

4

UNITED STATES DISTRICT COURT  
DISTRICT OF SOUTH DAKOTA  
CENTRAL DIVISION

Plains Commerce Bank,

)

CIV 05-3002

)

Plaintiff,

)

)

vs.

)

)

Long Family Land and Cattle Company,  
Inc., and Ronnie and Lila Long,

)

)

**AFFIDAVIT OF RONNIE AND LILA  
LONG IN SUPPORT OF DEFENDANTS'  
MOTION FOR SUMMARY JUDGMENT**

)

Defendants.

)

State of South Dakota:

ss

County of Pennington :

Ronnie and Lila Long, being first duly sworn upon their oaths, state to the best of their knowledge in support of Defendants' Motion for Summary Judgment, as follows:

1. The affiants are named as Defendants in this action.
2. The affiants, Ronnie and Lila Long, are familiar with each of the documents attached to Defendants' Brief in Support of Defendants' Motion for Summary Judgment and the Index of Attachments to Defendants' Brief in Support of Defendants' Motion for Summary Judgment. The affiants are sometimes referred to as the Longs.

Attachment 1 is a true and correct copy of the jury verdicts.

Attachment 2 is a true and correct copy of Trial Exhibit 4.

Attachment 3 is a true and correct copy of Trial Exhibit 3.

Attachment 4 is a true and correct copy of Trial Exhibits 6 and 7.

Attachment 5 is a true and correct copy of Trial Exhibit 11.

Attachment 6 is a true and correct copy of Trial Exhibit 17.

Attachment 7 is a true and correct copy of Trial Exhibit 18.

Attachment 8 is a true and correct copy of Trial Exhibit 19.

Attachment 9 is a true and correct copy of Trial Exhibit 20.

Attachment 10 is a true and correct copy of the Notice to Quit to Long Family Land and Cattle Co., Inc. and Ronnie Long from Bank of Hoven dated 5/19/99 and Certificate of Service signed by CRST Tribal Court Chief Judge dated 6/15/99.

Attachment 11 is a true and correct copy of Trial Exhibit 21.

Attachment 12 is a true and correct copy of Trial Exhibit 26.

Attachment 13 is a true and correct copy of the Order entered 1/3/03 by CRST Special Trial Court Judge B. J. Jones.

Attachment 14 is a true and correct copy of the Judgment entered 2/18/03 by CRST Special Trial Court Judge B. J. Jones.

Attachment 15 is a true and correct copy of the Supplemental Judgment entered 2/18/03 by CRST Special Trial Court Judge B. J. Jones.

Attachment 16 is a true and correct copy of the Memorandum Opinion and Order entered 11/22/04 by CRST Court of Appeals Chief Justice Frank Pommersheim and Associate Justices Everett Dupris and Patrick Lee.

Attachment 17 is a true and correct copy of the CFR § 103.7 which requires a corporation to be 51% Indian owned to be eligible for BIA guaranteed bank loans.

Attachment 18 is a true and correct copy of the Chapter IV Sec. 1-4-1 of the CRST Law and Order Code - Jurisdiction.

Attachment 19 is a true and correct copy of the BIA Guaranty of the Bank of Hoven loans to the Longs which requires first lien on all receivables, livestock, feed, grain, crops, machinery, equipment, and a second lien on all real estate and vehicles.

Attachment 20 is a true and correct copy of Trial Exhibit 1.

Attachment 21 is a true and correct copy of Trial Exhibit 3.

Attachment 22 is a true and correct copy of Trial Exhibit 16.

3. Defendant, Long Family Land and Cattle Company, Inc., is a South Dakota corporation with its principal place of business located in Dewey County, South Dakota, on the Cheyenne River Sioux Indian Reservation (referred to as the Longs' corporation). The Longs' corporation has been and continues to be controlled by Native American tribal members who at all times owned at least 51% of the outstanding stock in the corporation, as provided in Article IX of the Articles of Incorporation of Long Family Land and Cattle Company, Inc. (Attachment 20)

4. The Longs' corporation was required to be controlled by Native Americans who at all times own at least 51% of the outstanding stock in the corporation in order to qualify for the Bureau of Indian Affairs (BIA) guarantees of the loans of the Bank of Hoven to the Longs' corporation as required by 25 C.F.R. § 103.7. (Attachment 17)

5. Ronnie Long is the son of Kenneth and Maxine Long. Ronnie Long's wife is Lila Long. The Longs have lived on the CRST Reservation all of their lives farming and ranching raising crops and livestock.

6. Maxine Long and her son, Ronnie Long, and his wife, Lila Long, are all members of the Cheyenne River Sioux Tribe. Kenneth Long was not a member of the CRST.

7. Kenneth and Maxine Long owned 2,230 acres of deeded agricultural land located within the CRST Indian Reservation. This land had been owned by the Longs for over forty years. When Maxine Long died, her ownership in the land passed to her husband, Kenneth Long.

8. The Long Family Land and Cattle Co., Inc. was formed to obtain BIA guaranteed bank loans for the Longs' family farming and ranching business. The Longs' corporation owned livestock and machinery, grew crops, and pastured its livestock on the land owned by Kenneth and Maxine Long, and pastured livestock on the Indian Range Unit leased by Ronnie Long and his daughter, Bonita Richter, who are both CRST Tribal members.

9. Through his will, Kenneth Long gave his land and his shares in Longs' corporation to his four children. Three of the children transferred their interests to Ronnie Long. Thus, Ronnie Long inherited Kenneth Long's land and his 49% of the Longs' corporation under the will of Kenneth Long. (Tr. Ex. 2 and 3) (Attachment 21) After Kenneth Long's death in July 1995, Ronnie and Lila Long owned 100% of the Longs' corporation.

10. Loans made by the Bank of Hoven to the Longs' corporation were guaranteed by the BIA. The BIA guarantees required a first lien on the cattle, machinery, crops, and feed of the Longs' corporation, and a second lien (mortgage) on the land owned by Kenneth and Maxine Long. (Attachment 19) Kenneth and Maxine Long, and Ronnie and Lila Long were required to sign personal guarantees of the loans of Bank of Hoven to the Longs' corporation. (Attached Guarantees) Kenneth and Maxine Long mortgaged their land to the Bank of Hoven to provide real estate collateral for the loans made by the Bank of Hoven to the Longs' corporation as required by the BIA guarantee. The BIA guarantees are noted in the real estate mortgage on the land. (Attached mortgages) Ronnie Long, Lila Long, Kenneth Long, and Maxine Long all granted the bank security interests in and liens on their personal equipment, vehicles, crops, feed, grain, and livestock on the 2,230 acres located within the CRST Reservation.

11. In the spring of 1996, after Kenneth Long's death, an officer of the Bank of Hoven came on the Longs' land on the CRST Reservation and inspected the land, cattle, hay,

and machinery on the land. Bank of Hoven proposed a new loan agreement to Ronnie Long. Discussions concerning the new loan agreement took place with bank officers, Ronnie and Lila Long, and CRST Tribal officers at the CRST Tribal offices on the CRST Reservation. The bank proposed a deed in lieu of foreclosure transferring the Longs' land and house to the bank, and in return the bank would credit \$478,000 against the debt owed by the Longs to the bank, and the bank agreed it would finance the sale of the Longs' land back to the Longs on a contract for deed financed by the bank.

