ONLINE BANKING AGREEMENT AND DISCLOSURE

This Online Banking Agreement and Disclosure ("Agreement") describes your rights and obligations as a user of the Online Banking Service ("Services"). It also describes the rights and obligations of Hughes Federal Credit Union ("the credit union"). Please read this Agreement carefully. By requesting and using one of these Services, you agree to comply with the terms and conditions of this Agreement. Our online banking services are intended for individuals 18 years of age or older. If you are under age 13, you may only use this site with the permission of a parent or guardian.

1. Definitions & Requirements

The following definitions apply in this Agreement:

a) “Authorized Representative" refers to a person with authority (with respect to the account);
b) "ISP" refers to your Internet Service Provider;
c) "Online Banking" is the internet-based service providing access to your credit union accounts;
d) "Online Account" means the credit union account from which you will be conducting transactions using a Service. You must have an existing account with us to enable our Online Banking service. An account means any of your account(s) to which we may allow access via the Service under this Agreement. Only a checking account is eligible for online Bill Pay privileges. We may make additional accounts available for Bill Pay from time to time as allowed by law.
e) "Password" is the member generated code selected by you for use during the initial sign-on, or the codes you select after the initial sign-on, that established your connection to the Service;
f) “Internet Browser" is software used to connect to the internet;
g) "PC" means your personal computer which enables you, with the Internet browser and Internet Service Provider (ISP), to access your Online Account. You will need a computer with Internet access and a browser. You are solely responsible for the maintenance, installations, and operation of your computer. Hughes Federal Credit Union shall not be responsible for any errors, deletions, or failures that occur as a result of any malfunction of your computer or software.
h) You will need current and updated antivirus software. Undetected viruses may corrupt and/or destroy your computer programs, applications, files, and potentially your computer hardware. Additionally, you may unintentionally transmit the virus to other computers. Hughes Federal Credit Union will not be responsible for any computer virus that affects your computer or software while using our Service.
i) "Time of day" references are to Arizona Time;
j) "User ID" is the credit union generated identification code assigned to you (or one that you create after initial login) for your connection to the Service;
k) "We", "us", or "the credit union" refer to Hughes Federal Credit Union and any agent, independent contractor, service provider licensor, designee, or assignee Hughes Federal Credit Union may involve in the provision of Online Banking.
l) "You" or "your" refers to the owner of the account or a person with authority with respect to the account.
m) In order to provide electronic disclosures, we must maintain a current member e-mail address at all times. It is your sole responsibility to provide us with your correct contact information, including your e-mail address. You should notify Hughes Federal Credit Union of any changes to your personal contact information.
n) "Effective date" means the date in which the service was started.

2. Access to Services

The credit union will provide instructions on how to use the Online Banking Services. You will gain access to your Accounts Online through the use of your internet-enabled device, your ISP, your User ID and Password. You may access your Accounts Online, 24 hours a day, seven (7) days a week. However, availability of the Services may be suspended for brief periods of time for purposes of maintenance, updating and revising the software. For purposes of transactions, the credit union's business days are Monday through Friday, excluding weekends and holidays recognized by Hughes Federal Credit Union, the Federal Reserve Bank, and the U.S. Postal System. All Online Banking transaction requests received after close of business on business days and all transactions which are requested on Saturdays, Sundays, or holidays on which the credit union chooses to remain closed, will be processed on the credit union's next business day. The credit union's business day begins at 9:00 AM, Arizona Time.

3. ONLINE BANKING SERVICE

a. Banking Transactions with Online Banking Service

i. **Account Access**. You may access your personal accounts online for a variety of transaction types. Online Banking transactions will not be permitted on any Individual Retirement Account or Term Share. Transaction history for your online accounts begins accumulating on the date your access to our current Online Banking service is activated. Up to 6 months of transaction detail and history is stored and may be viewed via the Service.

ii. **Transfer of Funds**. In addition to viewing account information, you may use Online Banking to conduct the transfer of funds between accounts and/or loans within your membership. In some instances, the transfer of funds may be done from one membership to another provided you are authorized to do so on each of the memberships as limited by terms of this Agreement. **NOTE: Because regulations require the credit union to limit withdrawal transfers (including Online Banking transfers), the following limitations apply:**

- Main Share, Ultimate, Premium, High Yield Accounts, and You Name It – You can make no more than six (6) withdrawals or transfers per statement period (calendar month). Please note: If there are not sufficient funds available in the account, we cannot complete this transfer.

iii. **Additional Services**. New services may be introduced for Online Banking from time to time. The credit union will notify you of the existence of these new services. By using these services when they become available, you agree to be bound by the rules that will be made available to you concerning these services.

b. Schedule of Fees - The credit union offers the benefits and convenience of the Online Banking Service to you free.

c. Statements - You will continue to receive your regular account statement either monthly or quarterly by mail, (depending on the type of account), unless you opt-in to receive electronic statements.

