federal statutes, ordinances, rules and regulations concerning zoning, building design, construction and similar matters, including local regulations which impose restrictive zoning and density requirements in order to limit the number of homes that can eventually be built within the boundaries of a particular locality. In addition, the Company is subject to registration and filing requirements in connection with the construction, advertisement and sale of homes in its communities in certain states and localities in which it operates. These laws have not had a material effect on the Company, except to the extent that application of such laws may have caused the Company to conclude that development of a proposed community would not be economically feasible, even if any or all necessary governmental approvals were obtained (See 'Business -- Land Policy'). The Company may also be subject to periodic delays or may be precluded entirely from developing communities due to building moratoriums in any of the states in which it operates. Generally, such moratoriums relate to insufficient water or sewage facilities or inadequate road capacity.

In January 1983, the New Jersey Supreme Court rendered a decision known as the 'Mount Laurel II' decision, which has the effect of requiring certain

municipalities in New Jersey to provide housing for persons of low and moderate income. In order to comply with such requirements, municipalities in that state may require the Company, in connection with its future residential communities, to contribute funds, on a per unit basis, or otherwise assist in providing a fair share of such housing. The Company has developed one 'Mount Laurel II' community in New Jersey, which has 32 units and which the Company has chosen to rent at lower than market rentals. The Company also has two proposed communities in New Jersey which contain plans for an aggregate of approximately 170 'Mount Laurel II' units which will either be rented or sold at lower than market rentals or prices. In addition, in 1985, New Jersey adopted the Fair Housing Act. The Fair Housing Act and the regulations adopted pursuant to the Fair Housing Act are designed to ensure that each municipality in New Jersey supplies its fair share of regional affordable housing needs. In addition, other states in which the Company operates impose restrictions and/or requirements for the Company to provide affordable housing at below market rental or sales prices. The impact on the Company will depend on how the various states and local governments in which the Company engages or intends to engage in development implement their programs for affordable housing.

The Company is also subject to a variety of local, state and federal statutes, ordinances, rules and regulations concerning protection of health and the environment ('environmental laws'), as well as effects of environmental factors. The particular environmental laws which apply to any given community vary greatly according to the community site, the site's environmental conditions and the present and former uses of the site. These environmental laws may result in delays, may cause the Company to incur substantial compliance and other costs, and can prohibit or severely restrict development in certain environmentally sensitive regions or areas.

The Company maintains a policy of engaging, prior to consummating the purchase of land, independent environmental engineers to formally evaluate such land for the presence of hazardous or toxic materials, wastes or substances. Because it has generally obtained such analyses for the land it has purchased, the Company has not been significantly affected to date by the potential presence of such materials.

#### EMPLOYEES

As of October 31, 1993, the Company employed 873 full-time persons; of these, 20 were in executive positions, 94 were engaged in sales activities, 73 in project management activities, 231 in administrative and clerical activities, 212 in construction activities, 44 in engineering activities and 199 in the panel plant operations. The Company considers its employee relations to be good.

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#### DESCRIPTION OF NOTES

##### GENERAL

The Notes offered hereby constitute a single series of Debt Securities (as defined in the Prospectus) and will be limited to \$50,000,000 aggregate

principal amount (\$55,000,000 if the Underwriters' over-allotment option is exercised in full). The Notes will be issued under an Indenture (the 'Indenture') dated as of January \_\_, 1994, among the Issuer, the Company and Security Trust Company, N.A., as Trustee (the 'Trustee'), which Indenture is more fully described in the Prospectus. The Trustee is an affiliate of a participant in the Revolving Credit Agreement. The Notes will bear interest from the date of original issuance, at the rate per annum shown on the front cover page of this Prospectus Supplement, payable on January \_\_ and July \_\_ of each year, commencing July \_\_, 1994, to holders of record at the close of business on the December \_\_ and June \_\_, as the case may be, immediately preceding such interest payment date. The Notes will be due on January \_\_, 2004 and will be issued only in fully registered form, in denominations of \$1,000 and integral multiples thereof.

The Notes are convertible at their principal amount or any portion thereof which is an integral multiple of \$1,000, at any time prior to the close of business on January \_\_, 2004, subject to prior redemption at the option of the Issuer or delivery of a Change of Control Purchase Notice (as defined herein) with respect to such Notes which has not been withdrawn, into shares of Common Stock, at the conversion price set forth on the front cover page of this Prospectus Supplement, subject to adjustment as described in the Prospectus.

The Notes are subordinated in right of payment to all Senior Indebtedness of Toll pursuant to the provisions described under 'Subordination of Notes and Guarantee' below. The Company will unconditionally guarantee on a senior subordinated basis the due and punctual payment of the principal of, premium, if any, and interest on the Notes, when and as the same shall become due and payable, whether at maturity, by declaration of acceleration, call for redemption or otherwise. The Guarantee is subordinated in right of payment to all Senior Indebtedness of the Company pursuant to the provisions described under 'Subordination of Notes and Guarantee' below.

The Issuer may pay principal and interest by wire transfer or by check and may mail an interest check to the registered address of each holder of each outstanding Note (each such holder being hereinafter referred to as a 'Noteholder' or 'Holder' and collectively as the 'Noteholders' or 'Holders'). Noteholders must surrender Notes to a Paying Agent to collect principal payments.

Initially, the Trustee will act as Paying Agent and Registrar. The Issuer may change any Paying Agent and Registrar without notice.

The terms of the Notes and the Guarantee include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the 'Trust Indenture Act'). The Notes and the Guarantee are subject to all such terms, and the Holders are referred to the Indenture and the Trust Indenture Act for a statement of them.

REDEMPTION

Optional Redemption. The Notes may be redeemed at any time on or after January \_\_, 1997, and prior to maturity at the option of the Issuer, in whole, or in part from time to time, on not less than 30 nor more than 60 days prior notice, mailed by first-class mail to each Holder of record at such Holder's last address as it shall appear upon the registration books of the Registrar, at the following redemption prices (expressed as percentages of the principal amount), in each such case with accrued and unpaid

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interest thereon to the redemption date, if redeemed during the 12-month period beginning January \_\_ of the following years:

YEARS	PERCENTAGE
- - - - -	- - - - -
<S>	<C>
1997.....	%
1998.....	%
1999.....	%
2000.....	%
2001.....	%
2002 and thereafter.....	100%

Selection for Redemption. If less than all the Notes are to be redeemed, selection of Notes for redemption will be made by the Trustee, if the Notes are

listed on a national securities exchange, in accordance with the rules of such exchange, or if the Notes are not so listed, on a pro rata basis or by lot or in such other manner as the Trustee shall deem appropriate and fair in its discretion in denominations of \$1,000 and integral multiples thereof.

#### SUBORDINATION OF NOTES AND GUARANTEE

The payment of the principal of, premium, if any, and interest on the Notes is subordinated in right of payment, in the manner and to the extent set forth in the Indenture, to the prior payment in full of all senior indebtedness of Toll (herein, 'Senior Indebtedness of Toll' and referred to in the Indenture as 'Senior Indebtedness of the Company,' as further defined below) whether outstanding on the date of the Indenture or thereafter created, incurred, assumed or guaranteed. Upon (i) the maturity of any Senior Indebtedness of Toll by lapse of time, acceleration (unless waived) or otherwise, or (ii) any distribution of the assets of Toll upon any dissolution, winding up, liquidation or reorganization of Toll, the holders of Senior Indebtedness of Toll will be entitled to receive payment in full before the holders of the Notes will be entitled to receive any payments on the Notes. If, in any of the situations referred to in clause (i) or (ii) above, a payment is made to the Trustee or to the Noteholders by Toll before all Senior Indebtedness of Toll has been paid in full or provision has been made for such payment, the payment to the Trustee or the Noteholders must be paid over to the holders of Senior Indebtedness of Toll.

Senior Indebtedness of Toll (referred to in the Indenture as 'Senior Indebtedness of the Company') is defined as: (i) the principal of, premium, if any, and interest on any indebtedness, whether outstanding on the date of the Indenture or thereafter created, incurred, assumed or guaranteed by Toll, (a) under the Revolving Credit Agreement, (b) for money borrowed from others (including, for this purpose, all obligations incurred under capitalized leases or purchase money mortgages or under letters of credit or similar commitments), or (c) in connection with the acquisition by it of any other business, property or entity and, in each case, all renewals, extensions and refundings thereof, unless the terms of the instrument creating or evidencing such indebtedness expressly provide that such indebtedness is not superior in right of payment to the payment of the principal of, premium, if any, and interest on the Notes. Senior Indebtedness of Toll shall not include (a) indebtedness or amounts owed for compensation to employees, for goods or materials purchased in the ordinary course of business, or for services, (b) indebtedness of Toll to the Company or any Subsidiary (as defined in the Indenture) for money borrowed or advances from such entities, (c) Toll's 10 1/2% Senior Subordinated Notes due 2002 (which shall rank pari passu in right of payment with the Notes), (d) Toll's 9 1/2% Senior Subordinated Notes due 2003 (which shall rank pari passu in right of payment with the Notes) and (e) the Notes.