12. Sometime later the bank changed the agreement. The bank sent a letter to Ronnie Long, which was admitted into evidence without objection, wherein the bank told Ronnie Long the bank would not finance the sale of the land back to the Longs on a contract for deed because of possible jurisdictional problems with an Indian owned entity on the Reservation. (Attachment 2)

13. In the revised agreement the bank changed the terms from a contract for deed to a two-year lease with option to purchase. The Longs could buy the land back from the bank by paying the bank \$468,000 in a lump sum at the end of only two years. (Attachment 3)

14. The revised agreement prepared by the bank involved several main points:

- (a) when the 2,230 acres of land and house were deeded to the bank, the bank would credit \$478,000 against debt owed to the bank by Ronnie and Lila Long and the Longs' corporation;
- (b) the Longs would lease the land from the bank for a period of two years, and at the end of the two years they could buy the land back from the bank;
- (c) the bank would make the Longs a new operating loan of \$70,000 to care of their cattle and crops;
- (d) the bank would make the Longs a loan of \$37,500 to purchase 110 calves to be fed and pastured with the Longs' calves to increase their income so they could buy back the land from the bank; and
- (e) the bank would

enter into a lease purchase agreement which would provide that the Longs could buy back the 2,230 acres of land from the bank at the end of two years. (Attachment 3)

15. During the discussions concerning the agreement and the drafting and signing of the written agreement, the bank was represented by its lawyer, but the Longs were not represented by a lawyer.

16. The 2,230 acres of land were transferred to the bank. Ronnie Long was bequeathed 100% of the ownership of the land that was owned by Kenneth Long when he died, under his will and the assignments of the other children. (Attachment 21) When the bank received deed to the land, the credit for the land paid off debts owed to the bank by Longs' corporation and owed by Ronnie and Lila Long individually. (Attachment 3) The agreement was prepared by the bank in two documents entitled: (a) Loan Agreement, and (b) Lease With Option to Purchase. Both documents were signed the same day on December 5, 1996. The two documents are part of the same agreement. (Attachment 3)

17. Ronnie and Lila Long and Long Family Land and Cattle Company, Inc. claimed at trial that the agreement was breached by the bank in several material respects: The bank received a deed to all of Longs' land, received their CRP payments, and received the house proceeds, however, (a) the new operating loan of \$70,000 was never made by the bank; and (b) the new loan for \$35,500 to purchase 110 calves was never made by the bank. The purpose of these new loans was to put the Longs in a stronger financial position so they could purchase back their 2,230 acres of land from bank in two years. The Longs claimed at trial that the bank breached these promises of new loans needed to pay for necessary operating expenses and to purchase additional calves. As a direct result, the Longs were unable to feed or care for their livestock during the severe winter of 1996-1997. The Longs claimed the bank knew that the

Longs did not have operating money to move their hay 20 miles to their cattle on Ronnie Long's Indian range unit that needed the hay. The Longs claimed the bank knew that the cattle did not have feed, and that cattle without feed cannot survive for very long in winter weather. The Longs claimed that because the bank failed to make the \$70,000 operating loan as promised, and did not make an emergency loan to care for the cattle, the Longs lost 230 cows, 277 yearlings, and 8 horses. The livestock that died in the winter of 1996-1997, plus lost calf crops were a substantial loss for the Longs. (Tr. Ex. 23)

18. At trial the Longs claimed that ownership of the 2,230 acres and house valued by the bank at \$478,000 were transferred to the bank, the bank received CRP payments of approximately \$88,000, and received proceeds from the sale of the house of approximately \$25,000, but the bank did not make the loans that the Longs needed. The promised operating loan of \$70,000 would have enabled the Longs to move their hay to their cattle and take care of their cattle during the winter. The Longs claimed at trial that the bank's failure to make the loans as promised caused the Longs to suffer losses of \$1,236,792. (Tr. Ex. 23) At trial the Longs contended the bank got \$566,000 from the Longs through the deed to the land, the Longs' CRP payments, and house proceeds, but the Longs did not get from the bank what the bank promised and what the Longs needed.

19. At trial the Longs claimed that the failure of the bank to make the loan of \$70,000 to pay operating expenses, and the loan of \$35,500 to purchase additional calves, made it impossible for the Longs to exercise the option to buy back their land. The purpose of buying the 110 calves was to increase Longs' income over the next two years so they could afford to buy back their land. The Longs were unable to purchase the additional calves, and they lost the income from these calves. In addition, they were unable to care for and feed the cattle they had,

and as a direct result they suffered substantial losses of cattle. With these losses it was impossible for the Longs to buy back their land. The failure of the bank to perform made it impossible for the Longs to perform under the Lease With Option to Purchase and buy back their land from the bank. (Jury Verdict Two) (Attachments 1, 3)

20. The Bank of Hoven owned the 2,230 acres of land located on the CRST Reservation formerly owned by the Longs from 1996 until the bank sold the land to non-tribal members in 1999. The Longs never gave up possession of the 2,230 acres.

21. Kenneth Long had a CRP contract on the land. Under the terms of the Lease With Option to Purchase, the CRP annual payments of approximately \$44,000 a year were assigned to the bank. (Tr. Ex. 7) (Attachment 3) The bank received the CRP payments for two years under the Lease With Option to Purchase. (Attachment 3)

22. On March 17, 1999, the bank sold 320 acres to nonmembers, Ralph and Norma Pesicka. (Tr. Ex. 19) (Attachment 8) On June 25, 1999, the bank sold 1,905 acres to nonmembers, Edward and Mary Jo Maciejewski, on a contract for deed. (Tr. Ex. 21) (Attachment 11) The Maciejewskis took possession of a portion of the land which the bank labeled Parcel One of about 960 acres. The contract for deed provides that the bank is in the process of evicting the Longs from the land, and that the Maciejewskis shall have possession of Parcel Two when the eviction is accomplished. (Tr. Ex. 21) (Attachment 11) The bank sold 320 acres to Pesickas for \$155 per acre, but the bank required Longs to pay \$210 per acre. The bank sold Longs' land to non-member Pesickas for \$55 less per acre, which is \$17,600 less than the bank required Longs to pay for the 320 acres.

The bank also sold 1,905 acres to Maciejewskis, who are not Indians or tribal members, on a contract for deed with favorable terms at 7.75% interest, with ten years to pay in



annual payments of \$23,229. (Tr. Ex. 21,25) (Attachment 11) FSA payments on the land of \$23,000 per year paid the payments for Maciejewskis on the contract for deed. (Tr. Ex. 23a) The bank's terms of sale for Maciejewskis are more favorable than the terms the bank required of Longs. The bank required Longs to pay 9.25% interest to restructure the note (Tr. Ex. 8), and 8.5% on the Lease With Option to Purchase (Tr. Ex. 7), but the bank charged Maciejewskis only 7.75% interest. (Tr. Ex. 21) (Attachment 11) The bank required Longs to pay the full purchase price of \$468,000 in a cash lump sum in two years, but Maciejewskis got ten years to pay for the land in payments of \$23,329 a year. (Tr. Exs. 7, 21) (Attachments 3, 11) A contract for deed would have made it substantially easier for Longs to buy back their land, where the annual FSA payments and annual crop production would pay the contract for deed payments over ten years.

