Najarian Associates, L.P.

Civil, Hydraulic, Environmental Engineers, Planners & Surveyors

February 26, 1992
Revised: March 5, 1992

Mr. Conrad Gack, President
K. Hovnanian Companies of North Jersey, Inc.
10 Highway 35
Red Bank, New Jersey 07701

Re: Proposal: Development Plans for 11.1 Ac±, 260 ± Multi-Family Project in Newark, New Jersey, bounded by West Market Street, Warren Street, Norfolk Street and Wickliffe Street

Dear Mr. Gack:

We are pleased to submit the following outline for civil engineering, surveying, and environmental services proposed to be performed in connection with the referenced project. The cost estimates provided below are generated based on our conception of the work necessary to complete the design aspects of this project.

1. **Title and Topographic Survey Check** $15,000.00

Preparation of a plan to a reasonable scale illustrating outbound property lines and physical monumentation control. This plan will be based on a title report, adjoining deeds and support documentation supplied by your office.

Preparation of a plan to a reasonable scale illustrating one (1') foot contour intervals. This plan will be compiled using ground methods after demolition is completed. Also including obtaining cross sections of adjoining roadways at 50 foot intervals. Elevation will be used on N.G.V. datum.

ORIGINAL

Engineering Agreement

Engineering Contract

strial Way West, Eatontown, New Jersey 07724
389-0220 • Facsimile No. (908) 389-8546

2. **Utility As-Built** $7,000.00

Existing sanitary sewer, storm sewer and water valves will be As-Built for location and elevation and gas and electric for location upon completion of applicable utility company, field locations and markings.

3. **Site Plan (Conceptual)** $55,000.00

To include survey and engineering plans, profiles, cross-sections and details as required by the City of Newark. These plans will show grading, utilities (proposed and existing), storm drainage, soil erosion measures, on site roadway profiles, earthwork calculations and bond estimates.

4. **Site Plan (Final)** $10,000.00

Revision of completed site plan to meet requirements of final submission of the City of Newark.

5. **Essex County Soil Erosion and Sediment Control Submission** $1,000.00

6. **Sanitary Sewer Extension Application - CP-1** $2,000.00

Application to the City of Newark and New Jersey Department of Environmental Protection and Energy (NJDEPE).

7. **Offsite Utility Coordination** $7,500.00

Coordination of offsite water, storm drainage and sanitary sewer for service of the site.

Also to include notification of applicable utility companies and request for services for electric, gas, telephone and cable television services.

8. **Street Vacation Documents** $1,500.00

Preparation of necessary vacation plans for existing or paper streets within the site.

9. **Meeting Attendance ($500 per Meeting)** $4,000.00

It is contemplated that a total of eight (8) meetings will be held with the applicable agencies of the City of Newark. Any extra meetings will be billed at the above rate as an extra cost item.

TOTAL ESTIMATED COSTS $103,000.00

We propose to perform the work as outlined on our normal "time charge" basis for the total sum of **One Hundred Three Thousand Dollars ($103,000.00)**, except for extra work as required.

The anticipated ancillary activities associated with this project that may be conducted by Najarian Associates, L.P. are listed below. At this time the scope of these items has not been determined and we are not able to present a definitive cost estimate. We will follow up with cost estimates after the necessary meetings with those agencies which have jurisdiction.

10. **Phase I Environmental Audit**

To include inspection of property and check of records of EPA, NJDEPE and land use records from the City of Newark and Essex County.

11. **NJDEPE - U.S.T. Permit**

Preparation of application to NJDEPE for underground storage tank removal permit.

It is our understanding that, (1) we will be provided with the Current Title Report before we begin work on the project and that, (2) we will be provided with the following items prior to submission of the project, (3) a separate contract for landscape architectural services will be entered upon by client.

1. Architectural plans, elevations, sections and floor plans.

2. An approved conceptual plan which is dimensionally accurate.

3. Any support data, narratives, fiscal projections and construction scheduling and phasing required by the City of Newark.

4. A complete soils report for existing site material and potential fill sources.

Our "time charge" method of billing is based on the enclosed Employee Billing Rates, which rates are subject to adjustment as of April 1, 1993, and annually adjustable thereafter on this same date. Computer time at $45.00 per hour, car mileage at $.28 per mile, out-of-pocket expenses, and printing at retail costs, will be billed as additional direct cost items. Fees associated with various permits and applications are to be paid directly by the developer.

The cost breakdown for the various work items is approximate and is provided to indicate the magnitude of the various phases, but the total fee for all services included in this proposal will not exceed the guaranteed maximum costs specified above. The fees are for services rendered from the initial stages of an approved project concept plan up to the time of submission of the required plans to the local agencies for a determination of completeness for purposes of these applications. They do not include costs for expert testimony, participation in hearings or meetings beyond those presented in this proposal, negotiations with various utility authorities, or requests by reviewing agencies for changes due to engineering opinions.

We anticipate the initial work schedule for this project to be six (6) weeks and would like to set a schedule of services after you have reviewed and approved this proposal. As you are well aware, a firm commitment for final approval of the project and a firm time commitment for any approvals for the project are not possible, as they are dependent upon many factors beyond our control.

Any required changes or increase in the scope of the project which are not included in our estimated fee will be considered "extra work". All "extra work" will be billed according to our "time charge" method of billing as previously defined in this proposal.

Our billing policy is to present costs for services rendered on a bi-weekly basis. Such bills are due and payable within 30 days of the date of issuance. Interest at 1.5 percent per month will be added to all invoices that remain overdue beyond the 30-day grace period.

This agreement may be assigned by K. Hovnanian Companies of NJ, Inc. or any company related thereto upon written notice to Najarian Associates, L.P. and upon Najarian Associates, L.P.'s approval of same, which approval shall not be unreasonably withheld. All efforts, designs, and documents generated by Najarian Associates, L.P. shall be the sole property of K. Hovnanian Companies of NJ, Inc. and Najarian Associates, L.P.

We look forward to working with you on this project. We are confident that we will be able to provide the best engineering services to expeditiously obtain all the necessary approvals for the project. Our past performance is a testimony of our capabilities.

If this proposal is satisfactory to you, please sign and date both the original and the enclosed copy. Return the copy to us. This will constitute approval of the proposed work. Should you have any questions, please call.

Very truly yours,
NAJARIAN ASSOCIATES, L.P.

John S. Hunt, P.E., P.P.
Vice President

JSH/plo
Enclosures
cc: Mr. John Ewing
Tavit O. Najarian, Sc.D.
Mr. Albert R. Brown, Jr.

Agreed to:

By: Conrad E. Gack

Date: 3/5/92