

STATE OF SOUTH DAKOTA)
 : SS
 COUNTY OF HAMLIN)

IN CIRCUIT COURT
 THIRD JUDICIAL CIRCUIT

PRO. 94-3017

 In the Matter of the Estate of)
)
 Ronald D. Arnold,)
)
 Deceased.)

FINAL REPORT AND PETITION
 FOR FINAL DISTRIBUTION

To the above-entitled Court:

The Petition of Robert A. Arnold and Dennis Arnold, Co-Executors respectfully state and show:

I.

That these Petitioner are the duly appointed, qualified, and acting Co-Executors of the estate of the above-named Decedent, Ronald D. Arnold, having been appointed as such Co-Executors, qualified, entered upon their duties pertaining to the administration of said estate and having continued in the discharge of their duties therein.

II.

The Inventory and Appraisement has been duly returned herein.

III.

That South Dakota inheritance tax has been fully paid and there is no further obligation therefore.

IV.

That there are no unpaid personal taxes of the Decedent.

V.

That there are no unpaid Creditors Claims filed against the Decedent's estate.

CIRCUIT COURT, THIRD JUDICIAL CIRCUIT
 HAMLIN COUNTY, SOUTH DAKOTA
 FILED 12-6-95 DATE
 BY [Signature]
 Clerk-Deputy

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The Decedent's surviving spouse, Corinne K. Arnold, did, during the course of administration of the estate, loan money to the estate for operating capital and to pay liabilities. The balance of the estate's obligation to her as of 3/1/95 was \$1,000,599.00

VI.

That notice to creditors has been given as provided by statute and a Decree showing the giving of such due and legal notice has been entered herein.

VII.

That the individuals named at Article X. following are the only heirs at law of the said Decedent and are the only persons interested in this estate; that each of said persons has executed a "Waiver of Detailed Final Report" on file herein and made a part hereof by this reference, and, therefore, Petitioners have not submitted herewith any detailed list of receipts or disbursements.

VIII.

The assets on hand as of March 1, 1995, are as follows:

A.

1. The West Half of the Southeast Quarter of Section 30 in Township 115 North of Range 54 West of the 5th P.M., Hamlin County, South Dakota

Acres 6.85
Acres 80.00

Value \$190,000.00

2. The Southwest Quarter including "Arnold Outlot in the S.W. One-Quarter of Sec. 30 T115N R54W of the 5th P.M., Hamlin County, South Dakota" of Section 30 in Township 115 North of Range 54 West of the 5th P.M., Hamlin County, South Dakota

Acres 131.50
Acres 13.89

Value \$ 76,125.00

3. The Southeast Quarter of Section 25 in Township 115 North of Range 55 West of the 5th P.M., Hamlin County, South Dakota
Acres 159.50
Value \$91,713.00
4. The Northwest Quarter of Section 32 in Township 115 North of Range 54 West of the 5th P.M., Hamlin County, South Dakota
Acres 160.00
Value \$72,000.00
5. The Southeast Quarter of Section 12 in Township 114 North of Range 55 West of the 5th P.M., Hamlin County, South Dakota
Acres 160.00
Value \$88,000.00
6. The East One-Half of Section 14 in Township 116 North of Range 55 West of the 5th P.M., Codington County, South Dakota
Acres 320.00
Value \$144,000.00
7. The Southeast Quarter less the West 72 Rods of the South 40 Rods in Section 11 in Township 116 North of Range 55 West of the 5th P.M., Codington County, South Dakota
Acres 142.00
Value \$63,900.00
26. i) Lots 3 and 4, and South Half of the Northwest Quarter (the Northwest Quarter) of Section 1 in Township 114 North of Range 53 West of the 5th P.M., Hamlin County
Acres 151.44
"Coral Pasture"
Value \$37,750.00
26. ii) Northeast Quarter of Section 31 in Township 115 North of Range 54 West of the 5th P.M., Hamlin County
Acres 160.00
Value \$72,000.00

26. iii) Southeast Quarter (less railroad right of way; and less plat of Tower "B" Tract in SE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 23 in Township 115 North of Range 55 West of the 5th P.M., Hamlin County

Acres 152.31

"Macak's"

Value \$76,000.00

26. iv) North Half of the Northeast Quarter (less $\frac{1}{2}$ acre conveyed to Brantford Township) of Section 36 in Township 115 North of Range 55 West of the 5th P.M., Hamlin County

"South 80"

Acres 40.00

Acres 39.75

Value \$46,000.00

26. v) Southwest Quarter (except church and cemetery rights) of Section 13 in Township 115 North of Range 56 West of the 5th P.M., Clark County

Acres 158.00

"Naples"

Value \$67,150.00

The property listed above under A. is subject to a Note secured by a mortgage both dated February 28, 1979, to the Federal Land Bank of Omaha (Farm Credit Services); loan #525-1-8448539.

The balance on this mortgage as of March 1, 1995, was in the amount of \$612,328.80.

B.

