

## OFFICIAL NOTICE

### 2020 ANNUAL MEETING INFORMATION STATEMENT

To the Owners of Stock and Participation Certificates in Heritage Land Bank, ACA:

The Annual Stockholder's Meeting of Heritage Land Bank, ACA will be held on October 13th at 1:00 p.m. Heritage Land Bank considers the health and safety of our stockholders, employees, families and our communities as our highest priority. In keeping with that commitment, due to concerns related to coronavirus (COVID-19), Heritage Land Bank's Annual Meeting will be held virtually via WebEx.

**Please note that registration is required to attend the meeting.** You may register for the meeting by visiting the web link [heritagelandbank.com/amis2020](https://heritagelandbank.com/amis2020). Please register by October 12<sup>th</sup>. Once you are registered, detailed log-in instructions on how to attend the meeting via the Webex software or via teleconference will be provided to you by email. If you have any questions, please contact Alysha Benton at 903-534-4975 or by email at [alysha.benton@heritagelandbank.com](mailto:alysha.benton@heritagelandbank.com).

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**You are cordially invited to participate in our Virtual Annual Stockholder Meeting:**

**Tuesday, October 13<sup>th</sup>, 2020 at 1:00 p.m.**

**[heritagelandbank.com/amis2020](https://heritagelandbank.com/amis2020)**

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The meeting will include the following items of business:

- ✓ Approval of the attached 2019 Annual Stockholders' Meeting Minutes
- ✓ Board & Management Report of the corporate and financial operations as of December 31, 2019
- ✓ Nominating Committee Report of the slate of Director and Nominating Committee Candidates
- ✓ Floor Nominations for Director and Nominating Committee Candidates
- ✓ At the discretion of the Chairman, other items of business permitted under Section 3.03 of the Bylaws of the Association.

#### ELECTION OF DIRECTORS

There will be one (1) Director position for Region 1, one (1) Director position for Region 2 and six (6) Nominating Committee Positions on the Election Ballot that will be mailed no later than 10 business days following the virtual annual meeting.

## **VOTING ELIGIBILITY**

Stockholders entitled to vote (“B” stockholders) will be mailed a ballot no later than 10 business days following the virtual meeting.

As of record date, **September 8, 2020**, there were **2,264** Class B Stockholders entitled to vote. All “B” stockholders of record date, September 8, 2020 will be eligible to vote for all seats. A majority vote of stockholders voting is required in all elections.

## **FLOOR NOMINATIONS** (FCA Regulations 611.326 & 620.21)

Following the report by the Nominating Committee presenting their slate of director nominees and the 2021 Nominating Committee, nominations for these positions will be open to the floor.

### **Nominations from the floor:**

- Will be considered for every open position
- Must be made by a voting stockholder
- A nominee from the floor must affirm their acceptance
- The identity of the parties making the motion, as well as accepting the nomination, will be verified by the address on file for the stockholder. To update or confirm your address in advance, please contact Alysha Benton at 903-534-4975.
- Nominee must complete all disclosures required by FCA regulations within 5 days prior to being placed on the ballot.

*Any nominations from the floor are required to be a stockholder who is a bona-fide farmer, a rancher, or a producer or harvester of aquatic products and have their residence, for a period of twelve (12) months prior to the election, in the region of the Association’s operating territory designated for the position to which the director is elected. No person may be a nominee who does not accept the nomination or make the disclosures required by regulations, or whose loan performance status would preclude them from serving, in accordance with Association Bylaws.*

## **ELECTION PROCESS & MAIL-IN BALLOT**

No votes shall be cast at the Annual Stockholders’ Meetings for the purpose of electing directors or nominating committee members. Instead, the Board of Directors of the Association has resolved that voting at large by mail-in ballot shall be the exclusive method of voting.

While the director nominees and nominating committee are selected and nominated by region, all eligible stockholders vote at large by mail-in ballot.

Ballots will be mailed to voting stockholders not more than ten (10) business days following the 2020 Annual Meeting, to his or her mailing address, according to the record date, who are eligible to vote.

