EXHIBIT- I

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CUSTOM BUILDERS

MATERIAL AND CONSTRUCTION

ACKNOWLEDGMENTS

We've built our reputation on delivering beautiful homes that meet our clients' quality expectations. Meeting that standard starts with a shared understanding of the natural characteristics and imperfections inherent in the materials used to build your home, along with the construction expectations that come with building new. Not every item below will apply to your home, but it's important that you review and acknowledge the ones that do.

BRICK

Brick is made of natural materials and thus varies in color and texture. To help minimize these variations, all the brick ordered for your home will be from the same production run. Brick can also discolor due to the outdoor elements. Rain run-off, weathering, bleaching and efflorescence are all uncontrollable causes that can discolor brick. Efflorescence is a common occurrence identified by the formation of salts on the surface that occur due to the passage of moisture through the brick wall. Owner can clean the area as the phenomenon occurs with a diluted solution of 8 parts water and 1-part muriatic acid.

MORTAR

The mortar on your home may have slight color variations depending on water content, sand color and drying conditions at the time it is applied. The same type of mortar will be used throughout the project, and all sand will be supplied by the same quarry to help minimize the color variation. However, drying conditions are controlled by Mother Nature and thus color variations are to be expected**.** Color variations are also a result of the way the mortar is finished, be it struck or brushed. To choose the color of the mortar it is important that the same finish that is desired on your home is used in the color sample.

CAULKING

It is normal for exterior and interior caulking to shrink somewhat in the months after installation. Builder will provide a one-time maintenance of any failed caulking during the first year after closing. Maintenance thereafter is the Owner's responsibility.

CEDAR SIDING/TRIM

If your home has cedar siding or trim, you can expect minor shrinkage cracks due to the nature of the material. Builder shall repair or replace wood, as Builder deems necessary, where such shrinkage or cracking exceeds building standards within the first year following the closing. Any areas that must be repaired will be matched as closely as

possible. Builder is not responsible for slight color, texture and grain variations of the repaired areas, but will attempt to match the affected areas as closely as possible. Caulking should be checked at least twice a year. It is the responsibility of the Owner to annually check the exterior siding and re-caulk where and when needed. In situations where wood trim adjoins stucco, the timely restaining of all wood trim boards adjacent to stucco surfaces shall be the Owner's responsibility.

CONCRETE, MASONRY AND MORTAR

Builder has taken various measures to aid in preventing cracking, pitting, scaling and/or spalling of concrete surfaces which applies to driveways, walks, steps, garage floors, patios, porches and masonry fill. This includes the application of a sealer to all exterior concrete. However, due to the inherent nature of the product and factors such as weather and use of chemicals, Builder cannot warrant concrete or masonry surfaces. Hairline cracks may develop due to shrinkage, expansion or contraction and are considered normal. Concrete will crack--we guarantee it. It is strongly suggested that within a year after initial application by the builder, or per manufacturers recommendations, that the Owner seals all concrete surfaces to minimize these potential problems. Further maintenance information is provided in your BIA Homeowner's Manual.

COLOR VARIATIONS

Owner herein acknowledges that color and shade variations may occur in materials including but not limited to carpet, tile, marble, granite, paint, stain, siding, roofing materials and all wood products, including cabinetry, flooring, doors and trim, concrete and masonry products.

CONDENSATION

Because today's homes are built tighter, insulated better and have improved insulated doors and windows that virtually eliminate drafts, it is not uncommon for condensation to occur in a home. Condensation occurs wherever warm, moist air meets colder surfaces such as windows, basement walls or exposed pipes. Additionally, the amount of moisture that is present in a home is significantly affected by the Owner through such activities as the duration and temperature of showers, the amounts of steam and heat generated by cooking, the use of their clothes dryer and by a HVAC humidifier. Builder assumes no responsibility for condensation or for any damage it may cause.

DRYWALL

Drywall sheets are joined together at seams and corners with drywall tape and joint compound. The nail holes are covered with joint compound. This system does not result in a completely uniform surface such as is achieved by plaster. Therefore, variations in the final painted surface are expected where the seams, corners and nails are covered by joint compound. Please refer to page 13 of your Homeowner's Manual for further clarification.

