Closing on Your Home

HOMEOWNER GUIDE

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At closing, the ultimate purpose of your purchase agreement is achieved: ownership of your new home is transferred from Classic Homes to you. This section provides a brief overview of the closing process.

What's in this guide

- **Delivery Date** — why the delivery date is always approximate, and how you will be notified of changes.
- **Date and Location of Closing** — when and where closing takes place, closing expenses, and "the final number."
- **Closing Documents** — the principal documents executed and delivered at closing.
- **Preparation** — insurance, questions, utilities, phone, trash, and mail.

Welcome to Your New Home

As the ink is drying on the last closing document, you will be handed the keys to your new home. We want to take one more moment to thank you for selecting Classic to build your new home and welcome you to the Classic family.

Key terms

Delivery Date — the approximate date your home will be ready; it cannot be guaranteed because many factors affect the time it takes to build a home.

Closing Documents — the General Warranty Deed, Title Commitment, Limited Warranty, Promissory Note, and Deed of Trust.

Closing Expenses — customary items prorated to reflect the periods that you and Classic own the property, plus prepaid expenses, reserves, and insurance premiums.

"The Final Number" — the final cost figure, usually not available until the final days before the scheduled closing.

Delivery Date

Delivery Date

The delivery date that your Sales Counselor gives you is always approximate. We cannot guarantee delivery dates because many factors affect the time it takes to build your new home.

Weather can delay installing the foundation and can also affect installation of the framing, roofing, and exterior finishes. Material and labor shortages may affect the construction schedule. In addition, if your lender delays you in responding to a request, this can cause a delay. Changes submitted after the original purchase agreement has been completed can add days to the schedule.

Plan Your Move With Some Flexibility

Classic recognizes that planning your move and its timing are very important to you. We make every attempt to meet the targeted delivery date. If there are any changes in this date, you will be notified as soon as possible so that you can adjust your plans accordingly.

Date and Location of Closing

Date and Location of Closing

The closing will take place shortly after your Final Walkthrough/Orientation. Classic will schedule the date, time and location for the closing.

Closing Expenses

Certain customary items concerning the property will be prorated to reflect the respective periods that you and Classic own the property — for example, taxes and utilities.

You will be charged for prepaid expenses, any reserves required by the Declaration of Covenants, Conditions, Restrictions, and Easements, and insurance premiums. These will be prorated to the date of closing.

Prorations of general real property taxes and assessments will be based on the current year's taxes and assessments, or, if they are not yet available, on the taxes and assessments for the prior year. All adjustments and prorations at closing will be final.

"The Final Number"

The final cost figure is usually not available until the final days before the scheduled closing. Although a reasonably close estimate may be determined prior to the date of closing, several of the items included in the final total are subject to last minute adjustments. This is the result of many factors over which the Title Company has little or no control.

> **Arrange Your Funds Early**
>
> You will need to wire transfer or bring certified funds (made payable to the Title Company) to your closing. In your planning, be sure to allow time to arrange for and obtain these funds.

Closing Documents

Closing Documents

At closing, the documents necessary to convey your new home to you and to close the loan from the Mortgage Company will be executed and delivered.

The Principal Documents

General Warranty Deed

The Warranty Deed conveys the home and lot to you.

Title Commitment

At or before closing, we will deliver to you a standard form ALTA owner's title insurance commitment, committing to insure merchantable title of your home to you in the amount of the purchase price, subject to the permitted title exceptions that may be described in the purchase agreement. Review the title commitment carefully and if you have any questions, ask your Sales Counselor.

Within sixty (60) days after the closing, the title company will deliver to you (by mail) a standard ALTA owner's title insurance policy, insuring title to your home in accordance with the commitment you will already have received.

> **Keep It Safe**
>
> The title insurance policy should be kept with your other valuable papers.

Limited Warranty

This information is contained in this Guide. Please read it thoroughly. See the Limited Warranty for the full terms.

Promissory Note

The Promissory Note from you is payable to the lender in the principal amount of the loan, plus interest, taxes and insurance.

Deed of Trust

This encumbers your home as security for repayment of the Promissory Note.

Other Documents

In addition to these standard items, the lender, the Title Company, and Classic may require other documents to be signed.

Preparation

Preparation

In preparing for the closing, you should keep the following items in mind:

Insurance

You will need to obtain and present proof of a homeowner's policy from your insurance company. Your insurance agent should know exactly what is needed. We suggest you arrange for this no later than three weeks prior to the expected closing date.

Questions

The Title Company is not authorized to negotiate or make representations on behalf of either party at the closing. Therefore, please discuss any questions, agreements, or other details you may have directly with your Sales Counselor in advance of the closing.

Utilities

You will need to notify all applicable utility companies of your move so that service is provided in your name. We suggest that you contact these companies well ahead of time to avoid any interruption in service. Your Classic Sales Counselor can provide utility company telephone numbers.

Classic will automatically have utility service removed from its name within five days after closing.

Phone Service

Classic Homes will install phone jacks per your contract. The installation of telephones and the phone service is the responsibility of the Homeowner.

Trash Service

Trash service is the responsibility of the Homeowner or Homeowners Association. Please see your Sales Counselor to see who is responsible for the community you selected.

Mail

Most communities have a common or community mailbox. Please see your Sales Counselor for the location of the mailbox. Classic is not responsible for the location or installation of this box. Please ask your Sales Counselor who to contact for your mailbox key.