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Bill Pay Service Agreement

This is your bill pay service agreement with HFS Federal Credit Union (the "Credit Union"). You may use the Credit Union's bill pay service to direct the Credit Union to make payments from your designated share draft account to the Payees (as defined below) you choose in accordance with this agreement. The terms and conditions of this agreement are in addition to the account agreement, disclosures and other documents in effect from time to time governing your account. You should review those agreements for any applicable fees, for limitations on the number of transfers you can make, and for other restrictions that might impact your use of an account with the Service. The terms and conditions of any other such agreements govern the terms and conditions of this Agreement, except that in the event of a conflict, the terms and conditions of this Agreement will govern, provided, however, that in the event of a conflict between this Agreement and the Credit Union's Online Banking Agreement, the terms and conditions of the Online Banking Agreement shall govern. The Service (as defined below) is provided by a third-party, iPay Solutions, contracted by the Credit Union to provide the Service.

1. DEFINITIONS.

"*Agreement*" means these terms and conditions of the bill payment service.

"*Billing Account*" is the share draft account from which all Service fees will be automatically debited.

"*Business Day*" is every Monday through Friday, excluding holidays observed by the Credit Union.

"*Payment Account*" is the share draft account from which bill payments will be debited.

"*Payee*" is the person or entity to which you wish a bill payment be directed or is the person or entity for which you receive electronic bills, as the case may be.

"*Scheduled Payment*" is a payment that has been scheduled through the Service but has not begun processing.

"*Scheduled Payment Date*" is the Business Day you want your Payee to receive your bill payment.

"*Service*" means the bill payment system offered by Credit Union through iPay Solutions.

"*Service Provider*" means iPay Solutions or any other third-party that the Credit Union may contract with in order to provide the Service.

"*You*" or "*Your*" means the member who has access to the account and each individual who the member authorizes with access to the account.

2. TRANSACTION TYPES AND LIMITATIONS. To subscribe to the Service, you must designate a specific share draft account to process your Service transactions through. The account you designate for this purpose must be in good standing with us in accordance with our requirements.

The following limitations apply to this Service:

- There is no limit on the number of bill payments per day.
- Payments are limited to the available funds in your account.
- Pay a Person. For payments to an individual such as a friend or relative:
 - Maximum transaction amount per item: \$1,000.00
 - Maximum transaction amount per day: \$5,000.00
- Pay a Company. For payments to a company such as a financial institution or utility company:
 - Maximum transaction amount: \$25,000.00
 - Maximum amount per day: \$25,000.00
 - Maximum amount per month: \$50,000.00

Payments or billers outside of the United States or its territories are prohibited through the service (see Section 11 for more information).

a. Single Payments. A single payment is a non-recurring, one-time payment to a specified Payee. A single payment will be processed on the Business Day that you designate as the payment's processing date, provided the payment is submitted prior to the daily cut-off time on that date. The daily cut-off time, which is controlled by the Credit Union, is currently 4:00 PM Eastern Standard Time. Single payments may be scheduled to be initiated up to 18 months in advance.

A single payment submitted after the cut-off time on the designated processing date will be processed on the next Business Day. If you designate a non-Business Day (generally weekends and certain holidays) as the payment's processing date, the payment will be processed on the first Business Day following the designated processing date.

b. Recurring Payments. A recurring payment is a payment that you schedule in advance to recur at substantially regular intervals in the same amount to the same Payee. When a recurring payment is processed, it is automatically rescheduled by the system. Based upon your selected frequency settings for the payment, a processing date is calculated for the next occurrence of the payment. If the calculated processing date is a non-Business Day (generally weekends and certain holidays), it is adjusted to the Business Day before the calculated processing date. Recurring payments may be scheduled up to 18 months.

NOTE: If your frequency settings for the recurring payment specify the 29th, 30th, or 31st as a particular day of the month for processing and that day does not exist in the month of the calculated processing date, then the last calendar day of that month is used as the calculated processing date.

