



# GKH LAW NEWS

JUNE  
2006

IN THIS ISSUE... \*Estate Planning: Preserving the Farm... \*Ask Your Attorney \*June Birthdays  
\*6 Elements of a Good Home Improvement Contract \*GKH Funnies \*Testimonial

## Preserving the Farm for the Next Generation

As dawn breaks over the farm, you think of the chores that await you: tending the cattle; repairing the equipment; buying feed and supplies. The life of a farmer is not easy, but it has its rewards: a life close to family and nature. But, as you age and nature takes its course, how will you protect your family and preserve the farm?

Let's look at a typical farm family: Mike and Betty and their two kids, John and Susan, live on the farm and have an operation that usually produces enough to support the family, but they have their lean years. Their farm has gone up in value over the past few years, even though they aren't much more profitable. In fact, they've had to borrow against the farm to make ends meet. John is active in the business, while Susan is in college with plans to become a doctor.

Mike and Betty do not make a great deal of income, so they are surprised when they total up their assets: Land \$2,150,000, Home \$250,000, Livestock \$250,000, Equipment \$500,000, Investments and savings \$150,000. They also have a loan on the farm of \$300,000. So, their net worth is \$3,000,000, which they own jointly.

If Mike and Betty do nothing, they will have a tax problem. Mike and Betty can each pass \$2,000,000 federal estate tax-free and \$675,000 state estate tax-free at his or her death. However, with joint tenancy, Mike's property passes to Betty and she has the entire \$3,000,000 in her estate and would owe \$460,000 in federal estate taxes at her death (in 2006). Mike and Betty can avoid this problem by using proper estate planning. A Revocable Living Trust would allow the first of them to die to send his or her assets to a "Family Trust" for the survivor and their kids. While the family would have the use of the money, it would not be included in the survivor's estate. Therefore, the survivor would have only his or her half of the \$3,000,000, and would owe no federal estate tax.

Proper estate planning, including a Revocable Living Trust, also helps provide a smooth transition in the event of incapacity. When the Trust is set up, the spouses typically are the Trustees, or managers of the trust. However, Mike and Betty would also name Successor Trustees to take over when they are no longer able to handle their affairs. Perhaps John and Susan would be the successors. Another way to protect against incapacity is through a Power of Attorney. This document allows the person appointed, the "agent," to act on behalf of the "principal," when the principal no longer can act for himself or herself. Typically, one has a Power of Attorney for financial matters and a different Power of Attorney for health care matters. Other concerns to address are: *How do they leave the farm to John without being unfair to Susan? How do they ensure sufficient liquidity to service the bank debt after they are gone?* These concerns, like many others, can be addressed with a good estate plan.

*Our Estate Planning Attorneys, William F. Greenhalgh and Michelle T.L. Hernandez, are active members of the American Academy of Estate Planning Attorneys. They will assist you in creating a thoroughly outlined estate plan that is specific to your needs. For a FREE consultation, contact us toll free at (866) 455-2993 today.*



From the staff at Greenhalgh  
Krueger & Hernandez SC

Bill Greenhalgh  
Mark Krueger  
Michelle Hernandez  
Greg Fumelle  
Renee Nehring  
Eileen Shanks

Dera Johnsen  
Kara Sanger  
Fawn Lawton  
Shelley Craker  
Stacie Ray  
Tammy Kroetz

**Celebrate Our  
June Birthdays!**

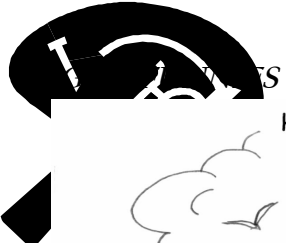
\*Shelly Craker 6/9

\*Bill Greenhalgh 6/19



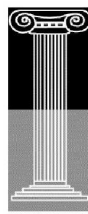
### Disclaimer

*The information provided  
in this newsletter is not  
intended to serve as specific  
legal advice. Viewing this  
information does not  
constitute an attorney-  
client relationship.*



Hey, look at that woman's swimsuit!

Yeah, and it came equipped with a sexual harassment attorney!



**Greenhalgh  
Krueger &  
Hernandez s.c**  
Attorneys at Law

BARABOO

2nd Street Professional Offices  
123 Second Street  
P.O. Box 41  
Baraboo, WI 53913  
Phone (608) 356-3961  
Fax (608) 356-2008

MADISON

Olde Towne Office Park  
6325 Odana Road  
Madison, WI 53719  
Phone (608) 273-0820  
Fax (608) 273-0821

MILWAUKEE

930 Elm Grove Road, STE C  
Elm Grove, WI 53122  
Phone (262) 782-2229

JANESVILLE

51 South River Street  
Janesville, WI 53545  
Phone (608) 758-5454

## 6 Elements of a Good Home Improvement Contract

Improvements add value to a home, but a **botched contracting job can cost owners lots of money and time to correct.** That's why it's always a good idea to sign an agreement with contractors before they begin. What are the elements of a good home improvement contract?

- The consumer's name, address and phone.
- The contractor's name, address and phone.
- A highly specific description of the work to be done and materials to be used.
- Timeframes for work startup and completion. Some contracts include penalties for missed deadlines.
- The project's cost. A contract may specify several payments on project completion dates, or withhold final payment pending inspection or satisfaction.
- Review by an attorney, since **most standard builder's contracts are written to protect the builder.** Often they do not give the homeowner any way to require a builder to correct deficiencies.

### Ask Your Attorney

**Q.** My neighbor has been playing loud music that wakes me late at night. I have asked her several times to stop and even called the police on one occasion. A friend suggested I sue my neighbor for disturbing the peace. Do you think if I did it would stop the noise or am I just risking ruining an otherwise good relationship?

**A.** Anytime you sue another person, you run the risk of damaging a relationship. However, once you have exhausted all other options, you may want to consider suing your neighbor for money damages in small claims court. To win the case you will need to prove that your neighbor is indeed responsible for the noise, that the quality of your life is affected, and that you have asked your neighbor to stop. You may use a police report, witnesses, as well as your own testimony. If this is not enough to convince your neighbor to turn down the volume, you may need to go to circuit court and seek a court order telling your neighbor to stop the loud noise. For more specific advice, contact your attorney.

### TESTIMONIAL

"We enjoyed working with Tammy. She is very courteous and professional, and explained any questions we had!" -Stuart & Mary Williams



Way to go  
Tammy!