Furthermore, satin and semi-gloss paint finishes will magnify any drywall imperfections and therefore is not recommended. In addition, any light reflecting at a "flat" angle to the walls or ceiling will create shadow lines at seams and nails. Drywall will also develop nail pops or settlement cracks which are a normal part of the drying out process of the home. Builder will correct these blemishes on a one-time basis and suggests that this be done at the one-year warranty period, after the home has completed a full weathering cycle. Builder will repaint the repaired area but will not be able to guarantee a perfect color and sheen match.

FLOOR COVERINGS

Floor coverings are not warranted for damage caused by normal use or by Owner's neglect. Wood, tile and carpet surfaces require general cleaning maintenance. Floor casters or felt protection pads are recommended to prevent scratching or chipping of wood or tile. Spills and stains should be cleaned immediately from carpets, wood or tile to prevent discoloration. It should be noted that carpet tends to loosen in damp weather and stretch tight in dryer weather.

FLOOR SQUEAKS

After extensive research and writing on the subject, technical experts have concluded that much has been tried but that little can be done about floor squeaks. Generally, floor squeaks may appear and disappear over time with changes in the weather and other phenomenon. However, we do take several precautionary steps during construction in order to help reduce the occurrence of floor squeaks.

GLASS

Broken, chipped or scratched glass or mirrors that are not noted by Owner at the final inspection will become the responsibility of Owner.

GRADE & DRAINAGE

Any alterations to grading or drainage systems due to the installation of landscaping, patios, service walks or pools by the Owner, which exceeds the dampproofing or waterproofing height of the foundation, eliminates the positive drainage grade away from the foundation, or obstructs the drainage system are not warranted by Builder, nor any problems that may result therefrom.

Builder will not be responsible for drainage and grading within any areas left "natural" or undisturbed on the property. Builder will also not be responsible for "making a lot drain properly" due to drainage issues created or overlooked by the developer, by the Owner's landscaper or by actions taken by adjacent property owners or their contractors that adversely affect drainage on Owners' property.

ICE BUILD-UP & DAMS

Ice dams on the roof are considered a natural phenomenon and caused by freezing and thaw cycles in the winter. Erratic weather conditions can cause the build-up of ice, snow and water which back up under the shingles and may cause leaks. Owner is responsible for removing ice and snow build-up from the lower portions of the roof to prevent such leaks. Builder will not be responsible for damage created by ice build up.

MAILBOX

In communities where Builder is required to provide a mailbox pursuant to the community's requirement, Builder does not warrant such mailbox against splitting, warping, chipping, or leaning. Owner accepts responsibility to paint, stain, or seal the post and mailbox shortly after installation and to maintain such applications as needed to protect the post and mailbox from weathering.

STUCCO

Stucco is made of natural material and is subject to variation in texture, finish and color due to variations in water content, sand color and drying conditions. The stucco color is achieved by mixing color powders in varying batches of sand, mortar and water. Each batch will vary slightly in color. The textured finish will also vary due to varying conditions and to the craftsman's application technique. Stucco is a masonry product, and all masonry products will develop hairline cracks especially at corners of windows and doors. The finish edge where the stucco meets the windows, doors and exterior trim details will be rough and irregular due to the termination of a textured finish against a smooth edge. When stucco is first applied, the color pigments immediately bleach out resulting in a significantly lighter color than your selection. It may take approximately four weeks before the chosen color comes through. Stucco continues to cure for the next several months. If you select a home with a stucco exterior, there is a possibility of slight color variations from Builder's samples. Builder shall not be responsible for refinishing stucco because of color variations between samples and variations in the stucco color on the home. Owner understands that the use of sprinklers or other watering devices that may spray water on the stucco can result in discoloration of the stucco. "Extractive bleeding" is a stain or run on the stucco in areas where the wood trim meets the stucco. The complete prevention of "extractive bleeding" is not possible, although Builder has taken suggested steps to minimize "extractive bleeding."

