

HOME BUYER'S GUIDE

Your guide to the Lombardo Homes building process



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Congratulations on the purchase of your new Lombardo Home! At Lombardo Homes, our goal is to create and maintain such a high level of customer satisfaction that our customers will refer us to friends, family and co-workers without hesitation. We believe in setting the right expectations with our customers and always keeping the lines of communication open, thus ensuring an enjoyable home building experience.

This Home Buyer’s Guide will introduce you to the Lombardo Homes team and guide you through the purchase, construction, closing and warranty periods for your new Lombardo home. We hope this guide will serve as a useful reference to you throughout the building process.

Congratulations again, and thank you for choosing Lombardo Homes!

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PART 1: YOUR LOMBARDO HOMES TEAM

Part 1 provides an overview of the team members you will meet during the construction process, as well as the role they play in building your new home.



PART 1: YOUR LOMBARDO HOMES TEAM

During the construction of your new home, you will likely come in contact with many Lombardo team members and our associates (known as Trade Partners). The list below provides a brief description of our team and the role each member plays in building your Lombardo home.

SALES MANAGER

Your Lombardo Sales Manager will be your main point of contact throughout the entire home building process until your home is closed. Our Sales Managers are well-educated and receive continuous training in the home building process, giving them the expertise to guide you through the experience.

Questions regarding paperwork, move-in dates, model inquiries, taxes, community and neighborhoods should be addressed to your Sales Manager. Although there may be times when the Sales Managers cannot answer your question immediately, they will do their best to get back to you with an answer as soon as possible. Our goal is to provide you an answer by the next business day. Due to the nature of some questions, we may need to consult with our engineer or other professionals and may not be able to answer your question by the next business day. In these rare instances we will contact you and reset expectations of when you will receive an answer. Please inform your Sales Manager of your best method of communication (e.g. home phone, e-mail, cell phone, work phone) during the week as well as on the weekend.

CONSTRUCTION COORDINATOR

The construction of your new home will be managed by the Lombardo Homes Construction Coordinator. They will coordinate and manage each step in the construction of your new home, as well as work with our Trade Partners to ensure the highest quality of construction. You will meet your Construction Coordinator before we begin the construction of your new home and at scheduled times during the home building process. They will communicate through your Sales Manager to make

CONSTRUCTION COORDINATOR *(cont'd)*

sure you remain up-to-date with the progress of your new home. Although there will be times when you will see your Construction Coordinator in your home or in the community, we ask that you direct all questions to your Sales Manager so we can maintain a written record of any questions or comments you may have and ensure a timely response.

MORTGAGE CONSULTANTS

It is our privilege to extend the services of Homesite Mortgage Company to all our customers. Homesite Mortgage is a Lombardo Homes preferred lender with whom we are proudly affiliated. Working with Homesite Mortgage will ensure a smooth transition from Purchase Agreement to closing. Homesite Mortgage consultants are new home construction specialists and are specifically trained to handle and design lending programs specific to the needs of the new home purchaser.

Prior to executing a Purchase Agreement, we require that you have a Mortgage Pre-Approval. You can do this quickly by filling out the on-line mortgage application at www.homesitedirect.com. Often times a mortgage pre-approval can take as little as 24 hours. Some situations may take longer, but either way, Homesite will provide you with a reliable mortgage pre-approval you can count on.

PART 1: YOUR LOMBARDO HOMES TEAM

TRADE PARTNERS

All work completed in your home is performed by Trade Partners who are contracted by Lombardo Homes. Our Purchasing team constantly works with our trade partners to ensure all work on your Lombardo home is performed in a professional manner with the latest technologies and procedures. Each year, we conduct a formal evaluation of our Trade Partners to ensure we always have access to the best contractors and suppliers in the industry.

There will be times when you will be at your home and there is work being performed. Please be mindful that our Trade Partners are working on a schedule and are required to stay on task. While it may be tempting to ask them a question, it is important to bring your question to your Sales Manager. Doing this ensures you will receive an accurate and timely response.

A quick note about customer installed components or work: At no time during the construction process do we allow the customer, or someone on their behalf, to perform ANY work on their new home. Failure to respect this will put you in default of your Purchase Agreement. This policy is strictly enforced for a variety of reasons, including your safety, staying on schedule, warranty issues and insurance. We greatly appreciate your understanding.

