

I. HOME BANKING AND BILL PAYMENT SERVICES.

This Home Banking Agreement ("Agreement") is between Arizona Federal Credit Union (hereinafter "we, us, our or Credit Union"), and each member who has enrolled in our Home Banking Service, together with any person who is authorized by a member to use or access their Home Banking Service (hereinafter referred together as "you, your or yours")

The Credit Union's Home Banking and Bill Payment Services are additional "electronic" services provided to increase the convenience of our members. This Agreement supplements the other terms and conditions set forth in this Booklet. To the extent that there is any conflict between the other terms of this Booklet, this Section will govern our relationship with you.

A. Definitions:

1. "Bill Payment" means our service that allows you to pay or transfer funds to designated Payee(s) in connection with our Home Banking Service.
2. "Payee" means any individual, financial institution, educational institution, company, merchant or other person or entity that you wish to pay using Home Banking Services.

B. Eligibility. In order to enroll and activate Home Banking Services with us, you must be eligible to maintain an account with us. To determine your eligibility for Home Banking Services, now and in the future, you authorize us to make inquiry to determine your employment history and to obtain information concerning any accounts with other institutions and your credit history, including consumer credit reports.

To use the Credit Union's Home Banking Services, you must use a personal computer or other device with the capacity to interface by modem or otherwise with the Credit Union's or our agent's system. The Credit Union is not responsible for providing any equipment, services or advice related to equipment necessary to interface with our system, and is not responsible for any error in connections, transmissions or otherwise regarding any system, software, entries or instructions.

When using the Credit Union's Home Banking Services, you must, when prompted, enter your User ID, Home Banking password and any other requested information. By entering the correct information you will have direct access to your Credit Union accounts. You should carefully review Section V., of this Agreement regarding security and your password. You should keep your password in a secure location. Any person having access to your Home Banking password will be able to access the Home Banking Services and perform all transactions, including reviewing Account information and making transfers to other Accounts and to other persons.

C. User Materials. Before you initiate your first Home Banking transaction, you agree to familiarize yourself with the system by reading the User's Guide provided to you either on paper or electronically. You agree that the information contained in this User's Guide and any updates to it are part of this Agreement.

II. SETUP AND USE OF HOME BANKING SERVICES.

A. Access to Home Banking Services. Home Banking Services are generally accessible twenty-four (24) hours a day, seven (7) days a week, except that Home Banking Services may be inaccessible for a reasonable period on a weekly basis for system maintenance. We may modify, suspend, or terminate access to the Home Banking Services at any time and for any reason without notice.

B. Linking Your Accounts. You can access your accounts at the Credit Union through the Home Banking Services.

You must provide us with the account numbers for each of these Accounts in order to access them. We will provide you with instructions on how to access Home Banking Services. These instructions are incorporated herein by reference and constitute part of this Agreement.

C. Equipment and Software Requirements. To use the Home Banking Services, you need a computer or other device with Internet access and a recent version of a web browser or other Internet connection that supports 128-bit encryption. You are responsible for the set-up and maintenance of your home computer or other device and modem.

We make no warranty or representation regarding the access speed that you will have now or in the future, as such is beyond the control of the Credit Union (depending largely on your computer system and method of access – e.g., dial up Internet connection vs. DSL or other Internet access). Also, minimum requirements are likely to change as technology, software, and other matters continue to evolve.

III. HOME BANKING SERVICES.

A. Home Banking Services:

1. Account Access. You can use our Home Banking Services to access your accounts with us. Some of these services may require an account linked to a valid Credit Union Access Device (such as a Debit Card). Our Home Banking Services allow you to:

- a. Access Bill Payer Services as outlined below.
- b. Review recent transactions.
- c. Borrow from your line of credit, if available, with funds transferred to checking, savings, or Money Market Accounts or other sub-share accounts.
- d. Transfer funds between checking, savings, and other sub-share accounts.
- e. See a summary of your accounts.
- f. Make transfer payments to Line of Credit, Personal Loan, Auto Loan, and Mortgage Loans with the Credit Union with funds transferred from checking, savings and other sub-shares.
- g. Get account information and/or statement updates for checking, savings and loan accounts.
- h. Access information about the Credit Union, our products and services, and other items of general interest.
- i. Receive and send electronic messages to the Credit Union. You understand that we may not immediately receive e-mail communications that you send and will not take action based upon e-mail requests until we actually receive your message and have reasonable opportunity to act. If you need to contact the Credit Union immediately regarding Home Banking Services, you may call (602) 683-1088. You understand that we may require that you document any oral request in writing before taking some actions.