The payment of the principal of, premium, if any, and interest on the Notes pursuant to the Guarantee will be subordinated in right of payment, in the manner and to the extent set forth in the Indenture, to the prior payment in full of all senior indebtedness of the Company (herein, 'Senior Indebtedness of the Company' and referred to in the Indenture as 'Senior Indebtedness of the Guarantor', as further defined below), whether outstanding on the date of the Indenture or thereafter created, incurred, assumed or guaranteed. Upon (i) the maturity of any Senior Indebtedness of the

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Company by lapse of time, acceleration (unless waived) or otherwise or (ii) any distribution of the assets of the Company upon any dissolution, winding up, liquidation or reorganization of the Company, the holders of Senior Indebtedness of the Company will be entitled to receive payment in full before the holders of the Notes will be entitled to receive any payments on the Notes pursuant to the Guarantee. If, in any of the situations referred to in clause (i) or (ii) above, a payment is made to the Trustee or to the Noteholders by the Company before all Senior Indebtedness of the Company has been paid in full or provision has been made for such payment, the payment to the Trustee or Noteholders must be paid over to the holders of Senior Indebtedness of the Company.

Senior Indebtedness of the Company (referred to in the Indenture as 'Senior Indebtedness of the Guarantor') is defined as: (i) the principal of, premium, if any, and interest on any indebtedness, whether outstanding on the date of the Indenture or thereafter created, incurred, assumed or guaranteed by the Company, (a) under the Revolving Credit Agreement, or (b) for money borrowed from others (including, for this purpose, all obligations incurred under capitalized leases or purchase money mortgages or under letters of credit or similar commitments), or (c) in connection with the acquisition by it of any other business, property or entity, and, in each case, all renewals, extensions and refundings thereof, unless the terms of the instrument creating or evidencing such indebtedness

expressly provide that such indebtedness is not superior in right of payment to the payment of the Notes pursuant to the Guarantee. Senior Indebtedness of the Company shall not include (a) the Guarantee, (b) indebtedness of the Company to any Subsidiary for money borrowed or advances from such Subsidiary, (c) the Company's guarantee of Toll's 10 1/2% Senior Subordinated Notes due 2002 (which shall rank pari passu in right of payment with the Guarantee) and (d) the Company's guarantee of Toll's 9 1/2% Senior Subordinated Notes due 2003 (which shall rank pari passu in right of payment with the Guarantee).

As of October 31, 1993, the amount of outstanding indebtedness of the Company and its subsidiaries effectively ranking senior in right of payment to the Notes (excluding collateralized mortgage financing) would have been \$194,302,000.

#### REPURCHASE OF NOTES BY THE ISSUER AT THE OPTION OF THE HOLDER AFTER A CHANGE OF CONTROL

In the event of any Change of Control of the Company (a 'Change of Control', as hereinafter defined), each Noteholder will have the right, at the Noteholder's option, subject to the terms and conditions of the Indenture, to require the Issuer to purchase all or any part (provided that the principal amount of such part must be \$1,000 or an integral multiple thereof) of the Holder's Notes on the date that is 35 Business Days (as defined in the Indenture) after the occurrence of such Change of Control (the 'Change of Control Purchase Date') at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon to the Change of Control Purchase Date (the 'Change of Control Purchase Price').

Within 15 Business Days after a Change of Control, the Issuer is obligated to provide to all Noteholders at their addresses shown on the registry books of the Issuer (and to beneficial owners if required by applicable law), a notice (the 'Change of Control Purchase Notice') regarding the Change of Control, which notice shall state, among other things, (i) the date of such Change of Control and the events causing such Change of Control, (ii) the last date by which the change of Control Purchase Notice must be given, (iii) the Change of Control Purchase Date, (iv) the Change of Control Purchase Price, (v) the place to surrender Notes in exchange for the Change of Control Purchase Price, (vi) the current conversion price, (vii) that Notes as to which a Change of Control Purchase Notice has been given may be converted into Common Stock only if the Change of Control Purchase Notice has been withdrawn in accordance with the terms of the Indenture, (viii) the procedures that a Noteholder must follow to exercise these rights and (ix) the procedures for withdrawing a Change of Control Purchase Notice.

To exercise the right to require the repurchase of Notes upon a Change of Control, a Holder must deliver the Change of Control Purchase Notice to the Issuer prior to the close of business on the Change of Control Purchase Date. The Change of Control Purchase Notice shall state (i) the certificate

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numbers of the Notes to be delivered by the Holder thereof for purchase by the Issuer, (ii) the portion of the principal amount of Notes to be purchased, which portion must be \$1,000 or an integral multiple thereof and (iii) that such Notes are to be purchased by the Issuer pursuant to the applicable provisions of the Indenture.

Any Change of Control Purchase Notice may be withdrawn by the Holder by a written notice of withdrawal delivered to the Issuer prior to the close of business on the Change of Control Purchase Date. The notice of withdrawal shall state the principal amount and the certificate numbers of the Notes as to which the withdrawal notice relates and the principal amount, if any, that remains subject to a Change of Control Purchase Notice.

Payment of the Change of Control Purchase Price for any Notes for which a Change of Control Purchase Notice has been delivered and not validly withdrawn is conditioned upon delivery of such Notes (together with necessary endorsements) to the Issuer, any time (whether prior to, on or after the Change of Control Purchase Date) after the delivery of such Change of Control Purchase Notice. Payment of the Change of Control Purchase Price for such Notes will be made promptly following the later of the Change of Control Purchase Date or the time of delivery of such Notes.

Under the Indenture, a 'Change of Control' of the Company is deemed to have occurred at such times as (i) any Person (as defined in the Indenture) including its Affiliates and Associates (each as defined in the Indenture) other than (a)

the Company, (b) its Subsidiaries, (c) their employee benefit plans or (d) Robert I. Toll, Bruce E. Toll, members of their respective immediate families, their respective heirs at law or any trust in which either of them has a material interest, serves as trustee, is settlor or of which members of their respective immediate families or their respective heirs at law are the beneficiaries, files or becomes obligated to file a Schedule 13D or 14D-1 (or any successor schedule, form or report under the Exchange Act of 1934, as amended (the 'Exchange Act')) disclosing that any such Person has become the beneficial owner of 50% or more of the Company's Common Stock, (ii) there shall be consummated any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which the Common Stock of the Company would be converted into cash, securities or other property, other than a merger of the Company in which the holders of the Common Stock of the Company immediately prior to the merger have the same or greater proportionate ownership, directly or indirectly, of common stock of the surviving corporation immediately after the merger as they had of the Common Stock of the Company immediately prior to such merger, or (iii) any sale, transfer, lease or conveyance of all or substantially all of the properties and assets of the Company to any Person (other than a Subsidiary). Clause (iii) of the definition of 'Change of Control' includes a sale, transfer, lease or conveyance of 'all or substantially all' of the properties and assets of the Company to any Person (other than a Subsidiary). There is little case law interpreting the phrase 'all or substantially all' in the context of an indenture. Because there is no precise established definition of this phrase, the ability of a Noteholder to require the Issuer to repurchase such Notes as a result of a sale, transfer, lease, or conveyance of the Company's properties and assets to any Person may be uncertain under the facts involved in the particular situation.

No modification of the Change of Control provisions of the Indenture will be effective against any Noteholder without such Noteholder's consent.

A Change of Control will not be triggered if a change of control of the Company's Board of Directors occurs as a result of a proxy contest involving the solicitation of revocable proxies.

The Boards of Directors of the Issuer and the Company do not have the right to limit a Holder's right to receive the Change of Control Purchase Price by approving a Change of Control, including any Change of Control involving the Company's management.

The Issuer will comply with the provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act which may then be applicable and will file Schedule 13e-4 or any other schedule required thereunder in connection with any offer by the Issuer to purchase the Notes at the option of the Holders upon a Change of Control.

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The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a takeover of the Company and, thus, the removal of incumbent management. The Change of Control purchase feature, however, is not the result of management's knowledge of any specific effort to accumulate shares of Common Stock or to obtain control of the Company by means of a merger, tender offer, solicitation or otherwise, or part of a plan by management to adopt a series of anti-takeover provisions. Instead, the Change of Control purchase feature is a term that the Issuer and the Company believe to be standard and is contained in other convertible debt offerings that have been marketed by the Underwriters, and the terms of such feature result from negotiations between the Issuer and the Company and the Underwriters.