PROHOME

ProHome of Michigan is an independent company with a 30-year track record as the national leader in post-warranty management. Two weeks prior to your scheduled closing, you will meet with a representative from ProHome for your New Home Orientation Walk. Your ProHome representative will give you a detailed demonstration of your completed home and review items covered by the warranty. You will also learn important information and tips for keeping your new home just as beautiful and efficient as it is the day you move in.

PROHOME *(cont'd)*

You will need to contact ProHome 30 days after closing and again at 11 months past closing to address any concerns. ProHome documents, tracks, and reports on any issue discovered during the warranty period, which helps Lombardo Homes continuously improve our products and processes.

GREATER MACOMB TITLE AGENCY

Greater Macomb Title Agency is our preferred Title Company and shares our belief in providing exceptional customer service. Greater Macomb Title Agency will work directly with your Mortgage Consultant/Lender and Sales Manager to ensure a problem-free transfer of title on your new home at the closing. Your closing location will be determined based on the community in which you purchased.

ASSOCIATION MANAGEMENT COMPANIES

Nearly all of our communities have a Homeowners' Association (HOA). Most HOAs utilize an association management company to oversee the maintenance of community amenities (entrances, pools, open spaces, etc), enforce community rules and regulations, collect dues, and manage the financial affairs of the community. The management company helps to maintain the aesthetic appeal within each neighborhood, as well as manage those items that need association approval, such as adding a deck, patio, fence, pool, etc.

Most companies have a website with information unique to each community they manage, including financial reports, forms with which to submit a modification request, and a secure area to view dues status and make payments. Every community varies, so please review your neighborhood's By-laws or Covenants, Conditions and Restrictions. Exterior modifications must be approved by the management company and local municipality, if applicable.

PART 2: THE PURCHASE PROCESS

The following section outlines our purchase process, from obtaining a mortgage pre-approval to making selections at our Design Center.



PART 2: THE PURCHASE PROCESS

The Purchase Process includes three parts: Obtaining a mortgage pre-approval, finalizing your home's structural options and signing a Purchase Agreement, and making color selections in our Design Studio.

PRE-APPROVAL

You will need to obtain a Mortgage Pre-Approval letter prior to signing a Purchase Agreement. Our preferred lender, Homesite Mortgage, can help you through this process. If you choose to use another lender, your Sales Manager will provide you with a detailed list of the information required in a Pre-Approval letter. Among other items, it includes a review of your credit and employment history and financial information. Should the mortgage pre-approval expire prior to the closing on your new Lombardo home, you will need to contact your lender to obtain an updated Pre-Approval letter.

PURCHASE AGREEMENT

Your Sales Manager will meet with you to finalize your home's options and sign the Purchase Agreement. You will need to set aside approximately two hours for this appointment. At this meeting, you will be required to provide a copy of your Mortgage Pre-Approval and an Earnest Money Deposit made payable to Greater Macomb Title Agency.

We understand that there is a lot to consider when building a new home and sometimes the decision making process can be overwhelming. We encourage you to trust and follow the processes and procedures we present to you, as they are designed to help you make decisions. That being said, we will not proceed with your Purchase Agreement until we utilize the Discovery Event™ to fully understand the selections you would like in your new home.

Once the Purchase Agreement has been signed, we request that you make no further enhancements or changes to the home's structural features. In most cases, structural changes affect plot plans, permits and ordering schedules.

PURCHASE AGREEMENT *(cont'd)*

Lombardo Homes is continuously striving to improve our floor plans and available choices. In the event a new structural option becomes available after you have signed your Purchase Agreement, we will be unable to add this to your home.

Upon request, your Sales Manager will provide you with a copy of all the paperwork you have signed and deposit checks written. Approximately two to four weeks after you have signed your Purchase Agreement, you will be emailed a copy signed by Lombardo Homes.

DESIGN STUDIO

The construction stage of your new home will determine if a visit to our Design Studio is necessary. If the selections for your new home have not been determined, you will meet with your Design consultant at our Design Studio one to two weeks after you complete your purchase agreement to finalize paint colors, tile patterns, flooring choices, etc. Depending on the stage of construction, all choices must be finalized within 21 days of signing your purchase agreement. It is recommended to have child care arrangements for this appointment so we have your full attention while choosing features for your home.

Your Design consultant will guide you through making decisions and selections for a home you will be proud to show off. We have found our customers are more comfortable with their design selections when they have taken the time to preview the available selections ahead of time. Before your Design Studio appointment, please take the time to set a preview appointment to review our available choices.

