



BANK OF HOVEN

Defendants 13

August 5, 1997

Long Family Land & Cattle Co.
Box 272
Timber Lake, SD 57656

Dear Long Family,

Many of you are aware of and have applied for assistance through the livestock indemnity program (LIP) offered through your local Farm Service Agency office for livestock losses due to the severe winter and spring blizzards.

This letter is being sent to Bank of Hoven (BOH) ag credit borrowers who may receive assistance from this LIP fund to address your responsibility for reimbursement of lost assets mortgaged to the BOH. You are familiar with reporting and accounting to the BOH for death losses and sales of livestock that are mortgaged to the BOH.

Upon receiving reimbursement for livestock losses under the LIP, we ask that you stop in to the bank to discuss use of these proceeds. Failure to do this may cause you to be in default of your BOH notes and security documents. Based on each individual situation, we may look at bank debt reduction, paying accounts payable or purchasing replacement livestock.

We will look forward to hearing from you soon. If you have any questions, please call a loan officer at the BOH. Thank you!

Sincerely,

Charles Simon, VP
Bank of Hoven
P.O. Box 7
Hoven, SD 57450

TTC Dewey Co FSA

9-10-97

Long Received 48,870 LIP