The system will calculate the estimated arrival date of your payment. This is only an estimate, so please allow ample time for your payments to reach your Payees. Credit Union and/or Service Provider does not guarantee that your payment through the Service will be received by the Payee by the estimated arrival date and you acknowledge that Credit Union and/or Service Provider are not liable for any payments made through the Service that do not reach the Payee on time, unless it is the result of Credit Union and/or Service Provider's gross negligence or willful misconduct.

3. PROCESSING AND DEBITING. The process date is the Business Day the payment is finalized and sent to the designated Payee. The debit of funds takes place one Business Day prior from a Payment Account.

4. CANCELLING A TRANSACTION. A bill payment can be changed or cancelled any time prior to the cut-off time on the scheduled processing date.

5. LIABILITY. You are solely responsible for controlling the safekeeping of and access to your Personal Identification Number ("PIN") or any other access code used to access your Account. If you want to terminate another person's authority to use the Service, you must notify the Credit Union and arrange to change your PIN. You will be responsible for any bill payment request you ask that contains an error or is a duplicate of another bill payment.

The Credit Union and/or Service Provider is not responsible for a bill payment that is not made if you did not properly follow the instructions for making a bill payment. The Credit Union and/or Service Provider is not liable for any failure to make a bill payment if you fail to promptly notify the Credit Union after you learn that you have not received credit from a Payee for a bill payment. The Credit Union and/or Service Provider is not responsible for your acts or omissions or those of any other person, including, without limitation, any transmission or communications facility, and no such party shall be deemed to be the Credit Union and/or Service Provider's agent.

6. TERMINATION. The Credit Union and/or Service Provider has the right to terminate this agreement at any time. You may terminate this agreement by written notice to the Credit Union which can be sent via email or by mail to the email address and address, respectively, disclosed in this Agreement. You acknowledge that you must give the Credit Union a reasonable amount of time to review and acknowledge your notice. The Credit Union is not responsible for any fixed payment made before the Credit Union has reasonable opportunity to act on your termination notice. You remain obligated for any payments made by the Credit Union on your behalf.

7. TRANSACTION AUTHORIZATION AND PAYMENT REMITTANCE. By providing the Service with names and account information of Payees to whom you wish to direct payments, you authorize the Service Provider to follow your payment instructions that it receives through the payment system. In order to process payments more efficiently and effectively, the Service may edit or alter payment data or data formats in accordance with Payee directives.

When the Service receives a payment instruction, you authorize the Service to debit your Payment Account and remit funds on your behalf so that the funds arrive as close as reasonably possible to the Scheduled Payment Date designated by you. You also authorize the Service to credit your Payment Account for payments returned to the Service by the United States Postal Service or Payee, or payments remitted to you on behalf of another authorized user of the Service.

The Service will use its best efforts to make all your payments properly. However, the Credit Union and/or Service Provider shall incur no liability if the Service is unable to complete any payments initiated by you because of the existence of any one or more of the following circumstances:

- If, through no fault of the Credit Union, Service and/or Service Provider, your Payment Account does not contain sufficient funds to complete the transaction or the transaction would exceed the credit limit of your overdraft account;
- The payment processing center is not working properly and you know or have been advised by the Credit Union, Service and/or Service Provider about the malfunction before you execute the transaction;
- You have not provided the Credit Union, Service and/or Service Provider with the correct information related to the transaction, including, but not limited to the Payment Account information, the correct name, address, phone number or account information for the Payee; or
- Circumstances beyond the control of the Credit Union, Service and/or Service Provider (such as, but not limited to, fire, flood, or interference from an outside force) prevent the proper execution of the transaction and the Credit Union, Service and/or Service Provider has taken reasonable precautions to avoid those circumstances.

Provided none of the foregoing exceptions are applicable, if the Credit Union and/or Service Provider causes an incorrect amount of funds to be removed from your Payment Account or causes funds from your Payment Account to be directed to a Payee which does not comply with your payment instructions, the Credit Union and/or Service Provider shall be responsible for returning the improperly transferred funds to your Payment Account, and for directing to the proper Payee any previously misdirected transactions, and, if applicable, for any late payment related charges.

