



Purchasing Your Home

Glossary of Terms

30-Day Letter

Notice intended to advise 30 days until completion of the home (30 days to walk-through). This notice is sent out (usually by email) 45 days before occupancy. These dates may be adjusted. Walk-throughs will be scheduled with listing and selling agents. Closing dates are scheduled after all inspections are received by the governing municipalities. Do not lock your interest rate based on these dates; call Spinell homes to confirm a date before you lock your loan rate.

90% Letter

A letter of intention to loan, issued by a recognized mortgage lender or bank, the funds necessary to purchase the home.

Appraisal

Assessment of the value of the home performed by a certified appraiser.

As-Built Survey

Survey of the existing structure and driveway on the lot. An As-Built will be included with your closing package.

Building Energy Efficiency Standard (BEES) - PUR-101 Form

The Building Energy Efficiency Standard is required for new construction homes. The BEES is a set of minimum standards for thermal resistance, air leakage, moisture protection and ventilation as they relate to efficient use of energy in buildings. An energy rating will be performed by an energy rater using AKWarm computer software. Compliance with BEES must be certified with a PUR-101 document.

Certificate of Occupancy (CO)

Certificate issued by the governing municipality as evidence that the home has been inspected and was built in conformance with local building codes and is approved for occupancy. While this certificate is common, it may not be issued by all governing agencies.

Change Order

Document indicating a change or clarification in the building process. Change orders are produced by Spinell Homes or the realtor and signed by the homebuyer.

Compulsory Arbitration

By definition described and executed within the Real Estate Purchase and Sale Agreement, buyer and seller agree that all disputes shall be resolved through arbitration. The Better Business Bureau of Alaska, Inc. shall serve as the binding arbitrator and the findings of The Better Business Bureau of Alaska, Inc. shall be conclusive and final.

Conditional Certificate of Occupancy (CCO)

The conditional certificate issued by the governing municipality as evidence that the home has been inspected and was built in conformance with local building codes and is approved for occupancy but has conditions that can't be completed due to weather-related items (landscaping, exterior paint, paving or final grade).

Declaration of Acceptance (DOA)

The Declaration of Acceptance declares that seller and buyer have inspected the residential property and that, without any reservations, buyer accepts the property except items of discrepancy that are noted on the punchlist.

Early Occupancy

On some occasions, you may receive authorization to occupy the home before closing or settlement. In such cases, an "Early Occupancy Agreement" must be executed by and between both parties. More information can be obtained about the possibility of early occupancy by contacting a Spinell Homes representative. The "Early Occupancy Agreement" is accompanied by a rental payment (cost to be determined) from buyer to seller.

Earnest Money

The earnest money deposit is an important part of the homebuying process. It tells the seller you're a committed buyer, and it helps fund your down payment.

Escrow Holdback

Occasionally (usually during winter months), all work cannot be completed in the home prior to closing. Items

left for completion are included in the purchase price and may include items such as final grading, paving, exterior paint, etc. When items are not complete, the seller's funds required to complete them are held in escrow by the title or mortgage company. The value of the funds withheld is determined by the appraiser or FHA/VA inspector. In some cases, the buyer's funds may be required for items that are to be completed by the buyer per the CC&R's.

Hold Harmless

Executed between buyer and seller, allowing the buyer to store items in the garage (only) of the house before closing. Releases Spinell Homes from liability for any damages incurred.

International Residential Code

The International Residential Code (IRC) outlines minimum requirements for mechanical, plumbing and energy components found in your home. Many codes are recognized by the International Conference of Building Officials, the Federal Housing Administration, the Department of Veterans Administration, as well as other organizations, including the Municipality of Anchorage.

Notice to Proceed

Serves as a notice to the builder that the buyer wishes to proceed with the necessary paperwork in preparation for the construction of the home. After the execution of the "Notice to Proceed," no changes and/or additions will be allowed that affect building permits or the appraisal. Earnest money becomes non-refundable at this time.

Option List

List of options that can be added to a house. The option list pricing is updated periodically and you will have to use the current price list when adding additional options. At the final meeting, you will receive an option list with only the "options" you selected for your house. To add or delete options, you will need to sign a change order (see definition of "change order").

Plot Plan

Survey of the "proposed" building location and driveway on a lot. The plot plan will also show any utility easements, ground elevations, square footage, etc. When construction is complete, an as-built survey will be given to you (see definition of as-built survey).

Public Offering Statement (POS)

Document prepared by an attorney for the builder or developer, including information about the number and type of units or homes in a subdivision, the homeowners association rights and duties to owners, and a list of easements or liens. You will receive the POS from your realtor.

Punchlist

The punchlist is a list of discrepancies needing attention. The punchlist is compiled at the walk-through. Items noted on the punchlist will be corrected by Spinell Homes within a reasonable time. Punchlist items typically include minor cosmetic defects. Spinell Homes will not agree to an escrow holdback of funds for punchlist items.

