AUTHORIZATION FOR PROFESSIONAL SERVICES

I accept the J M Sorge, Inc. (JMS) proposal of August 5, 1992, for K. HOVNANIAN COMPANY OF NORTH JERSEY, INC. (Client), and agree to the terms and conditions provided in the JMS Schedule of Fees, attached. JMS is authorized to proceed with the project as of the authorization date indicated, with a maximum authorized billing amount of $72,000. JMS will not exceed the amount authorized without prior approval.

JMS does not assume control of or responsibility for reporting to any Federal, State or local public agencies any discharges or contamination at the site as required by law, or that may present a potential danger to public health, safety or the environment. Client agrees to notify the appropriate Federal, State or local public agencies as required by law, or otherwise to disclose, in a timely manner, any information that may be necessary to prevent any danger to health, safety or the environment.

The Client agrees to indemnify JMS against any cost or liability which results or arises from damage or destruction of any subsurface utilities, piping systems, or other structures located on the Client's site or facility; which may occur during any subsurface investigation, cleanup conducted or related work conducted by JMS, unless the Client has previously notified JMS of the location of said utilities, piping systems or other structures.

JMS provides comprehensive General Liability Insurance coverage and Workmen's Compensation Insurance for JMS employees as required by New Jersey regulations.

The Client agrees to limit JMS' liability to the Client and to all other parties, due to JMS professional negligent acts, errors or omissions, such that the total aggregate liability of JMS to all parties shall not exceed JMS fee on this project.

Signed: **K. HOVNANIAN COMPANY OF NORTH JERSEY, INC.**

By: Conrad E. Gack

Title: President

Authorization Date: 8/14/92

KHOV005462