8. PAYMENT METHODS. The Credit Union and/or Service Provider reserves the right to select the method in which to remit the funds on your behalf to your Payee. These payment methods may include, but may not be limited to, an electronic payment or a laser draft check payment. Payments made via an electronic payment will be debited from your account on the Scheduled Payment Date. For payments made via laser draft check, the funds will be debited from your account once the Payee deposits the check.

If you use paper checks as part of the Service, your payment may be debited on a date sooner than the date selected by you as part of the transaction which may result in you paying overdraft fees should there be insufficient funds in your Payment Account.

9. TRANSACTION CANCELLATION REQUESTS. You may cancel or edit any Scheduled Payment (including recurring payments) by following the directions within the application. There is no charge for canceling or editing a Scheduled Payment. Once the Service has begun processing a payment it cannot be cancelled or edited, therefore a stop payment request must be submitted. See the Credit Union's Schedule of Fees and Charges for current fees for a stop payment request.

10. STOP PAYMENT REQUESTS. The Credit Union and/or Service Provider's ability to process a stop payment request will depend on the payment method and whether or not a check has cleared. The Credit Union and/or Service Provider may also not have a reasonable opportunity to act on any stop payment request after a payment has been processed. If you desire to stop a payment that has already been processed, you must contact the Credit Union at the phone number, address or email address provided in this Agreement. You may also notify us by going to any one of our branch locations. Although the Credit Union will make every effort to accommodate your request, the Credit Union and/or Service Provider will not have any liability for failing to do so. The Credit Union may also require you to present your request in writing within fourteen (14) days. The charge for each stop payment request will be the current charge for such service as set out in the Credit Union's Schedule of Fees and Charges.

11. PROHIBITED TRANSACTIONS. Payments to Payees outside the United States or its territories are prohibited through the Service. In addition, payments that violate any law, statute, ordinance or regulation, and any payments related to illegal gambling, illegal gaming and/or any other illegal activity, are prohibited through the Service.

12. EXCEPTION PAYMENTS. Exception Payments means payments to deposit accounts or brokerage account, payments to settle securities transactions (including without limitation stock, bonds, securities, futures, options, or an investment interest in any entity or property), tax payments and court ordered payments. Exception Payments may be scheduled through the Service, however, Exception Payments are discouraged and must be scheduled at your own risk. In no event shall the Credit Union, Service and/or Service Provider be liable for any claims or damages resulting from your scheduling or payment of Exception Payments. The Credit Union, Service and/or Service Provider has no obligation to research or resolve any claim resulting from an Exception Payment; all research and resolution for any mis-applied, mis-posted or mis-directed payments will be the sole responsibility of you and not of the Credit Union and/or Service Provider.

13. YOUR LIABILITY. You agree not to give or make available your password or other means to access your account to any unauthorized individuals. You are responsible for all payments you authorize using the Service. If you permit other persons to use the Service or your password or other means to access

your account, you are responsible for any transactions they authorize. If you believe that your password or other means to access your account has been lost or stolen or that someone may attempt to use the Service without your consent or has transferred money without your permission, you must notify the Credit Union during business hours at the phone number, address or email address disclosed in this Agreement. You may also notify us by going to any one of our branch locations.

14. ERRORS AND QUESTIONS. In case of errors or questions about your transactions, you should notify us as soon as possible at the phone number, address, or email address disclosed in this Agreement. You may also notify us by going to any one of our branch locations.

If you think your statement is incorrect or need more information about a Service transaction listed on a statement, we must hear from you no later than sixty (60) days after the FIRST statement was sent to you on which the problem or error appears. You must provide the following information to us:

- Your name and account number;
- Description of the error or the transaction in question, and an explanation as to why you believe it is an error or why you need more information; and
- The dollar amount of the suspected error.

