

November 18, 2013

Michael J. McKenna
Designated Agency Ethics Official
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Dear Mr. McKenna:

Re: Ethics Agreement

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Board Member of the National Credit Union Administration.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign from my positions with the following entities: Dedman School of Law, Southern Methodist University; Cox School of Business, Southern Methodist University; Texas Department of Housing and Community Affairs; Texas Emerging Technology Fund; and Main Street Growth Project. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

My spouse is currently employed by Holly Frontier Corporation and Holly Energy Partners LP from which she receives a fixed salary and bonus. In addition, my spouse holds common stock and restricted common stock in Holly Frontier Corporation and partnership units in Holly Energy Partners LP. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of either of these companies, unless I first obtain a written waiver, pursuant to 18 U.S.C. §208(b)(1).

I understand that as an appointee I am required to sign the Ethics Pledge (Exec. Order No. 13490) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this and any other ethics agreement.

Finally, I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. §552, on the website of the U.S. Office of Government Ethics with other ethics agreements of Presidential nominees who file public financial disclosure reports.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Mark McWatters', with a long horizontal flourish extending to the right.

J. Mark McWatters