



March 12, 2024

Dear [Name],

We are excited to announce that Nusenda Credit Union's acquisition of Western Heritage Bank (Western Heritage) is complete. On behalf of our board of directors, leadership and employees, welcome to the Nusenda family! We look forward to serving you and providing you with continued excellent service, reliable and innovative banking tools, and affordable, personalized solutions to help you reach your financial goals. Your well-being is of the utmost importance to us, and we are here to help make this transition as seamless as possible.

This letter includes important information about the acquisition, what you can expect, and what you'll need to take action on in the coming months.

This Letter At-a-Glance

- During the transition, you'll notice "Western Heritage – *Powered by Nusenda Credit Union*" on signs and communications.
- All of your accounts and loans will automatically transition to Nusenda systems by late summer 2024. For now, continue to bank as usual.
- Starting March 12, you can use your Western Heritage debit card at more than 30,000 surcharge-free ATMs.
- Visit Nusenda at designated spaces inside the Gateway, Resler, Castellano, and Deming branches.
- Your deposits will be federally insured at the same amount, now by the National Credit Union Administration (NCUA).
- No prepayment penalties on your loans.
- Details about benefits for business owners.
- Visit the transition website at welcome.nusenda.org for more details and FAQs.

Name and Visual Changes

Starting now, Western Heritage will be branded as "Western Heritage – *Powered by Nusenda Credit Union*." You will see this in all branch locations, Western Heritage's website, and other materials including envelopes, stationery, etc. Later, things will change to Nusenda Credit Union's colors, logo, etc.

Account Transition and Systems Conversion

We expect to move all accounts and systems from Western Heritage to Nusenda by late summer 2024. This includes all Western Heritage products, accounts, loans, mobile and internet banking, data processing systems, and more. Until this takes place, you can continue to access your Western Heritage accounts as you typically would. Western Heritage mobile and internet banking is available, and branches are open.

The familiar faces of Western Heritage employees will continue to serve you during regular business hours. We will also have Nusenda employees available at Castellano, Deming, Gateway, and Resler branches to answer any questions you may have and to help you navigate Nusenda's products and services.

Until systems conversion, all direct deposits, automatic withdrawals, loan payments, debit cards, safe deposit boxes, mobile and internet banking, electronic or paper statements, items sent by mail, and paper-based checks will continue to be processed as usual. We will notify you in advance of any changes that may impact you and your account(s) as a result of our systems conversion.

Once your account is moved to Nusenda's system, you will have access to 23 additional Nusenda Credit Union branches in New Mexico, including branches in Taos, Santa Fe, Rio Rancho, Albuquerque, Valencia, Socorro, and Las Cruces. A full list of branches can be found at [Nusenda.org/locations](https://www.nusenda.org/locations).

Good news! Starting March 12, you can use your Western Heritage debit card at more than 30,000 surcharge-free ATMs across the United States. Locally, look for CO-OP and CU Anytime logos. Please visit [welcome.nusenda.org](https://www.welcome.nusenda.org) for additional details pertaining to ATM usage.

A Preview of Banking with Nusenda Credit Union

All Western Heritage branch locations will remain open, and you'll start to see Nusenda Credit Union pop-up spaces inside the Gateway, Resler, Castellano, and Deming branches. These will be staffed by Nusenda employees and will offer Nusenda products, services, and member benefits. If you need a new consumer loan or deposit account, want to take advantage of financial well-being resources, or just want to learn more about what Nusenda has to offer, the friendly staff at these pop-up branches can help! For new business loans or accounts, please contact your Western Heritage Loan or Treasury Management Officer directly.

Deposit Insurance (FDIC and NCUA)

As you read in our letter from February 7, now that the acquisition is complete, your deposit accounts are insured by the National Credit Union Administration (NCUA). The NCUA is a federal agency created by the United States Congress, which administers the National Credit Union Share Insurance Fund and offers similar deposit insurance to that of the FDIC. Your deposits will continue to be insured up to \$250,000 in each account category.

No Prepayment Penalties

As a federally chartered credit union, Nusenda does not assess prepayment penalties on any of our business or consumer loans, unless those prepayment penalties are passed directly to a federally sponsored guarantee program such as the Small Business Administration (SBA). If you have an existing loan with Western Heritage Bank that includes prepayment penalties and it is not guaranteed by the SBA, those fees are now waived.