The Company's Revolving Credit Agreement currently provides that a change of control occurs under such agreement if (i) Robert I. Toll and Bruce E. Toll (and the executors, administrators or heirs of either or both of them in the event of the death of either or both of them) shall together own less than 25% of the Company's issued and outstanding Common Stock, or (ii) another partnership, limited partnership, syndicate or other group which is deemed a 'person' within the meaning of Section 13(d)(3) of the Exchange Act owns more of the Company's issued and outstanding Common Stock than is owned in the aggregate by Robert I. Toll and Bruce E. Toll (and the executors, administrators or heirs of either or both of them in the event of the death of either or both of them). As of October 31, 1993, Messrs. Toll owned approximately 44% of the outstanding Common Stock of the Company. A change of control under the Revolving Credit Agreement would constitute a default under such agreement and, upon the taking of certain actions by the lender banks, would require repayment of any loans outstanding thereunder. Because a Person must become the beneficial owner of 50%

or more of the Common Stock to trigger a Change of Control under the Indenture, it is possible for there to be a change of control (and consequent default) under the Revolving Credit Agreement without there being a Change of Control under the Indenture. The other events that could trigger a Change of Control under the Indenture are prohibited under the Revolving Credit Agreement. As a result, any Change of Control under the Indenture may constitute a default under the Revolving Credit Agreement, unless such Change of Control is approved by the lenders under the Revolving Credit Agreement. If a Change of Control under the Indenture were to occur, there can be no assurance that the Issuer (or the Company through the Guarantee) would have sufficient funds to pay the Change of Control Purchase Price for all Notes tendered by the Holders thereof. In addition, the ability of the Issuer (or the Company through the Guarantee) to purchase Notes with cash may be limited by the terms of their respective then existing borrowing agreements. A default by the Issuer and the Company on the obligation to pay the Change of Control Purchase Price would result in a default under the Indenture and could result in acceleration of the maturity of other indebtedness of the Issuer and the Company at the time outstanding pursuant to cross-default provisions. See 'Description of Debt Securities and Guarantees -- Events of Default and Notice Thereof' in the Prospectus. In such event, the ability of a Holder to receive the Change of Control Purchase Price may be

limited unless and until such default or acceleration shall be cured or waived or cease to exist. In general, however, no such default would occur as long as the Issuer or the Company were permitted under its other loan agreements to purchase the Notes tendered for purchase.

#### CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following summary of federal income tax consequences to purchasers of the Notes in this offering is for general information only. This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof (the 'Code'), existing and proposed Treasury Regulations, Internal Revenue Service (the 'IRS') rulings, and court decisions now in effect, all of which are subject to change. The tax treatment of the Holders of the Notes may vary depending upon their particular situations. Certain Holders (including insurance companies, tax-exempt organizations, financial institutions, broker-dealers, foreign entities and individuals who are not citizens or residents of the United States) may be subject to special rules not discussed below. This summary also does not discuss the tax consequences to subsequent purchasers of the Notes and is limited to Noteholders who hold the Notes as capital assets within the meaning of Section 1221 of the Code and in whose hands shares of the Common Stock received upon an exchange of the Notes would be treated as capital assets. It does not deal with special tax situations such as the holding of the Notes as part of a straddle with other

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investments. EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS, AND ANY RECENT CHANGES IN APPLICABLE TAX LAWS.

#### INTEREST AND ORIGINAL ISSUE DISCOUNT

A Noteholder using the accrual method of accounting for tax purposes will generally be required to include stated interest on the Note in ordinary income as such interest accrues, while a cash basis Holder will be required to include stated interest in income when cash payments are received (or made available for receipt) by such Holder.

Current law is unclear as to whether the Notes will be deemed to bear original issue discount ('OID') in addition to stated interest. If the right to receive the Common Stock upon an exchange of the Notes were viewed, for Federal income tax purposes, as a separate asset, the Notes would be bifurcated and treated as two instruments: a deemed debt instrument and a deemed option to receive the Common Stock. If this treatment were applicable to the Notes, each Noteholder would be required to allocate the issue price of the Notes between the deemed debt instrument and the deemed option. For Federal income tax purposes, the difference between the portion of the issue price allocated to the deemed debt instrument and the principal amount at maturity would constitute OID. Therefore, in addition to stated interest income, Noteholders would be required to include OID in income over the term of the Notes before receipt of the consideration attributable to such income, and, as a separate consequence, cash basis Noteholders would generally be required to recognize both stated interest and OID on an accrual basis.

Current law is unclear as to whether the Notes will be required to be

bifurcated into a deemed debt instrument and a deemed option. Under judicial opinions dealing with periods before the publication of certain proposed Treasury Regulations, the Notes would not be bifurcated into deemed debt instruments and deemed options. Moreover, under Proposed Regulation Section 1.1273-2(g), issued by the Internal Revenue Service (the 'Service') on December 22, 1992 (the '1992 Proposed Regulation') and proposed to be effective 60 days after the regulation is issued in final form, the Notes would not be deemed to have any OID, because a debt instrument that is convertible into the stock of the issuer, or a related party, is treated as a single security, and the issue price of the debt instrument includes any amount paid with respect to the conversion privilege. The 1992 Proposed Regulation is inconsistent with a proposed regulation issued in 1991 (the '1991 Proposed Regulation'), which was proposed to be effective for debt instruments issued on or after February 20, 1991. The 1991 Proposed Regulation (which has not been withdrawn) apparently would require that the issue price of the Notes be bifurcated. If bifurcation were required, the Notes could be deemed to have OID, which would have to be taken into account as income by the Noteholders over the term of the Notes.

Based upon the current state of the law and in the absence of final regulations, the Company and the Issuer intend to report interest in a manner consistent with the rule set forth in the 1992 Proposed Regulation and prior judicial decisions and will not treat the Notes as having OID. It is assumed for purposes of the remainder of this discussion under 'Certain Federal Income Tax Consequences' that the IRS will not reverse the approach taken in the 1992 Proposed Regulation by issuing final regulations requiring that the Notes be bifurcated.

#### CONVERSION OF NOTES

In general, it is expected that the conversion of a Note into Common Stock of the Company will be treated as a taxable disposition and that a Noteholder will be required to recognize taxable gain (or loss) to the extent that the fair market value of the Common Stock of the Company received upon the conversion exceeds (or is less than) the Noteholder's adjusted tax basis in the Note immediately prior to such conversion. Except as discussed below with respect to market discount, such gain or loss will be a capital gain or loss, and will be long-term or short-term depending on whether such Note has been held for more than one year. A Noteholder's basis in each share of Common Stock of the Company received upon conversion of a Note will be the fair market value of such share at the date of conversion

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and such Noteholder's holding period in such share will commence the day after the conversion and will not include such Noteholder's holding period for the Note exchanged therefor.

#### ADJUSTMENTS TO CONVERSION PRICE

In general, adjustments in the conversion price of the Notes to reflect stock dividends, stock splits, and recapitalizations that are not taxable to holders of Common Stock will not be taxable to Noteholders. However, under certain circumstances, adjustments in the conversion price of the Notes to reflect distributions to holders of Common Stock may result in constructive

distribution to Noteholders taxable as dividends pursuant to Section 305 of the Code.

#### DISPOSITION OF A NOTE OR COMMON STOCK

In general, the Holder of a Note or the Common Stock into which it was converted will recognize gain or loss upon the sale, redemption, retirement or other disposition of the Note or Common Stock measured by the difference between the amount of cash and the fair market value of property received (except to the extent the Holder recognizes ordinary income attributable to the payment of accrued interest), and the Holder's tax basis in the Note or Common Stock. Subject to the market discount rules discussed below, the gain or loss on the sale or redemption of a Note or Common Stock will be long-term capital gain or loss, provided the Note or Common Stock was held as a capital asset and had been held for more than one year.

#### MARKET DISCOUNT ON DISPOSITION

Purchasers of the Notes should be aware that they may be affected by the market discount provisions of the Code. These rules generally provide that if a Holder of a Note purchases it at a market discount in excess of a statutorily defined de minimis amount, and thereafter recognizes a gain upon a disposition (including a gain upon a complete or partial redemption or, in general, upon

conversion) of the Note, the lesser of such gain or the portion of the market discount that accrued while the Note was held by such Holder will be treated as ordinary interest income at the time of the disposition. The rules also provide that a Holder who acquires a Note at a market discount may be required to defer a portion of any interest expense that may otherwise be deductible on any indebtedness incurred or maintained to purchase or carry such Note until the Holder disposes of such Note in a taxable transaction. If a Holder of a Note elects to include market discount in income currently, neither of the foregoing would apply.

