

Kentucky Telco Credit Union
SendMoney Service Agreement
Payments and Transfers Made Through PayPal®

This SendMoney Service Agreement (“Agreement”) applies to the SendMoney Service (defined below) processed through PayPal®. The terms “Credit Union,” “us,” “we,” and “our” mean Kentucky Telco Credit Union. The terms “you” and “your” mean each and all of those who use the SendMoney Service. Your Member Account Agreements and Disclosures are hereby incorporated into and made a part of this Agreement. Any deposit account accessed through the SendMoney Service is also subject to the terms and conditions of the Member Account Agreements and Disclosures. You should review the Member Account Agreements and Disclosures carefully, as they may include transaction limitations and fees which might apply to your use of the SendMoney Service. In the event of a discrepancy between this Agreement and the Member Account Agreements and Disclosures, this Agreement will control with respect to the SendMoney Service.

1. SendMoney through PayPal® Access. The SendMoney Service, offered through the Credit Union’s mobile banking application, allows you to initiate payments or transfers from your eligible Credit Union checking account that will go through PayPal® to a third party recipient. This is a one-time payment feature and cannot be used for setting up recurring payments. To be eligible for the SendMoney Service, you must have a qualified, eligible Credit Union checking account in good standing and be currently enrolled in online banking. We grant to you, for your personal use only, a nonexclusive, limited, and revocable right to access and use the SendMoney Service. Your use of the SendMoney Service constitutes your acceptance of this Agreement. By agreeing to use the SendMoney Service, you are able to send money via mobile banking to a third party via a cell phone number or email address through the PayPal® network.

2. Initiating a Payment. You understand and agree that when you initiate a payment from your Credit Union checking account using the SendMoney Service, processing of the payment will begin and a debit from your account may occur immediately. You agree that such requests constitute your authorization for us and PayPal® to make the payment. Once you have provided your authorization for the payment you may not be able to cancel an electronic payment that has been claimed by the recipient.

Sending a SendMoney payment does not require having a PayPal® account; however, the payment recipient must have an active PayPal® account or open a PayPal® account within thirty (30) days after the payment was initiated.

You understand and agree that we are relying upon the information you provide when originating a payment on your behalf. Any errors, including incorrect or inconsistent recipient mobile phone numbers or email addresses, are your responsibility. You understand and agree that the Credit Union has no responsibility to investigate discrepancies in mobile phone numbers and email addresses.

3. Payment Transfer Method. The SendMoney Service may be utilized using the following payment method:

Send to Email Address or Mobile Phone Number. This method allows the recipient to decide how to receive the money. To initiate a transfer utilizing this method, you must provide either a valid email address or a valid mobile phone number for the recipient. After initiating the transfer, the recipient that you have designated will receive an email or text message with the instructions for how to claim the payment. A payment initiated using this method will not be debited from your account until the payment is claimed by the recipient. Once the payment has been claimed by the recipient, it will be debited from your account immediately and credited to the recipient’s account within one (1) to three (3) days. If the recipient has not claimed the funds within thirty (30) days of the transfer being initiated, then the transfer will expire. Please note: you will not have access to any account information provided by the recipient to receive the funds.

4. Payment Transfer Limits. Transactions processed through the SendMoney Service are subject to a \$250.00 daily limit. This daily limit applies only to transfers attempted, made, or processed through the SendMoney Service, and this Agreement modifies and supersedes any electronic funds transfer limits described in your member Account Agreements and Disclosures. We may, in our sole and absolute discretion, adjust the payment transfer limits without any prior notice.

5. Cutoff Times. Payments can be initiated 24 hours a day, 7 days a week. The cutoff time for processing payments initiated in the SendMoney Service is 4 p.m. EST. Payments sent on non-processing days, such as weekends or federal holidays, will be processed the next business day. You understand and agree that the actual debiting of your account and the crediting to the recipient's account may differ.

6. Cancellation of Payment Transfer. A payment transfer that has been initiated through the SendMoney Service by the "Send to Email Address or Mobile Phone Number" method described in Section 3 above may not be cancelled unless the recipient has not claimed the payment. To inquire about cancellation, please contact our Member Contact Center at (502)-459-3000 or 1 (800)-292-9490.

7. Expired Payment Transfers. Transfers initiated through the SendMoney Service that are sent to a recipient with an existing PayPal® account will not expire, as they happen in real-time and will either succeed or fail immediately. If the recipient does not wish to open a PayPal® account, you will have to allow the transfer to PayPal® to expire (after 30 days) before the debited funds from the transfer are credited back to your account.

8. Rejection of Payment Transfers. We reserve the right, in our sole and absolute discretion, to refuse to complete any payment transfer initiated to a recipient. This may occur in situations such as where the information you provided for the recipient was inaccurate, and thus we may place the payment on hold or may return the amount of the attempted transfer back to your account. Similarly, if you have insufficient funds in your account or the payment you attempted is otherwise prohibited by the terms of this Agreement, we may not complete the transfer. We also reserve the right to screen any payment recipients and reject or cancel the payment as mandated by Federal or other law. If such attempted transfer is stopped, we will notify you via email or text alert.