Important Notices and Disclosures

Enclosed with this letter are important notices and disclosures related to Nusenda Credit Union membership.

What's Next?

You automatically qualify for membership in Nusenda Credit Union. You can affirm your credit union membership by clicking on the notification box in Western Heritage's mobile and internet banking, calling

800-347-2838 or by stopping by a Western Heritage – *Powered by Nusenda Credit Union* or Nusenda Credit Union branch.

For Business Owners

The well-being of our local business owners is essential to improving the well-being of our communities, and we are here for you to provide intentional support as we all make this transition.

Nusenda Credit Union is the largest locally owned financial institution in New Mexico with over \$4 billion in assets, and we have provided over \$1.2 billion in loans to our business members since 2006. The primary benefits of this combination are the increase in lending capacity and expansion of services, both in terms of the total amount of lending in the Borderplex region and the maximum amount that any individual business client can borrow. We also offer a full range of innovative and affordable consumer products and services that can benefit your employees and residents of the Borderplex region.

If you have a business loan with Western Heritage, Nusenda will continue to honor all the terms on the Western Heritage loan agreements. This includes any future commitments to fund lines of credit or construction loans for all loans in good standing.

Questions?

Please visit our transition website at welcome.nusenda.org for important dates, frequently asked questions about the transition, and the benefits of Nusenda membership. You may also contact us at 800-347-2838. Starting March 12, Nusenda employees will be available at spaces inside the Gateway, Resler, Castellano, and Deming branches to provide personalized assistance.

Welcome to the Nusenda Credit Union family! We look forward to getting to know you and being your trusted financial resource now and in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Christian". The signature is fluid and cursive, with a long horizontal stroke at the end.

Joe Christian
President/CEO
Nusenda Credit Union

AGREEMENT

This Terms and Conditions of Your Account document ("Agreement"), along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you sign the signature card or open or continue to use the account, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions regarding your Accounts, please call us.

This Agreement is subject to applicable federal laws, the laws of the state of New Mexico and Texas and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this Agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- 1) summarize some laws that apply to common transactions.
- 2) establish rules to cover transactions or events which the law does not regulate.
- 3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- 4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the Membership Application for your account or in some other document. Nothing in this document is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this Agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural, and the plural includes the singular. "Party" means a person who, by the terms of an account, has a present right, subject to request, to payment from the account other than as a beneficiary or agent.

ARBITRATION AND WAIVER OF CLASS ACTION

You and the Credit Union agree that we shall attempt to informally settle any and all disputes arising out of, affecting, or relating to your accounts or the products or services the Credit Union has provided, will provide, or has offered to provide to you, and/or any aspect of your relationship with the Credit Union (hereafter referred to as the "Claims"). If that cannot be done, then you agree that any and all Claims that are threatened, made, filed or initiated after the Effective Date (defined below) of this Arbitration and Waiver of Class Action provision ("Arbitration Agreement"), even if the Claims arise out of, affect or relate to conduct that occurred prior to the Effective Date, shall, at the election of either you or us, be resolved by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its applicable rules and procedures for consumer disputes ("Rules"), whether such Claims are in contract, tort, statute, or otherwise. The Rules can be obtained on the AAA website free of charge at www.adr.org; or a copy of the Rules can be mailed to you upon request. Either you or we may elect to resolve a particular Claim through arbitration, even if one of us has already initiated litigation in court related to the Claim by:

- (a) making written demand for arbitration upon the other party,
- (b) initiating arbitration against the other party, or
- (c) filing a motion to compel arbitration in court.

AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE A PARTICULAR CLAIM THROUGH ARBITRATION, YOU WILL GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN SMALL CLAIMS COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT).

This Arbitration Agreement shall be interpreted and enforced in accordance with the Federal Arbitration Act set forth in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claims at issue. This Arbitration Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity from seeking relief on your behalf.

