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COMMON LEGAL TERMS

Bad Faith: Intentional dishonest act by not fulfilling legal or contractual obligations, misleading another, entering into an agreement without the intention or means to fulfill it, or violating basic standards of honesty in dealing with others.

Bankruptcy: Bankruptcy is a Federal legal process initially set out in the US Constitution through which people or businesses who cannot repay or are having difficulty paying debts to creditors may seek relief from some or all their debts. Bankruptcy is initiated by a court proceeding in Federal bankruptcy court. There are two basic types of personal bankruptcy, Chapter 7 and Chapter 13 and two basic types of business bankruptcy, Chapter 7 and Chapter 11.

Business Interruption Insurance/Loss: Business interruption insurance is a type of insurance that may cover the loss of income that a business suffers after a disaster or other loss resulting in their inability to conduct business. The income loss covered may be due to disaster-related closing of the business facility or due to the rebuilding process after a disaster. Each insurance policy varies on the coverage and should be reviewed by your attorney to determine coverage.

Eviction: Eviction is the removal of a tenant from rental property by the landlord. It may also refer to the removal of persons from premises that were foreclosed by a mortgagee.

Forbearance: Under forbearance, your loan payments are postponed (or reduced) but interest may continue to accrue during the period of forbearance. You generally will be required to make up the payments missed during the forbearance period.

Force Majeure: A common clause in contracts that essentially frees one or both parties from liability or obligation when an extraordinary event or circumstance beyond the control of the parties, such as a war, strike, riot, crime, epidemic or an event described by the legal term act of God (hurricane, flood, earthquake, volcanic eruption, etc.), prevents one or both parties from fulfilling their obligations under the contract. A pandemic may or may not be covered under a force majeure clause.

Foreclosure: Foreclosure is a legal process in which a lender or lien holder takes action to recover the property which is the collateral for its loan and either takes title to the property or forces its sale. If the proceeds from the sale of the property are insufficient to pay the debt due, the lender/lien holder may be entitled to pursue the borrower for a deficiency judgment.

Indemnification: To indemnify someone is to absolve that person from responsibility for damage or loss arising from a transaction. Indemnification is the act of not being held liable for or being protected from harm, loss, or damages, by shifting the liability to another party.

Notary/Notarized: A Notary Public is an official of integrity appointed by state government — typically by the secretary of state — to serve the public as an impartial witness in performing a variety of official fraud-deterrent acts related to the signing of important documents. If a document is notarized, its execution has been witnessed by a notary. A notary also can attest to the fact that someone has sworn under oath to the truth of statements the person made.

Personal Guarantee: A personal guarantee is an individual's legal promise to repay a debt incurred by someone other than themselves. In the case of a personal guarantee on a business obligation (loan, contract or lease), it means that if the business becomes unable to repay debt then the individual is personally responsible.

Promissory Note: A promissory note, sometimes referred to as a note payable, is a legal instrument, in which one party promises in writing to pay a determinate sum of money to the other, either at a fixed or determinable future time or on demand of the payee, under specific terms.

Retroactive: Extending in scope or effect to a prior time or to conditions that existed or originated in the past especially - made effective as of a date prior to enactment, promulgation, or imposition.

Tolling: To delay, suspend or hold off the effect of a statute or rule.

Workout: A mutual agreement between a lender and borrower to renegotiate terms on a loan that is in default. Generally, the workout includes restructuring the loan's terms and covenants.

Estate-Related:

Will: A will, sometimes called a “last will and testament,” is a document that states your final wishes. It is administered after death by the court in a process called probate which determines the validity of the will. The probate process also provides for the collection and distribution of the deceased person’s assets by the executor/executrix or personal representative under the supervision of the court.

Power of Attorney: A power of attorney or letter of attorney is a written authorization to represent or act on another's behalf in private affairs, business, or some other legal matter. The person authorizing the other to act is the principal, grantor, or donor.

Health Care Advance Directives: There are three types of health care advance directives in Florida and they are set out below. An advance directive is a written or oral statement about how you want medical decisions made should you not be able to make them yourself and/or it can express your wish to make an anatomical donation after death.

Designation of Healthcare Surrogate: A written document designating another person as your representative to make health care decisions for you if you are unable to make the decisions for yourself. You can set out the types of treatment you want or do not want. You can also authorize another person to receive health information on your behalf.

Living Will: A written statement detailing a person's desires regarding their medical treatment in circumstances in which they are no longer willing or able to express their own decisions. You can include any instructions you want about treatment you want or do not want. It is called a living will because it is effective while you are still living.

Anatomical Donation: This is a document that indicates that you wish, at death, to donate all or part of your body. You can also designate yourself as an organ donor on your drivers' license or state ID card.

May 1, 2020

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