2. Bill Payment. If you also select the Bill Payment Service, you can pay bills either on an automatic, recurring basis or periodically as you request. You need to follow the specific instructions in this Agreement, your User Guide and any additional instructions you receive on-line, as modified from time to time. We may refuse to allow you to designate a particular Payee or class of Payees. We utilize the services of a third-party vendor to provide this service to you. You authorize and agree to our use of the services of third party vendors, and our disclosure of any and all information, including non-public personal information and personally identifiable financial information when we deem such disclosure to be necessary or appropriate to initiate, complete, or facilitate any transaction you order us or our agents to make. You further acknowledge and agree that the terms of this Agreement also apply to your relationship with any vendors we use in providing these services, as may be changed from time to time at our sole discretion.

B. Additional Information about Home Banking Services.

1. Account Access. You may transfer funds through the Home Banking Services in any amount up to your available balance.

2. Bill Payment Service. When you sign up for the Bill Payment Service, you must designate a personal checking account with us as your Bill Payment Account.

3. Processing Fund Transfers and Bill Payments. We can process a fund transfer or bill payment on or within one Business Day after your Home Banking session, if we receive your instructions before the end of the Business Day. If you schedule a bill payment for a future date, we process the transaction after the close of business on that date, if that day is a Business Day. If we receive your instruction after the end of our Business Day, or if the date you request for a future transfer or payment is not a Business Day, we process the transaction on our next Business Day.

When you schedule a funds transfer or bill payment using the Home Banking Services, you authorize us to withdraw the necessary funds from your account with us. The maximum amount that a payment can be issued for is \$9,999.99. This amount is subject to change. We deduct the amount of your bill payment from your account within one business day of processing your instruction.

To help ensure that your payments arrive on time, you must schedule your payments to be processed at least five (5) business days before the payment due date. This generally allows sufficient time for the Payee to receive and post your payment. To assist you with the scheduling of payments a "Deliver by" date is displayed at the time you schedule a payment. This date is to provide you with a general expectation of when the payment should be delivered, but it does not guarantee that your payment will arrive and be reflected by that date. We are not responsible for any late or other related fees should the payment be received and posted after the "Deliver by" date.

We assign a confirmation number to payments made through Bill Payment Services. This number appears online after you successfully schedule a payment to be sent. You may provide this number to us in the event you need additional details about the payment.

If there are insufficient funds in your Account to make the transfers or payments you have authorized, we may refuse to make the transfer or payment or we may make the transfer or payment and overdraw your Account. In either event, you are responsible for any non-sufficient funds ("NSF") and overdraft charges that may apply. Further, your access to the Bill Payment service may be suspended until such time as there are sufficient funds to process the transaction, and an additional delay of up to five business days to reactivate the account. In some cases this process can be expedited by contacting us immediately upon determining that there were insufficient funds in your account to complete a scheduled payment.

When you add Payees to the Home Banking Service, you must be sure to enter your account number and address as they appear on your payment stub or invoice. In an effort to expedite payments, after you have

added the payee to the Bill Payment service, we may convert the address to an alternate payment center address, provided by the payee, where electronic payments can be received and processed.

Occasionally a Payee may choose not to participate in the services, or may require additional information before accepting payments. We work with these Payees to encourage them to accept an electronic or check payment from the Credit Union. If we are unsuccessful, or if we believe that the Payee cannot process payments in a timely manner, we may decline to make future payments to this Payee. In the unlikely event that this occurs, we will send you a notice. We may refuse to make payments to certain Payees (such as government agencies).