23. Judge Jones determined that the above facts are prima facie evidence that the bank denied Longs the privilege of favorable bank financing on a contract for deed solely because of their status as Indians and tribal members, and thus submitted Longs' discrimination claim to the jury. (Attachment 13) The jury determined that the bank intentionally discriminated against Longs solely on their status as Indians or tribal members in connection with the Lease With Option to Purchase. (Jury Verdict Four) (Attachment 1) Judge Jones correctly denied the bank's motion to dismiss for lack of jurisdiction, and the CRST Court of Appeals affirmed.

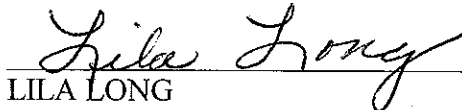
24. In June of 1999, the bank sent a letter to the CRST Court requesting that the CRST Court serve a Notice to Quit on Ronnie Long. The CRST Court accommodated the bank. The request was approved ex parte by Chief Judge Bluespruce on June 15, 1999, and was served on the Longs by the CRST Court on June 16, 1999. (Tr. Ex. 20) (Attachment 10) The bank voluntarily came into the CRST Court requesting the assistance of the Court without reserving any objection or reservation to the jurisdiction of the CRST Court over the bank as party to such

eviction action. (Attachment 10) Ronnie and Lila Long and their children did not move off the land and did not remove their cattle, machinery, crops, or hay off of the 2,230 acres of land.

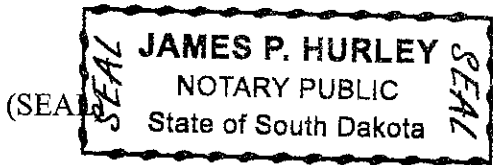
25. At the trial the jury determined that the bank breached the Loan Agreement (Jury Interrogatory One), that the bank intentionally discriminated against the Longs based solely on their status as Indians or tribal members in the Lease With Option to Purchase (Jury Verdict Four), and that the bank acted in bad faith when it attempted to gain the increased guarantee from the BIA as required by the Loan Agreement (Jury Verdict Five). The jury awarded the Longs damages of \$750,000, and determined that prejudgment interest should be added to the judgment. (Jury Verdict Six) (Attachment 1)


Dated this 8 day of December, 2005.

  
\_\_\_\_\_  
RONNIE LONG

  
\_\_\_\_\_  
LILA LONG

Subscribed and sworn to before me this 8 day of December, 2005.



  
\_\_\_\_\_  
NOTARY PUBLIC  
My Commission Expires **October 6, 2006**  
My Commission Expires: \_\_\_\_\_

**CERTIFICATE OF SERVICE**

I, James P. Hurley, do hereby certify that on the 9<sup>th</sup> day of December, 2005, I caused copies of the foregoing Affidavit of Ronnie and Lila Long in Support of Defendants' Motion for Summary Judgment to be electronically served upon:

Steven J. Gunn  
Civil Justice Clinic  
Washington University School of Law  
Anheuser-Busch Hall  
One Brookings Drive, Campus Box 1120  
St. Louis, MO 63130

and on the 9<sup>th</sup> day of December, 2005, I caused a copy thereof to be served upon

David A. Von Wald  
Attorney at Law  
P.O. Box 468  
Hoven, SD 57450

Roger K. Heidenreich  
Sonnenschein, Nath & Rosenthal LLP  
One Metropolitan Square, Suite 3000  
St. Louis, MO 63102

Robert V. Atmore  
Lindquist and Venum PLLP  
80 S. 8<sup>th</sup> St.  
4300 IDS Center  
Minneapolis, MN 55402

Thomas J. Van Norman  
Cheyenne River Sioux Tribe  
Legal Department  
P.O. Box 590  
Eagle Butte, SD 57625

by depositing copies of the same in envelopes securely sealed and with first class postage fully prepaid thereon in the United States Mail at Rapid City, South Dakota, and addressed to the above-named persons at the foregoing addresses, the same being the last-known addresses of those persons.

  
\_\_\_\_\_  
JAMES P. HURLEY

# SECURITY AGREEMENT - GENERAL FORM

September 28, 1988

(Date)

1. PARTIES - PROPERTY: The undersigned Debtor (jointly and severally) for value received hereby grants to the undersigned Secured Party or Lender, a security interest in the following described property:

All equipment, all machinery, all farm vehicles, all crops, all feed and grain, all livestock, all supplies used or produced in farming operations, all contract rights and accounts, all warehouse receipts or other documents of title affecting such goods, and all rights of debtor or payments in kind and ASCS farm program payments under the terms set between the debtor and the U.S. Dept. of Ag., whether now owned or hereafter acquired.

all products of, additions to and replacements thereof and all accessories, accessories, parts and equipment now or hereafter affixed thereto or used in connection therewith, and the proceeds of all property secured hereby as set out below.

2. IF FARM PRODUCTS, CROPS OR FIXTURES ARE COLLATERAL: If this instrument includes livestock, then as additional collateral, Debtor assigns, transfers and conveys to Secured Party a security interest in and to all increase and additions, replacements and substitutions therefor, and all feed, both hay and grain, owned by Debtor, all water privileges, and all equipment, used in feeding and handling said livestock and also all of Debtor's right, title and interest in all leases covering lands for pasture and grazing purposes. If crops, this agreement includes annual and perennial crops and products thereof growing or planted on the following described property; either before or after harvest and all additions and substitutions therefor; or if the property covered hereby is livestock, crops or fixtures; it is and will be located on the following described property in \_\_\_\_\_

County, South Dakota

3. IF INVENTORY IS COLLATERAL: If this instrument includes inventory then Debtor hereby grants to Lender, a security interest in all of his inventory now owned or hereafter acquired and all replacements, substitutions, and additions thereto, and a security interest in all of Debtor's merchandise, raw materials, work in process and finished products.

A. Upon execution of this agreement and upon request of Secured Party at any time while the indebtedness hereby secured remains unpaid, Debtor will furnish to Secured Party a signed statement, in form satisfactory to Secured Party, showing the current status of the inventory herein secured to include for any given period designated by Secured Party the opening inventory, inventory acquired, inventory sold and delivered, inventory sold and held for future delivery, inventory returned or repossessed, inventory used or consumed in Debtor's business, and closing inventory.

B. If at any given time the value of the collateral does not equal or exceed the total amount of indebtedness of Debtor to Secured Party, Debtor shall at once pay the excess of indebtedness to Secured Party or transfer additional collateral to Secured Party to meet Secured Party's satisfaction.