e. Security and Privacy - We have taken steps to protect the privacy and security of your personal information as well as your financial transactions with us. You should read our privacy notice before completing the enrollment process for the Service. Click here to view our Privacy Notice: https://www.hughesfcu.org/asp/privacy.asp.

f. Your Password and Online Account Information - You are responsible for keeping your password and Online Account information confidential. In order to protect yourself against fraud, you should adhere to the following guidelines:

i. Do not give out your account information, Password, or User ID;
ii. Do not leave your PC unattended while you are in the credit union's Online Banking site
iii. Never leave your account information within access or view of others; and
iv. Do not send privileged account information (account number, Password, etc.) in any public or general e-mail system.
v. Do not allow your Internet browser to store your Online Banking User ID or Password;
vi. If you believe your password has been lost or stolen, or if you suspect any fraudulent activity on your account, call the credit union immediately at (520) 794-8341 (Tucson) or 1-800-253-8245 (U.S.) between the hours of 9:00 a.m. to 5:00 p.m. Monday through Friday and 9:00 a.m. to 3:00 p.m. on Saturday. Telephoning the credit union is the best way of minimizing your losses and liability. If you believe your Password has been lost or stolen, please use the Password change feature within the Online Banking section of the Web site to change your Password.

g. Electronic Mail (E-mail) - If you send the credit union an e-mail message, the credit union will be deemed to have received it on the following business day. You should not rely on e-mail if you need to report an unauthorized transaction from one of your accounts or if you need to stop a payment that is scheduled to occur. We advise you not to send us or ask for sensitive information such as account numbers, password, account information, etc. via any general or public e-mail system. If you wish to contact us electronically, please use the credit union's e-mail form located on our website at HughesFCU.org. **If one of these methods is used in contacting the credit union simply request that we contact you and provide a telephone number to do so. Again, do not supply any account or password information or other information of a confidential nature.**

NOTE: E-mail transmissions outside of our Online Banking site are not secure.

4. Electronic Fund Transfer Provisions

a. Applicability - These provisions are only applicable to online electronic fund transfers which credit or debit a consumer's checking, savings or other asset account and are subject to the Federal Reserve Board's Regulation E (an "EFT"). When applicable, the credit union may rely on any exceptions to these provisions which are contained in Regulation E. All terms that are not defined in this Agreement but which are defined in Regulation E shall have the same meaning when used in this section.

b. Your Liability - You are responsible for all EFT transactions you authorize. If you permit someone else to use an EFT service, or your access code, you are responsible for any transactions they authorize or conduct on any of your accounts. Tell us at once if you believe someone has used your access code or otherwise accessed your accounts without your authority.

i. If you tell us within two (2) business days after you have learned your password was lost or stolen, your liability cannot exceed $50.00.
ii. If you do NOT tell us within two (2) business days after you have learned of the loss or theft of your password, and we can prove that we could have stopped someone from using your password without your permission if you had told us, your liability cannot exceed $500.00.

iii. You must report an unauthorized EFT transaction which appears on your periodic statement, no later than 60 days of transmittal of the statement, to avoid liability for subsequent transfers. Your liability will not exceed the amount of the unauthorized EFT's that occurred within the 60 day period. You may also be liable for the amounts as described above.

iv. If the report is made orally, we will require that you send the complaint or question in writing within10 business days. We will notify you with the results of the investigation within 10 business days and will correct any error promptly. If more time is needed, however, we may take up to 45 days to investigate a complaint or question. If this occurs, we will credit your account within ten (10) business days, for the amount you think is in error. This will allow you to use the money during the time it takes us to complete our investigation. If your complaint or questions are not received in writing within 10 business days, we may not credit your account until the investigation is complete. If an alleged error involves an electronic fund transfer outside a state or territory or possession of the United States, the applicable time periods for action by us are 20 business days (instead of 10) and 90 calendar days (instead of 45). If we determine that no error occurred, we will send you a written explanation within three (3) business days after the investigation is complete. You may request copies of the documents that were used in the investigation. You may notify the credit union by telephone, writing, or by e-mail at HughesFCU.org. Notification by general e-mail to report an unauthorized transaction is not secure and therefore not advised.

v. Telephone Numbers and Addresses. In case of errors or questions regarding an Online Banking Service transaction, call (520) 794-8341 (Tucson) or 1-800-253-8245 (U.S.); or write to us at:

Hughes Federal Credit Union
P. O. Box 11900
Tucson, Arizona 85734-1900

or email us at our secure email on our Web site at HughesFCU.org or at email@hughesfcu.org (non-secured).

vi. We must hear from you at the telephone number or address listed above, no later than sixty (60) days after we sent you the FIRST statement on which the problem or error appeared. We will need:

1. Your name and account number
2. A description of the error or the transfer in question and an explanation concerning why you believe it is an error or need more information.
3. The dollar amount of the suspected error and date on which it occurred.

vii. If you verbally provide this information, we may require that you send us your complaint or question in writing within 10 business days.

