

INFORMATION NEEDED TO BEGIN PROCESSING APPLICATION

1. An application must be fully completed and signed by all applicant(s).
2. A current Balance Sheet must be provided for all individuals applying for the loan (form attached). The Balance Sheet must include a complete list of all liabilities, showing the lenders name, length of loan, payment amount, and balance owing.
3. Current Balance Sheet for partnerships and/or corporations in which you own an interest.
4. Environmental Questionnaire (form attached). Complete and sign.
5. A credit authorization form signed by all applicants (form enclosed). Please provide a list of each
6. Verification of income for the past three years for all applicants, i.e., copies of tax returns complete with schedules and/or income and expense statements certified by you and your accountant.
7. Verification of income for the past three years for partnerships and/or corporation in which you own an interest, i.e., true copies of tax returns complete with schedules or income statements.
8. Legal description of land offered as security (either metes and bounds or lot and block number, et cetera), accompanied by a surveyor's plat or aerial photograph. If the offered security is a rural residence, a surveyor's plat must be provided,
9. Copies of sales contracts on all purchase money transactions.
10. If proposed loan is for construction, furnish:
 - A. Complete set of plans and specifications, all blanks completed, and signed by applicant and builder.
 - B. Copy of construction bid or contract signed by applicant and builder.
 - C. Survey reflecting location of house, outbuildings, well and other improvements in relation to property lines is required on small acreage lots and access to public road.
11. If the land offered as security is in a subdivision, include a copy of the Deed Restrictions for that subdivision and a subdivision plat.
12. ASCS Farm Number, Aerial Photo, and ASCS Form #476.
13. Complete all forms online, print to sign, fax to your local office.



Plains Land Bank, FLCA
APPLICATION FOR LOAN

PERSONAL INFORMATION

1. Name: _____

Social Security./Taxpayer ID No.: _____

Email Address: _____

Phone No. Home: _____ Business: _____ Mobile: _____

Spouse's name: _____

Social Security./Taxpayer ID No.: _____

Spouse's Email Address: _____

Phone No. Home: _____ Business: _____ Mobile: _____

2. Mailing Address: _____

City: _____ County: _____

State: _____ Zip: _____

3. Year you began farming: _____

4. Applicant's Primary Income Source: _____

5. Primary Applicant's Employment

Employer	Occupation	Annual Salary	Address	How Long

Spouse's Employment

Employer	Occupation	Annual Salary	Address	How Long

6. Amount of child support and/or alimony paid by me per month \$ _____

I carry \$ Life Insurance. _____

Are you interested in purchasing life insurance (Y/N): _____

7. U. S. Citizen (Y/N): _____

Date of Birth/Date Organized: _____ Spouse's date of birth: _____

Marital Status (Married, Unmarried, Separated): _____

Louisiana only: Parish/County of Residence: _____ Maiden name: _____
(This information is used for title purposes not for credit evaluation.)

8. Number of children living at home: _____

9. I claim the following legally described property as my homestead (use attachments if necessary):

10. I currently live on: _____

11. Will you occupy the offered security as your year-round residence? (Y/N): _____

12. Are you or any recipient of the loan proceeds one of the following: Federal Land Credit Association director or employee, Federal Land Bank Association director or employee, Production Credit Association director or employee, Farm Credit Bank director or employee, Farm Credit Administration employee, Farm Credit Administration Board director, or a relative of any such director or employee? If so, specify relationship and organization: (Y/N): _____

(Relationship)

LOAN INFORMATION

13. I (we) the undersigned, hereby apply for a loan from the above-named Association in the amount of

\$ _____

14. Requested loan plan (F-Fixed, S-SOFR, A-Adjustable): _____

Fixed Period in Months _____

Requested Loan Term (mos/yrs): _____

15. Requested repayment (A-Annual, S-Semiannual, Q-Quarterly ,M-Monthly): _____

On first day of _____

16. Purpose of Loan

Purpose	Description	Amount
Purchase Land (to be/not) include in Mortg		
Refinance (Specify Name of Creditor)		
Improvements (Specify)		
Other Purposes (Specify)		

17. Power of attorney is hereby given to _____ to act for and on behalf of all joint owners in all matters pertaining to this application and any loan made hereunder, including the right to vote the Association stock and to receive payment of dividends or patronage and the proceeds of refunded stock or participation certificates as well as the distribution or retirement of any allocated or unallocated equities. In the event of a conflict with regard to who is authorized to act on behalf of the stockholders in this regard, the Association may pay such proceeds to any stockholder and the stockholder agrees to indemnify the Association against any claims, costs, loss or expenses relating to said payment.

18. PLEASE PROVIDE THE LEGAL DESCRIPTION AND PLAT OF THE OFFERED SECURITY.

19. I offer as security a first mortgage on _____ acres of land situated in/mostly in the

County of _____, State of _____.