- ❖ All ballots returned and received by the deadline specified on the ballot (fifteen business days after the date on which the ballots are mailed to the stockholders) will be validated and counted by Henry & Peters PC, an independent third-party tabulator.
- ❖ The results of the election will be announced to all Association Stock and Participation Certificate Holders by mail. In accordance with Section 3.11 of the Association’s Bylaws, proxy voting is not permitted in the election of directors.
- ❖ Any matter brought to a vote at the Annual Meeting or thereafter by mail ballot, will be decided by a simple majority vote.

The following information is included as part of the Annual Meeting Information Statement in compliance with Farm Credit Administration (FCA) regulations.

### ANNUAL REPORT (FCA Regulation 620.21)

The 2019 Annual Report for Heritage Land Bank, ACA for the year ending December 31, 2019, was mailed to stockholders in March of 2020. A copy of this Annual Report, and our most recent quarterly report, are available for viewing on our website at [www.heritagelandbank.com](http://www.heritagelandbank.com). You may request a copy by contacting any branch of Heritage Land Bank.

### DISCLOSURE INFORMATION (FCA Regulation 620.21)

- Officers and directors are eligible for loans under the same terms and conditions available to any person. Loans outstanding with its senior officers, directors, director nominees, their immediate family members and organizations with which such senior officers, directors, or director nominees are affiliated, were made in the ordinary course of business, were made on the same terms (including interest rate, amortization schedule, and collateral) as those prevailing at the time for comparable transactions with other persons.
- No loan or other transaction to a senior officer, director, director nominee or to any organization affiliated with such person, or any immediate family member who resides in the same household as such person or in whose loan or business operation has a material financial or legal interest, involved more than the normal risk of collectability.
- No directors attended less than 75% of the Board meetings and/or committee meetings during 2019.
- No directors resigned or declined to stand for re-election because of a policy disagreement with the Board.
- There have been no transactions of the type required to be disclosed, outside the normal course of business, between the Association and its senior officers, directors, or director candidates.
- The Association has not changed, nor had any disagreements with its external auditor since the last annual report to shareholders.

### Current Heritage Land Bank Board of Directors

\*ages are listed as of August 31, 2020

Name	*Age	Position	Type of Agriculture	Region	Term Expires	Years of Service
Bill Ashworth	80	Director	Cow-Calf	1	2020	29
Bryan Pickens	47	*Outside Director	N/A	N/A	2021	2
Gary Ray	65	*Outside Director	N/A	N/A	2022	2
Jack S. Pullen	74	Director	Cow-Calf	1	2021	38
James R. Tarrant, Jr.	63	Director	Timber	2	2021	11
John Holloway III	45	Director	Poultry/Cow-Calf	2	2022	1
Kevin Sampson	52	Vice-Chairman	Hay	2	2021	14
R. Scott Line	64	Chairman	Cow-Calf	2	2020	6
Roger Claxton	62	Director	Cow-Calf	1	2022	10

\*The Agricultural Credit Act of 1987 requires that each Association's Board have at least one director who is not a stockholder in the Association. The outside director position meets this requirement.

## DIRECTOR ELECTION REGIONS

Heritage Land Bank has established two regions within their Association’s chartered territory for the purpose of eligibility to be a stockholder-elected director. A description of the regions and the approximate number of voting stockholders within each region, as of the record date of **September 8, 2020**, is set forth below.

VOTING STOCKHOLDERS BY REGION		
Election Region	Counties	# of Voting Stockholders
Region 1	Collin, Dallas, Hunt, Rockwall and Tarrant	983
Region 2	Anderson, Angelina, Cherokee, Henderson, Nacogdoches, Panola, Rusk, Sabine, San Augustine, Shelby and Smith	744
Other	Voting Stockholders who reside and/or operate in counties other than our regions.	537

## DIRECTOR CANDIDATES

### ELECTION OF DIRECTORS

The Association’s Bylaws provide that the Board of Directors be limited to ten (10) members of which seven (7) are elected by the Association’s stockholders, and three (3) are appointed by the stockholder-elected Board members.

