



LONE STAR AG CREDIT

ANNUAL MEETING NOTICE

APRIL 8, 2016

To the owners of stock and participation certificates in Lone Star, ACA:

The Annual Stockholder's Meeting of Lone Star, ACA will be held April 27, 2016 at 10:00 am, in the Association's Headquarters office at 1612 Summit Avenue, Suite 300, Fort Worth Texas 76102.

The purpose of the meeting is to consider the following:

- A. Adoption of the minutes of the 2015 annual meeting
- B. Report of Corporate and Financial Operations for 2015
- C. Report of the Nominating Committee, including a determination of the candidates for 3 director positions to be elected for a three year term; and a determination of the candidates for election to the 2017 nominating committee
- D. the opportunity for any nominations from the floor for each of the director positions whose terms are expiring, and for any of the nominating committee positions

This will be the third annual meeting since the merger of Lone Star, ACA and Texas Land Bank, ACA, in 2014. Accordingly, your participation in selecting directors and nominating committee members is important to our continuing success. The plan of merger, approved by stockholders in October 2013, implemented a Board reduction plan. This year's voting on director candidates finalizes that process, by reducing the Board over a three year period to ten (10) stockholder elected directors, and three (3) Board appointed directors.

No elections of stockholder elected directors or nominating committee members will be held at this meeting. All candidates for the three (3) director positions and for the nominating committee positions, including any candidates nominated from the floor at this meeting will be voted on by mail ballot, to be mailed to the stockholders in early May.

The Board and management have scheduled stockholder appreciation dinners in your area to keep you informed of current Association events. You will be receiving invitations to these meetings, and we hope that you will take the opportunity to attend a meeting in your area and visit with other members, employees, and directors.

The following information is included as a part of the Annual Meeting Information Statement to comply with regulations implemented by the Farm Credit Administration.

1. Audited financial statements for the Association for the year ended December 31, 2015 were mailed to all stockholders at the end of March.
2. As of April 4, 2016, there were 5,426 eligible voting stockholders in the Association. An updated voters list will be prepared as of April 27, 2016, to reflect any deletions or additions.
3. Any matter brought to a vote at the Annual Meeting will be decided by a simple majority vote.

4. If a tie vote results between any two candidates, and the candidates agree, the tie may be broken by a coin flip.

Current Director Information

Name	Age	Region	Term & Expiration	Years of service	Type of agriculture engaged in
Richard Gaona	57	Region I	2015-2018	16	Farmer and stockman
Larry Stewart	66	Region II	2014-2017	32	Beef cattle
David Harris	56	Region III	2013-2016	19	Cow-calf operation
Bert Pruett	63	Region III	2014-2017	32	Farmer, cattle operator
Tom Johnson	64	Region IV	2015-2018	16	Cow-calf operation
Harlin Brown	68	Region V	2013-2016	3	Farmer and rancher
Linda C. Floerke	55	Region VI	2015-2018	4	Livestock, crops, and agri-business
John R. Sawyer	57	Region VII	2014-2017	10	Crops, and agribusiness
Paul H. Young	62	Region VII	2014-2017	6	Livestock, crops, and poultry
James Hooser, Jr.	52	Region VIII	2013-2016	3	Crops and livestock
Burt Richards	73	Region VIII	2013-2016	28	Beef cattle and feedyard
David Conrad	62	Board director	2013-2016	11	CPA
Don Crawford	68	Board director	2013-2016	14	Rancher, CPA
Chad Lee	44	Board director	2013-2016	4	Cow- calf, agricultural law

The stockholder-elected directors represent regions in the Association territory, with counties and voting strength in each region as follows:

Region I: Borden, Fisher, Mitchell, Nolan, Scurry, Taylor, Kent, Throckmorton, Shackelford, Young and Stephens Counties- 296 voting Stockholders

Region II: Eastland, Erath, Palo Pinto, Parker, Hood and Somervell Counties-380 voting Stockholders

Region III: Johnson, Tarrant, Denton and Wise Counties - 992 voting Stockholders

Region IV: Cooke, Grayson, Fannin and Lamar Counties -494 voting Stockholders

Region V: Delta, Red River, Titus, Camp, Morris, Bowie and Cass Counties - 313 voting Stockholders

Region VI: Bosque, Hamilton, Coryell, Lampasas and Burnet Counties- 321 voting Stockholders

Region VII: Hill, McLennan, Falls, Bell, Williamson and Milam Counties-1,009 voting Stockholders

Region VIII: Dallas, Ellis, Navarro, Freestone and Limestone Counties-746 voting Stockholders

All directors attended more than 75% of the total number of board meetings during the fiscal year 2015. There were no directors who resigned or declined to stand for re-election during 2015 because of a policy disagreement with the Board.