If you tell us verbally, we may require that you send your complaint in writing within ten (10) Business Days after your verbal notification. We will tell you the results of our investigation within ten (10) Business Days after we hear from you, and will correct any error promptly. However, if we require more time to confirm the nature of your complaint or question, we reserve the right to take up to forty-five (45) days to complete our investigation. If we decide to do to this, we will provisionally credit your Payment Account within ten (10) Business Days for the amount you think is in error. If we ask you to submit your complaint or question in writing and we do not receive it within ten (10) Business Days, we may not provisionally credit your Payment Account. If it is determined there was no error we may mail you a written explanation within three (3) Business Days after completion of our investigation. You may ask for copies of documents used in our investigation. The Credit Union may revoke any provisional credit provided to you if we find an error did not occur.

15. DISCLOSURE OF ACCOUNT INFORMATION TO THIRD-PARTIES. It is our general policy to treat your account information as confidential. However, we will disclose information to third-parties about your account or the transactions you make only in the following circumstances:

- Where it is necessary for completing transactions;
- Where it is necessary for activating additional services;
- In order to verify the existence and condition of your account to a third-party, such as a credit bureau or Payee;
- To a consumer reporting agency for research purposes only;
- In order to comply with a governmental agency or court orders; or,
- If you give us your written permission.

16. SERVICE FEES AND ADDITIONAL CHARGES. Any applicable fees will be charged regardless of whether the Service was used during the billing cycle. There may be a charge for additional transactions and other optional services. You agree to pay such charges and authorize the Service to deduct the calculated amount from your designated Billing Account for these amounts and any additional charges that may be incurred by you. Any financial fees associated with your standard deposit accounts will continue to apply. You are responsible for any and all telephone access fees and/or Internet service fees that may be assessed by your telephone and/or Internet service provider.

17. ALTERATIONS AND AMENDMENTS. The Credit Union has the right to change this agreement, applicable fees and service charges at any time by notice mailed to you at the last address shown for the

account on the Credit Union's records, by posting notice in the Credit Union's branch locations, by electronic disclosure should you opt-in to receive notices electronically, or as otherwise permitted by law. Any use of the Service after the Credit Union provides you a notice of change will constitute your agreement to such change(s). Further, the Credit Union may, from time to time, revise or update the applications, services and/or related material, which may render all such prior versions obsolete. Consequently, the Credit Union reserves the right to terminate this agreement as to all such prior versions of the applications, services, and/or related material and limiting access to only the Service's more recent revisions and updates.

18. ADDRESS OR BANKING CHANGES. It is your sole responsibility to ensure that the contact information in your user profile is current and accurate. This includes, but is not limited to, name, address, phone numbers and email addresses. Changes can be made either within the application or by contacting the Credit Union. All changes made are effective immediately for scheduled and future payments paid from the updated Payment Account information. The Credit Union, Service and/or Service Provider is not responsible for any payment processing errors or fees incurred if you did not provide accurate Payment Account or contact information.

19. SERVICE TERMINATION, CANCELLATION, OR SUSPENSION. You may cancel the Service at any time by written request to the Credit Union. In the event that you wish to cancel the Service, you may send your written request to the address or email provided in this Agreement.

The Credit Union cannot cancel the Service until all pending payments have cleared. If you have pending payments and do not wish to wait for them to clear, you may individually delete the pending payment by following the edit/delete commands online. If you cancel the Service, then you agree to notify us at that time. You will be responsible for all payment instructions made prior to termination and for all other applicable charges and fees. You will cancel all outstanding payment orders before notifying us to terminate this service. Neither termination nor suspension shall affect your liability or obligations under this Agreement.

If you do not use the Service for two consecutive billing months, we reserve the right to cancel your service.

20. NOTIFICATIONS TO US. You can contact us by telephoning the Credit Union at 1 (808) 930-1400 for the Island of Hawaii, or toll-free at 1 (800) 216-2666 for Neighbor Islands and Continental USA from 8:30 a.m. to 6:00 p.m. Hawaii Standard Time. You may also write to us at:

HFS Federal Credit Union
632 Kinoole Street
Hilo, HI 96720-3894

You may also contact the Credit Union by email at hfs_operations@hfsfcu.org. Do not include any personal or confidential information in any email you send to the Credit Union. The Credit Union may not immediately review the message that you send. The Credit Union will not take action based on the message until a Credit Union employee reads the message and has a reasonable opportunity to act. If you need to contact the Credit Union immediately, visit any Credit Union branch location.

