

LOMBARDO HOMES OF MICHIGAN LLC LIMITED WARRANTY



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1. NAME AND ADDRESS OF WARRANTOR

The person making this Limited Warranty is Lombardo Homes of Michigan LLC, a Michigan limited liability company, located at 13001 23 Mile Rd., Suite 200, Shelby Township, MI 48315 (hereinafter referred to as "Warrantor").

The name of the of the Warranty Servicing Agent is ProHome Michigan (hereafter referred to as "ProHome"), located at 30773 Milford Rd., Suite 351, New Hudson, MI 48165.

2. COVERAGE

Warrantor shall provide for a period of **one (1)** year (the "One Year Warranty" from the close of escrow [the "Coverage Start Date"]). The One Year Warranty will provide the coverage as outlined in the **ProHome** manual in effect at the time the contract for the home is entered into by the Homeowner and the Warrantor.

Warrantor shall provide an **extended warranty for a period of two (2) years from the Coverage Start date** (the "Two Year Warranty"), which will include repair/replacement of the sump pump if it fails to operate. Homeowner is responsible to maintain the sump pump.

Warrantor shall provide an **extended warranty for a period of five (5) years from the Coverage Start date** (the "Five Year Warranty"), which will include only the following:

STRUCTURAL CONCERN	REPAIRS COVERED
Pipe Leaks	Leaks in water, vent, drain, or waste line pipes
Sewers	Sewers, fixtures, and drains due to clogging that is caused by a construction defect
Water Mains, Well, and Septic	Problems caused by workmanship and materials per municipality requirements
Mechanical System	Any duct work that has become unattached
Refrigerant Lines	Leaking lines
Electrical System	Any wiring that does not meet approved municipality requirements in effect at the time of electrical permitting.
Window Leaks	Water leaking through and around a window as a result of improper installation

Note: The warrantor is not responsible for any item or deficiency that is not construction related, including any failure of any municipal system or other systems that the builder does not have control of.

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2. COVERAGE *(continued)*

Warrantor shall provide a structural warranty for a period of ten years from the Coverage Start Date (the “Ten Year Warranty”), which will include only the following:

STRUCTURAL CONCERN	TOLERANCE CRITERIA
Foundations	
Footings	Cracks exceeding 1/4” in width
Concrete walls	Cracks exceeding 1/4” in width
Steel beams	Deflection of 1/2” in 8’
Roof framing	
Ridge beam	Bow exceeding 1” in 8’
Rafters	Bow exceeding 1” in 8’
Trusses	Bow exceeding 1” in 8’
Structural columns	
Steel	Out of plumb 3/8” in 8’
Wood	Out of plumb 3/8” in 8’
Wall framing	
Bearing walls	Out of plumb vertically 3/4” in 32”
Floor systems	
Joists and trusses	Slope greater than 1/2” in 20’

Homeowner should refer to the ProHome manual for a list of non-warranted conditions and exclusions from the coverage provided under this Limited Warranty. Such conditions and exclusions apply to the One Year, Two Year, Five Year, and Ten Year Warranties described herein.

Under this Limited Warranty, the Warrantor is also not responsible for any defect which is not directly related to construction performed by the Warrantor and/or its approved contractor.

In addition, this Limited Warranty does not include coverage for: (i) occupancy damage; (ii) a claim that is covered by another insurance policy or warranty; or (iii) a defect or condition that is the result of conditions not controlled by the Warrantor, such as an Act of God, a natural disaster, elements or inclement or adverse weather including but not limited to flood, change in the water table, sinkhole, wind, storm, windstorm, hurricane, tornado, lightening, hail, earthquake or an occurrence resulting from earth shift such as a mudslide, fire or smoke, war, civil unrest, explosion, or the failure of any municipal system or other systems that are not controlled by the Warrantor.

3. LIMITED WARRANTY

THIS LIMITED WARRANTY IS LIMITED TO THAT COVERAGE WHICH IS DESCRIBED HEREIN OR IN THE **PROHOME** MANUAL. THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF HABITABILITY, MERCHANTABILITY, CONSTRUCTION, OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY DISCLAIMED, UNLESS SPECIFICALLY REQUIRED BY LAW OR PROVIDED DIRECTLY TO YOU BY THE MANUFACTURER. THIS LIMITED WARRANTY DOES NOT INCLUDE SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO COSTS RELATED TO INCONVENIENCE OR RELOCATION OR DAMAGE TO PERSONAL PROPERTY. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU.