20. Security ownership will be: _____

- | | |
|-----------------------------------|-----------------------------------|
| A-Association/Organization | J-Joint Venture |
| C-Corporation | LLC-Limited Liability Company |
| CM-Combination | LLP-Limited Liability Partnership |
| E-Estate with IRS Tax ID | LP-Limited Partnership |
| E (Ind)-Estate without IRS Tax ID | P-Partnership |
| G-Guardian | SP-Sole Proprietor |
| GP-General Partnership | T (Ind)-Trust with IRS Tax ID |
| I-Individual | T-Trust without IRS Tax ID |

21. If ownership type is individual and you are married, is the property:

- Community/Joint _____
 Separate _____
 Mixed _____

22. Is security rented or leased? (Y/N): _____ If yes, furnish a copy of the written lease(s).

23. If offered security is currently owned, has your marital status changed since you acquired? (Y/N): _____

24. I certify that the following are all encumbrances, mortgages, liens, etc., against the land to be mortgaged.

Name of Lien Holder	Date Debt Incurred	Date Debt Due	Purpose	Balance Due (including interest)	To Be Paid From This Loan (Yes-No)

25. I(we) agree to provide all financial and income information required by the Association to evaluate my (our) credit request and hereby represent that all of the statements contained herein are true and correct, having the same legal effect of a sworn representation; that no information has been withheld or suppressed which would adversely affect the value of, or my title to, the property offered as security; that there are no suits pending or unsatisfied judgments against me other than those shown on my financial statement, and that all encumbrances or liens against said property are valid and have been shown. (If you are applying for credit individually and not relying on the credit worthiness of your spouse, the only information about your spouse required to be furnished is: (1) his/her home address; (2) whether you are separated from him/her; and (3) the obligations and amount of debt owned by him/her for which your property or income is or may become liable under applicable State law.) **NOTE: Alimony, child support, or separate maintenance income need not be included if you do not wish to have it considered for repaying this loan.** If this application is approved for a loan in an amount agreeable to me, I agree to furnish at my expense a mortgagee's title insurance policy, or other evidence of title acceptable to said Association, covering the property offered as security, and any easements required for access. I agree to pay all costs incident to the obtaining and recording of legal instruments required in connection with the loan approval hereunder, whether or not such loan is ultimately closed, and I agree to pay the fee properly charged in connection with this application. I apply for membership in the Association herein named or its parent association as required by applicable by-laws and agree to (1) purchase the required shares of capital stock or participation certificates of said association, (2) be bound by the bylaws and actions of the Board of Directors of said Association. I authorize you to obtain such credit reports, employment and income verifications and other information as may be required in connection with this loan application or in connection with the review or collection of any loan resulting therefrom or any and all future renewals and extensions thereof and hereby instruct any credit reporting agency or other person to provide such credit reports or other information requested by the Association.

26. I (we) hereby certify that I have received the proper disclosure of Stock or Participation Certificates and the risk associated with said investment.
27. I (we) understand and agree that the Lender may without liability withdraw from negotiations regarding this loan application at any time and that the approval for a loan in any amount resulting from this loan application will be evidenced ONLY by a written notice from the Lender and that I am not entitled to rely upon my oral statements regarding the likelihood that this application will be approved.
28. The following disclosure applies if the loan is to be 1) for any purpose and secured by a first lien on my (our) dwelling or 2) for a consumer purpose, secured by any lien on my (our) principal dwelling, and with an interest rate that is higher than certain average rates in the market: THE ASSOCIATION MAY ORDER AN APPRAISAL TO DETERMINE THE PROPERTY'S VALUE AND CHARGE YOU FOR THIS APPRAISAL. THE ASSOCIATION WILL PROMPTLY GIVE YOU A COPY OF ANY APPRAISAL, EVEN IF YOUR LOAN DOES NOT CLOSE. YOU CAN PAY FOR AN ADDITIONAL APPRAISAL FOR YOUR OWN USE AT YOUR OWN COST.**NOTE: Pursuant to 18 USCS § 1014, it is a crime to knowingly make a false statement or report or to willfully overvalue any land, property or security in connection with this loan application. By execution hereof I (we) have completed and reviewed all paragraphs of this application.**

NOTICE of JOINT CREDIT: We intend to apply for joint credit. X _____ (initials)

Name (Date)

Name (Date)

Date of Application: _____

Plains Land Bank, FLCA
NMLS ID: 709351

DIRECTOR/EMPLOYEE LIST

Last Name	First Name
Alvis	Brooke
Aubrey	Marissa
Babcock	Dustin
Ball	Kyle
Barrientos	Rebecca (Becca)
Berry	Ryan T.
Bishop	Kiley
Bohannon	Marcy
Bourque	Jennifer
Bruce	Cory
Castillo	Adriana
Chisum	Maegan
Conrad	Clay R.
Constancio	Manuela (Minnie)
Cowden	Lynn
Davis (Bruce)	Kaitlyn
Donnell	Steve
Ferguson	Sean
Fortenberry	Eddie
Harper	Leo
Harrell	Michael
Hawkins	Patricia (Trish)
Henson	Walter Rusty
Holmes	Stephen
Horsford	Jacob Kyle
Key	Jerrell
Kirkland	Colton
Long	Abigail
Lucia	Reagan
Martinez	Lisa
Mashburn	April
McLaughlin	Kay Lynn
Needham	Dalton
Nogglar	Justin
Ortega McLaughlin	Noemi
Parker	Travis
Perry	Mary
Philipp	Eric
Puryear	Brandon
Ramirez	Brenda
Reyes	Cynthia
Richburg	Mandy
Rodriguez	Jordan
Scott	Maryssa
Scott	Sterling
Short	Alyssen
Sissel	Brennan
Smith	Staci
Solis (Swaim)	Shannon
Steinbock (Wilde)	Gina

Stephens	Mary Ann
Stukey	Lea
Tyson	Trent
Vestal	Mallory
Ward	Heather
Webb	Matt
Wilhite	Kaylee
Willeford	Amie
Woolley	Heather

BALANCE SHEET

Name(s) _____

For the purpose of procuring credit, the undersigned hereby submits the following statement of condition as of _____.

The undersigned certifies that the below statement, schedules on reverse side and attachments (if any) are a true and correct account of the conditions of my/our business on the above stated day.