9. Refused and Refunded Transactions. When you send money using a recipient's email address or mobile phone number, the recipient is not required to accept it. You agree that you will not hold PayPal® or us liable for any damages resulting from a recipient's decision not to accept a payment made through the SendMoney Service. We will return any unclaimed, refunded, or denied payment to your account within forty-five (45) days of the date you initiate payment. If a payment is unclaimed, denied, or refunded for any reason, we will return the money to your account.

10. Insufficient Funds. It is important that you ensure that your account being used to initiate the payment transfer through the SendMoney Service contains sufficient funds. **As described in Section 3 above, some payment transfer transactions may not immediately be debited from your account and you must maintain sufficient funds in the account until the funds are claimed or transferred.** You agree to reimburse us immediately upon any demand for any transaction amount transferred or delivered for which your account does not contain sufficient funds. In addition, you agree to reimburse us for any fees or costs which we incur in attempting to collect any amounts from you. We are authorized to report the return of a transaction to any credit reporting agency.

11. Fees Associated With the SendMoney Service. The Credit Union will assess a fee of \$1 to your account for each SendMoney transaction. You are responsible for any fees incurred when you use the SendMoney Service: these fees may include: Non-Sufficient Funds, Courtesy Pay, and Overdraft Transfer fees. For example, if we process a payment in accordance with your instructions that overdraws your account, we may assess a fee for any overdraft in accordance with the terms of your Member Account Agreements and Disclosures. For a full listing of fees, please visit www.kytelco.com (https://kytelco.com/files/3414/7793/9428/Fee_Schedule_Master_Effective_11.01.16.pdf.) You understand and acknowledge that the use of the SendMoney Service may also result in a payment or transaction fee being assessed by PayPal® for any transferred funds. Such fees are governed by any agreements and disclosures provided by PayPal®. We are not liable or responsible for any such payment or transaction fee. Finally, fees may be charged to the recipient of the payment as described in the recipient's agreement with PayPal®.

12. Proprietary Rights. You acknowledge and agree that the Credit Union and third parties with whom we have contracted own all rights in and to the SendMoney Service. As such, you understand that you are only allowed to use the SendMoney Service in the manner designated by this Agreement.

13. Disclosure of Account Information to Third Parties. We may disclose information to third parties about your account or the funds you send or receive:

- a. As necessary to complete transactions;
- b. As necessary in connection with offering the SendMoney Service;
- c. In connection with the investigation of any claim related to your account or the funds you send or receive;
- d. To comply with government agency or court orders;
- e. In accordance with your written permission; or
- f. As otherwise permitted by the terms of our privacy policy.

Our privacy policy, which includes details about our information-sharing practices and your right to opt-out of certain information-sharing, was provided to you when you opened your Credit Union membership with us. It can be viewed by clicking on the “Privacy” link on our website.

14. Transaction History. You may view up to 90 days of transaction history by logging in to mobile banking and looking at your account history. Payments you make using the SendMoney Service will also be reflected on the periodic statements we provide to you.

15. Restrictions; Suspension; Termination. The SendMoney Service may be revoked at any time by the Credit Union without any further notification and any transfers scheduled may be cancelled at any time in the event of misuse, fraud, abuse, and/or any other violations of regulations as described in this Agreement.

The SendMoney Service may not be used to make any payments that are illegal or that would otherwise violate applicable laws, rules, regulations, or our policies as amended from time to time. You further agree that you will not use the SendMoney Service for international ACH transactions, which are prohibited under this Agreement. Examples of prohibited payments include: payments for narcotics, firearms, any wagering or gambling, tax payments, and payments made pursuant to court orders and fines.

We may terminate or suspend this Agreement, or terminate, suspend, or limit your access privileges to the SendMoney Service, in whole or in part, at any time, for any reason, without prior notice to you. Your obligations and liabilities incurred prior to the termination date will survive termination of this Agreement. In the event of any such suspension or termination, you may request reinstatement of the SendMoney Service by contacting us at 1(800)-292-9490. We reserve the right, in our sole and absolute discretion, to grant or deny reinstatement of your use of the SendMoney Service.

16. Security. You are responsible for obtaining, installing and operating all software, hardware, and other equipment necessary for you to access and use the SendMoney Service. This responsibility includes, without limitation, utilizing up-to-date web browsers, iPhone, or Android software and the most current version of the Kentucky Telco Credit Union Mobile Banking Application, anti-virus, anti-spyware, and Internet security software. You are responsible for obtaining Internet services via an Internet services provider of your choice. You are responsible for any fees imposed by the Internet services provider and any additional services provided by the service provider. You acknowledge that there are security, corruption, transmission error, and access availability risks associated with using open networks such as the Internet and you hereby expressly assume such risks. You acknowledge that you are responsible for the data security of the systems used to access the SendMoney Service, and for the transmission and receipt of information using such systems. You acknowledge that you are using the SendMoney Service for your convenience, have made your own independent assessment of the adequacy of the Internet and systems, and that you are satisfied with that assessment. We are not responsible for any errors or problems that arise from the malfunction or failure of the Internet or your systems nor are we responsible for notifying you of any upgrades, fixes, or enhancements to, or for providing technical or other support for, your systems. Although we may provide a link to a third party site where you may download software, we make no endorsement of any specific software, hardware or Internet service provider and your use of any such software, hardware, or service may also be subject to the license or other agreements of that provider, in addition to the terms and conditions of this Agreement.