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3. LIMITED WARRANTY *(continued)*

THIS LIMITED WARRANTY IS LIMITED TO THOSE DEFECTS WHICH ARE SUBMITTED TO THE WARRANTOR THROUGH THE CLAIMS PROCEDURE PROVIDED HEREIN. THIS LIMITED WARRANTY IS LIMITED TO THOSE DEFECTS WHICH THE WARRANTOR, AFTER INVESTIGATION BY WARRANTOR OR ITS AUTHORIZED AGENT, DETERMINES TO BE WITHIN THE SCOPE AND COVERAGE OF THIS LIMITED WARRANTY. WARRANTOR SHALL NOT ASSUME RESPONSIBILITY FOR ANY WRITTEN REQUEST OR TELEPHONE COMPLAINT RECEIVED AFTER THE EXPIRATION OF THE APPLICABLE LIMITED WARRANTY. THIS LIMITED WARRANTY PROVIDES THE HOMEOWNER WITH SPECIFIC LEGAL RIGHTS. HOMEOWNER MAY HAVE ADDITIONAL LEGAL RIGHTS WHICH WILL VARY FROM STATE TO STATE. HOMEOWNER MAY WISH TO CONSULT AN ATTORNEY WITH REGARD TO THESE ADDITIONAL LEGAL RIGHTS.

4. WARRANTY PERFORMANCE – CLAIMS PROCEDURE

During the One, Two, Five, and Ten Year Warranty, the Homeowner shall submit any claim for coverage under this Limited Warranty to ProHome for documentation and acknowledgment.

- Before submitting a claim, the Homeowner shall refer to the ProHome Manual and this Limited Warranty for a list of non-warranted conditions and exclusions from coverage.
- During the One Year Warranty, all claims shall be processed in accordance with the **ProHome** manual.
- During the Two Year Warranty, Five Year Warranty, and Ten Year Warranty, Homeowner shall submit all claims to **ProHome** and shall be given a Request for Service claim number for tracking purposes, which will trigger the assessment process described in this Limited Warranty.

Within 60 days of knowledge of the alleged defect covered by this Limited Warranty, Homeowner shall submit a clear and specific written claim to **ProHome** at the address shown in Paragraph 1 of this Limited Warranty. Homeowner's claim must be postmarked within the applicable Limited Warranty Period and provide the following information:

- (a) Homeowner's Name, Community, Lot Number, Mailing Address, and Phone Number;
- (b) Warrantor's Name;
- (c) Coverage Start Date; and
- (d) Specific nature of the alleged defect.

Please note the following:

- (a) Homeowner must provide access and other necessary assistance to the Warrantor in order to perform the inspection and subsequent repairs or replacements.
- (b) Homeowner must sign a written acknowledgment that the alleged defect upon which the claim was based was remedied by the Warrantor through repair or replacement or that the alleged defect was not covered by this Limited Warranty.
- (c) The Warrantor shall not perform warranty work of any kind until the Homeowner's complaint has been received in writing and an inspection of the alleged defect has been performed by the Warrantor or its authorized agent.
- (d) Except as described in this section, the Warrantor shall not reimburse Homeowner for work performed by any person other than Warrantor or its approved contractor. In the case of an emergency, which is defined as a defect that if not immediately repaired or replaced may result in personal injury or property damage, Homeowner may perform any work and/or expend such sums as is necessary to avoid such injury or damage. In the case of an emergency, the

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4. WARRANTY PERFORMANCE – CLAIMS PROCEDURE *(continued)*

Homeowner must as soon as reasonably possible notify **ProHome or another designated agent of the Warrantor** by calling the 24/7 emergency telephone number provided by Warrantor, and is still required to submit a formal written request to qualify for coverage under this Limited Warranty.

Homeowner's failure to comply with these Claims Procedures shall waive its right to repairs or replacements under this Limited Warranty and shall void any Warrantor reimbursement.

5. REPAIRS

Upon receipt of Homeowner's claim, or telephone notification if so permitted hereunder, within the applicable Warranty Period, Warrantor or (if requested by Warrantor) its authorized agent will inspect the residence for the alleged defect. If, upon inspection, the Warrantor determines that a defect covered by this Limited Warranty does exist, then Warrantor will replace or repair, at no cost to the Homeowner, both (1) the defect and (2) any surfaces, finishes, or coverings damaged by the defect or by the Warrantor's repair that were part of the residence on the Coverage Start Date. Warrantor shall have sole discretion over whether a repair or replacement is needed. Warrantor shall repair or replace the residence to as close as possible to the condition it was in at the time of the defect. Warrantor cannot guarantee an exact match to the surrounding area due to factors such as sun damage, age, availability of materials, and condition of the surrounding area. Such repair or replacement shall take place within 90 days of the Warrantor's inspection unless more than 90 days are required due to factors outside the control of the Warrantor such as weather conditions, labor conditions, or material shortages.