SSETS		AMOUNT	LIABILITIES				AMOUNT
1. Cash (Checking Acct.)	\$		Current (Less than 1 Year)				\$
			Lender:	Int. Rate	Final Maturity Date	Payment Prin. & Int.	Current Debt
2. Savings & CD's							
3. Stocks & Bonds (Sched. 4)							
4. Livestock Held for Sale (Sched. 2A)							
5. Farm Products on hand (Sched. 3)							
6. Receivable-Accts. Notes (Sched. 5)							
7.							
8.							
9.							
10.							
11. Cash Value Insurance			Borrowings on life insurance Interest rate				
12. Total Current	\$		Total Current Liabilities				\$
			Intermediate (1-7 Years)				
			Lender:	Int. Rate	Final Maturity Date	Payment Prin. & Int.	Current Debt
13. Machinery & Equip. (Sched. 1)							
14. Breeding livestock (Sched. 2B)							
15. Stock in Cooperatives							
16. Household goods							
17. Automobiles (list)							
18.							
19.							
20.							
21.							
22. Total Intermediate	\$		Total Intermediate Liabilities				\$
23. Real Estate			Real Estate Liens				
24. Acres County	Market Value		Lien Holder	Int. Rate	Final Maturity Date	Payment Prin. & Int.	Current Debt
25. or Location							
26. *							
27.							
28.							
29.							
30.							
31.							
32.							
33.							
34.							
35.							
36.							
37.							
38. Other Fixed Assets			Other Long-Term Debts				
39.							
40.							
41.							
42.							
43. Total Fixed	\$		Total Long-Term				\$
44. Total Assets	\$		Total Liabilities				\$
* Security to be mortgaged if now owned			Net Worth (Total Assets - Minus-Total Liabilities)				\$

45. Have you been the beneficiary of a loan restructuring, debt forgiveness, deed in lieu of foreclosure (“dation en paiement” in Louisiana) or subject to foreclosure within the past 7 years? Yes No If Yes, state in which action and date. _____
46. Judgments and suits are pending against me as follows (attach copies):
47. Have you ever gone through bankruptcy? Yes No When _____
48. Value of growing or unharvested crops \$_____. Crops are are not insured. Amount of insurance \$ _____
49. I own an interest in the following: Partnership , Corporation , Trust , Estate , not applicable .
50. Is any part of the down payment borrowed? Yes No
51. Are you liable on any notes by endorsement or guaranty in relation to any entities or businesses in which you claim an interest or to accommodate other people? Yes No
- If Yes, show amount, interest rate, due date and amount of payment (not included in the above statement).

Amount	Interest Rate	Due Date	Amount of Payment

Note: Pursuant to 18 USCS 1014, it is a crime to knowingly make a false statement or report or to willfully overvalue any land, property, or security in connection with this loan application.

Signature _____

Signature _____

Branch: _____

BALANCE SHEET ADDENDUM

1. Have you been the beneficiary of a loan restructuring, debt forgiveness, deed in lieu of foreclosure ("dation en paiement" in Louisiana) or subject to foreclosure within the past 7 years?
Yes No If Yes, state which action and date. _____
2. Judgments and suits are pending against me as follows (attach copies): _____
3. Have you ever gone through bankruptcy? Yes No When _____
4. Crops are are not insured.
Amount of insurance \$ _____
5. I own an interest in the following:
 Partnership Corporation Trust Estate not applicable.
6. Is any part of the down payment borrowed? Yes No
7. Are you liable on any notes by endorsement or guaranty in relation to any entities or businesses in which you claim an interest or to accommodate other people? Yes No

If yes, show amount, interest rate, due date and amount of payment (not included in the above statement).

NOTE: Pursuant to 18 USCS § 1014, it is a crime to knowingly make a false statement or report or to willfully overvalue any land, property or security in connection with this loan application.

Name

Date

**BORROWER CERTIFICATION
AND AUTHORIZATION**

DATE

BORROWER INFORMATION

DEFINITIONS. "Lender" means Plains Land Bank, FLCA. "I" means each person who signs this Certification and Authorization. "Your" means each entity receiving a copy of this Certification and Authorization.

I have applied for a loan from Lender. I certify that all of the information provided in the loan application is true and complete. I made no misrepresentations in the loan application or other documents, nor did I omit any pertinent information.

I fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this extension of credit, as applicable under the provisions of Title 18, United States Code, §1014.

I authorize the recipient of this document to provide all relevant information and documentation requested by Lender. Such information includes, but is not limited to, income information; employment history; savings, checking, investment, money market, and similar account balances; credit history; and copies of income tax returns.

A copy of this authorization may be accepted as an original.

By signing this Borrowers Certification and Authorization, Borrower acknowledges reading, understanding and agreeing to all its provisions, and receiving a copy of it.

Signature

NMLS Company Identifier: 709351



ENVIRONMENTAL QUESTIONNAIRE

LOAN NUMBER	APPLICATION DATE	

BORROWER INFORMATION

Current Owner (If Different): _____ Number of years owned this property: _____

Previous Owner: _____ Number of years owned this property: _____

Description of Security (brief description giving area, location, size, etc.) _____

1. Have you received notice from any governmental authority concerning any toxic or hazardous material on the property?
YES: _____ NO: _____ If yes, explain _____

2. Is the property or any adjacent property on any Federal, State or Local Hazardous waste list or record?
YES: _____ NO: _____ If yes, explain _____

3. Are there any underground or aboveground storage tanks other than water on the property? YES: _____ NO: _____
If yes, complete:

Number of tanks: _____ Location: _____

Size of tanks: _____ Material presently stored: _____

Past uses: _____ Present or past leaks: _____

Are tanks in compliance with regulations and permits obtained? _____

4. Are there any open pits, active or abandoned covered dumps, debris or trash piles, abandoned machinery or vehicles on this property? YES: _____ NO: _____ If yes, explain _____

5. Are there any pesticides, herbicides, chemicals, paint, petroleum products, hazardous materials or empty containers stored on or disposed of on the property? YES: _____ NO: _____ If yes, explain _____

6. Is a custom chemical application business being operated or has one previously been operated on this property?
YES: _____ NO: _____ If yes, explain _____

7. Is there or has there been an oil, gas or chemical pipeline crossing this property? YES: _____ NO: _____

If yes, complete: Pipeline Company: _____

Material transported: _____

Have there ever been any leaks? YES: _____ NO: _____ If yes, explain _____

8. Is a livestock operation or livestock facility such as dairy barn, hog farrowing/feeding houses, poultry houses, etc. on this property? YES: _____ NO: _____ If yes, explain _____

9. Are there any chemical holding ponds or lagoons of any type on this property? YES: _____ NO: _____
If yes, explain _____

10. Are there any existing, potential or past environmental hazards which have not previously been addressed? (Ex. - Contaminated wells, past manufacturing or industrial site, asbestos, Radon, PCBs, urea formaldehyde insulation or unexplained features, etc.)
YES: _____ NO: _____ If yes, explain _____

11. In the course of your business, do you use hazardous material requiring licensing? YES: _____ NO: _____
If yes, explain if any of these materials have been used or are to be used on this property.

Including yourself, list family members and employees who are licensed pesticide applicators.

NAME	LICENSE #	NAME	LICENSE #
------	-----------	------	-----------

If space is not sufficient, attach additional sheets to explain.
The undersigned certify(ies) that the foregoing is true and complete to the best of his/her/their knowledge.

_____	_____	_____	_____
NAME	DATE	NAME	DATE
_____	_____	_____	_____
ENTITY NAME	DATE	ENTITY NAME	DATE
By: _____		By: _____	
Its: _____		Its: _____	



Electronic Disclosure

Page 1 of 1

AGREEMENT TO ACCEPT NOTICES AND DISCLOSURES ELECTRONICALLY

In compliance with Electronic Signatures and National Commerce Act (ESIGN)

In accordance with the Electronic Signatures in Global and National Commerce Act (ESIGN), we want to advise you of your rights concerning your agreement to accept Notices and Disclosures in an electronic format. In this Agreement, the terms "you" and "your" refer to each borrower, and the terms "we," "us" and "our" refer to Plains Land Bank, FLCA ("Association").

Notices and Disclosures ("Communications") include but are not limited to any legal or regulatory disclosures required in connection with your loan, privacy notices and the annual report.

CONFIRMATION OF CONSENT

You acknowledge and agree that your consent to receive Communications electronically is being provided in connection with a transaction that is subject to the federal Electronic Signatures in Global and National Commerce Act ("Act") and that you and we both intend that the Act ~~apply to the~~ fullest extent possible to allow us the ability to conduct business with you by electronic means.

UPDATING YOUR RECORDS

The Association must have your current email address to provide you with Communications. It is your responsibility to provide us with an accurate and complete email address. You must maintain and promptly update this information with any changes. You can update your email address by emailing us at DLPlainsLandBankServicing@FarmCreditBank.com.

WITHDRAWAL OF YOUR CONSENT TO RECEIVE ELECTRONIC COMMUNICATIONS

Your ongoing consent to receive Communications is voluntary and may be withdrawn at any time. You may withdraw your consent by contacting the Association at DLPlainsLandBankServicing@FarmCreditBank.com or mailing your request to Plains Land Bank, FLCA, 5625 Fulton Dr., Amarillo, TX 79109, Attn: Loan Servicing. By withdrawing your consent to receive Communications, you will no longer be able to access any Communications previously made available to you electronically and will again begin to receive paper Communications via U.S. mail. We may treat an invalid email address or the subsequent malfunction of a previously valid email address as a withdrawal of your consent. If you withdraw your consent to receive Communications electronically, the withdrawal will become effective after your request is processed.

AMENDMENTS

We may amend or supplement this Agreement from time to time by providing notice to you. Notice shall be effective when sent or as otherwise required by law.

ASSOCIATION TERMINATION

We reserve the right, at our sole discretion, to change or terminate the terms and conditions under which we provide electronically, or to ~~discon-~~ continue providing Communications to you electronically. We will provide you with advance notice of any such change or termination. Your decision to continue to receive statements electronically will constitute your agreement to any such changes.

REQUESTING PAPER COPIES

To request a printed copy of an electronic communication, you may either print the electronic communication on your own equipment or contact the association at DLPlainsLandBankServicing@FarmCreditBank.com. Unless a printed version is specifically requested, you will only receive an electronic copy of the annual report.

HARDWARE AND SOFTWARE REQUIREMENTS

~~In order to~~ In order to access, view and retain Communications, you must have a personal computer or similar access device, operating system and telecom- ~~munications~~ munications connections to the Internet capable of receiving, accessing, displaying and either printing or storing documentation you receive from us by access to our website using the following technology: an up-to-date Internet browser and an email account. A detailed copy of Hardware/ Software minimum requirements will be provided upon your request. By accepting the Electronic Communications Agreement, you acknowledge your understanding of, and agreement to these terms and conditions. You also confirm that you ~~are able to~~ are able to meet the hardware and software re- ~~quirements~~ quirements necessary to access, view and print Online Communications.

