

EXHIBIT I

The Gallery, et al. v. K. Hovnanian, et al.

BHA # 19-7096

Subcontractor Allocation Summary

This document is provided for mediation purposes only and is protected under Arizona Rules of Evidence (Title 12)

Subcontractor	Trade	Alloc %	Alloc Amount
Liberty Constructors, LLC	Concrete - Foundations / Flatwork	4%	\$ 138,083
RenCo, LLC	Deck Coating Installer	2%	\$ 68,208
LeBlanc Building Co., Inc.	Framing	11%	\$ 354,321
Sargon Masonry Construction, LLC	Masonry Veneer	0.06%	\$ 1,847
Sargon Masonry Construction, LLC	Metal Stairs	0.02%	\$ 791
RenCo, LLC	Roofing	9%	\$ 310,126
Desert Vista, Inc.	Stucco	73%	\$ 2,392,931
R/S Service & Supply, Inc.	Wrought Iron / Structural Steel	0.13%	\$ 4,263
	Drywall	0.04%	\$ 1,218
	Trim Carpentry	0.06%	\$ 1,892
	Fireplace Installer	0.26%	\$ 8,626
Project Total		100%	\$ 3,282,306

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Information based on Preliminary Estimate of Costs by Nautilus dated 7/23/2021 (revised 11/08/21)

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Ref	Defect Description	Trades	Plaintiff Total Cost
I. STRUCTURAL			
1.0	Compliance with Geotechnical Report		
1	The original geotechnical report presents recommendations for over excavation, soil stabilization, and drainage on the site. Review the original geotechnical report for applicable design and construction recommendations for informational purposes.		
2.0	Lateral Force Resisting System (LFRS)		
2.0A	Non-Compliant LFRS	Framing - 90%; Concrete Foundations - 10% (installed hold downs)	\$ 200,000.00
Subtotal			\$ 200,000.00
II. CIVIL			
1.0	Grading and Drainage		
1.0A	Drainage Bounded by Concrete Flatwork	Concrete Flatwork - 100%	\$ 25,532.88
1.0B	Non-Compliant Management of Concentrated Flows	Concrete Flatwork; Grading; Landscaping	Included in Civil 1.0A
2.0	Concrete Flatwork		
2.0A	Non-Compliant Cross-Slope of Sidewalks	Concrete Flatwork - 100%	\$ 32,703.46
2.0B	Non-Compliant Longitudinal Slope of Sidewalks	Concrete Flatwork; Grading	Included in Civil 2.0A
2.0C	Non-Compliant Landings	Concrete Flatwork	Included in Civil 2.0A
Subtotal			\$ 58,236.34
III. BUILDING ENVELOPE			
1.0	Facade (Exterior Cladding and Sealants) Type 1 - Stucco		
1.0A	Missing Weep Mechanism in Stucco	Stucco - 100%	\$ 33,862.76
1.0B	Non-Compliant WRB for Stucco System	Stucco - 100%	\$ 1,276,075.15
1.0C	Non-Compliant EPS Foam Board for Stucco System	Stucco	Included in Building Envelope 1.0B
1.0D	Non-Compliant Slope of Horizontal Stucco Surfaces	Stucco - 30%; Framing - 70%	\$ 26,200.00
1.0E	Deficient Self-Adhered Membrane under Horizontal Stucco System	Stucco	Included in Building Envelope 1.0B
1.0F	Missing Control/Movement Joints	Stucco	Refer to Repair Section C.1.b of engineer's report.
2.0	Moisture-Management System (Barriers, Flashings, Drainage, Etc.)		
2.0A	Missing Sheet Metal Flashing at Window Head	Stucco - 100% (per contract - install flashing at windows)	\$ 19,732.57
2.0B	Non-Compliant Flashing to Stucco Interface	Deck Coating - 85%; Stucco - 10%; Framing - 5% (from allegation 4.0A); Wrought Iron - 5% (guardrail lags not sealed)	\$ 48,307.74
2.0C	Non-Compliant Isolation Joints at Dissimilar Materials	Stucco - 90%; Masonry Vaneer - 7%; CMU Masonry - 3% (entry stairs)	\$ 14,946.68
3.0	Roofing System Type 1 - Spray Polyurethane Foam (SPF)		
3.0A	Non-Compliant Slope to Roof Drains	Roofing - 100%	\$ 168,616.70

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4.0	Elevated Decks, Balconies, or Walkways		
4.0A	Non-Compliant Slope of Deck	Framing	Included in Building Envelope 2.0B
Subtotal			\$ 1,587,741.60
IV. MISCELLANEOUS			
1.0	Pool Cabana		
1.0A	Ceiling Damage	Roofing - 80%; Drywall - 20%	\$ 3,450.29
	Fire Feature	Fireplace Installer- 100%	\$ 4,887.19
2.0	Roof Deck Penthouse Door		
2.0A	Interior Door Trim Damage	Interior Trim - 100%	\$ 590.00
3.0	Interior Repairs - Resultant Damage		
	Drywall and interior trim damage	Roofing - 90%; Drywall - 10%	\$ 4,820.00
Subtotal			\$ 13,747.48
Construction Subtotal			\$ 1,859,725.42
(percentages in this category are cumulative)			
	Contingency - 10%	Allocated to all trades	\$ 185,972.54
	General Conditions - 12.5%	Allocated to all trades	\$ 255,712.25
	Contractor's Fee - 17.5%	Allocated to all trades	\$ 402,746.79
	GL Insurance - 2%	Allocated to all trades	\$ 54,083.14
Subtotal			\$ 898,514.71
Construction Total			\$ 2,758,240.13
	Professional Fees - 12%	Allocated to all trades	\$ 330,988.82
	Estimated Market Escalation (2-Year) - 7%	Allocated to all trades	\$ 193,076.81
Subtotal			\$ 524,065.63
Grand Total			\$ 3,282,305.76