Following is a list of nominees selected by the 2020 Nominating Committee. The name, \*age, city and state of residence, business address if any, and business experience during the last 5 years including principal occupation and employment of each nominee is listed. Also included are all business interests on whose Board of directors the nominee serves or is otherwise employed in a position of authority including the principal business in which the business interest is engaged and any family relationship of the nominee that would be considered reportable under FCA Regulation 612.2145 as required by FCA Regulation 611.303. There are no events to report that are material to an evaluation of the ability or integrity of any of these nominees to serve as a director. The nominees have completed disclosure documents as required under 611.330, 620.05 and 620.21 of FCA Regulations.

### Terms

The nominating committee met on June 18, 2020 to select at least two (2) stockholder director nominees for Region 1 and at least two (2) stockholder director nominees for Region 2, with both director positions to serve a (3) year term.

\*Candidates are listed alphabetically; ages are listed as of August 31, 2020

**BILL B. ASHWORTH**

**Age:** 80

**Residence:** 7026 CR 1135, Leonard, TX 75452 (Hunt County)

**Business Address:** 7026 CR 1135, Leonard, TX 75452

**Education & Certifications:** Graduate of Wills Point High School and attended SMU night school for two years.

**Biography:**

Mr. Ashworth is a retired residential builder/developer who still builds homes on a limited basis. His ranch operation consists of 150 acres where he maintains a cow-calf herd and produces high-quality hay. Ranching and home construction have been his principal occupations for the last five years.

Mr. Ashworth has served on the Board of Heritage Land Bank (agricultural finance) and its predecessor associations since 1991. He currently serves on the Association's Risk Management Committee and is Chairman of the Marketing Committee. Mr. Ashworth previously served on the Board of the Hickory Creek Special Utility District, was a member of the Building Committee of the First Baptist Church of Celeste, was a charter member of the Celeste Lions Club and was a member of the Independent Cattlemen's Association of Texas.

He and his wife Barbara have three children and seven grandchildren.

The Association has loans to an immediate family member (grandson) of Mr. Ashworth that were made in the ordinary course of business on the same terms, including interest rates, amortization schedule and collateral, as those prevailing at the time for comparable transactions with other persons or entities, and involved no more than normal risk of collectability.

**JEFFERY WAYNE STRIPLIN**

**Age:** 49

**Residence:** 6059 FM 2194, Merit, Texas 75458 (Hunt County)

**Business Address:** 501 E. Brown St, Wylie, Texas 75098

**Education & Certifications:** Graduate of Bland ISD High School, Certified Water Utility Operator and Instructor, holding the highest attainable state level license certification, having completed the TCEQ Water Licensing Certification Program. He has also completed the Government-Municipal Communications Program through Michigan State University.

**Biography:**

Mr. Striplin is the water treatment plant manager of the North Texas Municipal Water District in Wylie Texas where he has worked for 25 years and which has been his principal occupation for the last five years. He is also a first-generation rancher with a cow-calf operation on 115 acres. In addition, he raises stocker calves, dairy heifer replacements, medium wool club lambs and replacement ewes. He has experience in capital planning, strategic planning, industrial infrastructure construction, dairying and hay production.

Mr. Striplin serves on the Boards of Hunt County Farm Bureau (agricultural federation), Bland ISD-Board Secretary (school Board), the Bland Youth Sports Association-Board President (community little league baseball/softball) and the Hunt County Fair and Junior Livestock Association (county fair). He is the Cotton Belt District President of Texas Water Utilities Association (utilities association). He is the local Club Secretary and he has served as Assistant Area 45 Director for District 50 of Toastmasters International and serves on the Hunt County Junior Livestock Association Lamb

Jeff Striplin Continued...

Committee. He participated in the Farm Credit System's Young Leaders Program as a representative of the Tenth Farm Credit District Council, and he has served as Chairman of the Heritage Land Bank Nominating Committee and on the Heritage Land Bank Advisory Committee for multiple terms.