PAINT (INTERIORS)

Painted vs. Stained Woodwork: Should the Owner select to have any part of the interior woodwork painted instead of stained, the Owner acknowledges and understands that there are certain inherent conditions concerning this finish that cannot be controlled by Builder. Unlike stained woodwork, paint does not penetrate wood in the same manner as stains. Painted woodwork requires a certain degree of maintenance, particularly in the first year of occupancy. This maintenance will entail the repair of cracking joints where two pieces of wood are fastened together. In the first year, your home will settle and framing lumber and interior trim will "dry out" often resulting in joint separations and cracks in the finish. With stained woodwork the same phenomena occurs but the cracking is not typically noticeable, however with painted woodwork, it is quite visible.

The degree of cracking and chipping varies from house to house, but it is certainly a common and expected occurrence in new homes. Neither the Builder nor the painter can anticipate the degree of cracking, nor can they control it. As a result, we cannot factor in the cost for this maintenance and touch up work. Therefore, if painted woodwork is selected, the Owner agrees to assume the cost of this maintenance after they move into the home. Builder will be pleased to have his painter provide these services on an hourly basis if needed.

Wall Paint Sheens: Should the Owner request a higher sheen on the wall paint other than the Builder's standard "Flat" finish, the Owner acknowledges and understands that the "touch up" capabilities during the construction process and in the future are adversely affected and that minor drywall flaws will be accentuated. Walls with a sheen finish such as eggshell, satin, semi-gloss, and gloss reflect more light and when a "touch up" is made to an area, the reflection will typically highlight a halo around the touched-up area. The affected area can be quite noticeable at certain angles and in certain light conditions. In new construction, it is very important to have good touch up capabilities in the paint. By the time the Owner is ready to move in, most walls need some degree of touch up. This is a normal process and is due to drywall repairs or bumps and bruises caused by the other craftsmen.

In addition to the touch up challenges, it is often necessary to put an extra coat of primer on the wall to help produce a uniform sheen. Neither the Builder nor the Painter has control over the inherent problems with higher sheen paints such as those described above. Therefore, if a higher sheen paint is selected, the Owner acknowledges and accepts these drawbacks and agrees to assume any extra costs that may be incurred if the Owner wishes to have a complete wall repainted to hide a noticeable paint or drywall touch up. We feel that this is the most cost-effective approach for the Owner in lieu of being overcharged for touch up work that may not be needed.

It should be noted that even with "Flat" paint and more so with higher sheens, the "cut-ins" around doors and windows will be noticeable. The process of brushing next to the woodwork and then rolling over it with a roller to achieve the texture that is on the rest of the wall will result in more paint at these "cut-in" areas that will make them appear slightly different than the "field" of the wall.

Dark Wall Colors: Due to the high tint content of deep base wall paints, the coverage capabilities and the touch up and washability qualities can be poor in comparison to "off-whites" and pastel colors. Should a dark color be selected, the Owner recognizes and accepts the above-mentioned drawbacks and agrees to assume any extra costs that may be incurred if the Owner wishes to have the wall re-coated. Also, dark-colored walls will require additional coats of paint (often several more coats) to achieve a uniform look. Therefore, if a dark paint is selected, the owner understands that there will be an additional cost for the extra coats of paint.

STAINED WOOD

Wood is a natural material in which the beauty is a result of its color variations, grains and imperfections. All wood types and individual boards accept stain differently; therefore the Builder cannot control the finish result. Interior wood doors and moldings that are to be stained will show color variations. Three types of variations occur when staining wood.

1. **Species:** Usually there are different wood species used in a house. As there are no two people exactly alike, no natural products are exactly alike. The most common specie used in your home will most likely be poplar which is typically used for interior doors, casing, base, chair rail, stair treads and other common trim materials. In addition, beech, birch, maple and oak will often be used on a variety of millwork features including stair parts and built-ins. Specialty trim can also be made from oak, cherry, walnut and mahogany. The same stain will look different as it is applied to each type of wood.

2. **Coverage:** Stains are designed to be wiped off after allowing for a short setting time. If a darker color is desired a darker stain should be chosen rather than trying to apply a heavy coat of a lighter stain or by leaving it on longer before wiping it off. If a lighter stain is desired, a lighter stain should be selected rather than thinning the stain or wiping it off more aggressively.