CHANGES TO HARDWARE AND SOFTWARE REQUIREMENTS

We will provide you with notice of any change in the hardware and software requirements ~~in order to~~ in order to access, view and retain Communications. Your decision to continue to receive Communications will constitute your agreement to such changes.

ACCEPTANCE OF THIS AGREEMENT

By accepting the Electronic Communications Agreement, you are consenting to the Association sending you electronic communications; you acknowledge your understanding of, and agreement to these terms and conditions; you confirm that you ~~are able to~~ are able to meet the hardware and soft- ~~ware requirements~~ ware requirements necessary to access, view and print Online Communications; and you certify that the email address below is accurate, com- ~~plete~~ plete, and private.

Please return a signed copy of this Agreement to the Association with your Application and retain a copy of this Agreement for your records.

Email Address:

Signature: _____

Print Name: _____

Date: _____

Email Address:

Signature: _____

Print Name: _____

Date: _____

TO VIEW PLAINS LAND BANK'S ANNUAL REPORT, PLEASE VISIT:

<https://www.plainslandbank.com/about-us/financial-reports>

AG BANKING ONLINE
Enter password on next screen
Sign Up | Forgot Password

Plains LAND BANK

Loan Programs | About Us | Locations | Property Search | News | Contact Us

The Ag Banking Online User Agreement has been revised. The next time you log in, you will be required to accept the new agreement.

ABOUT US

- Message from CEO
- Board of Directors
- Management
- Financial Reports
- Farm Credit System
- Patronage
- Useful Links

Financial Reports

Note: Many of these documents are in Adobe Acrobat .pdf format. You will need Adobe Acrobat Reader to view them.

Financial Reports

- 2019 Second Quarter Report
- 2019 First Quarter Report
- 2018 Annual Report
- 2018 Third Quarter Report

Charters

- Audit Committee Charter
- Association Charter

Double click applicable Quarter/Annual Report to view

TO VIEW FARM CREDIT BANK OF TEXAS' ANNUAL REPORT, PLEASE VISIT:

<https://www.farmcreditbank.com/financials/bank-financial-reports/>

FARM CREDIT BANK OF TEXAS

Find a Lender | Search

About Us | Why Us | Financials | News | Careers | Citizenship | Contact us

STRENGTH AND RELIABILITY

Financials > Bank Financial Reports

Bank financial reports

2019

- Second quarter report PDF
- First quarter report PDF

2018

- Annual Report PDF

Double click applicable Quarter/Annual Report to view

NOTE: Please don't hesitate to contact your local Plains Land Bank Branch if you need assistance locating either Quarter/Annual Report.

ARTICLE VII – CAPITAL STOCK AND PARTICIPATION CERTIFICATES

REF: FCA Regulation 615.5220

700 Authorization

The association is authorized to have outstanding Class A Common Stock, Class C Common Stock, Class D Preferred Stock and Participation Certificates. Each share of stock or participation certificate issued shall have a par value of \$5.00. Fractional shares of stock or participation certificate shall not be issued. Except where expressly stated in these bylaws, all transfer, exchange, conversion and retirement of stock and participation certificates shall be at the sole discretion of the board of directors at book value not to exceed par.

705 Ownership

Evidence of ownership of stock and participation certificates shall be by book entry.

706 Approval

The bylaws in the Article and any material amendment thereto shall not become effective until approved by the voting stockholders of the association in accordance with Section 4.3A of the Act.

707 First Lien

The association shall have first lien on all Stock and Participation Certificates to secure any indebtedness of the holder of such stock or Participation Certificates to the Farm Credit Bank.

710 Class A – Voting Stock

710.1 Issuance

This stock may be issued as a condition for obtaining a loan to borrowers who are farmers, ranchers or producers or harvesters of aquatic products.

710.2 Number and Value of Shares

Class A Stock purchased as a condition to obtaining a loan may be issued in unlimited amounts.

Class A Stock shall be purchased by borrowers eligible to hold it as a condition for obtaining a loan in an amount as may be determined by the board at its discretion within a range between a minimum of 2% of the loan amount or \$1,000, whichever is less, and a maximum not to exceed 10% of the loan amount.

710.3 Retirement

Class A Stock may be retired and paid at the sole discretion of the board of directors provided that minimum regulatory capital adequacy standards or any higher board-established capital standards are met.

710.4 Voting

Holders of Class A Stock shall be entitled to full voting rights. Each stockholder shall only have one vote, regardless of the number of shares owned or the number of loans outstanding, except as provided in Section 350.4 regarding the issuance of preferred stock

710.5 Dividends

Dividends may be paid of Class A Stock at the sole discretion of the Board under the following conditions:

1. After payment of the dividend, the association will continue to exceed the regulatory minimum capital adequacy standards or any board-established capital standard, whichever is higher.
2. No Class D Stock is outstanding.
3. Current earnings or earned surplus is sufficient to pay the dividend amount.

Class A Stock shall have an equal right with other classed of common stock or Participation Certificates to any dividend declared by the board.

710.6 Patronage Distributions

Holders of Class A Stock shall be entitled to receive patronage distributions in accordance with Article VIII of these bylaws.

710.7 Transfer

Class A Stock may be transferred to persons who assume liability for the transferors' loan, provided the assumptor is eligible under these bylaws to hold voting stock. Such a transfer shall be a necessary condition to the release of the transferor from liability on the loan.

The association shall be its own transfer agent in all matters relating to capital stock.

Outstanding A Stock may be transferred to a third party eligible to hold it when association meets capital adequacy.

Class A Stock shall not be pledged or hypothecated to third parties and may be transferred on the association's books only as authorized by these bylaws.