Selection of Arbitrator

The Claims shall be resolved by a single arbitrator. The arbitrator shall be selected in accordance with the Rules and must have experience in the types of financial transactions at issue in the Claims. In the event of a conflict between the Rules and this Arbitration Agreement, this Arbitration Agreement shall supersede the conflicting Rules only to the extent of the inconsistency. If AAA is unavailable to resolve the Claims, and if you and we do not agree on a substitute forum, then you can select the forum for the resolution of the Claims.

Effective Date

This Arbitration Agreement is effective upon the 61st day after we provide it to you ("Effective Date") unless you opt-out in accordance with the requirements of the RIGHT TO OPT-OUT provision below. Claims Arising Prior to Effective Date.

THIS ARBITRATION AGREEMENT APPLIES TO ALL CLAIMS THAT ARE FILED OR INITIATED AFTER THE EFFECTIVE DATE, EVEN IF THE CLAIM ARISES OUT OF, AFFECTS, OR RELATES TO CONDUCT THAT OCCURRED PRIOR TO THE EFFECTIVE DATE. If a Claim is filed or initiated prior to the Effective Date, this Arbitration Agreement will not apply to such Claim.

Arbitration Proceedings

The arbitration shall be conducted within (fifty) 50 miles of your residence at the time the arbitration is commenced. Any claims and defenses that can be asserted in court can be asserted through arbitration. The arbitrator shall be entitled to award the same remedies that a court can award. Discovery shall be available for non-privileged information to the fullest extent permitted under the Rules. The Arbitrator's award can be entered as a judgment in court. Except as provided in applicable statutes, the arbitrator's award is not subject to review by the court, and it cannot be appealed. The Credit Union shall pay for any filing, administration, and arbitrator fees imposed on you by the AAA. However, you will be responsible for your own attorney's fees, unless you prevail on your Claim in the arbitration, in which case, we will pay your attorney's fees. However, if the Credit Union prevails, then you will not be required to pay our attorneys' fees and cost.

Any determination as to whether this Arbitration Agreement is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration; provided, however, the enforceability of the Class Action Waiver set forth below shall be determined by the Court.

Class Action Waiver

ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION LAWSUIT.

Severability

In the event that the Class Action Waiver in this Arbitration Agreement is found to be unenforceable for any reason, the remainder of this Arbitration Agreement shall also be unenforceable. If any provision in this Arbitration Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions will remain fully enforceable.

Survival

This Arbitration Agreement will survive termination of the Agreement.

Right to Opt-Out

You have the right to opt out of this Arbitration Agreement, provided you notify the Credit Union of your intent to do so within sixty (60) days after it is provided to you. Your opt-out is only effective if you

notify the Credit Union in writing at Nusenda Credit Union, Attention: Compliance Department, P.O. Box 8530, Albuquerque, NM 87198 or electronically to ComplianceDistributionGroup.org within a sixty (60) day time period. If you fail to opt-out within these sixty (60) day times, you will be deemed to have consented to the resolution of your Claims through binding arbitration. In the event you opt-out, it shall not affect other terms and conditions of your Agreement or your relationship with the Credit Union.

Amendment/Termination of this Arbitration Agreement

Notwithstanding anything in this Agreement to the contrary, we will not amend or terminate this Arbitration Agreement unless we provide you with sixty (60) days prior written notice of such amendment or termination and an opportunity to opt-out of the amendment or termination during that time period. Further, any amendment or termination of this Arbitration Agreement shall not apply to Claims arising from conduct that occurred prior to the date of amendment/termination.

Membership Disclosure Language

Nusenda Credit Union has paid for your membership in the New Mexico Wilderness Alliance or the American Consumer Council to qualify you to join Nusenda Credit Union. You can affirm your credit union membership in mobile and internet banking, calling 1-800-347-2838, or stopping by a Western Heritage – Powered by Nusenda Credit Union or Nusenda Credit Union branch.

Bylaws

Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. Our right to require you to give us notice of your intention to withdraw funds from your account is described in the bylaws. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we send you an item(s) or a copy of an item(s).