4. OBLIGATIONS SECURED - OPEN END: This security interest is given to secure the performance of the covenants and agreements herein set forth and for the payment of an indebtedness in the face amount of \$ \_\_\_\_\_ as evidenced by a promissory note(s) or other instrument(s) executed by Debtor payable to the order of said Secured Party as therein provided, and with interest as therein set forth and for the payment of all extensions and renewals thereof and all changes in form of said indebtedness which may be from time to time effected by agreement between Secured Party and Debtor; and for all advances made by Secured Party for taxes, levies, premiums of insurance and repairs to or maintenance of said collateral or to protect or preserve the collateral against the claims of others and all money heretofore and hereafter advanced by Secured Party at his option to or for the account of Debtor and all other present or future, direct or contingent liabilities of Debtor to Secured Party of any nature whatsoever and however arising or acquired; and for interest on any money expended by Secured Party for taxes, levies and repairs to or maintenance of said collateral. All sums payable hereunder shall be paid at the place stated in the promissory note or instrument, if any, and if none then at the location of the Secured Party as stated below, and if none, then at the place of residence of the Secured Party.

5. This instrument shall be void upon payment of all obligations secured hereby.

6. INFORMATIONAL (Check one or more).

- The address of the Debtor, below, is his residence.  Such address is the Debtors chief place of business.  
 Such address is where the Collateral is kept.  Debtor is a non-resident of South Dakota.

7. USE OF PROPERTY: Debtor warrants, covenants and agrees that the property is or is to be used by Debtor primarily (check 1, 2 or 3):

1. In business  Equipment  Farm Products  
 Inventory  2. For personal, family or household purposes.  3. In farming operations.  
 Farm Equipment

8. PURPOSE: The security interest herein is given on this collateral  for a purchase money loan;  otherwise.

9. THIS AGREEMENT SPECIFICALLY INCLUDES ALL OF THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE HEREOF, THE SAME BEING INCORPORATED HEREIN BY REFERENCE. DEBTOR ACKNOWLEDGES RECEIPT OF A COPY OF THIS CONTRACT FULLY COMPLETED.

BANK OF HOVEN  
HOVEN, SOUTH DAKOTA 57450

Kenneth Long  
Kenneth Long (Debtor)  
Maxine Long  
Maxine Long (Debtor)  
Ronnie Long  
Ronnie Long (Debtor)  
Lila Long  
Lila Long (Debtor)  
Lila Long  
(Number and Street)  
Box 186 Timber Lake, SD  
(City)  
Dewey South Dakota  
(County) (State)

By Don Bohr  
Don Bohr, VP (Secured Party)

\*Consider the desirability of joinder of spouse.

00296

GUARANTY

HOVEN

(City)

SD

(State)

APRIL 1, 1997

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce BANK OF HOVEN, P.O. BOX 7, HOVEN, SD 57450 (herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of LONG FAMILY LAND & CATTLE CO. INC.

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

A. If this [X] is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: LOANS TO LONG FAMILY LAND AND CATTLE CO. INC. and any extensions, renewals or replacements thereof (hereinafter referred to as the "Indebtedness").

B. If this [ ] is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s):

The term "Indebtedness" as used in this guaranty shall not include any obligations entered into between Borrower and Lender after the date hereof (including any extensions, renewals or replacements of such obligations) for which Borrower meets the Lender's standard of creditworthiness based on Borrower's own assets and income without the addition of a guaranty, or for which a guaranty is required but Borrower chooses someone other than the joint Undersigned to guaranty the obligation.

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all Indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ UNLIMITED (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount), plus accrued interest thereon and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the Indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is [ ] unsecured; [ ] secured by a mortgage or security agreement dated \_\_\_\_\_; [ ] secured by \_\_\_\_\_

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.

X Ronnie Long
RONNIE LONG

X Lila Long
LILA LONG

BH 0623

# GUARANTY

In consideration of financial accommodations given or to be given or continued to Maxine Long herein called "Borrower" by Bank of Hoven, A SD Corporation herein called "Bank", the undersigned irrevocably and unconditionally guarantee to the Bank, payment when due, whether by acceleration or otherwise, of any and all Liabilities of the Borrower as defined below to the Bank, together with all interest thereon; all attorneys' fees, costs, and expenses of collection incurred by the Bank in enforcing any of such Liabilities of the Borrower; and all attorneys' fees, costs, and expenses incurred by the Bank in foreclosing, pre-serving, protecting, retaking, holding, and selling of any collateral as a result of the enforcement or foreclosure of any security interest or mortgage given by Borrower to Bank.

The term "Liabilities of the Borrower" shall mean and include:

- A.  if checked, all indebtedness, liabilities or obligations, direct or contingent, secured or unsecured, joint, several, or joint and several, of the Borrower to Bank, created or incurred for any purpose whatsoever, now existing or hereafter arising, due or to become due to, or held or to be held, by the Bank for its own account or as agent for another or others, whether created or incurred directly or acquired by assignment or otherwise. (THERE IS NOT A LIMIT TO THE AMOUNTS COVERED BY THIS GUARANTY).
- B.  if checked, the debts, liabilities, or obligations, direct or contingent, secured or unsecured, joint, several, or joint or several of the Borrower to Bank evidenced by the following: subject to terms of collateral note

and any extensions, renewals, modifications or replacements thereof. (THIS GUARANTY IS LIMITED TO \$ 322,967.26 ).

The undersigned waive notice of the following: acceptance of this Guaranty and notice of the incurring of any of the Liabilities of the Borrower; presentment, demand for payment, protest, notice of protest, notice of dishonor or nonpayment of any instrument evidencing any of the Liabilities of the Borrower; notice of any alleged default, or notice of right to cure any default with respect to any of the Liabilities of the Borrower to the Bank; and notice of any lawsuit filed by or on behalf of the Bank against Borrower, or the taking of any other action by the Bank against, and any other notice to, any party liable for any of the Liabilities of Borrower (including the undersigned).

The Bank may at any time and from time to time (whether or not after revocation or termination of this Guaranty) without the consent of, or notice to, the undersigned; without incurring responsibility to the undersigned; and without impairing or releasing the obligations of the undersigned hereunder, do one or more of the following:

(1) renew, alter, or change in any manner the terms of any instrument evidencing any of the Liabilities of the Borrower, including any change in a) the rate of interest, and b) place, terms, or time of payment of any debt, liability, or obligation incurred directly or indirectly in respect thereof. This Guaranty shall apply to the Liabilities of the Borrower to the Bank as so changed, extended, renewed, or altered;

(2) sell, exchange, substitute, release, surrender, realize upon, or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged, mortgaged, or otherwise securing any of the Liabilities of the Borrower to the Bank hereby guaranteed or any debts, liabilities or obligations (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or exercise any right of setoff it may have.

(3) exercise or refrain from exercising any rights against the Borrower or others (including the undersigned) or otherwise act or refrain from acting;

(4) settle or compromise any of the Liabilities of the Borrower to the Bank hereby guaranteed or any security therefor, or any debt, liability, or obligation (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part of the Liabilities of the Borrower to the payment of any debt, liability, or obligation (whether due or not) of the Borrower to creditors of the Borrower other than the Bank and the undersigned; and

(5) apply any sums by whomsoever paid or howsoever realized to any Liabilities of the Borrower (regardless of the origin thereof) to the Bank, regardless of the nature of any of the Liabilities of the Borrower to the Bank which remain unpaid and regardless of the Borrowers' application or use of the consideration, if any, received in connection with any of the Liabilities of the Borrower to the Bank.