We promote the process of driving the communities to view brick and siding on existing homes prior to your selections appointment. The samples for brick and siding in the Design

PART 2: THE PURCHASE PROCESS

DESIGN STUDIO *(cont'd)*

Studio are just a small sampling, so these selections are best viewed out in the community with natural lighting. Your sales manager can confirm if there are any brick and/or siding colors that neighboring sold homes have already selected, which would be restricted for your selected homesite. We strongly encourage you to have your brick and siding selected prior to arriving to your selections appointment.

Building your new home requires the efforts of many different individuals. There are also detailed processes, procedures and schedules in place which we must follow to ensure timely delivery of your new home. Making changes can greatly affect any one of these components, which may result in delays or other circumstances. This is why it is critical to have all selections made during the 21-day period.

After your Design Studio appointment has been completed, we request that no further enhancements or changes be made to the home.

Lombardo Homes is continuously striving to offer the best products at the best value. In the event a new option becomes available after your Design Studio appointment, we will be unable to add this to your home.

LATE CHANGE FEES

Our processes are designed to ensure the selections and personal choices you have made create your dream home. That being said, there may be a time when a late change is necessary. If you make a late change to an item that is considered to be structural in nature, a nonrefundable administrative fee of \$495 will be collected at the time of the requested change in the form of a personal or cashier's check. If you make a late change to an item that is considered to be non-structural in nature, a non-refundable administrative fee of \$295 will be collected at the time of the requested change in the form of a personal or cashier's check. There may be additional costs to accommodate the changes being requested.

NOTE: Late changes must be approved by Lombardo Homes. Not all late changes can be guaranteed due to schedule, phase of construction, availability and other variables.



PART 3: NEW HOME CONSTRUCTION

After you make your final structural selections, we begin the process of obtaining permits and ordering the items you selected to make your home uniquely yours. This process takes 3-8 weeks. Once everything is in place, it's time to start the construction of your new home!



PART 3: NEW HOME CONSTRUCTION

It's time to begin construction on your new home! This process has a variety of elements, including a detailed construction schedule, closing date, and construction-related meetings throughout the build.

TIMING

To ensure we are able to keep our commitment to you, the construction schedule of your new home is critical. Please keep in mind many factors are involved in the construction of a new home. Weather is a major factor in Michigan. Based on the time of year your home will be constructed, we will include some time in the construction schedule for weather delays. However, despite our best efforts we may still experience delays due to weather. Initially, your Sales Manager will give you a 2-month estimation of when your home is expected to be completed. As the process unfolds, they will provide updates and a more precise completion date. If you are purchasing a home already under construction, they will provide a more specific time frame much sooner.

Near the time of your Pre-Drywall Orientation, and once the gas and electric services have been installed at your new home, you will receive an email from our closing team containing the scheduled date and time of your closing. This will give you approximately 6-8 weeks to make the necessary arrangements for closing. Please be sure that your mortgage company is aware of this date, as they will use it to complete your financing paperwork.

PROMISE FOR A PROMISE

At Lombardo Homes, we offer a "Promise for a Promise." Lombardo Homes promises to deliver the Final or Temporary Certificate of Occupancy needed to close on your new home prior to the scheduled closing date. If we cannot provide the Final or Temporary Certificate of Occupancy in time to close as scheduled, we will pay you \$150 per day until we receive it. In return, you will promise to close as scheduled. If you cannot close as promised, you agree to pay \$150 a day.

PRE-CONSTRUCTION ORIENTATION

You will meet your Construction Coordinator at your Pre-Construction Orientation, which will occur 2-3 weeks before construction of your new home begins. This orientation is scheduled by your Sales Manager at your Purchase Agreement. The meeting will be held in the Sales Center closest to your community's location and will take approximately one to two hours. All meetings with Construction Coordinators will occur on weekdays between 9 a.m. and 3 p.m. Please keep in mind that building a new home is a commitment for both parties and may require you to schedule half days or long lunches.

At the Pre-Construction Orientation, you will have an opportunity to learn about your home on paper. The Construction Coordinator will review the plot plan with you as well as the construction drawings for your home. All mechanicals (furnace, sump pump, electrical box, water heater, electrical outlets, switches and if selected 3-piece rough plumbing, etc.) have pre-determined locations and will be reviewed with you, but not moved, at this meeting.

We request that no further changes to phone, cable or electrical features be made after this time, so please put thought into where you will place all TVs, entertainment centers, phones, etc. in your new home.