Mr. Striplin served on the 2019 Texas Farm Bureau Policies Resolution Committee, and he was selected as the Texas Farm Bureau District IV representative and voting delegate to the 2019 National Farm Bureau Convention. He currently serves on the 2020 Texas Association of School Boards' Legislative Advisory Council. He is a member of the Texas Farm Bureau, the Northeast Texas Farmers Co-op, the Texas and Southwestern Cattle Raisers Association, the American Water Works Association, Texas Water Utilities Association and the Water Environment Association of Texas.

Jeff and his wife Samantha have two children.

The Association has loans to an immediate family member (wife) of Mr. Striplin that were made in the ordinary course of business on the same terms, including interest rates, amortization schedule and collateral, as those prevailing at the time for comparable transactions with other persons or entities, and involved no more than normal risk of collectability.

## REGION 2 – 3 YEAR TERM

Counties: Anderson, Angelina, Cherokee, Henderson,  
Nacogdoches, Panola, Rusk, Sabine, San Augustine, Shelby and Smith

### RODGER "SCOTT" LINE

**Age:** 64

**Residence:** 1979 Highland Park Court, Tyler, Texas 75701 (Smith County)

**Business Address:** 1979 Highland Park Court, Tyler, Texas 75701

**Education & Certifications:** Graduate of Texas Tech University with a bachelor's degree in accounting.

#### Biography:

Mr. Line grew up in Ft. Worth, Texas and has lived in the Tyler, Texas area in Smith County for the past 38 years. He is a retired CPA and a self-employed investor. He is the owner and operator of Line Cattle and Land Company, a 1,300-acre cow-calf operation in Cherokee County that includes approximately 275 cows. His principal occupation for the past five years has been operating the ranch and managing investments.

Mr. Line has served on the Board of Heritage Land Bank (agricultural finance) since 2014. He currently serves as the Chairman of the Board of Directors, as the financial expert on the Audit Committee and on the Compensation Committee.

He is the previous owner of Map Production Co., Inc., a small independent oil and gas company. He currently serves on the Boards of Highland Park Estates HOA and Big Valley Ranch HOA (homeowners associations). He is a member of the Texas and Southwestern Cattle Raisers Association and a former member of the Texas State Society of CPAs.

He and his wife Shannon have two grown children.

The Association has loans to an affiliated organization of Mr. Line that were made in the ordinary course of business on the same terms, including interest rates, amortization schedule and collateral, as those prevailing at the time for comparable transactions with other persons or entities, and involved no more than normal risk of collectability.

**JOHNNY CHRISTOPHER MOORE**

**Age:** 44

**Residence:** 4400 CR 434, Chireno, Texas 75937 (Nacogdoches County)

**Business Address:** 4400 CR 434, Chireno, Texas 75937

**Education & Certifications:** Graduate of Chireno ISD High School and earned an Associate's degree in business from the University of Phoenix and a Bachelor's degree in International Business from Ashford University.

**Biography:**

Mr. Moore retired in 2017 after working internationally for 20 years as a facilities/business manager with FMC Technologies and its successor company TechnipFMC, global leaders in sub-sea oil and gas exploration. He has experience in internal auditing, human relations policies and processes, and a wide range of corporate business functions.

His farm and ranch operation, through the family-owned company Jemco Holdings, LLC, includes eight pullet houses contracted with Pilgrim's Pride, 180 acres of pine plantation and 200 acres of mixed hardwood/pine timberland, and a 50-head Brahman cow-calf herd. He is also the owner/operator of AJCM Properties, a family real estate development and construction company. Working in the oil and gas industry, farming/ranching and real estate development have been his principal occupations for the last five years.

Mr. Moore currently serves on the Boards of AJCM Properties (real estate development and construction) and Jemco Holdings, LLC (farm and ranch operation).

Mr. Moore and his wife Alicia have two adult daughters. He serves as the assistant controller of his church.