No invalidity, irregularity, or unenforceability of all or any part of the Liabilities of the Borrower to the Bank hereby guaranteed, or in any of the documents securing all or any part of the Liabilities of the Borrower, shall affect, impair, or be a defense to this Guaranty, and this Guaranty is a primary obligation of the undersigned.

The undersigned agree that the obligations and guaranty of the undersigned and the rights of the Bank in any collateral by whomsoever at any time pledged, conveyed, or mortgaged to secure, or howsoever securing any of the liabilities of the Borrower, shall not be released, discharged, or in any way affected, nor shall the undersigned have any rights against the Bank, by reason of the fact that (i) a valid or perfected lien, security interest, or encumbrance in any of the collateral may not be conveyed to, obtained by, or created in favor of Bank; (ii) any of the collateral may be subject to equities or defenses or claims in favor of others or may be invalid or defective in any way; (iii) the value of any of the collateral, or the financial condition of the Borrower, of any obligor, of any guarantor, or any of the collateral may not have been correctly estimated or may have changed or may hereafter change; or (iv) there is any deterioration, waste, or loss by fire, theft, or otherwise of any of the collateral.

The undersigned agree that the Bank shall not be required to resort first for payment to the Borrower, or other persons or corporations, their properties or estates, whether by lawsuit or otherwise, before enforcing this Guaranty. The undersigned further agree that Bank shall not be required to have any collateral or security applied to Liabilities of the Borrower (including other guaranties) before enforcing this Guaranty. The undersigned further agree that the Bank shall have a general lien on and security interest in and a right of setoff against all property of the undersigned including without limitation all deposits, cash, securities, notes, cash equivalents, or certificates of deposit now or hereafter in the Bank's possession or on deposit with the Bank, whether held in a general or special account, or for safekeeping or otherwise, and such lien, security interest, and right of setoff may be enforced or exercised without demand upon or notice to the undersigned.

If box A is checked above, this Guaranty is a continuing one and all of the Liabilities of the Borrower to the Bank to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. As to each of the undersigned, this Guaranty shall continue until written notice of revocation signed by such undersigned, or until written notice of the death of such undersigned shall in each case have been actually received by the Bank, notwithstanding revocation by, or the death of, or complete or partial release for any cause of, any one or more of the remainder of the undersigned, or of the Borrower, or of anyone liable or obligated in any manner for any of the Liabilities of the Borrower hereby guaranteed or for the debts, liabilities, or obligations (including those hereunder) incurred directly or indirectly in respect thereof or hereof. No revocation or termination hereof shall affect in any manner rights arising under this Guaranty with respect to (a) Liabilities of the Borrower to the Bank which shall have been created, contracted, assumed, or incurred prior to receipt by the Bank of written notice of such revocation or termination or (b) Liabilities of the Borrower to the Bank which shall have been created, contracted, assumed, or incurred after receipt of such written notice pursuant to any contract entered into by the Bank prior to receipt of such notice; and the sole effect of revocation or termination hereof shall be to exclude from this Guaranty Liabilities of the Borrower to the Bank thereafter arising which are unconnected with Liabilities of the Borrower to the Bank arising or transactions entered into before the date of revocation or termination.

If claim is ever made upon the Bank for payment or recovery of any amount or amounts repaid by the Bank in payment or on account of any of the Liabilities of the Borrower to the Bank and the Bank repays all or part of said amount by reason of (a) any judgment, decree, or order of any court or administrative body having jurisdiction over the Bank or any of its property, or (b) any settlement or compromise of any such claim effected by the Bank with any such claimant (including the Borrower), then and in such event the undersigned agree that any such judgment, decree, order, settlement, or compromise shall be binding upon the undersigned, notwithstanding any revocation hereof or the cancellation of any note or other instrument evidencing any of the Liabilities of the Borrower to the Bank, and the undersigned shall be and remain liable to the Bank hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by the Bank.

Any acknowledgment or new promise, whether by payment of principal or interest or otherwise and whether by the Borrower or others (including the undersigned), with respect to any of the Liabilities of the Borrower to the Bank shall, if the statute of limitations in favor of the undersigned against the Bank shall have commenced to run, toll the running of such statute of limitations and, if the period of such statute of limitations shall have expired, prevent the operation of such statute of limitations.

No delay on the part of the Bank in exercising any of its options, powers, or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guaranty, shall be deemed to be made by the Bank unless the same shall be in writing, duly signed on behalf of the Bank, and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Bank or the obligations of the undersigned to the Bank in any other respect at any other time.

The undersigned waive all rights of subrogation to Bank's rights against the Borrower until all of the Liabilities of the Borrower to the Bank guaranteed hereunder shall have been fully paid and discharged.

This Guaranty and the rights and obligations of the Bank and of the undersigned hereunder shall be governed and construed in accordance with the laws of the State of South Dakota; and this Guaranty is binding upon the undersigned, his, her, their, or its executors, administrators, successors, or assigns, and shall inure to the benefit of the Bank, its successors, or assigns.

The undersigned, if more than one, shall be jointly and severally liable hereunder and the term "undersigned" wherever used herein shall mean the undersigned or any one or more of them. Anyone signing this Guaranty shall be bound hereby, whether or not anyone else signs this Guaranty at any time. The term "Bank" includes any agent of the Bank acting for it.

If any of the provisions of this Guaranty shall contravene or be held invalid under the laws of the applicable jurisdiction, this Guaranty shall be construed as if not containing those provisions and the rights and obligations of the parties shall be construed and enforced accordingly.

In addition to the other provisions contained herein, this Guaranty is secured by \_\_\_\_\_

Dated: September 28, 19 88

Maxine Long  
Maxine Long

Box 186, Timber Lake, SD 57656  
(Address)

(Address)

**INDIVIDUAL ACKNOWLEDGEMENT**

State of South Dakota )  
County of Potter ) ss.

On this 28 day of September, 19 88, before me, a Notary Public, personally appeared Maxine Long, to me known to be the identical person(s) who executed the foregoing instrument, and it is executed as a voluntary act and deed.