The following directors serve on the Compensation Committee: John R. Sawyer, Chairman, Richard Gaona, Chad Lee, Tom Johnson, Burt Richards, and Larry Stewart.

Directors serving on the Audit Committee are Don Crawford, Chairman, David Conrad, Vice-Chairman, Linda Floerke, David Harris, James Hooser and Bert Pruett. Mr. Crawford and Mr. Conrad have the qualifications and experience necessary to serve as a “financial expert”, as defined in FCA regulations, and have been designated as such by the Board.

Officers and directors are eligible for loans under the same terms and conditions available to any person. Loans outstanding with the nominees listed herein were made in the ordinary course of business, were made on the same terms, including interest rates, amortization schedule and collateral, as those prevailing at the time for comparable transactions with other persons, and do not involve more than the normal risk of collection. The nominees have no occurrence that would require disclosure under FCA regulations.

The nominating committee members for the 2016 election cycle are Ricky Bachman, Bob Beakley, Joe Bean, Caleb Martin, William Ratliff and Tony Whittle. The Association's Nominating Committee met March 7, 2016.

Upon a determination that the following were willing to serve, the Committee members in attendance nominated the following stockholders to be included on the ballot for the respective director elections:

<u>Director Election</u>			
Region III Election	[one position]	David Harris	Keith Miller
Region V Election	[one position]	Harlin Brown	Jerry Drew
Region VIII Election	[one position]	Kathy Buchholz	James Hooser

Please see the disclosure and biographical information for each candidate. Additionally, you may view an educational video of the candidates on the Association's website after the annual meeting:
www.lonestaragcredit.com

Region VIII representation in the Board Reduction Plan reduces two previous positions into one position. The Nominating committee nominated an existing director and an additional candidate for that position.

The election of the 2017 Nominating Committee members will also be included on the ballot, for each position, for a 1 year term. Six (6) committee positions and six (6) alternate positions will be filled. The two nominees and two alternates nominated for each region are:

Nominating Committee Election

Region	Committee candidate	Committee alternate
II	Tony Ballinger Gary Hutton	Mike Cox Wesley Wood
III	Vinsen Faris Dick Shepard	Charles Green Bourke Harvey
VII	Norman Divin Todd Westerfeld	Robert Fleming Brent Williams

Nominations for the open director positions and each of the nominating committee positions will be accepted from the floor at the Annual Meeting.

- Any voting stockholder may make a nomination, and no second is required. Nominees must either reside in, or conduct their agricultural operations in the appropriate region.
- The designation of regions is for establishing eligibility for nominations only. All eligible voting stockholders may vote for each open director position and nominating committee members.

- Floor nominees must accept the nomination and provide required disclosures, in writing, within five (5) days after the Annual Meeting. No person may be a nominee for any of the open positions who does not provide the disclosures as required.

The elections for the open director positions and the nominating committee positions will be held by mail ballots. The ballots will be sent to eligible voting stockholders, not more than 15 business days following the Annual Meeting.

Thank you for your consideration, and watch your mail for the ballots in early May:

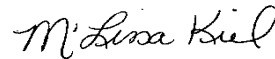
The signatories below have reviewed the annual meeting information statement, determined that it is accurate and not misleading, and that it has been prepared in accordance with all applicable statutory and regulatory requirements.