Summary of Building Inspection (PUR-102) Form

The Summary of Building Inspection (PUR-102) is required if your home is located in a community without a recognized building department. This form must be completed by the International Construction Code (ICC) certified inspector at various stages of construction.

Walk-through

A scheduled orientation of the home is referred to as a walk-through. The walk-through allows buyers the time to ask questions and familiarize themselves with the operations of the new home. The walk-through is typically scheduled 14 days before the earlier closing date or occupancy date. A punchlist of items to be completed is compiled at the walk-through.



Real Estate Agents

The question regarding the responsibility of the real estate agent is one that is often asked. While we encourage you to consult your agent regarding specifics, the following is a general guideline as to what you can expect from your agent and from the seller's agent. The real estate agent's primary objective is to bring a ready, willing and able buyer together with a ready and willing seller. Real estate agents will help facilitate a smooth transfer of property ownership from one party to another.

What to expect from a Real Estate Agent

Licensed real estate agents are qualified to advise about real estate. In dealing with a real estate agent, you can expect fair and honest dealings. Answers to your questions concerning the property will be answered honestly and accurately. Real estate agents protect and promote the interests of their clients. This obligation to the client's interest is primary; however, it does not relieve the obligation to treat all parties honestly.

Agents will explain real estate terms and procedures. Agents will explain closing costs and procedures. Agents can provide information about comparable properties and help to prepare a fair and reasonable offer to purchase the property. You should expect all offers to be presented promptly to the seller.

In accordance with Spinell Homes' policy, properties will be offered without regard to race, creed, sex, religion, familial status, handicap or national origin.

The duties of a real estate agent do not relieve a buyer (or the seller) from the responsibility to protect their own interests. Carefully read all agreements; you may wish to consult an attorney to ensure the contract adequately expresses your understanding of the transaction. You should not expect a real estate agent to provide you with legal advice.

Agent compensation, per the terms of the executed Real Estate Purchase and Sales Agreement, will be paid at closing from the seller's proceeds. Spinell Homes will not adjust the sales price of any property based on the use or lack of a buyer's agent.

Agent of the Seller

Often referred to as the 'listing agent', the seller's agent represents the interest of the seller (Spinell Homes). The agent's goal is to secure the highest sales price, the best terms, and the shortest possible time until closing on the listed property. Listing agents will disclose all defects known that materially affect the value, desirability or condition of the property. As well as known legal defects pertaining to the property.

Agent of the Buyer

A buyer's agent represents the interests of the buyer. The agent's objective is to obtain the lowest possible sales price, the best terms and an acceptable closing date. The buyer's agent can counsel a buyer about the market value of the home and negotiate the final sales price of the property. Buyer's agents will also disclose all defects known that materially affect the value, desirability or condition of the property. As well as known legal defects pertaining to the property.

Agent of Both Parties

It is not uncommon for the listing agent and the buyer's agent to be employed by the same broker. On occasion, an agent has established a relationship with a purchaser who then wishes to make an offer on a property listed with the same company. To avoid conflicts, the best solution, if agreed to by both parties, is to accept dual agency. This concept allows for open disclosure of all aspects of the property without divulging confidential matters relating to the buyer or seller. Confidential information includes personal or financial circumstances not relevant to the purchase of the property. Dual agency changes the buyer/agent and seller/agent relationship and allows agents to act as an intermediary for both parties. Agents will not represent the interests of either the buyer or the seller to the detriment of the other.

Standard Features

Exterior

- Front elevation: On most plans, we offer a choice of the front elevation of the home. Please see each sketch for the choices available. Note: some floor plans may require a certain elevation, and certain elevations may involve an upgrade cost. See your Spinell Homes representative if you have questions.
- Lap siding front elevation: Your home will come standard with Oriented Strand Board (OSB) lap siding on the front elevation, and T-1-11 siding on the sides and rear, unless otherwise upgraded.
- Decks and walks: Most plans include one deck as standard, as well as a front porch. Walking surfaces will be Trex decking, with cedar pickets and handrails (if needed). All pickets and handrails will be painted the body color of the home.
- Insulated garage doors: The standard overhead garage door is a metal, raised-panel, insulated door. The overhead garage door will be painted the body color of the home.
- Black asphalt shingle roof: The roof is covered with Highlander black asphalt shingles.
- Rain Gutters: Rain gutters are standard over the front entry. Additional gutters can be installed at the option list price.
- Front entry door: The standard front entry door is a fiberglass, raised-panel, insulated door, with a deadbolt. Some plans may include a sidelight with the door (the window on the side of the door). For more information, consult the Spinell Homes brochures.
- Driveways: An asphalt driveway is standard, unless otherwise specified.
- Windows/atrium doors: Thermopane vinyl low-E argon gas-filled windows and slider doors are standard.

