



“LEGALESE” MADE EASY

Spec home: This is a home built by the builder on speculation. The hope is that once it is close to complete it can be sold. This type of home offers buyers some options such as paint colors, lighting fixtures, flooring etc. Depending on the builder you may get more or less options to customize the home.

Custom Home This is where the homeowner drives the process. The homeowner's blueprints are used and every element of the home construction can be controlled by the buyer depending on how the contract with the builder is finalized.

Punch List: This is a list of items that must be completed by the builder before the construction is considered complete. This list is usually created a day or two prior to closing on the new home

Escrow Holdback Agreement: If a significant item remains unfinished at closing, such as a second bathroom an agreement is drafted whereby an amount of money is held back from the builder at closing until the remaining item is completed. The money is usually held by the attorney for the homeowner and will be released upon verification that the work has been completed

NEW HOME CONSTRUCTION REQUIRES ATTENTION TO DETAIL IN YOUR CONTRACT BEFORE YOU START BUILDING

More often than not builders and homeowners end up at odds with one another as the finishing touches are being done on the new home and the scheduled closing date is approaching. That is not a good time to start a debate about whether the garage was supposed to be on the left side or right side of the home. If you're a builder or a homeowner, the time to clarify the details of a new home project is at the beginning.



What does the homeowner control?

If your purchasing a “Spec Home “ (see sidebar) the buyer has less control and fewer choices over the construction than if you were building a custom home. A spec home may allow you to choose flooring, lighting fixtures and cabinets within a budget set by the builder or at a distributor selected by the builder. Your Purchase and Sale Agreement should include a complete specification detailing what's included in the home and what budget and choices you have for the items you can select. Ask questions and get details before you agree to buy. It does no good to find out just before closing that you expected a certain type of siding or a larger hot water tank. At that point everyone will look at the contract and say “show me where that is.”

Changes in writing!

If you and the builder agree to make a change in the specifications after you sign the P & S Agreement then complete a Change Order that clarifies what it will cost, who's paying for it, and then make sure everyone signs the Change Order. It sounds easy but this step is often overlooked. The problem is that if a debate ensues over the final costs and specifications everyone will be relying on their memory. Then they call their lawyers. That's too late!

MOTOR VEHICLE INSURANCE 101



Not all motor vehicle accidents are cause for a lawsuit. It's important to understand the insurance process and what your rights are. If you have auto insurance for your own vehicle then you will get medical coverage through your Personal Injury Protection (also called PIP) coverage in your policy. This provides for up to \$8000 in insurance including lost wages (75% of verifiable income) and medical payments. The first \$2000 are covered by PIP (compulsory coverage) and then if you

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Why chose the LLC?

Limited Liability Company

It's one of the most popular methods of corporate formation. It is the preferred corporate form if you plan on buying and selling real estate.

FLEXIBILITY—Unlike a subchapter S or C-corporation the LLC offers owners the most flexibility in terms of ownerships and profit distributions. An LLC can establish multiple classes of distribution to the owners and not the standard pro-rate (per share) distribution required under the standard corporate form.

TAX BENEFITS—The LLC is a “pass through” entity whereby the company does not pay income tax and instead the owners pay tax on their distributions. This also means you can take the losses as well.

This is critical for businesses that want to buy and sell real estate. A standard corporate form business would face a significant tax consequence selling real estate because of capital gains consequences. Then, the distribution to the shareholders would be a taxable event as well. Thus a double tax consequence.

In a LLC the sale of real estate passes the tax gate only once through the owners distributions.

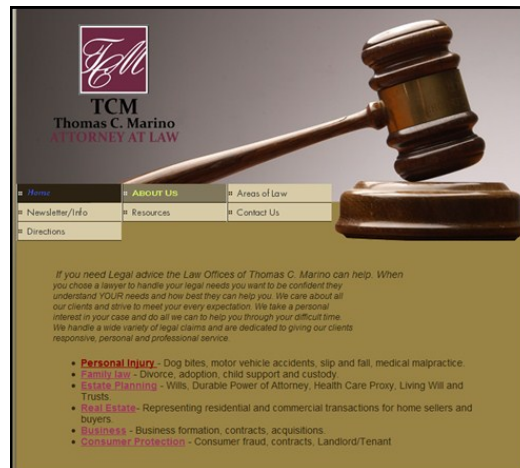
LIABILITY PROTECTION — You get the same protection as a corporation for actions undertaken in the company name. This allows owners to protect their personal assets from creditors and from other legal liabilities. The LLC offers business owners an affordable and flexible corporate form with excellent tax benefits.

MOTOR VEHICLE 101



have private insurance they pay the next portion. If, however your private insurer declines coverage for some reason, or Mass Health is your primary insurer, then the PIP coverage will pick up the portion between \$2000-\$8000 in medical bills.

WHEN CAN I SUE? - If your medical bills, whether paid by PIP insurance or not, exceed \$2000 then you can bring a claim for your injuries including pain and suffering. However commencing a lawsuit immediately may not be in your best interest. Before a lawsuit begins you want to make sure all your medical injuries have been dealt with and you have reached a medical end result. Once all your medical injuries are known and understood and all the damages that stem from those injuries are clear, then your attorney can begin a discussion to resolve your claim short of a lawsuit. A lawsuit may take 2 years or more and cost you even more aggravation responding to discovery request, answering questions, and attending depositions. No matter what you chose to do, seek medical attention first and have your injuries taken care of. You have 3 years to bring a claim from the date of your accident so there's no rush to see a lawyer.



NEW WEB SITE

The Law office of Thomas C. Marino has launched a new web site. Existing clients can find links to governmental agencies, court forms, child support guidelines, information on home builder laws and more through our Resources tab. Our Newsletter/info section provides copies of Legal Times so you can check for older versions with valuable news you may have missed

All areas of legal practice are outlined for review and to provide insight into the legal representation we can provide. We'll be adding new features as the site grows so check back often.

THE LAW OFFICE OF THOMAS C. MARINO

Representing clients in residential and commercial real estate; Will and Estate Planning, Family Law, and Personal Injury.



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