Nancy K. Rausch  
Notary Public

My Commission expires: NANCY K. RAUSCH  
Notary Public, POTTER COUNTY, S. DAK.  
My Commission Expires APRIL 10, 1993

**CORPORATE ACKNOWLEDGEMENT**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_, before me, a Notary Public, personally appeared \_\_\_\_\_, to me personally known, who being by me duly sworn did say that he/she is the \_\_\_\_\_ of \_\_\_\_\_, a Corporation; that the seal affixed to the instrument is the seal of said Corporation (or that no seal has been provided by said Corporation); that said instrument was signed (and sealed) on behalf of said Corporation by authority of its Board of Directors; and the said \_\_\_\_\_ acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

# GUARANTY

In consideration of financial accommodations given or to be given or continued to Long Family Land & Cattle Co., Inc. herein called "Borrower" by Bank of Hoven herein called "Bank", the undersigned irrevocably and unconditionally guarantee to the Bank, payment when due, whether by acceleration or otherwise, of any and all Liabilities of the Borrower as defined below to the Bank, together with all interest thereon; all attorneys' fees, costs, and expenses of collection incurred by the Bank in enforcing any of such Liabilities of the Borrower; and all attorneys' fees, costs, and expenses incurred by the Bank in foreclosing, preserving, protecting, retaking, holding, and selling of any collateral as a result of the enforcement or foreclosure of any security interest or mortgage given by Borrower to Bank.

The term "Liabilities of the Borrower" shall mean and include:

- A.  if checked, all indebtedness, liabilities or obligations, direct or contingent, secured or unsecured, joint, several, or joint and several, of the Borrower to Bank, created or incurred for any purpose whatsoever, now existing or hereafter arising, due or to become due to, or held or to be held, by the Bank for its own account or as agent for another or others, whether created or incurred directly or acquired by assignment or otherwise. (THERE IS NOT A LIMIT TO THE AMOUNTS COVERED BY THIS GUARANTY).
- B.  if checked, the debts, liabilities, or obligations, direct or contingent, secured or unsecured, joint, several, or joint or several of the Borrower to Bank evidenced by the following: \_\_\_\_\_

and any extensions, renewals, modifications or replacements thereof. (THIS GUARANTY IS LIMITED TO \$ \_\_\_\_\_).

The undersigned waive notice of the following: acceptance of this Guaranty and notice of the incurring of any of the Liabilities of the Borrower; presentment, demand for payment, protest, notice of protest, notice of dishonor or nonpayment of any instrument evidencing any of the Liabilities of the Borrower; notice of any alleged default, or notice of right to cure any default with respect to any of the Liabilities of the Borrower to the Bank; and notice of any lawsuit filed by or on behalf of the Bank against Borrower, or the taking of any other action by the Bank against, and any other notice to, any party liable for any of the Liabilities of Borrower (including the undersigned).

The Bank may at any time and from time to time (whether or not after revocation or termination of this Guaranty) without the consent of, or notice to, the undersigned; without incurring responsibility to the undersigned; and without impairing or releasing the obligations of the undersigned hereunder, do one or more of the following:

- (1) renew, alter, or change in any manner the terms of any instrument evidencing any of the Liabilities of the Borrower, including any change in a) the rate of interest, and b) place, terms, or time of payment of any debt, liability, or obligation incurred directly or indirectly in respect thereof. This Guaranty shall apply to the Liabilities of the Borrower to the Bank as so changed, extended, renewed, or altered;
- (2) sell, exchange, substitute, release, surrender, realize upon, or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged, mortgaged, or otherwise securing any of the Liabilities of the Borrower to the Bank hereby guaranteed or any debts, liabilities or obligations (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or exercise any right of setoff it may have.
- (3) exercise or refrain from exercising any rights against the Borrower or others (including the undersigned) or otherwise act or refrain from acting;
- (4) settle or compromise any of the Liabilities of the Borrower to the Bank hereby guaranteed or any security therefor, or any debt, liability, or obligation (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part of the Liabilities of the Borrower to the payment of any debt, liability, or obligation (whether due or not) of the Borrower to creditors of the Borrower other than the Bank and the undersigned; and
- (5) apply any sums by whomsoever paid or howsoever realized to any Liabilities of the Borrower (regardless of the origin thereof) to the Bank, regardless of the nature of any of the Liabilities of the Borrower to the Bank which remain unpaid and regardless of the Borrowers' application or use of the consideration, if any, received in connection with any of the Liabilities of the Borrower to the Bank.

No invalidity, irregularity, or unenforceability of all or any part of the Liabilities of the Borrower to the Bank hereby guaranteed, or in any of the documents securing all or any part of the Liabilities of the Borrower, shall affect, impair, or be a defense to this Guaranty, and this Guaranty is a primary obligation of the undersigned.

The undersigned agree that the obligations and guaranty of the undersigned and the rights of the Bank in any collateral by whomsoever at any time pledged, conveyed, or mortgaged to secure, or howsoever securing any of the liabilities of the Borrower, shall not be released, discharged, or in any way affected, nor shall the undersigned have any rights against the Bank, by reason of the fact that (i) a valid or perfected lien, security interest, or encumbrance in any of the collateral may not be conveyed to, obtained by, or created in favor of Bank; (ii) any of the collateral may be subject to equities or defenses or claims in favor of others or may be invalid or defective in any way; (iii) the value of any of the collateral, or the financial condition of the Borrower, of any obligor, of any guarantor, or of anyone liable or obligated may not have been correctly estimated or may have changed or may hereafter change; or (iv) there is any deterioration, waste, or loss by fire, theft, or otherwise of any of the collateral.

The undersigned agree that the Bank shall not be required to resort first for payment to the Borrower, or other persons or corporations, their properties or estates, whether by lawsuit or otherwise, before enforcing this Guaranty. The undersigned further agree that Bank shall not be required to have any collateral or security applied to Liabilities of the Borrower (including other guaranties) before enforcing this Guaranty. The undersigned further agree that the Bank shall have a general lien on and security interest in and a right of setoff against all property of the undersigned including without limitation all deposits, cash, securities, notes, cash equivalents, or certificates of deposit now or hereafter in the Bank's possession or on deposit with the Bank, whether held in a general or special account, or for safekeeping or otherwise, and such lien, security interest, and right of setoff may be enforced or exercised without demand upon or notice to the undersigned.

If box A is checked above, this Guaranty is a continuing one and all of the Liabilities of the Borrower to the Bank to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. As to each of the undersigned, this Guaranty shall continue until written notice of revocation signed by such undersigned, or until written notice of the death of such undersigned shall in each case have been actually received by the Bank, notwithstanding revocation by, or the death of, or complete or partial release for any cause of, any one or more of the remainder of the undersigned, or of the Borrower, or of anyone liable or obligated in any manner for any of the Liabilities of the Borrower hereby guaranteed or for the debts, liabilities, or obligations (including those hereunder) incurred directly or indirectly in respect thereof or hereof. No revocation or termination hereof shall affect in any manner rights arising under this Guaranty with respect to (a) Liabilities of the Borrower to the Bank which shall have been created, contracted, assumed, or incurred prior to receipt by the Bank of written notice of such revocation or termination or (b) Liabilities of the Borrower to the Bank which shall have been created, contracted, assumed, or incurred after receipt of such written notice pursuant to any contract entered into by the Bank prior to receipt of such notice; and the sole effect of revocation or termination hereof shall be to exclude from this Guaranty Liabilities of the Borrower to the Bank thereafter arising which are unconnected with Liabilities of the Borrower to the Bank arising or transactions entered into before the date of revocation or termination.