Interior

- Carpet: Clear touch 34-ounce continuous filament PET polyester with 6-pound rebond padding. See list for upgrades.
- Vinyl: Builder-grade vinyl flooring will be installed in the front entryway, kitchen, baths and laundry rooms (where applicable). See option list for upgrades.
- Cathedral Ceilings: Most plans offer vaulted ceilings in living areas.
- Fireplace: Standard direct vent gas fireplace is 36 inches with tile face and flush hearth. The fireplace will have a standard drywall surround and mantle with black fireplace trim.
- Interior doors/trim: All interior doors are raised panel white enamel with matching trim. The door hardware is a brushed nickel standard round knob.
- Drywall/paint: All interior walls are finished with a light orange peel texture and painted "Parisian Taupe" with a satin finish. The trim is also painted "Standard White," a bright white, with a semi-gloss finish.
- Plumbing fixtures: Standard plumbing fixtures are chrome, with chrome hardware. Standard tubs and showers come with fiberglass surrounds white. Plans with garden tubs include a standard 6x6 white tile deck around the tub.
- Light fixtures: At your final builders meeting, you will be given a budget for choosing light fixtures. This budget may be used at our supplier in any way you wish. At the final

builders meeting, you will be shown the location for each standard light box. Additional fixtures can be placed as an upgrade.

- Floor Joists: Interior floors are laminated "I" beam floors – "the quiet ones" which are screwed and nailed, with manufacturer-required floor spans.
- Exterior Walls: Walls are two-by-six constructed, 16 inches on center.

Kitchens

- Cabinets: Standard cabinets are maple recessed panel cabinets by mid continent cabinetry supplied by Spenard Builders Supply. You will be given a choice of colors: Natural, Wheatfield, Cranberry, Espresso, Suede, Sundance, Briarwood or Fireside.
- Countertops: You will choose laminate countertops, which will be installed with a maple splash and edge to match the cabinets.
- Appliances: Standard appliances are Whirlpool and include: self-cleaning electric range with a vented range hood and a dishwasher. The choice of color is white/white or black/black. See option list for upgrades. Plumbing for the icemaker is included.
- Sink/faucet: Stainless steel double sink with sprayer and chrome faucet are standard. Garbage disposal is included.

Energy Efficiency

- Energy Rating: Our homes come standard with a Five Star energy rating. See option list for energy rating upgrade.
- Furnace: Furnace is a 95% gas forced-air single-stage furnace with a programmable setback thermostat. The garage has a separate gas unit heater with a thermostat. (*May be adjusted in rural areas where natural gas is unavailable.)
- Water heater: Your home has an on-demand water heater.
- Insulation: R-49 ceiling insulation and R-21 walls and crawl space.

Other

- Smoke/Carbon Dioxide Detectors: Are installed throughout the home, including all bedrooms per code.
- Phone/TV outlets: Your home will come standard with two prewired TV outlets and two phone outlets. Additional outlets can be purchased (see option list).
- Garages: Garages are insulated and fire-taped, prewired for a garage door opener, and have one floor drain (where local code allows). Also one electrical outlet which is typically located on the back interior wall.
- Hose bibs: Your home will have two exterior hose bibs, typically one towards the rear of the home and one towards the front (if home design allows).
- Exterior outlets: Standard is a headbolt heater outlet, and one exterior outlet at the rear of the home.

Floor Plans

Please consult your Spinell Homes brochure for specific floor plans. Not all floor plans offer the same features. You will not receive actual blueprints for your home, so you must know how to "read" the sketch of the floor plan. Some things to look for:

- Decks: These are shown as protrusions from the floor plan. One deck, with a sliding glass door and light, is standard for most homes. It is usually located off the main living area of the home.

- Fireplace location: Many homes you have seen may have a modified fireplace location. Please check the sketch for standard location.
- Handrails/half walls: Handrails are shown as dots connected with a line. Half walls are shown as a solid line. Please check the sketch for the floor plan standard.
- Windows: Many homes you have seen may have added windows. Please check the sketch for standard windows. They are shown as a double line on the exterior wall of the home.
- Unfinished basements: Many of our homes can be purchased with unfinished basements. The sketch shows areas that can be unfinished as dashed lines. This means there will be no walls there. The dashed lines simply mean where walls would go if the home were fully finished.

Purchaser Concerns

Occasionally, during the construction process, you may notice something that you question or do not understand. These concerns may include methods of construction, the materials being used and/or the sequencing of events that lead to the completion of your new home.

We recognize the need to address your concerns. Therefore, we have created a process designed to respond to your questions. To initiate this process, simply review this handbook and your Homeward Bound book. Many answers will be found within those pages.

Submit your concern in writing. If you are unable to find an answer to your question in the handbook/homeward bound, submit your concern in writing to Spinell Homes. You may do this via your realtor, fax, email or you may drop it off at our office. Often, your realtor may be able to respond to your question directly.

A written response (if necessary) to your question or concern will be returned to you, usually via your realtor. If necessary, we may phone you or schedule a meeting at your home to further explain our answer.

Please remember that our supervisors and their personnel have a detailed and time-consuming task in building your home. For this reason, we ask that you address your questions and concerns as outlined above.

Please allow our representative time to respond to your inquiries. This system has been established so that you are continually in communication with the individuals in our company who are most familiar with you and your particular situation. In most cases, a response can be expected within 24 business hours.