PART 3: NEW HOME CONSTRUCTION

PRE-DRYWALL ORIENTATION WALK

Your Construction Coordinator will give you a guided tour of your home under construction prior to drywall installation. At this time you will discover the inner workings of your home, view its quality components and ask questions. This orientation is not a time to add additional features (i.e. phone, cable, outlets etc.). Please dress appropriately, as you will be walking through an active construction site. Weather-resistant and flat shoes are strongly recommended. We kindly request that you do not bring children, inspectors, real estate agents, or family members to this orientation. However, we do encourage you to bring a camera and take photos of your new home under construction!

NEW HOME ORIENTATION WALK

When you receive your closing date, you will also receive the date and time of your New Home Orientation Walk. This meeting will be with a ProHome representative who will give you a full orientation of your home. Please note that the New Home Orientation Walk is between ProHome and the homeowners only. We request that you do not bring children, inspectors, real estate agents, or additional family members, as this is your time to learn how your new home works.

This is a one- to two-hour detailed walk-through of your home where every light switch will be operated, every window, cabinet and door opened, and every feature of your home demonstrated. Please do not worry if you find some items that need to be addressed (a cabinet door that needs to be adjusted, a few paint touch-ups, etc). During the walk, the ProHome representative will make a detailed list of items that need to be addressed before closing. Please be aware that you will also be walking the exterior of the home and should dress appropriately.

NEW HOME VERIFICATION WALK

Approximately one week after your New Home Orientation Walk, you will walk through your new Lombardo Home with your Construction Coordinator, where you will be asked to sign off that any items discovered during your New Home Orientation Walk have been addressed. Again, we respectfully request that you do not bring children, inspectors, real estate agents, or additional family members.

CLOSING

Congratulations! The day is finally here! Your appointment to meet with the Closing Coordinator has already been scheduled, and it is time to close on your new Lombardo Home.

The closing will take about 1-1.5 hours. Please be sure to have the necessary paper work you will need for closing. This includes funds needed to close in the form of a certified check made payable to the title company and a photo ID such as a driver's license. Please note that any funds over \$50,000 are required to be wired.

Additional documentation may be needed for closing, as well. Please work closely with your mortgage company to be sure you have everything you need. If you are paying cash for your new home, a representative from Greater Macomb Title Agency will contact you to discuss what items are needed for closing including the exact figure for the funds that you will wire to the title company.

The closer will provide you with a copy of the deed or HUD at the closing. Greater Macomb Title Agency will provide a copy of the executed closing package to you at the closing.

PART 4: COMMUNICATION

Lombardo Homes has established the following processes to ensure you stay informed, happy and safe during the construction process.



PART 4: COMMUNICATION

Our communication processes ensure you remain informed, happy and safe throughout the construction of your new home.

SALES AND CONSTRUCTION MEETINGS

Your Lombardo Homes Sales Manager and Construction Coordinator hold regular meetings to organize and share information. They are continuously communicating to provide you with the most current and accurate details. We will be contacting you throughout the construction of your new home. During this time, we are also looking for feedback on how we can make your experience better. Please feel free to contact your Sales Manager with any questions or feedback.

CONSTRUCTION INQUIRIES

Construction inquiries are communication logs geared to let the Lombardo Homes Sales Manager and Construction Coordinator know you have a question. If you are visiting your neighborhood and notice something in your new home that is in question, please visit, call or e-mail your Sales Manager. They will complete a Construction Inquiry form, which are reviewed each week by your Sales Manager and Construction Coordinator.

Please note, while walking through your new home you may notice items like broken windows, drywall cracks and holes, dented doors, etc. These items are all accounted for when the Construction Coordinator is inspecting your home daily and are completely normal. ***If something is not addressed immediately, it is most likely due to the fact that all work on your home is scheduled, but not yet completed. Window replacements and drywall repairs have been strategically scheduled not to interfere with the overall progress of your new home.*** We will use your preferred method of communication to relay solutions to you as soon as possible.

For details on our building practices, visit our website:
<http://lombardohomes.com/construction-process/>

VISITING YOUR NEIGHBORHOOD AND NEW LOMBARDO HOME

While your new Lombardo Home is under construction you will most likely want to visit and check on the status from time to time. This is something we encourage, but ask you to please adhere to the following when visiting your new home:

- If you are making a special trip or bringing friends or family, please call ahead and schedule a visit. Your home may not be accessible during certain days or hours and the Sales Manager may be at a different community.
- Use of a hard hat is mandatory.
- Dress appropriately.
- Your home will be locked when interior selections are installed. Call ahead and schedule an appointment to ensure access.
- If you visit your new home every day, it may seem like a slow process. We suggest once every week or every other week. With this schedule, you will see more noticeable and exciting changes.
- BRING A CAMERA! It is an exciting experience to build a new home; to capture the experience is a lot of fun!