Troy Bussmeir
Chief Executive Officer



Tom Johnson
Chairman, Board of Directors



M'Lissa Kiel
Chief Financial Officer

Disclosure Information of Director Nominees

Region III

David Harris, 56, was elected to the Board in 2001 and serves on the Association's Audit Committee. Mr. Harris lives in Cleburne, Texas, owns property in Somervell County, and is the President of Bob Harris Oil Company, which is involved in retail gasoline marketing, ranching (cow-calf), real estate development, and sand and gravel. He serves as the President of Harris Riverbend Farms, a purebred and commercial cow-calf operation, which was previously made part of Harris Farms, a partner in Mansfield Joint Venture, which is involved in warehouse development, the Managing Partner of Alvarado Joint Venture, which is involved in real estate development, and a Director of Cleburne Economic Development Board. Mr. Harris previously served as the Managing Partner of Harco Cattle, a cow-calf operation, which merged into Harris Riverbend Farms, a member of the Santa Gertrudis Association Breed Improvement Committee, and a member of the Santa Gertrudis Association Performance Committee.

Keith Miller, age 48, lives near Grandview, Texas in Johnson County. He owns Miller's Metal Building and Construction in Burleson and serves as President of the company- a business started in 1972 by his father. Mr. Miller has a cow-calf operation in Johnson and Comanche Counties, and also raises and sells club calves. Mr. Miller serves on the Grandview ISD School Board and presently is Vice-President. He also serves as a member on the Johnson Co. Livestock Show Board. He is a partner and 50% owner in TCOOP Investments, LLC- a land holding entity in Johnson County. Mr. Miller also is a partner in KTH Transportation, Inc. which is a truck brokerage business.

Region V

Harlin Brown, age 68, was elected to the Board in 2013. Mr. Brown lives in Woodland, Texas and is a full-time farmer and rancher. Mr. Brown has been in the logging and timber business for most of his life, runs a commercial cow/calf operation, manages timber on owned and leased property in Red River County, and runs a row crop operation in Choctaw County, Oklahoma. Mr. Brown has served as a Director of Red River Appraisal District, the Red River FSA County Committee, and the 410 Water Supply Corporation. He has been a member of the Pine Creek Volunteer Fire Department for at least 25 years and has served in various capacities at the Woodland United Methodist Church.

Jerry Drew, age 54, is a graduate of Texas A & M University. He lives in Red River County near Annona, Texas where he operates a cow/calf and yearling operation on 2,000 acres. In years past he has partnered on several yearling operations. He grew up in South Texas where his father was a USDA veterinarian and his family raised Charolais cattle. Mr. Drew is a licensed pilot and the owner of Brush Popper Aviation, LLC, which is an aviation service offering helicopter services to the area. He also owns and serves as the President of a commercial construction company and serves as the Chairman of the Airport Advisory Board in Pleasanton, Texas.

Region VIII

Kathy Buchholz, age 57, lives near Waxahachie, Texas in Ellis County. Her and her husband Gary are the owner and operators of GKB Cattle, which is a 350 head purebred Hereford and Polled Hereford cattle ranching operation, including 400 acres of hay. Mrs. Buchholz has a life-long history of cattle ranching, starting in west Texas on her family's Hereford ranch. Kathy

holds B.S. and M.A. degrees from Texas A & M University, graduating in 1981 and 1983. She is a member of the Texas Hereford Association, the American Hereford Association, and the National Hereford Women. Mrs. Buchholz has served as the past President and Director of the Texas Hereford Auxiliary, and as a past officer and director of the American Hereford Women. Mrs. Buchholz has also served as an adult advisor to both the Texas Junior Hereford and American Junior Hereford Associations.

James Hooser, Jr., age 51, was elected to Texas Land Bank's Board in 2013, has served on the Association's Board since January 1, 2014 as a result of the merger, served on the Association's Compensation Committee, and serves on the Association's Audit Committee. Mr. Hooser resides in Corsicana, Texas, is a full-time farmer and rancher, and has served as a part-time agent for Heifrin Crop Insurance, LLC for over 15 years. He owns 1,332 acres, with 352 acres dedicated as pasture and 980 acres dedicated to cultivation, leases 5,498 acres, with 1,279 acres of pasture and 4,219 acres of cultivation, produces livestock with a cow herd of 300 head, and grows multiple crops, including corn, wheat, hay, and cotton. Mr. Hooser is the President and partner of J&L Farms, the President of Hooser Farm Corporation, the President of Hooser AG LLC, an owner of Heifrin Crop Insurance, LLC, and an owner and Director of Williams Gin & Grain. He also serves as a Deacon at First Baptist Church of Corsicana.