If claim is ever made upon the Bank... repayment or recovery of any amount or amount received by the Bank in payment or on account of any of the Liabilities of the Borrower to the Bank and the Bank repays all or part of such amount by reason of (a) any judgment, decree, or order of any court or administrative body having jurisdiction over the Bank or any of its property, or (b) any settlement or compromise of any such claim effected by the Bank with any such claimant (including the Borrower), then and in such event the undersigned agree that any such judgment, decree, order, settlement, or compromise shall be binding upon the undersigned, notwithstanding any revocation hereof or the cancellation of any note or other instrument evidencing any of the Liabilities of the Borrower to the Bank, and the undersigned shall be and remain liable to the Bank hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by the Bank.

Any acknowledgment or new promise, whether by payment of principal or interest or otherwise and whether by the Borrower or others (including the undersigned), with respect to any of the Liabilities of the Borrower to the Bank shall, if the statute of limitations in favor of the undersigned against the Bank shall have commenced to run, toll the running of such statute of limitations and, if the period of such statute of limitations shall have expired, prevent the operation of such statute of limitations.

No delay on the part of the Bank in exercising any of its options, powers, or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guaranty, shall be deemed to be made by the Bank unless the same shall be in writing, duly signed on behalf of the Bank, and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Bank or the obligations of the undersigned to the Bank in any other respect at any other time.

The undersigned waive all rights of subrogation to Bank's rights against the Borrower until all of the Liabilities of the Borrower to the Bank guaranteed hereunder shall have been fully paid and discharged.

This Guaranty and the rights and obligations of the Bank and of the undersigned hereunder shall be governed and construed in accordance with the laws of the State of South Dakota; and this Guaranty is binding upon the undersigned, his, her, their, or its executors, administrators, successors, or assigns, and shall inure to the benefit of the Bank, its successors, or assigns.

The undersigned, if more than one, shall be jointly and severally liable hereunder and the term "undersigned" wherever used herein shall mean the undersigned or any one or more of them. Anyone signing this Guaranty shall be bound hereby, whether or not anyone else signs this Guaranty at any time. The term "Bank" includes any agent of the Bank acting for it.

If any of the provisions of this Guaranty shall contravene or be held invalid under the laws of the applicable jurisdiction, this Guaranty shall be construed as if not containing those provisions and the rights and obligations of the parties shall be construed and enforced accordingly.

In addition to the other provisions contained herein, this Guaranty is secured by all assets

Dated: 3/5, 1991

Kenneth Long  
\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Address)

INDIVIDUAL ACKNOWLEDGEMENT

State of South Dakota )  
County of Potter ) ss.

On this 5th day of March, 1992, before me, a Notary Public, personally appeared Kenneth Long, to me known to be the identical person(s) who executed the foregoing instrument, and it is executed as a voluntary act and deed.

Charles E. Simon  
Notary Public

CHARLES E. SIMON  
Notary Public, POTTER COUNTY, S. DAK.  
My Commission Expires MARCH 2, 1995

My Commission expires: \_\_\_\_\_

CORPORATE ACKNOWLEDGEMENT

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, a Notary Public, personally appeared \_\_\_\_\_, to me personally known, who being by me duly sworn did say that he/she is the \_\_\_\_\_ of \_\_\_\_\_, a Corporation; that the seal affixed to the instrument is the seal of said Corporation (or that no seal has been provided by said Corporation); that said instrument was signed (and sealed) on behalf of said Corporation by authority of its Board of Directors; and the said \_\_\_\_\_ acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

COLLATERAL REAL ESTATE MORTGAGE - STANDARD FORM

44-226A

### MORTGAGE — COLLATERAL REAL ESTATE MORTGAGE

THIS MORTGAGE, made this 20th day of September in the year 1988, by Kenneth and Maxine Long, Husband and Wife

of Dewey County and State of South Dakota Mortgagor &

to Bank of Hoven, A South Dakota Corporation, Box 7

of Hoven P. O., County of Potter and state of South Dakota Mortgagee.

WITNESSETH, that said Mortgagor & hereby mortgage to said Mortgagee the following described premises situated in the County of Dewey and State of South Dakota, to-wit: Lot 7 and South 40' of Lot 8, Block 29, in the Town (now City) of Timber Lake, Dewey County, South Dakota, together with carpets, drapes, T.V. and C.B. antenna and refrigerator.

as security for the payment to said mortgagee at Hoven, South Dakota

of a principal sum not to exceed \$ 322,967.26 in accordance with promissory notes, credit agreements, checks, or any other indebtedness or commitments between Mortgagor and Mortgagee, whether or not evidenced by a written instrument or agreement, and whether or not the same exists as of the date hereof, or is hereafter created or acquired by Mortgagee; all such indebtedness and commitments being hereinafter referred to as the 'Obligations,' said Obligations not to be in excess of \$ 322,967.26 but nothing herein shall be considered as limiting the amounts which shall be secured when advanced to protect the security.

**THE PARTIES AGREE THAT THIS MORTGAGE CONSTITUTES A COLLATERAL REAL ESTATE MORTGAGE PURSUANT TO SDCL 44-8-26.**

This Mortgage shall, notwithstanding the fact that from time to time during the term hereof no indebtedness shall be due from Mortgagor to Mortgagee, constitute a continuing lien against the Property for the amount stated herein. If at any time the indebtedness due Mortgagee is zero, the Mortgagee shall, within ten days after receipt of written demand therefor by Mortgagor, execute and record a satisfaction of this Mortgage.

The original term of this Mortgage is five years unless such term is extended by the filing of an Addendum to this Mortgage. Any addendum to this Mortgage need be signed only by the Mortgagee. Upon the timely filing of such an addendum to this Mortgage, the effectiveness hereof shall be continued for five years after the date of filing this Mortgage whereupon it shall lapse unless another addendum to this Mortgage continuing the effectiveness of its lien is filed prior to such lapse. Succeeding addendums to this Mortgage may be filed in the same manner to continue the effectiveness of the lien hereof.

SAID MORTGAGOR & further agree to pay all taxes and assessments that may be levied upon said premises, before the same shall become delinquent (and to keep the buildings, if any, upon said premises safely insured for the benefit of said Mortgagee in the sum of \$ 50,000.00 Dollars against loss by fire and deliver the insurance policies to said Mortgagee).