6. TRANSFERABILITY

Homeowner may transfer this Limited Warranty to a subsequent buyer of the residence but must notify the Warrantor in writing that the transfer is to occur and must provide the following information: (a) the name of the new owner, (b) the date of transfer, and (c) the Coverage Start Date. In addition, the Homeowner must submit to Warrantor and ProHome the Warranty Transfer Acknowledgment attached hereto. The Warrantor's acknowledgment of the transfer must be received by the Homeowner before any transfer of warranty shall take place.

7. REMEDIES

Any claim which arises out of or relates to this Limited Warranty shall be settled by binding arbitration conducted by the American Arbitration Association. Such arbitration shall be requested via the attached "Arbitration Initiation Request." Any arbitration shall be conducted in accordance with the rules and procedures applicable to the American Arbitration Association. Any award entered in the arbitration shall be duly binding on the parties, and that award may be entered in a court of competent jurisdiction in Michigan and shall be enforceable as a judgment of the court. The attached "Arbitration Initiation Request" must be submitted as required on the attached form. An acknowledgment will be sent back to the requesting parties.

Homeowner: _____ Date: _____

Residence Address: _____

Coverage Start Date/Close of Escrow: _____

8/1/23

ARBITRATION INITIATION REQUEST

Dear ProHome Michigan,

Pursuant to my Lombardo Homes of Michigan LLC Limited Warranty, I submit to you this request to initiate arbitration. Included herein are the details relevant to my claim, including the property information, the history of my request to repair or remedy the warrantable defect, and a description of the basis for the arbitration.

Attached hereto is the written notification submitted to ProHome Michigan which describes the warrantable defect covered by the Limited Warranty and requests that such defect be corrected. It has been more than twenty (20) days since such request was submitted to ProHome Michigan and the defect described therein has not been resolved.

Homeowner Name: _____

Residence Address: _____

Email: _____

Claimed Warranty Coverage: _____

Date Written Notice of Defect or Deficiency Submitted to ProHome*: _____

Date the Warrantable Defect was First Observed: _____

Describe the Warrantable Defect**: _____

*Date of this Request to Initiate Arbitration must be more than twenty (20) days from Notice.

**Use additional pages, if necessary.

Homeowner requests that ProHome Michigan initiate arbitration to determine the obligations of Lombardo Homes of Michigan LLC to Homeowner under the Limited Warranty with respect to the alleged warrantable defects described herein.

Homeowner agrees that the arbitration award shall be final and binding on all parties and shall limit Homeowner's ability to initiate a lawsuit against Lombardo Homes of Michigan LLC, ProHome Michigan, or the insurance company of either.

Signature: _____ Date: _____

INSTRUCTIONS: Send this Arbitration Initiation Request along with the required One Hundred Fifty Dollar (\$150.00) arbitration filing fee to: **ProHome Michigan, 30773 Milford Rd., Suite 351, New Hudson, MI 48165.**

WARRANTY TRANSFER ACKNOWLEDGMENT

Homeowner transfers the remaining coverage under the Lombardo Homes of Michigan LLC Limited Warranty to the Homebuyer identified herein.

Homebuyer acknowledges and agrees to the following:

- (a) Homebuyer has read and understood the Lombardo Homes of Michigan LLC Limited Warranty.
- (b) Homebuyer is entitled to only that coverage which remains under the Limited Warranty on the transfer date.
- (c) The start date for Warranty coverage was the close of escrow stated in the Limited Warranty.
- (d) Lombardo Homes of Michigan LLC is the Warrantor under the Limited Warranty.
- (e) ProHome Michigan is the Warranty Servicing Agent.
- (f) Homebuyer is responsible for the maintenance of the residence and surrounding grounds; Warrantor shall not repair or replace any portion of the residence damaged by Homeowner's failure to maintain the residence or surrounding grounds.
- (g) Homebuyer shall submit to arbitration any and all disputes under and related to the Lombardo Homes Limited Warranty and the decision of the arbitrator(s) shall be binding on all parties to the arbitration.

Signature of Homeowner: _____ Date: _____

Print name: _____ Phone Number: _____

Signature of Homebuyer: _____ Date: _____

Print name: _____ Phone Number: _____

Residence Address: _____

Coverage Start Date/Close of Escrow: _____

Transfer Date: _____

INSTRUCTIONS: Mail this form and a photocopy of the settlement/closing documents indicating transfer of title to:
ProHome Michigan, 30773 Milford Rd., Suite 351, New Hudson, MI 48165.