AMORTIZABLE BOND PREMIUM

In the case of any Holder of a Note who purchases the Note at a premium, such Holder may elect (or may be required by a prior election) to amortize on a yield to maturity basis the excess, if any, of such Holder's basis in the Note over the amount payable upon maturity (or the earlier redemption date, if use of the redemption price will reduce the Holder's premium amortization), reduced by any amount attributable to the conversion feature of the Note, as determined under applicable Treasury Regulations. Any election to amortize bond premium will apply to all bonds held by the Holder at the beginning of the first taxable year in which the election applies and to all bonds thereafter acquired by the Holder in the same year or subsequent years.

BACKUP WITHHOLDING AND INFORMATION REPORTING

In general, payments of principal and interest, and the proceeds of sale of a Note within the United States (i) will be subject to information reporting and (ii) will be subject to backup withholding at a rate of 31%, if a Noteholder fails to provide its taxpayer identification number on IRS Form W-9, fails to establish an exemption from backup withholding or is otherwise subject to backup withholding under Section 3406 of the Code.

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UNDERWRITING

Subject to the terms and conditions set forth in an Underwriting Agreement Basic Provisions and related Terms Agreement incorporated by reference therein (together, the 'Underwriting Agreement'), the Issuer has agreed to sell to each of the Underwriters named below (the 'Underwriters'), and each of the Underwriters has severally agreed to purchase from the Issuer, the principal amount of Notes set forth opposite its name below.

<TABLE> <CAPTION>	UNDERWRITER -----	PRINCIPAL AMOUNT -----
<S>		<C>
Salomon Brothers Inc .....		\$ -----
Dillon, Read & Co. Inc. ....		-----
Kidder, Peabody & Co. Incorporated.....		-----
Total.....		\$ ----- -----

</TABLE>

In the Underwriting Agreement, the Underwriters have agreed on the terms and subject to the conditions set forth therein, to purchase all of the Notes offered hereby if any of the Notes are purchased. In the event of a default by an Underwriter, the Underwriting Agreement provides that, in certain circumstances, purchase commitments of the nondefaulting Underwriter(s) may be increased or the Underwriting Agreement may be terminated.

The Issuer has been advised by the Underwriters that they propose initially to offer the Notes to the public at the public offering price set forth on the front cover page of this Prospectus Supplement, and to certain dealers at such price less a concession not in excess of \_\_\_% of the principal amount of the Notes. The Underwriters may allow, and such dealers may reallow, a concession not in excess of \_\_\_% of the principal amount of the Notes to certain other dealers. After the initial public offering, the public offering price and such concessions may be changed from time to time.

The Issuer has granted the Underwriters an option exercisable for 30 days after the date of this Prospectus Supplement to purchase up to \$5,000,000 principal amount of additional Notes to cover over-allotments, if any, at the public offering price less the underwriting discount.

The Issuer has been advised by the Underwriters that the Underwriters presently intend to make a market in the Notes offered hereby; however, they are not obligated to do so. Any market making may be discontinued at any time, and there can be no assurance that an active public market for the Notes will develop.

The Company has agreed not to sell or otherwise dispose of any Common Stock or any security convertible into or exchangeable for Common Stock (except in certain limited circumstances) for a period of 90 days after the date of this Prospectus Supplement without the prior written consent of the Underwriters.

The Underwriting Agreement provides that the Issuer and the Company, jointly and severally, will indemnify the Underwriters against certain civil liabilities under applicable securities laws or contribute to payments the Underwriters may be required to make in respect thereof.

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#### INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The following documents have been filed by the Company with the Securities and Exchange Commission (the 'Commission') and are hereby incorporated herein by reference:

1. The Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1993; and
2. The Company's Current Report on Form 8-K filed January 7, 1994.

#### LEGAL MATTERS

Certain matters with respect to the Notes offered hereby, including certain Federal income tax matters, are being passed upon for the Company and the Issuer by Wolf, Block, Schorr and Solis-Cohen, Philadelphia, Pennsylvania. Certain legal matters with respect to the Notes offered hereby are being passed upon for the Underwriters by Cahill Gordon & Reindel (a partnership including a professional corporation), New York, New York.

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#### PROSPECTUS

[TOLL BROTHERS LOGO]

TOLL BROTHERS, INC.  
COMMON STOCK  
PREFERRED STOCK  
GUARANTEES

TOLL CORP.  
DEBT SECURITIES

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Toll Brothers, Inc. (the 'Company') may from time to time offer (i) shares (the 'Common Shares') of its Common Stock, \$.01 par value per share (the 'Common Stock'), (ii) shares (the 'Preferred Shares') of its Preferred Stock, \$.01 par value per share (the 'Preferred Stock'), or (iii) unconditional and irrevocable guarantees ('Guarantees') of debt securities issued by Toll Corp. ('Toll'), a wholly-owned subsidiary of the Company. Toll may offer from time to time debt securities (the 'Debt Securities'), consisting of debentures, notes and/or other unsecured evidences of indebtedness in one or more series, guaranteed by the Company. The foregoing securities are collectively referred to as the 'Securities.' Any Securities may be offered with other Securities or separately (except for Guarantees, which may only be offered with Debt Securities issued by Toll). Securities may be sold for U.S. dollars, foreign currency or currency units, including the European Currency Unit; amounts payable with respect to any Securities may likewise be payable in U.S. dollars, foreign currency or currency units, including the European Currency Unit -- in each case, as the Company (or, in the case of Debt Securities, Toll)

specifically designates. The Securities will be offered at an aggregate initial offering price not to exceed U.S. \$250,000,000, or the equivalent thereof (based on the applicable exchange rate at the time of sale) if Debt Securities of Toll are issued in principal amounts denominated in one or more foreign currencies or currency units as shall be designated by Toll, at prices and on terms to be determined at the time of sale.

This Prospectus will be supplemented by one or more Prospectus Supplements, which will set forth with regard to the particular Securities in respect of which this Prospectus is being delivered (i) in the case of Common Shares, the number of Common Shares and the terms of the offering thereof, (ii) in the case of Preferred Shares, the number of Preferred Shares, the terms of the Preferred Shares including, without limitation, conversion rights, if any, and the terms of the offering thereof, and (iii) in the case of Debt Securities, the title, aggregate principal amount, currency or currencies of denomination, initial offering price, maturity, interest rate or rates, if any (which may be either variable or fixed), and/or method of determination thereof, the time of payment of any interest, any terms for redemption, extension or early repayment, any provision for sinking fund payments, rank, any conversion or exchange rights, whether such Debt Securities are issuable in individual registered form with or without coupons, any listing on a securities exchange, the net proceeds to the Company and any other specific terms, including any covenants, relating to such series of Debt Securities. The Prospectus Supplement will also contain

information, as applicable, about certain United States Federal income tax considerations relating to the Securities in respect of which this Prospectus is being delivered.

The Company or Toll may sell the Securities to or through dealers or underwriters, and also may sell the Securities directly to other purchasers or through agents. See 'Plan of Distribution.' If an agent of the Company or Toll or a dealer or an underwriter is involved in the sale of the Securities in respect of which this Prospectus is being delivered, the agent's commission or dealer's purchase price or underwriter's discount will be set forth in, or may be calculated from, the Prospectus Supplement. Any underwriters, dealers or agents participating in the offering of Securities may be deemed to be 'underwriters' within the meaning of the Securities Act of 1933, as amended. See 'Plan of Distribution' for possible indemnification arrangements for any agents, dealers or underwriters.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.  
THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.  
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The date of this Prospectus is January 6, 1994.

#### AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the 'Exchange Act'), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the 'Commission'). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the Commission, Room 1024, 450 Fifth Street, N.W., Washington, DC 20549, and at the following Regional Offices of the Commission: New York Regional Office, 75 Park Place, 14th Floor, New York, New York, 10007; and Chicago Regional Office, Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such materials can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, DC 20549, at prescribed rates. In addition, reports, proxy statements and other information concerning the Company may be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005 and the Pacific Stock Exchange, 301 Pine Street, San Francisco, California 94104.

The Company and Toll have filed a Registration Statement (herein, together with all amendments thereto, called the 'Registration Statement') under the

Securities Act of 1933, as amended (the 'Securities Act'), with the Commission, with respect to the Securities covered by this Prospectus. Toll does not expect that it will be required to file reports with the Commission pursuant to Section 15(d) of the Exchange Act. In this regard, Toll will not make available annual reports to security holders. For further information with respect to Toll and the Company and the Securities offered hereby, reference is hereby made to the Registration Statement and exhibits thereto. Statements contained in this Prospectus concerning the provisions of certain documents are not necessarily complete and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference. Copies of all or any part of the Registration Statement, including exhibits thereto, may be obtained, upon payment of the prescribed fees, at the offices of the Commission as set forth above.

#### INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The Company hereby incorporates by reference the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1993 and the description of the Company's Common Stock contained in its Registration Statement on Form 8-A dated June 19, 1986. All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the Securities shall be deemed to be incorporated by reference in this Prospectus from the date of filing such documents. Any statement in a document incorporated by reference herein shall be deemed to be modified or superseded to the extent that a statement contained herein (or in any other subsequently filed document which is also incorporated by reference herein) modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed to constitute a part of this Prospectus, except as so modified or superseded.

The Company will provide without charge to each person, including any beneficial owner, to whom a Prospectus is delivered, on the written or oral request of any such person, a copy of any or all of the documents incorporated herein by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). All such requests should be addressed to: Joseph R. Sicree, Director of Investor Relations, Toll Brothers, Inc., 3103 Philmont Avenue, Huntingdon Valley, PA 19006, (215) 938-8000.

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#### THE COMPANY

The Company designs, builds, markets and arranges financing for single-family detached and attached homes in middle and high income residential communities primarily located on land that the Company has developed. The Company operates predominantly in major suburban residential areas in southeastern Pennsylvania, central New Jersey, the Virginia and Maryland suburbs of Washington, D.C., northern Delaware and the Boston, Massachusetts metropolitan area. The Company markets its homes primarily to upper-income buyers, emphasizing high quality construction and customer satisfaction.

Co-founded by Robert I. Toll and Bruce E. Toll, the Company commenced its business operations, through predecessor entities, in 1967. The Company is a

Delaware corporation that was formed in May 1986. Its principal executive offices are located at 3103 Philmont Avenue, Huntingdon Valley, Pennsylvania 19006, and its telephone number is (215) 938-8000.

Toll Corp. ('Toll'), an indirect, wholly-owned subsidiary of the Company, was incorporated in Delaware on July 14, 1987. Other than the financing of other subsidiaries of the Company by lending the proceeds of the offering of the Debt Securities and similar activities related to previous offerings of debt securities, Toll has no independent operations and generates no operating revenues. There is no present intention to have Toll engage in other activities. Toll's principal executive offices are located at 3103 Philmont Avenue, Huntingdon Valley, Pennsylvania 19006, and its telephone number is (215) 938-8000.

#### THE HOUSING INDUSTRY

Residential real estate developers, including the Company, are subject to various risks, both on the national and regional levels, such as economic recession, oversupply of homes, changes in governmental regulation, effects of environmental factors, increases in real estate taxes and costs of materials and labor, and the unavailability of construction funds or mortgage loans at rates

acceptable to builders and home buyers. The Company's business and earnings are substantially dependent on its ability to obtain financing on acceptable terms for its development activities. Increases in interest rates could reduce the funds available to the Company for its future operations and would increase the Company's expenses. In addition, increases in interest rates may have an adverse effect upon the Company's sales and could affect the availability of home financing to present and potential customers of the Company.

The housing industry has in the last several years become subject to increased environmental, building, zoning and sales regulation by various federal, state and local authorities. This regulation affects construction activities as well as sales activities and other dealings with consumers. For its development activities, the Company must obtain the approval of numerous governmental authorities, and changes in local circumstances or applicable law may necessitate the application for additional approvals or the modification of existing approvals. Expansion of regulation has increased the time required to obtain the necessary approvals to begin construction and has prolonged the time between the initial acquisition of land or land options and the commencement and completion of construction.

#### USE OF PROCEEDS

Except as otherwise set forth in the applicable Prospectus Supplement, the Company intends to use the net proceeds from the sale of the Securities for general corporate purposes including acquisition of residential development properties.

The specific use of proceeds of any series of Securities issued hereunder will be more particularly set forth in the applicable Prospectus Supplement.

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#### RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the Company's historical ratio of earnings to fixed charges for the five years ended October 31, 1993:

<TABLE>  
<CAPTION>

	YEAR ENDED OCTOBER 31,				
	1989	1990	1991	1992	1993
<S>	<C>	<C>	<C>	<C>	<C>
Ratio, including collateralized mortgage financing(1).....	1.36	1.28	1.20	2.63	2.72
Ratio, excluding collateralized mortgage financing(1) (2).....	1.47	1.36	1.27	2.97	2.85

</TABLE>

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- (1) For purposes of computing the ratio of earnings to fixed charges, earnings consist of income before income taxes, extraordinary gain (loss) and change in accounting plus interest expense and fixed charges except interest incurred. Fixed charges consist of interest incurred (whether expensed or capitalized), the portion of rent expense that is representative of the interest factor, and amortization of debt discount and issuance costs.
- (2) The Company believes that an additional useful computation of the ratio of earnings to fixed charges would exclude interest expense attributable to the Company's consolidated mortgage financing partnerships.

#### DESCRIPTION OF DEBT SECURITIES AND GUARANTEES

Debt Securities may be issued from time to time in one or more Series (as hereinafter defined) by Toll. All Series of Debt Securities will be offered together with unconditional Guarantees issued by the Company. The particular terms of each series of Debt Securities, and the particular terms of the Guarantees offered in connection therewith, will be set forth in the Indenture (as hereinafter defined) and the Authorizing Resolution (as hereinafter defined) relating to such Series of Debt Securities and will be described in the applicable Prospectus Supplement.

The Debt Securities will be issued pursuant to a resolution adopted by the Board of Directors (or an Officer or committee of Officers authorized by the Board of Directors) of both Toll and the Company (the 'Authorizing Resolution') under an indenture (the 'Indenture') to be entered into by the Company, Toll and one or more Trustees prior to the issuance of such Debt Securities. Information regarding the Trustee or Trustees with respect to any Series of Debt Securities

issued under the Indenture will be included in the related Prospectus Supplement.

The following summaries of certain provisions of the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Indenture, including the definitions therein of certain capitalized terms used in this Prospectus. Wherever particular Sections, Articles or defined terms of the Indenture are referred to herein or in a Prospectus Supplement, such Sections, Articles or defined terms are incorporated herein or therein by reference. The following sets forth certain general terms and provisions of the Debt Securities to which any Prospectus Supplement may relate. The particular terms of the Debt Securities offered by any Prospectus Supplement and the extent, if any, to which such general provisions may apply to the Debt Securities so offered, will be described in the Prospectus Supplement relating to such Debt Securities. To the extent reference is made herein or in a Prospectus Supplement to the terms of any Debt Securities, such descriptions do not purport to be complete and are subject to and are qualified in their entirety by reference to, the Indenture and the applicable Authorizing Resolution.

#### GENERAL

The Debt Securities will represent general unsecured obligations of Toll. The Company will unconditionally guarantee (the 'Guarantee') the due and punctual payment of the principal of, premium, if any, and interest, if any, on the Debt Securities, when and as the same shall become due and payable, whether at maturity, by declaration of acceleration, call for redemption or otherwise. See '-- Guarantee of Debt Securities'. The Indenture does not limit the aggregate principal amount of

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Debt Securities which may be issued thereunder and provides that Debt Securities may be issued from time to time in one or more Series.

Because Toll has no independent operations and generates no operating revenues, funds required to pay the principal and interest on the Debt Securities will be derived from the Company and its other Subsidiaries (as defined in the Indenture). There are no legal or contractual restrictions on the Company's or such other Subsidiaries' ability to provide such funds.

Unless otherwise provided in the applicable Authorizing Resolution and Prospectus Supplement, the payment of principal, premium, if any, and interest on the Debt Securities will be subordinated in right of payment, in the manner and to the extent set forth in the Indenture, to the prior payment in full of all senior indebtedness of Toll (referred to in the Indenture as 'Senior Indebtedness of the Company', as further defined in the applicable Authorizing Resolution and Prospectus Supplement), whether outstanding on the date of the Indenture or thereafter created, incurred, assumed or guaranteed.

Reference is made to the applicable Authorizing Resolution and Prospectus Supplement relating to the particular series (a 'Series') of Debt Securities offered thereby for the following terms: (1) the title of the Series; (2) the aggregate principal amount of the Series; (3) the interest rate or method of calculation of the interest rate; (4) the date from which interest will accrue; (5) the Record Dates for interest payable on Debt Securities of the Series; (6) the dates when, places where and manner in which principal and interest are payable; (7) the Registrar and Paying Agent; (8) the terms of any mandatory or optional redemption by Toll; (9) the terms of any redemption at the option of holders of Debt Securities; (10) the denominations in which the Debt Securities are issuable; (11) whether the Debt Securities will be issued in registered or bearer form and the terms of any such forms of Debt Securities; (12) whether any Debt Securities will be represented by a Global Security (as hereinafter defined) and the terms of any Global Security (see '-- Book-Entry Debt Securities'); (13) the currencies (including any composite currency) in which principal or interest or both may be paid; (14) if payments of principal or interest may be made in a currency other than that in which the Debt Securities are denominated and the manner for determining such payments; (15) provisions for electronic issuance of Debt Securities or issuance of Debt Securities in uncertificated form; (16) any Events of Default or covenants in addition to or in lieu of those set forth in the Indenture; (17) whether and upon what terms Debt Securities may be defeased; (18) the form of the Debt Securities and the Guarantees; (19) whether the Debt Securities of a Series will be convertible into or exchangeable for Common Stock and the terms thereof (including without limitation the conversion price, the conversion period and any other provision in addition to or in lieu of those set forth in the Indenture); (20) whether the Debt Securities and Guarantees of a Series shall be subordinated to any

obligations of Toll or the Company, and the obligations to which such subordination will apply; (21) any terms that may be required by or advisable under applicable law; and (22) any other terms of a Series of Debt Securities not inconsistent with the Indenture.