3. **Grain:** Each individual piece of wood, even of the same species, "takes" stain differently depending on the grain. Flat grains absorb less stain and therefore appear lighter than end grains which absorb more stain. This is particularly noticeable in oak which has an open porous end grain. Oak wood floors even when stained, sealed and polyurethane finished may appear rough because the finishing materials are being absorbed into the end grain. Please note that paneled doors are comprised of a multitude of individual pieces of wood and therefore will not take the stain consistently across the door or from one door to another.

PAINT/STAIN (EXTERIORS)

Although high-quality exterior paints and stains will be used on your home, there will be some color variation due to graining and texture of the wood. Also, lighter colors will not cover as well as darker colors and it may be necessary to apply a second top coat. If a white or a light color stain or paint is selected, unless otherwise specified, the cost of the additional coat of stain, whether determined necessary prior to staining or after the application of the first coat, will be the responsibility of the Owner.

PLUMBING AND PIPES

Owner must take precautions to prevent pipes and hose bibbs from freezing during cold weather. Precautions you can take include removing outside hoses from hose bibbs and turning off the water system if the house is left for extended periods during cold weather. If during the warranty period, any materials, which are not related to construction materials must be removed from the plumbing in the home, Owner will be responsible for the service call.

SOD (When installed by Builder)

Although the sod when laid will be of good quality and be healthy, it will require immediate care and attention by the Owner to survive. Therefore, the Builder cannot warrant sod. To establish a firm new root system, everyday watering practices should be adhered to during the first week. The second and third week should be watered on an "every other day" schedule. Thereafter, Owner should water as needed. During hot weather conditions, additional watering may be required. Keep in mind that you cannot "drown" sod and too much water is better than the lack thereof. Once established, a program of fertilization will help keep your new lawn healthy and green. Please note that your newly sodded lawn will look like a patch work quilt of many colors and textures and depending upon the time of the year, may be brown and dry. After 4 to 6 weeks of growth, the sod will begin to level out and start to fill in most of the voids and gaps. Sod installed after September 15th may not see much growth or improvement until the following growing season.

SPRINKLER SYSTEM (When contracted by Owner)

Builder is not responsible for the following occurrences arising because of Owner installing a sprinkler system outside of the scope of Owner's Agreement with Builder nor will the Builder be responsible for its use thereof:

1) Discoloration of paint, stucco or other exterior materials hit by the water
2) Severance of underground conductor lines, wires, cable or telephone lines during installation
3) Basement moisture or leaks due to the irrigation system
4) Damage to shrubbery and/or trees due to excessive watering
5) Adjustments to sprinkler heads or control boxes due to normal settling of the yard

SPRINKLER SYSTEM (When contracted by Builder)

Irrigation systems are a great way to maintain a green and healthy yard. Typically, irrigation systems are designed for the primary purpose of lawn irrigation, planting bed irrigation or a combination of both. Regardless of the chosen system design, the Owner will take full responsibility for reviewing and approving the irrigation design with the Builder's contractor. The Owner also acknowledges, understands, and agrees to the following provisions:

1. Overspray cannot be kept from landing on driveways, service walks, sidewalks, patios, decks and the street.
2. The Owner will need to have the sprinkler heads adjusted from time to time as a normal course of maintenance. Typically, adjustments will need to be made during the spring startup due to the movement of the ground during the winter freeze. Also, adjustments may be needed due to the normal yard settling that occurs in the first 1-2 years of a new home.

3. After the initial start up and acceptance of the system, the cost of future adjustments, winterizations, startups and backflow certifications will be the responsibility of the Owner.
4. A failure in the irrigation system, whether covered under warranty or not, is not considered an “emergency situation” by the Builder or his contractor. Whether the system is not properly working, or not working at all, the Builder will not assume any responsibility for damaged sod, seed, grass or planting materials. Interim traditional watering methods will be the responsibility of the Owner until the system is repaired. Typically, repairs are scheduled and completed within 14 business days after proper notification of a problem.
5. During normal operation, it is common for a single “water hammer” noise to be heard within the home as each of the water zone valves open and close.
6. Owner understands that the effectiveness of the irrigation system may be affected as plant materials mature, and that it may be necessary to contract to have the system modified accordingly.