15. An undivided one-half interest in:

Lots 3 & 4 and the South Half of the Northwest Quarter (also known as the Northwest Quarter) of Section 2 in Township 114 North of Range 53 West of the 5th P.M., Hamlin County, South Dakota

"Goemans"

Acres 150.64

Value \$32,088.00

16. An undivided one-half interest in:

Lots 1 & 2 and the South Half of the Northeast Quarter (also known as the Northeast Quarter) of Section 3, less the East 1,056 Feet of the North 950 Feet thereof, in Township 114 North of Range 53 West of the 5th P.M., Hamlin County, South Dakota

"Goemans"

Acres 129.13

Value \$37,088.00

17. An undivided one-half interest in:

The South Half of the Southwest Quarter and the South Half of the Southeast Quarter both in Section 34 in Township 115 North of Range 53 West of the 5th P.M., Hamlin County, South Dakota

"Goemans"

Acres 160.00

Value \$22,000.00

The property listed under B. above is being purchased under an Executory Contract for Deed dated October 14, 1975, Henry W. Goeman and Elizabeth Goeman, sellers. The Decedent was purchasing the undivided one-half interest listed.

The Decedent's share (one-half) of the balance due on this Contract for Deed as of March 1, 1995, was \$4,638.01.

C.

19. The Northwest Quarter of Section 27 in Township 114 North of Range 56 West of the 5th P.M., Clark County, South Dakota.

Acres 160.00

Value \$64,000.00

20. The West Half of the Southeast Quarter of Section 10 in Township 114 North of Range 56 West of the 5th P.M., Clark County, South Dakota.

Acres 80.00

Value \$32,000.00

21. The Southwest Quarter of the Northeast Quarter of Section 10 in Township 114 North of Range 56 West of the 5th P.M., Clark County, South Dakota.

Acres 40.00

Value \$16,000.00

The property listed under C. above is being purchased under an Executory Contract for Deed which was amended as of April 1, 1987. The Sellers are Austin and Hinderaker Holding Co., successors in interest to Jerry Borem, Keith L. Borem, and Harry Borem as "Seller" and Ronald D. Arnold as Buyer.

The balance due on this Contract for Deed as of March 1, 1995, was \$51,985.50.

D.

22. The Northeast Quarter of Section 8 in Township 114 North of Range 55 West of the 5th P.M. Hamlin County, South Dakota

Acres 159.50

Value \$100,000.00

(The property above is being purchased under an Executory Contract for Deed dated April 26, 1979, between William O. Melham and Leona M. Melham as "Seller" and Ronald D. Arnold as Purchaser.)

The Decedent's share of the balance due on this Contract for Deed as of March 1, 1995, was \$64,621.01.

E.

27. i) South Half of the Northwest Quarter and North Half of the Southwest Quarter of Section 31 in Township 116 North of Range 54 West of the 5th P.M., Codington County, South Dakota.

Acres 144.70

"Emil's"

Value \$76,125.00

27. ii) Northwest Quarter, less the East Half of the East Half of the Northwest Quarter of Section 36 in Township 115 North of Range 53 West of the 5th P.M., Hamlin County

Acres 120.00

"Pieper Pasture"

Value \$33,000.00

F.

8. The Southeast Quarter of Section 36 in Township 116 North of Range 55 West of the 5th P.M., less roads, Codington County, South Dakota

Acres 156.98

Value \$74,575.00

9. The Northwest Quarter of Section 31 in Township 115 North of Range 54 West of the 5th P.M., Hamlin County, South Dakota

Acres 76.56

Acres 76.56

Value \$87,975.00

10. The Northwest Quarter of the Northeast Quarter of Section 6 in Township 114 North of Range 54 West of the 5th P.M., Hamlin County, South Dakota

Acres 40.00

Value \$26,000.00

(Items 8, 9, and 10 above are included in "Contract #1" dated December 27, 1977, Wesley W. Arnold and Arlys A. Arnold as sellers.)

The balance due on this Contract as of March 1, 1995, was in the amount of \$88,000.00.

11. The Southeast Quarter of Section 20 in Township 115 North of Range 54 West of the 5th P.M., Hamlin County, South Dakota

Acres 160.00

Value \$96,000.00

12. The South Half of the Northeast Quarter of Section 36 in Township 115 North of Range 55 West of the 5th P.M., Hamlin County, South Dakota

Acres 80.00

Value \$50,000.00

13. The Northeast Quarter of Section 18 in Township 115 North of Range 54 West of the 5th P.M., Hamlin County, South Dakota

Acres 155.17

Value \$65,875.00

(Items 11, 12, and 13 above are included in "Contract #2" dated December 27, 1977, Wesley W. Arnold and Arlys A. Arnold as sellers.)

The balance due on this Contract for Deed as of March 1, 1995, was in the amount of \$61,730.00.

G.

14. The South 21 Rods and the North 16½ Rods of the South 37½ Rods of the East 52 Rods, and the North 27 Rods of the South 64½ Rods of the East 27 Rods all in the Southwest Quarter of Section 29 in Township 115 North of Range 54 West of the 5th P.M., Hamlin County, South Dakota

Acres 33.00
Value \$3,300.00

H.