Liability

You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this Agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

Restricting your Account; Blocking or Delaying Transactions

There are many reasons we may decline or prevent transactions to or from your account, but we generally do it to protect you or us, or to comply with legal requirements. We may decline or prevent any or all transactions to or from your account. We may refuse, freeze, inhibit, reverse, or delay any account or withdrawal, payment, or transfer of funds to or from your account, or we may remove funds from your account to hold them pending investigation, including in one or more of the following circumstances:

- Your account is involved in any legal or administrative proceeding.
- We receive conflicting information or instructions regarding account ownership, control, or activity.
- We suspect that you may be the victim of a fraud, scam, or financial exploitation, even though you have authorized the transaction(s).
- We suspect that any transaction may involve illegal activity or may be fraudulent.
- We are complying in our sole judgment, with any federal, state, or local law, rule, or regulation, including federal asset control and sanction rules and anti-money-laundering rules, or with our policies adopted to assure that we comply with those laws, rules, or regulations; or
- We reasonably believe that doing so is necessary to avoid a loss or reduce risk to us.

We also may limit cash deposits to, or withdrawals from, your account (or all of your accounts collectively) in a single transactions or total withdrawals or deposits during any period of time, or who may make deposits, in order to reduce risk and/or enhance our efforts to comply with applicable law.

We can assign and transfer your member information and documentation to a replacement member number at our discretion. We may make this assignment when your account is reported compromised by you or any signer. If we issue you a replacement member number, this Agreement governing you and your membership will continue to apply, without interruption, as if you retained the discontinued member number.

We will have no liability for any action we take under this section, and we may take such action without advance notice.

Membership Expulsion and Limitation of Services

A member not in good standing may be expelled from membership or subject to a policy that limits credit union services as permitted by its bylaws. A member not in good standing is one who has engaged in any of the conduct in Article XIV, Section 3 related to for-cause expulsion which include:

- A) a substantial or repeated violation of the membership agreement of the credit union.
- B) a substantial or repeated disruption, including dangerous or abusive behavior, to the operations of a credit union;
or
- C) fraud, attempted fraud, or conviction of other illegal conduct in relation to the credit union, including the credit union's employees conducting business on behalf of the credit union.

In the event of expulsion or suspension of service, the member will be notified as required under our bylaws and policies.

Cash Transaction Reporting

To help law enforcement agencies detect illegal activities, the law requires all financial institutions to gather and report information on some types of cash transactions. If the information we need to complete the report is not provided, we are required to refuse to handle the transaction. If you have any questions regarding these rules, please contact your local Internal Revenue Service office.

Amendments and Termination

We may change our bylaws and any term of this Agreement. Rules governing changes in rates are provided separately in the Truth-in-Savings disclosure or in another document. For other changes we will give you reasonable notice in writing or by any other method permitted by law. We may close this account if your membership of the credit union terminates, or by giving reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items and charges to be paid from the account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. At our option, we may suspend your rights to member services if you violate the terms of this Agreement. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

Notices

Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive it in time to have a reasonable opportunity to act on it. If the notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date, and payee. Written notice we give you is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we have on file. Notice to any of you is notice to all of you.

Changing Account Products

We may change your account to another product offered by us at any time by giving you notice that your account will be changed to another product on a specified date. If your account is a time account, the change will not occur before the next maturity date of your account. If you do not close your account before the date specified in the notice, we may change your account to that other product on the date specified in the notice.

NCUA Insurance

Funds in your account(s) with us are insured by the National Credit Union Administration (NCUA) and backed by the full faith and credit of the United States. The amount of insurance coverage you have depends on the number of accounts you have with us that are of different "ownership." An individual account is one unique form of "ownership;" a joint account, a pay- on-death account, and a self- directed qualified retirement account (e.g., an IRA) are examples of some of the others. Share insurance for a person's self-directed qualified retirement account is up to \$250,000. (An IRA is a self- directed qualified retirement account as is any account where the owner decides where and how to invest the balance.) Funds are insured to \$250,000 per depositor for the total of funds combined in all of your other insured accounts with us. If you want a more detailed explanation or additional information, you may ask us or contact the NCUA. You can also visit the NCUA website at www.ncua.gov and click on the Share Insurance link. The link includes detailed contact information as well as a share insurance estimator.



505-889-7755 | 800-347-2838 | nusenda.org

**Nusenda Credit Union is the trade name
for Nusenda Federal Credit Union.**



Equal Opportunity Lender