710.8 Conversion

All Class B Stock outstanding on the date of approval of these bylaws that is not "eligible borrower stock" as defined under Section 4.9A of the Act shall be exchanged for a like amount of now Class A Stock as provided in this section. All Class B Stock outstanding on the date of approval of these bylaws that is "eligible borrower stock" as defined under Section 4.9A of the Act shall be exchanged for a like amount of new Class A Stock as provided in this section. Class A Stock shall not be considered as "eligible borrower stock" under Section 4.9A of the Act.

Any outstanding Class A Stock shall be converted to Class C (nonvoting) Stock within two years after repayment of the related loan.

710.9 Liquidation or Impairment

Any losses which result in impairment of association capital stock will be borne first ratably by Class A Stock, Class C Stock and Participation Certificates and then by Class D Preferred Stock.

Any restoration of impairment shall be apportioned first to Class D Preferred Stock to the extent of any impairment, until the book value of all such stock is at least equal to the par value, and then equally to each class of common stock or participation certificates until the book value of all such stock is at least equal to the par value.

Class A Stock shall have an equal right with all other classed of common stock or participation certificates and Class D Preferred

to share in any surplus remaining, after retirement of all stock at par upon liquidation of the association.

710.10 Cancellation

Cancellation of Stock Ownership in Default – If the debt of a holder of Class A Stock is in default, the association may retire at book value, not to exceed par, all or part of such stock owned by the borrower in total or partial liquidation of the debt.

720 (Reserved)

730 Class C Stock - Nonvoting

730.1 Issuance

Class C Stock will be issued only for conversion of Class A Stock of borrowers upon repayment of the related loan. Such conversion must occur within two years of repayment.

730.2 Number and Value of Shares

Class C Stock issued upon conversion of Class A Stock may be issued in unlimited amounts. Par value will be the same as the converted Class A Stock.

730.3 Retirement

Retirement shall be at the sole discretion of the Board of Directors provided that minimum capital adequacy standards or any higher board established capital standards are met.

730.4 Voting

730.5 Holders of Class C Stock shall not vote except as may be provided in Section 350.4 regarding the issuance of preferred stock.

730.5 Dividends

Dividends may be paid on Class C Stock at the sole discretion of the Board under the following conditions:

1. After payment of the dividend, the association will continue to exceed the regulatory minimum capital adequacy standards or any board-established capital standard, whichever is higher.
2. No Class D Stock is outstanding.
3. Current earnings or earned surplus is sufficient to pay the dividend amount.

Class C Stock shall have an equal right with other classes of stock to any dividends declared by the board.

730.6 Patronage Distributions

Class C Stock shall not share in any patronage distribution.

730.7 Transfer

Class C Stock may be transferred to any person eligible to hold Class A Stock.

730.8 Conversion

Class C Stock held by a former borrower may be converted to Class A Stock when the former borrower received a new loan and meets the eligibility requirements of 710.1.

If the association meets the minimum capital adequacy standards, Class C Stock transferred to a third party may be converted to Class A Stock to satisfy stock purchase requirements for a new loan to the third party.

730.9 Liquidation or Impairment

Any losses which result in impairment of association capital stock will be borne first by Class A Stock, Class C Stock and Participation Certificates and then by Class D Stock.

Class C Stock shall have an equal right with all other classes of common stock or participation certificates and Class D Preferred to share in any surplus remaining after retirement of all stock, at par, upon liquidation of the association.

Any restoration of impairment shall be apportioned first to Class D Preferred Stock until the book value of all such stock is at least equal to the par value and then equally to all other classes of stock and participation certificates.

730.10 Cancellation

Cancellations of Stock Ownership in Default – If the holder of Class C Stock has a loan which is in default, the association may retire at book value, not to exceed par, all or part of such stock owned by the borrower in total or partial liquidation of the debt.

740 Class D Preferred Stock

740.1 Issuance

Class D Preferred Stock will be issued only to the Farm Credit Bank of Texas (Bank) and shall be subject to such terms and conditions as are set forth in the resolution authorizing the issuance of such stock and where applicable, the Purchase Agreement between the Bank and Association.

740.2 Number and Value of Shares

Class D Preferred Stock may be issued to the Bank from time to time in such amounts as may be authorized by the Board of Directors subject to such terms and conditions as are set forth in the resolution authorizing the issuance of such stock and subject to the approval of stockholders as provided in Section 350.4 of the bylaws.

The association shall be authorized to issue a maximum of one million shares of Class D Preferred Stock at a par value of \$5.00 per share.

740.3 Retirement

Retirement shall be at the sole discretion of the Board of Directors provided that minimum regulatory capital adequacy standards or any higher standards established by the board are met.

740.4 Voting

Class D Preferred Stock shall not vote, except as provided for in Section 350.4 of these bylaws.

740.5 Dividends

No dividends will be declared or paid while any Class D Preferred Stock is outstanding.

740.6 Patronage Distributions

No patronage distributions will be declared or paid while any Class D Preferred Stock is outstanding.

740.7 Transfer

This stock may be transferred to a corporate successor of the Bank by otherwise may not be transferred to other persons or entities

except by mutual agreement of the association and the Bank.

740.8 Conversion

Class D Preferred Stock is nonconvertible to any other class of equity.

740.9 Liquidation or Impairment

Any losses which result in impairment of association capital stock will be borne first ratable by Class A Stock, Class C Stock and Participation Certificates and then by Class D Preferred Stock.

Any restoration of impairment shall be apportioned first to Class D Preferred Stock to the extent of any impairments, until the book value of all such stock is at least equal to the par value, and then equally to all Class A Stock, Class C Stock and Participation Certificates until the book value of all such stock is equal to par value.