23. The East Half of the Southwest Quarter of Section 36 in Township 115 North of Range 56 West of the 5th P.M., Clark County, South Dakota, subject to highway right-of-way, visible or recorded easements and reservations of record, if any.

Acres 80.00
Value \$34,000.00

(This property was originally purchased from Norris E. Brakke under and Executory Contract for Deed dated December 30, 1980. There was an Amendment dated March 4, 1987, and a second Amendment dated March 29, 1993.

The balance due on this Contract for Deed as of March 1, 1995, was in the amount of \$7,680.00.

I.

28. i) The Southwest Quarter of Section 3 in Township 114 North of Range 53 West of the 5th P.M., Hamlin County.

Acres 160.00
"Lovre Land"

Value \$100,000.00

- ii) An undivided one-half interest in and to:

The Northwest Quarter, except the North 20 Rods of the West 24 Rods thereof, in Section 18 in Township 114 North of Range 54 West of the 5th P.M., Hamlin County, South Dakota.

"Yettas Quarter"
Acres 157.96
Value of one-half interest \$41,475.00

- iii) An undivided one-half interest in and to:

The North Half of the Northwest Quarter of Section 13 in Township 114 North of Range 55 West of the 5th P.M., Hamlin County, South Dakota.

"Yettas '80"
Acres 80
Value of one-half interest \$16,000.00

The property listed under this paragraph above is subject to a mortgage dated 1/31/91 to Morsen Services, Inc. This mortgage was assigned by Morsen Services, Inc., to Prudential Life Insurance Company of America.

The principal balance due on this mortgage as of March 1, 1995, was in the amount of \$115,160.34.

J.

The value of all remaining mortgages, notes and cash, all miscellaneous property, including but not limited to livestock, farm equipment and machinery, motor vehicles, farm produce, etc. all as listed on the Inventory, as filed and by reference made a part hereof (after depreciation, as of 3/1/95).

Total Value	\$830,418.00
Debts (Various)	- 182,438.00
Net Value	\$647,980.00

All values listed are as of the date of Decedent's death, March 10, 1994.

RECAP

Part I.

	<u>Value</u>	<u>Debt</u>
A. Real Estate	1,024,638	612,329
B. Real Estate	91,176	4,638
C. Real Estate	112,000	51,986
D. Real Estate	100,000	64,621
E. Real Estate	109,125	-0-
	<u>1,436,939</u>	<u>733,574</u>

Net Value \$703,365

Part II.

F. Real Estate	400,425	149,730
G. Real Estate	3,300	-0-
H. Real Estate	34,000	7,680
I. Real Estate	157,475	115,160
J. Personal Property, etc., as listed net value	647,980	-0-
	<u>1,243,180</u>	<u>272,570</u>

Net Value \$970,610

IX.

That the heirs, devisees, and legatees of said Decedent are:

<u>NAME</u>	<u>POST OFFICE ADDRESS</u>
1. Corinne K. Arnold	RR 1 Box 7 Hazel, SD 57242
2. Cindy K. Grantham	RR 1 Box 7 Hazel, SD 57242
3. Rock D. Arnold	RR 1 Box 7 Hazel, SD 57242
4. Kristi L. Noem	Route 2 Box 160 Castlewood, SD 57223
5. Robb D. Arnold	RR 1 Box 7 Hazel, SD 57242

X.

That distribution of all property of said estate shall be as follows:

To Corinne K. Arnold all property listed at item VIII. above as included in the RECAP, Part II. at a net value of \$970,610 subject to all liens or mortgages against said property, Corinne K. Arnold assuming the responsibility to pay same.

To Robert A. Arnold and Dennis Arnold, Co-Trustees of the Ronald D. Arnold Residuary Trust as established by ARTICLE VI of the LAST WILL AND TESTAMENT of Ronald D. Arnold to be administered and distributed as provided in said Last Will and Testament; all property listed at item VIII. above as included in the RECAP, Part I. at a net value of \$703,365 subject to all liens or mortgages against said property, said Trustees assuming the responsibility to pay same.

This distribution to said Trustees is subject to an obligation of the Trust to Corinne K. Arnold for \$29,989 which represents the difference between her loan to the estate in the amount of \$1,000,599 and the net value of the assets transferred to her pursuant to Part I. above in the amount of \$970,610.

That distribution to said Trustees is subject to the obligation of the Residuary Trust to pay the following obligations of the Estate:

- a. The balance of the federal estate tax due in the amount of approximately \$84,454.00 plus interest accruing; and
- b. The balance due in fees to accountants Lubbers Hanson & Vilhauer P.C., of approximately \$6,000.00; and

- WHEREFORE, these Petitioners pray this Court that hearing be held hereon at a time and place to be fixed by this Court and that, upon such hearing, this Court approve this Report of the undersigned, and that a nunc pro tunc (as of March 1, 1995) Decree of Final Distribution be made and entered herein, together with such other and further Decree, if any, as shall to this Court seem proper.

Thos A. Brown

Henri Aubert

STATE OF SOUTH DAKOTA)
 : SS
COUNTY OF CODINGTON)

Thelma

[Signature]

Subscribed and sworn to before me this 30th day of November, 1995.

before me this 30th day of November

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