All payment addresses are compared against the United States Postal Service (USPS) address database for validity and proper formatting. If you schedule a payment to a payee with an invalid address as determined by the USPS validation process, the payment will not be made. The payment will be returned to you, and that payee will be deleted from your list of payees to prevent re-submission. In the event this occurs, it is your responsibility to contact the payee to obtain a valid address and to make payment arrangements. We are not responsible for any losses or late fees incurred as a result of this process, though we will attempt to contact you by phone or email to inform you that this has occurred.

4. How Bill Payments Are Made. We process the payments you make through the Home Banking Services in one of the following ways:

We may send payments through an electronic transmission to the Payee. Payees who receive electronic delivery will receive your payment information, including your account number, through a computer link.

We may send payments by a draft drawn on your account and mailed to the Payee. We send all drafts through the U.S. Mail.

5. Canceling Fund Transfers and Bill Payments. You may cancel a pending fund transfer or bill payment transaction. However, to do so, we must receive your instruction to cancel at least one (1) business day before the date the transaction is scheduled to be processed. If we don't receive your instruction to cancel a transaction before that time, we may process the transaction.

6. Account Access Through Personal Financial Manager Software. The Credit Union will not be held liable for the performance of software, nor do we guarantee that information will always be available through this means.

7. Email Notifications. You must provide a valid email address in order to use the Bill Payment services. Important information about the status of payments may be communicated to you only by this method. It is your responsibility to update your email address. You can change your email address of record through the User Options feature of the Home Banking system. At your option you may disable some email notifications, while others are mandatory and cannot be disabled.

C. Transfers from (Savings/Money Market Accounts). You may not use a Savings/Money Market or other sub-share account as your Bill Payment account.

IV. FEES.

Please refer to the Schedule for the fees charged for these services.

V. PARTIES' RESPONSIBILITIES.

A. Member's Responsibilities. You are responsible for keeping your Password and account data confidential. We are entitled to act on transaction instructions received using your PIN, and you agree that the use of your Password will have the same effect as your signature authorizing or "will authenticate your identity and verify the instructions you have provided to us for" the transaction(s). If you authorize other persons to use your Password in any manner, your authorization will be considered unlimited in amount and manner until you have notified us in writing that you have revoked the authorization and changed your Password, and you are responsible for any transactions made by such persons until you notify us that transfers by that person are no longer authorized and we have a reasonable opportunity to act upon the change of your Password.

B. The Credit Union's Responsibilities.

1. Our Responsibility for Processing Transactions. If we do not complete a transfer to or from your Account or cancel a transfer as properly requested on time or in the correct amount according to our agreement with you, we are liable for your losses or damages.

Our sole responsibility for an error in a transfer will be to correct the error, but in no case will we be liable for any indirect, special, incidental or consequential damages. In states that do not allow the exclusion or limitation of liability for indirect, special incidental or consequential damages, our liability is limited to the extent permitted by applicable law.

2. Limitations of Our Responsibility for Processing Transactions. There are some exceptions to our liability for processing transactions on your Accounts. We will not be liable, for instance:

- a. If, through no fault of ours, you do not have enough money in your Account to make the transfer;
- b. If the transfer would go over the credit limit on your overdraft line;
- c. If the funds in your Account were attached or the transfer cannot be made because of legal restrictions affecting your Account;
- d. If circumstances beyond our control such as interruption of telephone service or tele-communication facilities, or natural disaster (such as a fire or flood) prevent the transfer, despite reasonable precautions that we have taken;
- e. If you have not provided us with complete and correct payment information, including without limitation the name, address, account number and payment amount for the Payee on a bill payment;
- f. If you have not properly followed the instructions for using our Home Banking Services;
- g. If you receive notice from a merchant or institution that any payment you have made through our Home Banking Services remains unpaid, and you fail to notify us of this fact within five (5) calendar days from the date you receive any such notice;
- h. If the payee was a merchant or institution, you are not permitted to designate;
- i. If you do not set up the payment soon enough for payment to be received and credited by the payee by the due date;