5. Liability

a. Our Liability - This section explains our liability to you only to the extent that any other agreements, notices or disclosures have not separately disclosed our liability. In no event shall we be liable to you for failure to provide access to your Online Banking or Bill Payment service account. Unless otherwise required by applicable law, we are only responsible for performing the Online Banking services as delineated in this Agreement. We will be liable for the amount of any material losses or damages incurred by you and resulting directly from our gross negligence.

We will not be liable to you in the following instances:

- If through no fault of the credit union, you do not have sufficient available funds in your account to make the transfer or payment.
- If circumstances beyond our control (such as fire, flood, power outage, equipment or technical failure or breakdown) prevents the transfer or payment despite reasonable precautions that we have taken.
- If there is a hold on your account, or if access to your account is blocked, in accordance with credit union policy.
- If your funds are subject to a legal proceeding or other encumbrance restricting the transfer or payment.
- If your transfer authorization terminated by operation of law.
- If you believe someone has accessed your accounts without your permission and you fail to notify the credit union immediately.
- If you have not properly followed the instructions on how to make a transfer included in this Agreement.
- If we have received incomplete or inaccurate information from you or a third party involving the account, transfer or payment.
- If we have a reasonable basis for believing that unauthorized use of your Password or account has occurred or may be occurring or if you default under this Agreement, the Membership Agreement and the Share Account Information and Disclosure or a credit agreement or any other agreement with us, or if we or you terminate this Agreement.
- If the account has been closed.
- If the transfer would go over the credit limit on your overdraft line of credit, Overdraft Protection Account limit, or if the overdraft line of credit or Overdraft Protection has been closed.
- If your computer, software, telecommunication lines were not working properly or were temporarily unavailable, and this problem should have been apparent to you when you attempted the transfer.
- If you had knowledge of or questions about the possible malfunction of our system when you initiated the transaction.
- It can be shown that the merchant or payee received the payment within the normal delivery timeframe and failed to process the payment through no fault of this financial institution and/or our service providers.

Other applicable laws and/or regulations exempt us from liability **IN NO EVENT SHALL WE HAVE ANY LIABILITY TO YOU OR ANY THIRD PARTY FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM OR ARISING OUT OF THIS AGREEMENT.**

b. **Indemnification -** You agree to indemnify, defend and hold us, our affiliate companies, directors, officers, employees and agents harmless against any third party claim, demand, suit, action or other proceeding and any expenses related to an Online Banking Account.

c. **Third Parties -** We are not liable for any loss or liability resulting from any failure of your equipment or software, or that of an Internet browser provider such as Netscape (Netscape Navigator browser) or Microsoft (Microsoft Explorer browser), by an internet access provider, or by an online service provider, nor will we be liable for any direct, indirect, special or consequential damages resulting from your access to or failure to access an Online Banking Account.

d. **Virus Protection-**Current and updated antivirus software is required. Undetected viruses may corrupt and destroy your programs, applications, files, and potentially even your computer hardware. Additionally, you may unintentionally transmit the virus to other computer. Hughes Federal Credit Union will not be responsible for any computer virus that affects your computer or software while using our Service.

6. General Terms and Conditions - Online Banking Service

a. **Credit Union Agreements -** In addition to this Agreement, you and the credit union agree to be bound by and comply with the requirements of the agreements applicable to each of your Online Accounts. Your use of the Online Banking Service is your acknowledgment that you have received these agreements and intend to be bound by them. You should review other disclosures including the charges that may be imposed for electronic funds transfers or the right to make transfers listed in the fee schedules accompanying those disclosures and the fee (s) contained in our Rate and Fee Schedule.

b. **Changes and Modifications -** The credit union may modify the terms and conditions applicable to the Services from time to time. Also, if a change in terms or conditions is necessary to maintain or restore the security of our system or your account(s), no advance notice is required. Upon notification of any change in terms, if you do not agree with the change(s), you must notify us in writing or via email to cancel your access to the Service. Your continued use of the affected change in Service constitutes your agreement to the amendment(s). We reserve the right to terminate this Agreement and your use of the Service in whole or in part at any time without prior notice.

c. **Assignment -** We may assign this Agreement to an affiliate of the credit union or any successor in interest in the event of a merger, reorganization, change of control, acquisition or sale of all or substantially all assets of the business to which this Agreement is related without the other party's prior written consent.

d. **Notices -** Unless otherwise required by applicable law, any notice or written communication given pursuant to this Agreement may be sent to you electronically. We will only disclose information to third parties about your account or transfers you make under the following circumstances:
   - Where it is necessary for the provision of Online Banking and for completing transfers;
   - In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; comply with government or court orders, or other reporting requirements;
   - If you give us your permission;
   - To the credit union affiliated companies.
   - It is necessary to assist us in the collection of information for internal use.
   - It is necessary for the security purposes of our service providers, our servicing agents, and/or contractors providing our Online Banking and electronic funds transfer Service.
   - It involves a claim by or against us concerning a deposit to or withdrawal from your account.

7. Governing Law - This Agreement is governed by the Laws of the State of Arizona and applicable federal law.