Once again, we look forward to your visits. If you follow the guidelines above, you should have many happy memories of your home building experience.

PART 5: ADDITIONAL INFORMATION

Part 5 contains details regarding home inspections, construction during and after the winter months, and your home's warranty.



PART 5: ADDITIONAL INFORMATION

The section below lists information regarding inspections, winter conditions, and your home's warranty.

INSPECTIONS

Your Lombardo Home is routinely inspected by your Construction Coordinator, local municipal officials, and, toward the end of construction, your lender. When you visit your home, you will see different colored "Approved" or "Fail" stickers in the home. If you see a "Fail" sticker, please keep in mind this is normal and a part of the process. What this means is an inspector noted an item that needs to be addressed. Once it has been addressed, an "Approved" sticker will be issued.

WINTER CONDITIONS AND DELAYED EXTERIOR WORK

If your home is completed between November and May, items like final grade, driveway concrete, front porch concrete, sidewalks, sod and sprinklers (if applicable), street trees, paint on trim, garage door and front door and permanent mailboxes may not be installed or completed when you close. The municipality will allow us to close with a Temporary Certificate of Occupancy until a specific date, which they determine, and which is different each year based on the weather. Homes that close after this date may receive exterior items prior to those that close before the cut-off date. This means that if your home is closed in the winter, but the home next door closed in May, your neighbor most likely will receive their exterior work before you. This is because the municipality allows us to close your home on a Temporary Certificate of Occupancy, but that same municipality demands that we completely finish any home closing between May 15th and November 1st.

If you close on a Temporary Certificate of Occupancy, it is important to know our Delayed Exterior Work process and how it will affect you. Please remember:

WINTER CONDITIONS AND DELAYED EXTERIOR WORK *(cont'd)*

- Lombardo Homes makes every effort to complete all of our outstanding work as soon as possible. In order to accomplish this, we group work by area and community so that the contractors can be as efficient as possible.
- The soil needs to be thoroughly dry to prepare the area for the driveway and walks. Therefore, weather is the most influential factor when completing delayed exterior work. Once the driveway is prepared for concrete, the forms have to be inspected by the local municipality (where applicable). After the inspection is passed, concrete can be placed/poured, as long as the weather is permitting. After the concrete cures, grading can take place. Again, the soil must be dry enough for heavy equipment to shape your home site. If you have ordered sod and irrigation from Lombardo Homes or are doing on your own, you must wait until the final grade inspection/as-built is passed through the local municipality. In a perfect scenario, with dry weather, this process will take 15-17 working days.
- Spring means rain, and each day of rain delays exterior work progress by 3 or more days. Please be patient with us as we are anxious to complete your delayed exterior work. **Our customers are important to us. If we don't complete your delayed exterior work, with the exception of street trees, on or before August 15th, we promise to pay you \$50 per day until the work has been finished.**

For more information and frequently asked questions about delayed exterior work please visit the Homeowner Resource page on our website.

PART 5: ADDITIONAL INFORMATION

WARRANTY & CUSTOMER CARE

After more than 50 years of building homes, our customers have made Lombardo Homes synonymous with dependability, high quality, unparalleled customer service and value. By adhering to a philosophy of personalized attention and across-the-board customer care, we have become the leading home builder in Southeast Michigan. Your new home will be protected by our comprehensive, transferable structural warranty coverage, giving you the comfort of knowing that one of Southeast Michigan's largest and most dependable home builder stands behind you.

WARRANTY & CUSTOMER CARE *(cont'd)*

A home warranty agreement is designed to protect homeowners against the cost of unexpected repairs or any major failure in the mechanical system that may occur in their home. To protect our homeowners, Lombardo Homes offers a 1-year Builder's Limited Warranty and a 10-year structural warranty to provide you with peace of mind for years to come.

Thank you for taking the time to read the Home Buyer's Guide. Our hope is it will serve as a reference guide during the construction process for you and your family.



CUSTOMER ACKNOWLEDGMENT



I (we) have read the Lombardo Homes Home Buyer’s Guide and understand its contents. I (we) have had an opportunity to discuss any questions or concerns with the Sales Manager.

Signature 1

Date

Printed Name 1

Signature 2

Date

Printed Name 2

Community

Homesite Number

Address