BH 0474

**MORTGAGE — COLLATERAL REAL ESTATE MORTGAGE**

THIS MORTGAGE, made this 15th day of November in the year  
19 90, by Kenneth and Maxine Long, Husband and Wife

of Dewey County and State of South Dakota Mortgagor s,

to Bank of Hoven, A Corporation, Box 7

of Hoven P. O., County of Potter and state of  
South Dakota, Mortgagee

WITNESSETH, that said Mortgagor s hereby mortgage \_\_\_\_\_ to said Mortgagee \_\_\_\_\_ the following described premises situated in the County of Dewey and State of South Dakota, to-wit: Northwest Quarter of Section Twenty Five, Township Seventeen, Range Twenty Five (NW $\frac{1}{4}$  25-17-25), All of Section Twenty Eight Township Seventeen, Range Twenty Five (28-17-25), East Half of Section Thirty Two, Township Seventeen, Range Twenty Five (E $\frac{1}{2}$  32-17-25), All of Section Thirty Three, Township Seventeen, Range Twenty Five (33-17-25), and the Southwest Quarter of Section Thirty Four, Township Seventeen, Range Twnety Five (SW $\frac{1}{4}$  34-17-25) all in Dewey County, South Dakota, And the East Half of Section One, Township Fifteen, Range Twenty Four (E $\frac{1}{2}$  1-15-24), All in Dewey County, South Dakota.

as security for the payment to said mortgagee \_\_\_\_\_ at Hoven, South Dakota

of a principal sum not to exceed \$ 472,275.00 in accordance with promissory notes, credit agreements, checks, or any other indebtedness or commitments between Mortgagor and Mortgagee, whether or not evidenced by a written instrument or agreement, and whether or not the same exists as of the date hereof, or is hereafter created or acquired by Mortgagee; all such indebtedness and commitments being hereinafter referred to as the 'Obligations,' said Obligations not to be in excess of \$ 472,275.00, but nothing herein shall be considered as limiting the amounts which shall be secured when advanced to protect the security.

**THE PARTIES AGREE THAT THIS MORTGAGE CONSTITUTES A COLLATERAL REAL ESTATE MORTGAGE PURSUANT TO SDCL 44-8-26.**

This Mortgage shall, notwithstanding the fact that from time to time during the term hereof no indebtedness shall be due from Mortgagor to Mortgagee, constitute a continuing lien against the Property for the amount stated herein. If at any time the indebtedness due Mortgagee is zero, the Mortgagee shall, within ten days after receipt of written demand therefor by Mortgagor, execute and record a satisfaction of this Mortgage.

The original term of this Mortgage is five years unless such term is extended by the filing of an Addendum to this Mortgage. Any addendum to this Mortgage need be signed only by the Mortgagee. Upon the timely filing of such an addendum to this Mortgage, the effectiveness hereof shall be continued for five years after the date of filing this Mortgage whereupon it shall lapse unless another addendum to this Mortgage continuing the effectiveness of its lien is filed prior to such lapse. Succeeding addendums to this Mortgage may be filed in the same manner to continue the effectiveness of the lien hereof.

In case of default in the payment of said principal sum of money or any part thereof, or interest thereon at the time or times above specified for payment thereof, or in case of non-payment of any taxes, assessments, or insurance as aforesaid, or of breach of any covenant or agreement herein contained, then and in either case, the whole, principal and interest, of said note shall at the option of the holder thereof, immediately become due and payable, and this mortgage may be foreclosed by action, or by advertisement as provided by statute or the rules of practice relating thereto, and this paragraph shall be deemed as authorizing and constituting a power of sale as mentioned in said statutes or rules, and any amendatory thereof.

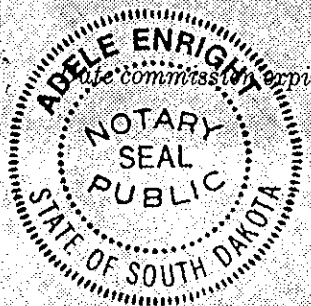
Kenneth Long  
Maxine Long

STATE OF SOUTH DAKOTA }  
COUNTY OF Potter } ss.

On this the 15th day of November, 1990, before me, Adele R. Enright, A Notary Public, the undersigned officer, personally appeared Kenneth and Maxine Long, Husband and Wife, known to me or satisfactorily proven to be the person whose name s are subscribed to the within instrument and acknowledged that t hey executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand and official seal

Adele R Enright  
Notary Public  
Title of Officer



My commission expires 04-30-95

No. 62365

**MORTGAGE  
COLLATERAL REAL  
ESTATE MORTGAGE  
WITH POWER OF SALE  
STATE FORM**

TO

STATE OF SOUTH DAKOTA, }  
County of DeWey } ss.

OFFICE OF REGISTER OF DEEDS,

Filed for record this 4th day  
of January, 1991

at 10:30 o'clock A.M., and recorded in  
Book 37 of Mortgages, on page 265

Jan Soldade  
Register of Deeds.

Deputy.

INDEXED  
RECORDED

Fees, \$ 5.00

COMPARED

When recorded return to



THIS MORTGAGE, made this 5th day of March in the year 1992, by Kenneth Long, a Single Man

of Dewey County and State of South Dakota Mortgagee, to Bank of Hoven, a Corporation, Box 7 of Hoven P. O., County of Potter and state of South Dakota, Mortgagee:

WITNESSETH, that said Mortgagor hereby mortgage to said Mortgagee the following described premises situated in the County of Dewey and State of South Dakota, to-wit: Northwest Quarter of Section Twenty Five, Township Seventeen, Range Twenty Five (NW 25-17-25), All of Section Twenty Eight, Township Seventeen, Range Twenty Five (28-17-25), East Half of Section Thirty Two, Township Seventeen, Range Twenty Five (E 32-17-25), All of Section Thirty Three, Township Seventeen, Range Twenty Five (33-17-25), and the Southwest Quarter of Section Thirty Four, Township Seventeen, Range Twenty Five (SW 34-17-25); All in Dewey County, South Dakota, And the East Half of Section One, Township Fifteen, Range Twenty Four (E 1-15-24), All in Dewey County, South Dakota as security for the payment to said mortgagee at Hoven, South Dakota

of the principal sum of Three Hundred Seventy Eight Thousand Nine Hundred thirty & 00/100 Dollars and interest thereon at 9.25% per cent per annum from date, according to One certain promissory note bearing even date herewith, due Dec. 1st, 1992, \$378,930.00 note dated March 5th, 1992, with 20 annual installments of \$41,343.96 beginning Dec. 1st, 1992 and ending Dec. 1st, 2011 with 84% BIA guarantee.

SAID MORTGAGOR further agree to pay all taxes and assessments that may be levied upon said premises, before the same shall become delinquent (and to keep the buildings, if any, upon said premises safely insured for the benefit of said Mortgagee in the sum of \$50,000 Dollars against loss by fire and deliver the insurance policies to said Mortgagee).

In case of the Mortgagor's failure to pay said taxes or assessments before the same become delinquent or to pay insurance premiums for insurance on said buildings, said Mortgagee or assignee may do so and the amounts so paid, with interest at 15 per cent, from date of payment, shall be added to and deemed a part of the money secured by this mortgage. Said Mortgagor hereby relinquish his rights of homestead in said premises and warrant that he the owner in fee of said premises, and that the same are free from all incumbrances

In case of default in the payment of said principal sum of money or any part thereof, or interest thereon at the time or times above specified for payment thereof, or in case of non-payment of any taxes, assessments, or insurance as aforesaid, or of breach of any covenant or agreement herein contained, then and in either case, the whole principal and interest, of said note shall at the option of the holder thereof, immediately become due and payable, and this mortgage may be foreclosed by action, or by advertisement as provided by statute or the rules of practice relating thereto, and this paragraph shall be deemed as authorizing and constituting a power of sale as mentioned in said statutes or rules, and any amendatory thereof.

Kenneth Long