In the event that any Debt Securities are to be issued at a discount, the terms of such Debt Securities, certain special federal income tax and other considerations applicable thereto will be described in the related Prospectus Supplement.

#### GUARANTEE OF DEBT SECURITIES

The Company will unconditionally guarantee (the 'Guarantee') the due and punctual payment of the principal of, premium, if any, and interest, if any, on the Debt Securities, when and as the same shall become due and payable, whether at maturity, by declaration of acceleration, call for redemption or otherwise.

Unless otherwise provided in the applicable Authorizing Resolution and described in the related Prospectus Supplement, the payment of principal, premium, if any, and interest on the Debt Securities pursuant to the Guarantee will be subordinated in right of payment, in the manner and to the extent set forth in the Indenture, to the prior payment in full of all senior indebtedness of the Company (referred to in the Indenture as 'Senior Indebtedness of the Guarantor', as further defined in the applicable

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Authorizing Resolution and Prospectus (Supplement), whether outstanding on the date of the Indenture or thereafter created, incurred, assumed or guaranteed. Upon (i) the maturity of any senior indebtedness of the Company by lapse of time, acceleration (unless waived) or otherwise or (ii) any distribution of the assets of the Company upon any dissolution, winding up, liquidation or reorganization of the Company, the holders of senior indebtedness of the Company will be entitled to receive payment in full before the holders of any outstanding Debt Securities will be entitled to receive any payments on such Debt Securities pursuant to the Guarantee. If, in any of the situations referred to in clause (i) or (ii) above, a payment is made to the Trustee or to holders of the Debt Securities by the Company before all senior indebtedness of the Company has been paid in full or provision has been made for such payment, the payment to the Trustee or holders must be paid over to the holders of senior indebtedness of the Company.

The Company's assets consist principally of the stock of its Subsidiaries. Therefore, its rights and the rights of its creditors, including the holders of the Debt Securities under the Indenture, to participate in the assets of any Subsidiary (other than Toll) upon liquidation, recapitalization or otherwise will be subject to the prior claims of the Subsidiary's creditors (including the banks) that have provided and are providing to one of the Subsidiaries a revolving credit facility under an agreement (the 'Revolving Credit Agreement') pursuant to which the Company and the other Subsidiaries (including Toll) have guaranteed or will guarantee the obligations owing to such banks under the Revolving Credit Agreement, except to the extent that claims of the Company itself as a creditor of the Subsidiary may be recognized.

#### CONVERSION OF DEBT SECURITIES

If so indicated in the applicable Authorizing Resolution and Prospectus Supplement with respect to a particular Series of Debt Securities, such Series will be convertible into Common Stock of the Company or other securities (including rights to receive payments in cash or securities based on the value, rate or price of one or more specified commodities, currencies, currency units or indices) on the terms and conditions set forth therein.

Unless otherwise provided in the applicable Authorizing Resolution and described in the related Prospectus Supplement, holders of Debt Securities of any Series that are convertible will be entitled to convert the principal amount or a portion of such principal amount which is an integral multiple of \$1,000 at any time prior to the date specified in the Debt Securities of such Series (subject, if applicable, to prior redemption at the option of Toll) into Common Shares at the conversion price set forth in the applicable Authorizing Resolution and Prospectus Supplement, subject to adjustment as described below. In the case of any Debt Security or portion thereof called for redemption, conversion rights expire at the close of business on the day which is two business days immediately preceding the redemption date. (Section 10.02)

The Company will not be required to issue fractional shares of Common Stock

upon conversion but will pay a cash adjustment in lieu thereof. (Section 10.04) Except as otherwise provided in the Indenture, interest accrued shall not be paid on Debt Securities that are converted. (Section 10.03)

The conversion price is subject to adjustment in certain events, including (i) the subdivision, combination or reclassification of the outstanding Common Stock of the Company, (ii) the issuance of Common Stock as a dividend or distribution on Common Stock, (iii) the issuance of rights or warrants (expiring within 45 days after the record date for such issuance) to all holders of Common Stock entitling them to acquire shares of Common Stock (or securities convertible into or exchangeable for Common Stock) at less than the then Current Market Price (as defined in the Indenture) of the Common Stock, or (iv) the distribution to all holders of Common Stock of shares of any class other than Common Stock, or evidences of the Company's indebtedness or assets (excluding certain cash dividends and certain other dividends or distributions payable in stock or rights or warrants to subscribe to securities of the Company). There will be no upward adjustment in the conversion price except in the event of a reverse stock split. The Company is not required to make any adjustment in the

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conversion price of less than 1%, but the same will be carried forward and taken into account in the computation of any subsequent adjustment. (Section 10.05)

Conversion price adjustments or omissions in making such adjustments may, under certain circumstances, be deemed to be distributions that could be taxable as dividends under the Internal Revenue Code to holders of Debt Securities or to holders of Common Stock.

In case of any reclassification (excluding those referred to above), merger, consolidation or sale of substantially all the assets of the Company as an entirety, the holder of each outstanding Debt Security shall have the right to convert such Debt Security only into the kind and amount of shares of stock and other securities and property (including cash) receivable by a holder of the number of shares of Common Stock into which such Debt Securities might have been converted immediately prior to the effective date of the transaction. (Section 10.10)

#### FORM, EXCHANGE, REGISTRATION, CONVERSION, TRANSFER AND PAYMENT

Unless otherwise indicated in the applicable Authorizing Resolution and Prospectus Supplement, each Series of Debt Securities will be issued in registered form only, without coupons. Unless otherwise indicated in the applicable Authorizing Resolution and Prospectus Supplement, payment of principal, premium, if any, and interest, if any, on the Debt Securities will be payable, and the exchange, conversion and transfer of Debt Securities will be registerable, at the office or agency of Toll maintained for such purposes and at any other office or agency maintained for such purposes. (Section 2.03) Subject to certain exceptions set forth in the Indenture, Toll may charge a reasonable fee for any registration of transfer or exchange of the Debt Securities (including payment of a sum sufficient to cover any tax or other governmental charge imposed in connection therewith). (Section 2.06)

All monies paid by Toll to the Trustee and Paying Agent for the payment of principal of, premium, if any, or interest on any Debt Security which remain unclaimed for two years after such principal, premium or interest has become due and payable may be repaid to Toll and thereafter the holder of such Debt Security may look only to Toll or, if applicable, the Company, for payment thereof. (Section 11.03)

#### BOOK-ENTRY DEBT SECURITIES

Unless otherwise indicated in the applicable Authorizing Resolution and Prospectus Supplement, the Debt Securities of a Series may be issued in whole or in part in the form of one or more global Debt Securities (the 'Global Securities') that will be deposited with, or on behalf of, a depositary (the 'Depositary') or its nominee identified in the applicable Authorizing Resolution and Prospectus Supplement relating to such Series. In such a case, one or more Global Securities will be issued in a denomination or aggregate denomination equal to the portion of the aggregate principal amount of Debt Securities of the Series to be represented by such Global Security or Securities. Unless and until it is exchanged in whole or in part for Debt Securities in registered form, a Global Security may not be transferred or exchanged except as a whole by the Depositary for such Global Security to a nominee of such Depositary or to a successor Depositary. (Section 2.12)

The specific terms of the depositary arrangement with respect to a Series of Debt Securities to be represented by a Global Security will be described in the applicable Prospectus Supplement relating to such Series.