Class D Preferred Stock shall have an equal right with all other classes of common stock or participation certificates to share in any surplus remaining after retirement of all stock at par upon liquidation of the association.

750 Participation Certificates

750.1 Issuance

Participation Certificates will be issued as a condition for obtaining a loan to rural residence borrowers, to persons or organizations furnishing farm-related services, and to other persons or organizations who are eligible to borrow, but are not eligible to hold Class A Stock.

750.2 Number and Value of Shares

Participation Certificates issued as a condition for obtaining a loan may be issued in unlimited amounts.

Participation Certificates shall be purchased by borrowers eligible to hold it as a condition for obtaining a loan in an amount as may be determined by the board at its discretion within a range between a minimum of 2% of the loan amount or \$1,000, whichever is less and a maximum not to exceed 10% of the loan amount.

750.3 Retirement

Retirement shall be at the sole discretion of the Board of Directors provided that minimum capital adequacy standards or any higher board-established capital standards are met.

750.4 Voting

Holders of Participation Certificates shall not have voting rights except as may be provided in Section 350.4 of these bylaws regarding issuance of preferred stock.

750.5 Dividends

Dividends may be paid on Participation Certificates at the sole discretion of the Board under the following conditions:

1. After payment of the dividend, the association will continue to exceed the regulatory minimum capital adequacy standards or any board-established capital standard whichever is higher.
2. No Class D Preferred Stock is outstanding.
3. Current earnings or earned surplus is sufficient to pay the dividend amount.

Participation Certificates shall have an equal right with other classes of common stock to any dividends declared by the board.

750.6 Patronage Distributions

Holders of Participation Certificates shall be entitled to receive patronage distributions in accordance with Article VIII of these bylaws.

750.7 Transfer

Participation Certificates may be transferred to persons who assume liability for the transferor's loan, provided the assumptor is eligible under these bylaws to hold such equities. Such a transfer shall be a necessary condition to the release of the transferor from liability of the loan.

The association shall be its own transfer agent in all matters relating to its capital stock.

Participation Certificates shall not be pledged or hypothecated to third parties and may be transferred on the association's books only authorized by these bylaws.

750.8 Conversion

All Participation Certificates outstanding on the date of approval of these bylaws that is not "eligible borrower stock" as defined under Section 4.9A of the Act shall be exchanged for a like amount of new Participation Certificates as provided in this section. All of the Participation Certificates outstanding on the date of approval of these bylaws that is "eligible borrower stock" as defined by Section 4.9A of the Act shall be exchanged for a like amount of new Participation Certificates provided in this section. Participation Certificates issued under these bylaws shall not be considered as "eligible borrower stock" under Section 4.9A of the Act.

750.9 Liquidation or Impairment

Any losses which result in impairment of association capital stock will be borne first ratable by Class A Stock, Class C Stock and Participation Certificates and then by Class D Preferred Stock.

Any restoration of impairment shall be apportioned first to Class D Preferred Stock until the book value of all such stock is at least equal to the par value and then equally to all other classes of stock and participation certificates.

Participation Certificates shall have an equal right with all other classes of common stock or participation certificates and Class D Preferred to share in any surplus remaining after retirement of all stock, at par, upon liquidation of the association.

750.10 Cancellation

Cancellation of Stock Ownership is Default – If the debt of a holder of Participation Certificates is in default, the association may retire at book value, not to exceed par, all or part of such equities owned by the borrower in total or partial liquidation of the debt.

YOUR INVESTMENT IN YOUR FARM CREDIT SYSTEM ASSOCIATION

As member, you should be aware that your Agricultural Credit Association, or Federal Land Credit Association (“association”) is part of the federal Farm Credit System serving local agriculture in the Tenth Farm Credit District. The associations originate agricultural loans directly and make financially related services available to their members. Since associations are organized as cooperatives, you invest in the capital stock or participation certificates of the associations as a condition to receiving a loan from the association or to qualify for financially-related services. This means that only persons eligible to hold stock or participation certificates can borrow from associations and that borrowers are a source of capital for an association. In addition, holders of stock or participation certificates can qualify for financially-related services. To assist you in understanding how stock and participation certificates work at your association, the most common questions and their answers are listed below. If you have additional questions, please contact your association.

Q. WHAT IS VOTING STOCK AND WHO CAN BUY IT?

- A. Voting stock is stock required to be purchased as a condition to receiving a loan carrying the right to vote on all matters which stockholders have the right to decide under the Farm Credit Act, Farm Credit Administration regulations or your association's bylaws. Voting stock can be purchased only by farmers, ranchers, or producers or harvesters of aquatic products. Following cooperative principles, each member normally has only one vote regardless of the number of shares owned. The only exception is when stockholders authorize the issuance of preferred stock, when each stockholder's vote is weighted according to the number of shares owned. The par value of each share is \$5.00, which is also the purchase price.

Q. WHAT DOES VOTING STOCK OWNERSHIP GIVE ME?

- A. A holder of voting stock is entitled to vote to select members of the Nominating Committee, to make nominations from the floor and vote in the election of directors to the association's board of directors, to make motions and second motions at the annual stockholders meeting, to vote on measures brought before the meeting, and to vote on certain other matters relating to corporate governance. In addition, a holder of voting stock is generally eligible to serve as a director or as a member of the Nominating Committee.