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**BENJAMIN DEE "BEAU" WINSTON, II**

**Age:** 41

**Residence:** 906 Champions Drive, Lufkin, Texas 75901 (Angelina County)

**Business Address:** 611 South First Street, Lufkin, Texas 75901

**Education & Certifications:** Graduate of Wayne State University with a B.S. degree in Corporate Finance. Mr. Winston also earned a Juris Doctor degree from Loyola University Chicago School of Law.

**Biography:**

Mr. Winston is the General Manager of Winston Land & Cattle which includes a portfolio of timber properties, mineral interests and residential and commercial real estate. He has practiced law for 15 years and is a licensed attorney in Texas and Illinois. He and his family own and manage approximately 6,000 acres of Southern yellow pine forestland and have a 165-cow beef herd.

His family has been involved in cattle ranching and timber operations for five generations. The family ranch, Winston 8 Ranch, won the Leopold Conservation Award in 2014 for their Nacogdoches County timber operation. Managing his family's timber and ranch operation, including providing legal support, has been his principal occupation for the last five years.

He and his wife Emily have an infant daughter.

The association has loans to business entities controlled by Mr. Winston that were made in the ordinary course of business on the same terms, including interest rates, amortization schedule and collateral, as those prevailing at the time for comparable transactions with other persons or entities, and involved no more than normal risk of collectability.

## 2021 NOMINATING COMMITTEE ELECTION

The nominating committee met on June 18, 2020; to select two (2) stockholder nominees and one (1) alternate in Region 1, and two (2) stockholder nominees and one (1) alternate in Region 2. After determining the stockholder's eligibility and willingness to serve, the committee submitted their slate of stockholder nominees to serve a one-year term on the 2021 Nominating Committee as follows:

<b>Region 1</b>	<b>Region 2</b>
Collin, Dallas, Hunt, Rockwall and Tarrant Counties	Anderson, Angelina, Cherokee, Henderson, Nacogdoches, Panola, Rusk, Sabine, San Augustine, Shelby and Smith Counties
Deborah Gina Moulder <i>Celeste, TX</i>	Ben Jay Brister <i>Troup, TX</i>
Jennifer Lyn Giles <i>Wolfe City, TX</i>	Wesley Keith Bennefield <i>San Augustine, TX</i>
<b>Region 1 Alternate</b>	<b>Region 2 Alternate</b>
Michael Leon Williams <i>Blue Ridge, TX</i>	Jefferson Evans West <i>Palestine, TX</i>



# 2020

## ANNUAL MEETING INFORMATION STATEMENT

### CERTIFICATION – September 21, 2020

By signing below, we certify the signatories have reviewed the annual meeting information statement, determined that the information is financially accurate and not misleading, that it has been prepared in accordance with all applicable statutory and regulatory requirements, and the information contained herein is true, accurate, and complete to the best of the signatories' knowledge and belief.

A handwritten signature in cursive script, appearing to read "Scott Line", written over a horizontal line.

R. Scott Line  
Board Chairman

A handwritten signature in cursive script, appearing to read "William Tandy", written over a horizontal line.

William Tandy  
Chief Executive Officer

A handwritten signature in cursive script, appearing to read "Heath Gattis", written over a horizontal line.

Heath Gattis  
Chief Financial Officer

**HERITAGE LAND BANK  
2019 ANNUAL STOCKHOLDERS' MEETING**

**MINUTES**

The 2019 Annual Stockholders' Meeting of Heritage Land Bank, ACA, was held on Tuesday, October 8, 2019, at 12:00 (noon) at Hollytree Country Club in Tyler, Texas.

The meeting was called to order by Chairman Scott Line at 12:13 p.m. He welcomed and thanked everyone for their attendance and continued loyalty to Heritage Land Bank over the past year.

Chairman Line introduced the Board of Directors of Heritage Land Bank. He then announced the retirement of Director George Hodges from the Board and thanked him for his 12 years of service.

CEO Bill Tandy introduced staff present, as well as special guests.

