



BANK OF HOVEN

*Defendant 8*

December 8, 1997

Russell McClure, Supt.  
BIA  
Box 590  
Eagle Butte, SD 57625

Dear Mr. McClure,

This letter is to inform your office that the Long Family Land & Cattle Co.'s guaranteed loans are delinquent the 11-1-97 payments as follows:

Loan # 3254	Delinquent Amount	\$ 46,022.72
Loan # 3255	Delinquent Amount	<u>\$ 1,346.72</u>
		\$ 47,369.44

A meeting was held on Nov. 12, 1997 at the Bank between Ronnie Long, Harley Henderson, John Lemke and myself. Mr. Long presented a check for \$27,908.89 for the sale of 89 head of calves. The proceeds were applied to LOC note #3253 which paid it in full. The balance was applied to BIA term note # 3255 as a partial payment. The borrower presented a cash flow which indicated a positive margin with raised calf sales, a yearling program, pasture rent income, and interest subsidy. The budget also indicated cash on hand of \$13,000.00 from 1997 pasture rent, and \$19,000.00 from the LIP program. Total LIP program receipts were \$48,870.00. Interest subsidy for 1996 is \$20,801.47. It was applied for on 4-2-97, and even after repeated calls to various BIA departments, it has never been paid.

Discussions also included eliminating the farming part of the operation and selling nonessential machinery and equipment, with the sale proceeds to be used toward a down payment on the purchase of real estate being leased from the Bank of Hoven.

As the meeting concluded, it was agreed that Mr. Long would go to Timber Lake and pay the delinquent real estate taxes on the leased land, and remit to the Bank of Hoven a paid tax receipt. Mr. Long would also remit the \$13,000.00 of pasture rent proceeds to the Bank of Hoven for payment towards the delinquent BIA guaranteed loan payments, and he would check with Mr. Larsen on the yearling program to see if the paid leases could count toward the \$35,000.00 capital injection. Mr. Long would then submit to the Bank a revised cash flow for consideration for an operating loan. Mr. Lemke and Mr. Henderson were to follow up on procuring the interest subsidy funds due for 1996.



BANK OF HOVEN

As of this date, Mr. Long has not provided a paid real estate tax receipt, nor has he remitted the \$13,000.00 pasture rent for payment against the delinquent loan payments. He has not replied to the Bank of Hoven on the outcome of the request for the prepaid leases to be applied towards the \$35,000.00 capital injection for the yearling program, and he has not filed a subsequent cash flow reflecting this change.

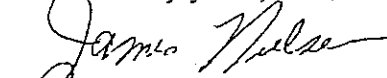
It is the Bank of Hoven's position that Mr. Long is in violation of the agreement dated 3-27-97, and signed on 4-1-97, concerning remittance of the pasture rent proceeds that the Bank has a security interest in. The Bank is also of the opinion that Mr. Long is in default of the security documents that he signed. This was outlined to him in a letter dated 8-5-97 concerning the LIP program proceeds.

The items discussed in the 11-12-97 meeting indicate that Mr. Long has cash from secured proceeds (pasture rent and LIP program) to bring the delinquent payments current once the interest subsidy for 1996 has been received. To this date, he has not brought in these proceeds to be applied toward these delinquent payments. It is the Bank's position that if the delinquent payments are not brought current by December 23, 1997, as far as the items Mr. Long has control over, and without BIA approval, the Bank will be submitting a loss claim to the BIA for these guaranteed loans.

The delinquent BIA guaranteed loans are in the name of Long Family Land and Cattle Co. Inc., Certificate # G924CIA0113, Principle balance \$17,604.73, Int. \$569.87, delinquent amount \$1,346.50 (Prin. \$946.16, Int. \$400.34), Certificate # G922DIA0103, Principle balance \$420,515.40, Int. \$27,471.75, delinquent amount \$46,022.72 (Prin. \$22,600.59, Int. \$23,422.13).

If you have any questions concerning this matter, please call me at 605-948-2216. Thank you!

Sincerely yours,

  
James Nielsen, AVP

cc: Long Family Land & Cattle Co.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
  - 2.  Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:  
 Long Family Land & Cattle  
 Box 272  
 Timber Lake, SD 57656  
 Lila Long

4a. Article Number  
 P 300 254 171

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 12/11

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
 X Lila Long

PS Form 3811, December 1994

Domestic Return Receipt

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 Russell McClure, Supt.  
 BIA  
 Box 590  
 Eagle Butte, SD 57625

4a. Article Number  
 P 300 254 170

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
 X Russell Francis

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Domestic Return Receipt

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