#### EVENTS OF DEFAULT AND NOTICE THEREOF

The term 'Event of Default' when used in the Indenture means any one of the following: failure by the Company or Toll to pay (whether or not prohibited by any subordination provisions) interest for 30 days or principal or premium, if any, when due on the Debt Securities; failure by the Company or Toll to perform any other covenant under the Indenture for 60 days after receipt of notice by the Trustee or the holders of at least 25% in principal of the Debt Securities of the Series affected; default

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in the payment of indebtedness of the Company or Toll or any Subsidiary under the terms of the instrument evidencing or securing such indebtedness permitting the holder thereof to accelerate the payment of in excess of an aggregate of \$2,000,000 in principal amount of such indebtedness (after the lapse of applicable grace periods) or, in the case of non-payment defaults, acceleration of any such indebtedness if such acceleration is not rescinded or annulled within ten days after such acceleration, provided that, subject to certain limitations as set forth in the Indenture, the term 'indebtedness' shall not include an acceleration of or default on certain Non-Recourse Indebtedness (as hereinafter defined); entry of a final judgment for the payment of money in an amount in excess of \$2,000,000 against Toll, the Company or any Subsidiary which remains undischarged, or unstayed for a period of 60 days after the date on which the right to appeal has expired, provided the term 'final judgment' at such time as Toll's 101/2% Senior Subordinated Notes due 2002 (and any related guarantee) is no longer outstanding, shall not include a Non-Recourse Judgment (as hereinafter defined) unless the book value of all property (net of any previous write-downs or reserves in respect of such property) subject to the Non-Recourse Judgment exceeds the amount of such Non-Recourse Judgment by more than \$5,000,000; certain events of bankruptcy, insolvency or reorganization with respect to the Company or Toll; or the Guarantee ceasing (other than pursuant to its terms) to be in full force and effect. (Section 8.01)

'Non-Recourse Indebtedness' is defined in the Indenture as indebtedness or other obligations secured by a lien on property to the extent that the liability for such indebtedness or other obligations is limited to the security of the property without liability on the part of the Company or any Subsidiary (other than the Subsidiary which holds title to such property) for any deficiency.

'Non-Recourse Judgment' is defined in the Indenture as a judgment in respect of indebtedness or other obligations secured by a lien on property to the extent that the liability for (i) such indebtedness or other obligations and (ii) such judgment is limited to such property without liability on the part of the Company or any Subsidiary (other than the Subsidiary which holds title to such property) for any deficiency.

The Indenture provides that if a default on a Series of Debt Securities occurs and is continuing and is known to the Trustee for such Series, the Trustee will, within 90 days after the occurrence of such Default, mail to the Holders of Debt Securities issued thereunder notice of the Default (the term 'Default' to include the events specified above without grace or notice); provided that, except in the case of Default in the payment of principal of, or premium, if any, or interest on any of the Debt Securities, the Trustee shall be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interest of the Holders of such Debt Securities. (Section 9.05)

If an Event of Default with respect to Debt Securities of any Series at the time outstanding (other than an Event of Default resulting from certain events of bankruptcy, insolvency or reorganization with respect to the Company or Toll) occurs and is continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Debt Securities of that Series may by notice to Toll (the 'Acceleration Notice') declare the principal amount of accrued and unpaid interest on all the Debt Securities of that Series to be due and payable if, with respect to Debt Securities of such Series: (i) (a) no designated senior debt of the Company or Toll (referred to in the Indenture as 'Designated Senior Debt of the Guarantor' and 'Designated Senior Debt of the Company', respectively, as each such term is further defined in the applicable Authorizing Resolution and Prospectus Supplement) is outstanding or (b) if the Debt Securities of such Series are not subordinated to other indebtedness of Toll, immediately; or (ii) if Designated Senior Debt of the Company or Toll is outstanding and the Debt Securities of such Series are subordinated to other

indebtedness of Toll, upon the earlier of (A) ten days after such Acceleration Notice is received by Toll or (B) the acceleration of any Senior Indebtedness of the Guarantor or Toll. If an Event of Default resulting from certain events of bankruptcy, insolvency or reorganization with respect to the Company or Toll occurs with respect to a Series of Debt Securities, the unpaid principal amount of and accrued and unpaid interest on the Debt Securities of such Series shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of Debt Securities. At any time after a declaration of acceleration with respect to Debt Securities of any Series has been made, but before a judgment or

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decree based on acceleration has been obtained, the holders of a majority in aggregate principal amount of outstanding Debt Securities of that Series may rescind such acceleration, provided that, among other things, all Events of Default with respect to such Series, other than payment defaults caused by such acceleration, have been cured or waived as provided in the Indenture. (Section 8.02)

Defaults with respect to a Series of Debt Securities (except a default in payment of principal of, or premium, if any, or interest on the Debt Securities, as the case may be) may be waived on behalf of all holders by the holders of a majority in outstanding principal amount of the Debt Securities of that Series issued under the Indenture, upon the terms and subject to the conditions provided in the Indenture. (Section 8.04)

The Indenture includes a covenant that the Company will file annually with the Trustee a signed statement regarding compliance by the Company and Toll with the terms thereof and specifying any default of which the signers have knowledge. (Section 4.03)

#### ADDITIONAL PROVISIONS

The Indenture provides that, subject to the duty of the Trustee during default to act with the required standard of care, the Trustee will be under no obligation to perform any duty or to exercise any of its rights or powers under the Indenture, unless the Trustee shall have received indemnity satisfactory to it against any loss, liability or expense. (Section 9.01). Subject to such provisions for the indemnification of the Trustee and certain other conditions, the holders of a majority in aggregate principal amount of the outstanding Debt Securities of any Series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Debt Securities of that Series. (Section 8.05)

No holder of any Debt Security of any Series will have any right to pursue any remedy with respect to the Indenture or the Debt Securities of that Series, unless: (i) such holder shall have previously given to the Trustee written notice of a continuing Event of Default; (ii) the holders of not less than 25% in aggregate principal amount of the outstanding Debt Securities of such Series make a written request to the Trustee to pursue the remedy; (iii) such holders shall have offered the Trustee indemnity satisfactory to it against any loss, liability or expense; (iv) the Trustee shall have failed to comply with such holders' request within 60 days after receipt of such written request and offer of indemnity; and (v) the Trustee shall not have received from the holders of a majority in principal amount of the outstanding Debt Securities of that Series a direction inconsistent with such request. (Section 8.06) However, the holder of any Debt Security will have an absolute right to receive payment of the principal of and interest on such Debt Security on or after the respective due dates expressed in such Debt Security and to bring suit for the enforcement of any such payment. (Section 8.07).

#### MERGER OR CONSOLIDATION

Neither the Company nor Toll shall consolidate with or merge into, or transfer all or substantially all of its assets to, any other Person unless (i) such other Person is a corporation organized and existing under the laws of the United States or a state thereof or the District of Columbia and expressly assumes by supplemental indenture all the obligations of the Company or Toll under the Indenture and either the Guarantee or the Debt Securities, as the case may be; (ii) immediately after giving effect to such transaction no Default or Event of Default (as defined in the Indenture) shall have occurred and be continuing, and (iii) the Consolidated Net Worth of the surviving corporation is equal to or greater than the Consolidated Net Worth of the Company or Toll, as the case may be. Thereafter, all such obligations of a predecessor corporation shall terminate. (Section 5.01)

## MODIFICATION OF THE INDENTURE

The obligations of the Company and Toll and the rights of the holders of the Debt Securities may be modified under the Indenture with the consent of the holders of a majority in outstanding principal amount of any Series of Debt Securities affected by such modification; provided that no extension of

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the maturity of any Debt Securities, no reduction in the rate or extension of time of payment of interest thereon, no reduction of the principal amount thereof or premium thereon, no change in the redemption provisions, no change that adversely affects the right to convert or the conversion price for any Series of Debt Securities, no reduction of the percentage required for any such modification, no waiver of a default in the payment of the principal premium, if any, or interest on any Series of Debt Securities, no modification of the subordination or guarantee provisions in a manner adverse to holders of any Series of Debt Securities, no change in the medium of payment other than stated in the Debt Securities and no change in the provisions regarding amendments to the Indenture or waiver of Defaults or Events of Default will be effective against any holders of any Series of Debt Securities without such holder's consent. (Section 12.02)

## GOVERNING LAW

The Indenture, the Debt Securities and the Guarantee shall be governed by the laws of the State of New York. (Section 13.09)

## SATISFACTION AND DISCHARGE OF INDENTURE

Unless otherwise provided in the applicable Authorizing Resolution and Prospectus Supplement, the Indenture will be discharged upon payment of all the Series of Debt Securities issued thereunder or upon deposit with the Trustee, within one year of the date of maturity or redemption of all of the Series of Debt Securities issued thereunder, of funds sufficient for such payment or redemption.

## REPORTS TO HOLDERS OF DEBT SECURITIES

The Company and Toll will file with the Trustee copies of its annual reports and other information, documents and reports as filed with the Securities and Exchange Commission. So long as the Company's obligations to file such reports or information with the Commission are suspended or terminated, the Company will file with the Trustee audited annual financial statements prepared in accordance with generally accepted accounting principles and unaudited condensed quarterly financial statements. Such financial statements shall be accompanied by management's discussion and analysis of the results of operations and financial condition of the Company for the period reported upon in substantially the form required under the rules and regulations of the Commission currently in effect.