j. If the payee does not credit your payment promptly or properly after receipt;

k. For any failure to provide access or for interruptions in access to our Home Banking Services due to a system failure or due to other unforeseen acts or circumstances;

l. For any errors or failures from any malfunction of your computer or any computer virus or other problems related to your computer equipment used with our Home Banking Services; or

m. For any error, damages or other loss you may suffer due to malfunction or misapplication of any system you use, including your browser (Netscape Navigator®, Microsoft Explorer®, or otherwise), your Internet service provider, your personal financial management or other software (such as Quicken® or Microsoft Money®), or any equipment you may use (including your telecommunications facilities, computer hardware and modem) to access or communicate with the Home Banking Services.

3. Our Home Banking Software and Set-up. You will be responsible for the correct set-up and installation on your computer system of the Home Banking Services software, if any, which we provide to you. You should remember that it is important to read the license agreement for such software and exercise care to safeguard it and prevent its misuse by other persons. We will be responsible for any malfunction of the Home Banking Services software that we provide to you. If you notify us that the software is not functioning properly, we will replace the software promptly; however, replacement, or the reasonable cost of replacement of the software, shall be our sole liability to you. Neither we nor any of our service providers are liable for any damages (whether direct, indirect, special, consequential or otherwise), including economic, property, personal, or other loss or injury, whether caused by hardware or software or system-wide failure, arising or resulting from the installation, use, or maintenance of the equipment, software or other items necessary to operate our Home Banking Services.

4. Warranty and Software Limitations.

a. Warranties of Fitness and Merchantability. Neither we, nor any agent, affiliate or other persons, any software supplier nor any information providers make any warranty, express or implied, to you concerning the software, equipment, browser or other services including, but not limited to, any warranty of merchantability or fitness for particular purpose or non-infringement of third-party rights, unless disclaiming such warranty is prohibited by law.

b. Computer-Related Warranties. Neither we, nor any of our agents, affiliates or any other person(s), nor any software supplier nor information provider represents and warrants to you that the software we supply to you for the Home Banking Service is free from any defects, computer virus or other software-related problems. In the event of such defects or computer virus caused by the Home Banking software, our sole responsibility shall be limited to the replacement or the reasonable cost of replacement of the software we provided in connection with the Home Banking Services. We will not be liable for any indirect, special, consequential, economic or other damages. In states, which do not allow the exclusion or limitation of liability for indirect, special, incidental or consequential damages, our liability is limited to the extent permitted by applicable law.

5. Bill Payments. We are not responsible for postal delays or processing delays by the Payee for any Bill Payment made through our Home Banking Services.

VI. TERMINATION.

You are responsible for complying with all the terms of this Agreement and with the terms of the Agreement governing the Accounts which you access using Home Banking Services. We can terminate your Home Banking

Services under this Agreement without notice to you if you do not pay any required fee when due, if you do not comply with this Agreement, or the agreements governing your deposit accounts, or if your deposit account is not maintained in good standing. If you are not paying a monthly service charge for the Home Banking Services, we may convert your Home Banking Services to dormant status if you do not sign on to the Home Banking Services or have any transaction scheduled through the Home Banking Services during any consecutive 90-day period. If your account is considered dormant, you must contact us at the telephone number in the Schedule to have the Home Banking Services reactivated before you will be able to schedule any transaction through the Home Banking Services.

You may terminate your Home Banking Services with thirty (30) days prior notice to us.

We may terminate your participation in the Home Banking Services for any reason, at any time. We will try to notify you in advance, but we are not obliged to do so.

REMINDER: You must cancel all future bill payments, whether recurring or individual payments, when you terminate your Home Banking Services, or we may continue to process such payments.

VII. GEOGRAPHIC RESTRICTIONS.

The Home Banking Services described in this Agreement and any application for consumer credit, deposit services, and brokerage services available at our web site are solely offered to citizens and residents of the United States of America residing in the United States of America. Citizens and residents may not be able to access the Home Banking Services outside the United States of America.