Director Jackie Pullen led the Pledge of Allegiance, and director Jim Tarrant presented the Invocation.

The meeting recessed at 12:19 p.m. for lunch and reconvened at 12:50 p.m.

Chairman Line announced a quorum was present and appointed Alysha Benton as the recording secretary. Mrs. Benton certified that a quorum of 27 members were present and that the 2019 Annual Meeting Information Statement had been mailed out to stockholders at least ten business days prior to the meeting. Chairman Line asked everyone to please review the 2018 Annual Meeting Minutes. Upon review, Chairman Line asked if there were any corrections to the minutes. Upon no response, a motion was made by director George Hodges to approve the minutes as presented. The motion was seconded by Stockholder Dean Castillo. Motion carried and the 2018 Annual Meeting Minutes were approved.

Chairman Line presented the Board Report stating that he was pleased to report that Heritage Land Bank in 2018 had a net income of \$7.8 million. As a result, the Board of Directors approved a patronage dividend to you, our stockholders, for approximately \$3.3 million, thus, continuing our tradition of returning a significant portion of our profits to you, our stockholders. In fact we have paid Patronage 24 of the past 25 years for a total of more than \$49.0 million.

The Board and Management remain focused on operating Heritage Land Bank in a safe and sound manner while still delivering value to our stockholders, by continuing to provide credit to all eligible and creditworthy borrowers who want to finance their agricultural and rural lending needs. This year the hard work of management and staff is paying off and our accrual loan growth has increased by just over 9%. At the end of August our accrual loan growth stood at \$547 million, which is up \$45 million from the same time last year. As always, paying patronage is one of this Board's primary goals and with this continued accrual loan growth, we anticipate paying a patronage dividend based on our 2019 earnings next spring.

In closing, Chairman Line stated that this Board will continue to uphold the cooperative principles that Heritage is based on and we do not forget that we are owned by you, our stockholders. He thanked the stockholders for their loyalty to Heritage Land Bank and for their attendance this afternoon.

CEO Bill Tandy gave a brief update on how the Association is doing financially year to date.

Jeff Striplin, Chairman of the Nominating Committee, presented the 2019 Nominating Committee Report. He reported that the nominating committee had met on March 27, 2019 in Tyler, Texas and reviewed a list of eligible, qualified and desirable candidates to run for stockholder-elected director positions. He then presented the following slate of Director and Nominating Committee candidates as follows:

**DIRECTOR CANDIDATES**

**Region 1**

Arthur Dean Castillo – McKinney, Texas  
Roger W. Claxton - Celeste, Texas

**Region 2**

John Henry Holloway III – Center, Texas  
Benjamin Dee “Beau” Winston II – Lufkin, Texas

Each director candidate was given the opportunity to briefly introduce themselves and speak to the attendees. No director candidates opted to speak at that time.

In accordance with FCA regulation, Mr. Striplin opened the floor for nominations for the director positions. Upon no response, Stockholder Mike Boyter motioned to close the nominations for the director positions, seconded by Stockholder Richard Orozco. Motion carried.

**NOMINATING COMMITTEE CANDIDATES**

**Region 1**

Jeff Striplin  
Jennifer Giles  
Alternate: Charles McKissick

**Region 2**

Wesley Bennefield  
Elizabeth McCutcheon  
Alternate: Ben Brister

In accordance with FCA regulations, Mr. Striplin opened up the floor for nominations for the nominating committee positions. Upon no response, Stockholder John Bretzke made a motion to close the nominations for the nominating committee positions, seconded by Stockholder Timothy Mager. Motion carried.

The stockholders were informed that election ballots would be mailed within ten (10) business days following the meeting. Voting would be held by mail ballot and will be tabulated confidentially by Henry & Peters, an accounting firm located in Tyler, Texas. Mr. Striplin stated that the results would be announced to stockholders by mail.

After door prizes were handed out, Chairman Line thanked everyone for attending the stockholder meeting.

Being no other business, the meeting adjourned at 1:14 p.m.

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R. Scott Line, Chairman

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Attested