Q. WHAT ARE PARTICIPATION CERTIFICATES?

- A. Your association may make rural home loans and certain farm-related business loans. These borrowers are not eligible to hold voting stock but must instead purchase participation certificates as a condition of receiving a loan. In addition, persons who are eligible to borrow may purchase participation certificates in order to qualify for financially-related services. Owners of participation certificates do not have voting rights except when stockholders authorize the issuance of preferred stock and are not eligible to serve on the association's board of directors. In all other respects, stock and participation certificates have the same rights and restrictions.

Q. WHAT DETERMINES THE AMOUNT OF STOCK I MUST BUY?

- A. The minimum level of stock purchase requirements for loans and financially-related services is determined from time to time by the association board of directors within a range set forth in the association's capitalization bylaws which are subject to the approval of stockholders.

Q. HOW DO I BUY STOCK?

- A. The money needed to buy the required amount of voting stock or participation certificates can be included in your association loan request. If your loan request includes stock, the promissory note that you sign will include the amount necessary to purchase the required stock or participation certificates. In that case, you will also pay interest on the stock portion of your loan. The total amount of your loan, including stock or participation certificates, must be repaid in full. Under certain circumstances stock or participation certificates may be purchased during the life of the loan. Such purchases may be paid for in cash or by adding the purchase price to your loan. Purchases of stock or participation certificates to qualify for financially-related services shall be paid for in cash.

Q. *IN WHAT FORM IS MY STOCK ISSUED?*

- A. Your association issues a receipt for stock and participation certificates at the time they are issued. Ownership of the stock or participation certificates is recorded on the books of the association.

Q. *DOES VOTING STOCK EARN DIVIDENDS OR PATRONAGE REFUNDS?*

- A. Ownership of voting stock may make you eligible to receive patronage refunds based on business done with the association or dividends based on the number of shares of voting stock or participation certificates you hold when the association board, at its sole discretion and upon review of the association's financial performance, declares a dividend or patronage distribution.

Q. *DOES STOCK CHANGE IN VALUE?*

- A. The \$5.00 per share par value of your association stock or the \$5.00 face value of your participation certificates does not change, but the book value could increase or decrease depending on the financial condition of your association. Any retirement, however, will be at the lower cost of par value or book value.

Q. *HOW DOES DEFAULT AFFECT MY INVESTMENT?*

- A. The association has a first lien on your stock or certificates and on any dividends, patronage and allocated surplus or equities as additional collateral for your loan(s) or any other indebtedness to the association. In the event of a default on the loan(s), all or part of such equities or amounts may be applied to the loan(s), or under certain circumstances, may be otherwise disposed of when approved by the lender.

Q. *IS THERE A RISK ASSOCIATED WITH MY STOCK INVESTMENT?*

- A. *Yes.* Your ownership of stock or participation certificates in an association is an investment that allows you to share in the association's earnings through patronage refunds and/or dividends, but which is also subject to certain risks that could result in a partial or complete loss of the investment. It is not a compensating balance. The ultimate value of the stock is dependent on the future financial performance and condition of the association over time. Therefore, you cannot assume that stock will be redeemed on demand or upon a date certain or upon the happening of any event, such as repayment of the loan (as could be the case if the investment were considered a compensating balance). You are responsible for the full amount of your loan including the amount borrowed to pay for your stock or certificates, regardless of their book value.

Borrowers are advised to review the financial statements of their association, the association's capitalization bylaws and other available information about the Farm Credit System, copies of which are provided herewith and are available from the association upon request.

Q. *WHAT HAPPENS TO THE STOCK IF AN ASSOCIATION IS LIQUIDATED?*

- A. If an association is liquidated, the law prohibits stock retirements until the assets of the association are used to meet liabilities of the association. The assets of the association which remain when the liquidation is completed are divided on a pro rata basis among current stockholders according to the proportion of stock they own.

Q. *WHAT HAPPENS TO MY STOCK WHEN THE LOAN IS REPAYED?*

- A. Provided that the capital strength of your association permits it and unless used by you to capitalize other indebtedness, your stock may, in the board's sole discretion, be retired and the proceeds repaid to you upon final payment of the indebtedness or upon termination or completion of the financially-relates services or at such future date as the board may determine that the association's financial strength permits.

Under the Farm Credit Act of 1971, as amended, Farm Credit Administration regulations and the association's

capitalization bylaws, stock may be retired only at the sole discretion of the association's board of directors and not on demand, a date certain, or upon the happening of any event, such as repayment of the loan. The Act and regulations prohibit retirement of stock when the association fails to meet its minimum capital adequacy standard as established by the Farm Credit Administration and the bylaws prohibit retirement when the association does not meet any higher board-established capital adequacy standard. The association board will maintain a capital plan and implement policies and procedures which will allow for the orderly retirement of stock, when requested by a stockholder, in a safe and sound manner consistent with FCA's capital adequacy requirements. In the association's capital plan, a capital adequacy standard will be established by the association board of directors. The board will not approve the retirement of any equities, dividends or payment of patronage distributions in cash in excess of the minimum to qualify the refund as a deductible patronage distribution for federal income tax purposes, unless after the retirement and/or distribution the association would continue to meet its established capital adequacy standards, and in no event will the board retire equities if the minimum permanent capital standard established by the Farm Credit Administration is not met.

Q. DOES THE ASSOCIATION MEET ITS CAPITAL ADEQUACY STANDARDS?

- A. As of the date of this disclosure, the association meets or exceeds the minimum permanent capital adequacy standard established by the Farm Credit Administration and the standard set by the association board. The association board of directors knows of no reason that would cause the association to fail to meet the capital standard established by the board or the minimum established by Farm Credit Administration at fiscal year-end. However, as discussed in the annual report, uncertainties exist regarding matters that could have an impact on the association's capital adequacy which the association board cannot determine at this time