21. EXCLUSIONS OF WARRANTIES. THE SERVICE IS PROVIDED "AS IS" AND "AS AVAILABLE" WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR WARRANTIES OF MERCHANTABILITY OR NON-INFRINGEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, WE DISCLAIM ANY WARRANTIES REGARDING THE OPERATION, PERFORMANCE OR FUNCTIONALITY OF THE SERVICE (INCLUDING, WITHOUT LIMITATION, THAT THE SERVICE WILL OPERATE WITHOUT INTERRUPTION OR BE ERROR-FREE).

22. INFORMATION AUTHORIZATION. Your enrollment in the Service may not be fulfilled if the Service/Service Provider cannot verify your identity or other necessary information. Through your enrollment in the Service, you agree that the Service/Service Provider reserves the right to request a review of your credit rating to obtain financial information regarding your account from a Payee or your financial institution (for example, to resolve payment posting problems or for verification).

23. BILLER LIMITATION. The Credit Union, Service and/or Service Provider reserves the right to refuse to pay any Payee to whom you may direct a payment. The Credit Union, Service and/or Service Provider will notify you promptly if it decides to refuse to pay a Payee designated by you. This notification is not required if you attempt to make a prohibited payment or an Exception Payment under this Agreement.

24. RETURNED PAYMENTS. In using the Service, you understand that Payees may return payments to the Credit Union for various reasons such as, but not limited to:

- Payee's forwarding address expired;
- Payee account number is not valid;
- Payee is unable to locate account; or
- Payee account is paid in full.

The Service Provider will use its best efforts to research and correct the returned payment and return it to your Payee, or void the payment and credit your Payment Account. You may receive notification from the Service.

25. DISPUTES. In the event of a dispute regarding the Service, you and the Credit Union and/or the Service Provider agree to resolve the dispute by looking to this Agreement. You agree that this Agreement is a complete and exclusive statement of the agreement between you and the Credit Union and/or Service Provider which supersedes any proposal or prior agreement, oral or written, between you and the Credit Union and/or Service Provider relating to the subject matter of this Agreement. If there is a conflict between what an employee of the Credit Union and/or Service Provider says and the terms of this Agreement, the terms of this Agreement will prevail.

26. NO WAIVER. The Credit Union and/or Service Provider will not be deemed to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Credit Union and/or Service Provider. No delay or omission on the part of the Credit Union in exercising any rights or remedies shall operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.

27. ASSIGNMENT. You may not assign this Agreement to any other party. The Credit Union and/or Service Provider may assign this Agreement to any future, directly or indirectly, affiliated company. The Credit Union and/or Service Provider may also assign or delegate certain rights and responsibilities under this Agreement to independent contractors or other third-parties.

28. CAPTIONS. The captions of sections hereof are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

29. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Hawaii, without regard to its conflicts of laws provisions. To the extent that the terms of this Agreement conflict with applicable state or federal law, such state or federal law shall replace such conflicting terms only to the extent required by law. Unless expressly stated otherwise, all other terms of this Agreement shall remain in full force and effect.

UNLESS OTHERWISE REQUIRED BY LAW, WE SHALL NOT BE RESPONSIBLE FOR ANY LOSS OR DAMAGE CAUSED BY THE SERVICE. NOR SHALL WE BE RESPONSIBLE FOR ANY LATE FEES OR INDIRECT OR

CONSEQUENTIAL DAMAGES ARISING FROM THE USE OR MAINTENANCE OF THE SERVICE. OUR LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES SUSTAINED BY YOU AND ONLY TO THE EXTENT SUCH DAMAGES ARE A DIRECT RESULT OF OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.