## DESCRIPTION OF CAPITAL STOCK

The Company's authorized capital stock consists of 40,000,000 shares of Common Stock, \$.01 par value per share, and 1,000,000 shares of Preferred Stock, \$.01 par value per share; however, subject to the limitations and procedures described below, the Company's shareholders have authorized increases up to 60,000,000 shares of Common Stock and 15,000,000 shares of Preferred Stock. In March 1993, to reduce applicable state taxes on authorized shares of capital stock, the Company's shareholders approved a series of amendments to the Company's Certificate of Incorporation pursuant to which: (i) the authorized Common Stock was reduced from 60,000,000 shares to 40,000,000 shares and the authorized Preferred Stock was reduced from 15,000,000 shares to 1,000,000 shares; and (ii) the authorized Common Stock and Preferred Stock could subsequently be increased in five intermediate steps, over a five year period ending March 11, 1998 up to the original levels, upon the filing of the appropriate amendments by the Company's Board of Directors. If all such amendments are filed before March 11, 1998, the Company's authorized Common Stock and Preferred Stock will be restored to 60,000,000 shares and 15,000,000 shares, respectively.

## COMMON STOCK

Subject to the rights and preferences of any holders of Preferred Stock (no shares of which currently are outstanding), the holders of the Company's Common Stock are entitled to one vote per share, to receive such dividends as legally

may be declared by the Board of Directors and to receive pro rata the net assets of the Company upon liquidation. There are no cumulative voting, preemptive,

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conversion or redemption rights applicable to the Common Stock. Persons casting a majority of the votes in the election of directors will be entitled to elect all of the directors.

The Common Stock is listed on the New York Stock Exchange and the Pacific Stock Exchange. The registrar and transfer agent for the Common Stock is Mellon Securities Trust Company.

#### PREFERRED STOCK

As of the date of the Prospectus there are no outstanding shares of Preferred Stock and there are no current plans to issue any such shares. The Preferred Stock may be issued by resolutions of the Company's Board of Directors from time to time without any action of the shareholders. Such resolutions may authorize issuances in one or more classes or series, and may fix and determine dividend and liquidation preferences, voting rights, conversion privileges, redemption terms, and other privileges and rights of the shareholders of each class or series so authorized. Such action could adversely affect the voting power of the holders of Common Stock. The Preferred Stock could have the effect of acting as an anti-takeover device to prevent a change in control of the Company.

#### CLASSIFIED BOARD OF DIRECTORS AND RESTRICTIONS ON REMOVAL

Under the Company's Certificate of Incorporation, as amended, the Company's Board of Directors is divided into three classes of directors serving staggered terms of three years each. Each class is to be as nearly equal in number as possible, with one class being elected each year. The Certificate of Incorporation also provides that directors may be removed from office only for cause and only with the affirmative vote of 66 2/3% of the voting power of the voting stock; that any vacancy on the Board of Directors or any newly created directorship shall be filled by the remaining Directors then in office, though less than a quorum; that advance notice of shareholder nominations for the elections of Directors shall be given in the manner provided by the By-Laws of the Company. The required 66 2/3% shareholder vote necessary to alter, amend or repeal these provisions of the Certificate of Incorporation, the related amendments to the By-Laws and all other provisions of the By-Laws, or to adopt any provisions relating to the classification of the Board of Directors and the other matters described above may make it more difficult to change the composition of the Company's Board of Directors and may discourage or make difficult any attempt by a person or group to obtain control of the Company.

#### PLAN OF DISTRIBUTION

The Company may sell the Common Shares and Preferred Shares offered hereby: (i) directly to purchasers; (ii) through agents; (iii) through underwriters; (iv) through dealers; or (v) through a combination of any such methods of sale. Toll may sell the Debt Securities, together with Guarantees issued by the Company, being offered hereby: (i) directly to purchasers; (ii) through agents; (iii) through underwriters; (iv) through dealers; or (v) through a combination of any such methods of sale.

The distribution of Securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

Each Prospectus Supplement will set forth the terms of the offering of the particular issuance of Securities to which such Prospectus Supplement relates, including (i) the name or names of any underwriters or agents with whom the Company or Toll has entered into arrangements with respect to the sale of such Securities, (ii) the initial public offering or purchase price of such Securities, (iii) any underwriting discounts, commissions and other items constituting underwriters' compensation from the Company or Toll and any other discounts, concessions or commissions allowed or reallocated or paid by any underwriters to other dealers, (iv) any commissions paid to any agents, (v) the net proceeds to the Company or Toll, and (vi) the securities exchanges, if any, on which such Securities will be listed.

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In connection with the sale of Securities, underwriters or agents may receive compensation from the Company or Toll or from purchasers of Securities for whom they may act as agents in the form of discounts, concessions or commissions. Underwriters may sell Securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents. Underwriters, dealers and agents that participate in the distribution of Securities may be deemed to be underwriters, and any discounts or commissions received by them from the Company or Toll and any profit on the resale of Securities by them may be deemed to be underwriting discounts and commissions under the Securities Act. Any such underwriter or agent will be identified, and any such compensation received from the Company or Toll will be described, in the applicable Prospectus Supplement.

Under agreements which may be entered into by the Company or Toll, underwriters and agents who participate in the distribution of Securities may be entitled to indemnification by the Company or Toll against certain liabilities, including liabilities under the Securities Act.

If so indicated in the applicable Prospectus Supplement, the Company will authorize underwriters or other persons acting as the Company's agents to solicit offers by certain institutions to purchase Securities from the Company or Toll pursuant to contracts providing for payment and delivery on a future date. Institutions with which such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases such institutions must be approved by the Company. The obligations of any purchaser under any such contract will be subject to the condition that the purchase of the offered Securities shall not at the time of delivery be prohibited under the laws of the jurisdiction to which such purchaser is subject. The underwriters and such other agents will not have any responsibility in respect of the validity or performance of such contracts.

The Company and, as applicable, Toll may grant underwriters who participate in the distribution of Securities an option to purchase additional Securities to cover over-allotments, if any.

The place and date of delivery for the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement.

Unless otherwise indicated in the applicable Prospectus Supplement, the Securities in respect of which this Prospectus is being delivered (other than Common Shares) will be a new issue of securities, will not have an established trading market when issued and will not be listed on any securities exchange. Any underwriters or agents to or through whom such Securities are sold by the Company or Toll for public offering and sale may make a market in such Securities, but such underwriters or agents will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the trading market for any such Securities.

#### LEGAL MATTERS

Certain legal matters relating to the validity of the Securities will be passed upon by Wolf, Block, Schorr and Solis-Cohen, Philadelphia, Pennsylvania. Certain legal matters with respect to the Securities offered hereby will be passed upon for the underwriters, if any, by Cahill Gordon & Reindel (a partnership including a professional corporation), New York, New York.

#### EXPERTS

The consolidated financial statements and schedules of the Company included in the Company's Annual Report (Form 10-K) for the year ended October 31, 1993, have been audited by Ernst & Young, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements and schedules are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

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[ PHOTOGRAPH ]

NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER, THE COMPANY OR THE UNDERWRITERS. THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY IN ANY JURISDICTION IN WHICH OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS NOR ANY SALE MADE HEREUNDER AND THEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER OR THE COMPANY SINCE THE DATE HEREOF.

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\$50,000,000

TOLL CORP.

% CONVERTIBLE  
 SENIOR SUBORDINATED  
 NOTES DUE 2004

GUARANTEED ON A SENIOR SUBORDINATED BASIS BY  
 TOLL BROTHERS, INC.

[TOLL BROTHERS LOGO]

SALOMON BROTHERS INC

DILLON, READ & CO. INC.

KIDDER, PEABODY & CO.  
 INCORPORATED

PROSPECTUS SUPPLEMENT

APPENDIX FOR GRAPHIC AND IMAGE MATERIAL

Pursuant to Rule 304 of Regulation S-T, the following table presents fair and accurate narrative descriptions of graphic and image material omitted from this EDGAR Submission File due to ASCII-incompatibility and cross-references this material to the location of each occurrence in the text.

DESCRIPTION OF OMITTED GRAPHIC OR IMAGE -----	LOCATION OF GRAPHIC OR IMAGE IN TEXT -----
A picture of one of Toll Brothers' model homes in one of its residential communities .....	Inside front cover of the Prospecuts Supplement
A map indicating the locations of the residential communities currently under development by Toll Brothers and the locations of Toll Brothers' proposed residential communities. The states shown are California, Connecticut, Delaware, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, and Virginia as well as Washington, D.C. ....	Page S-10 of the Prospecuts Supplement
A picture of one of Toll Brothers' model homes in one of its residential communities.....	Inside back cover of the Prospecuts Supplement