You are responsible for protecting and keeping confidential your account number, PIN, User ID, password or any other means of accessing your account. The loss, theft, or unauthorized use of this information could cause the loss of some or all of the money in your account, plus any amount available in any overdraft source. If you disclose your account number, PIN, User ID, password, or any other means of accessing your account to any other person or entity, you assume all risks and losses associated with such disclosure.

17. Periodic Statement and Your Duty to Report Errors. Any payments made using the SendMoney Service will be reflected on your monthly periodic statement. You understand and agree that you are required to immediately notify us by telephone at (502) 459-3000 or 1(800)-292-9490 or, in writing to: Kentucky Telco Credit Union, P.O.BOX 18303 Louisville, Kentucky 40261-0303 of any suspected error relating to payments made using the SendMoney Service by no later than sixty (60) days after the date of the monthly periodic statement that includes any transaction you allege is erroneous. You are responsible for any errors that you fail to bring to our attention within such time period.

18. Rules and Regulations. In addition to this Agreement, the SendMoney Service and your use of the SendMoney Service is governed by all rules and regulations associated with your account (including the Electronic Funds Transfer Act), your Member Account Agreements and Disclosures, and all other agreements connected with the account.

19. DISCLAIMER OF WARRANTIES. YOU UNDERSTAND AND AGREE THAT YOUR USE OF THE SENDMONEY SERVICE IS AT YOUR RISK. YOU ALSO UNDERSTAND AND AGREE THAT THE SENDMONEY SERVICE AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. YOU UNDERSTAND AND AGREE THAT WE DO NOT MAKE ANY WARRANTIES OF ANY KIND AS TO THE USE OF THE SENDMONEY SERVICE, EQUIPMENT, HARDWARE, SOFTWARE OR INTERNET PROVIDER SERVICE, OR ANY PART OF THEM, WHETHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT. WE MAKE NO WARRANTY THAT THE SENDMONEY SERVICE WILL MEET YOUR REQUIREMENTS OR WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE. WE ALSO MAKE NO WARRANTY THAT THE RESULTS THAT MAY BE OBTAINED FROM USING THE SENDMONEY SERVICE WILL BE ACCURATE OR RELIABLE, OR THAT ANY ERRORS IN THE SERVICE OR TECHNOLOGY WILL BE CORRECTED. WE ARE NOT RESPONSIBLE FOR ANY LOSS, INJURY, OR DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL, OR CONSEQUENTIAL CAUSED BY YOUR INTERNET PROVIDER, ANY RELATED SOFTWARE, OR THE CREDIT UNION'S USE OF ANY OF THEM OR ARISING IN ANY WAY FROM THE INSTALLATION, USE, OR MAINTENANCE OF YOUR HARDWARE, SOFTWARE, OR OTHER EQUIPMENT.

20. Limitation of Liability. You agree that notwithstanding any other provision of this Agreement or the Member Account Agreements and Disclosures, we will not be liable for any costs, fees, losses, or damages of any kind to you or any recipient of a payment transfer incurred as a result of (1) our access to the accounts; (2) our ability or inability to debit and/or credit the accounts in accordance with your funds transfer instructions; (3) any inaccuracy, incompleteness, or misinformation contained in the information retrieved on the accounts; (4) any charges imposed or actions taken by any non-Kentucky Telco Credit Union financial institution; (5) any funds transfer limitation set by any non-Kentucky Telco Credit Union financial institution; and/or (6) liability arising from the receipt or non-receipt of third party notifications sent to the email address or mobile phone number provided to us of any recipient of a payment transfer.

21. Your Agreement to Indemnify Us. You agree to indemnify, defend, and hold harmless the Credit Union and its directors, officers, employees, members, and agents from and against any and all losses, costs, expenses, fees (including, but not limited to, reasonable attorneys' fees), claims, damages, liabilities, and causes of action of third parties resulting or arising from: (i) your failure to abide by or perform any obligation imposed upon you under this Agreement; (ii) your willful misconduct, fraud, criminal activity, intentional tort, or negligence involving use of the SendMoney Service; (iii) your actions, omissions, or commissions relating to the SendMoney Service; and (iv) any transmission or instruction, whether or not authorized, acted upon by the Credit Union in good faith. Your obligations under this paragraph will survive termination of this Agreement.

22. Governing Law. This Agreement will be governed by the laws of the Commonwealth of Kentucky, without regard to any choice of law provision.

23. Notices. You agree that by using the SendMoney Service, all notices or other communications which we may be required to give you arising from our obligations under this Agreement or the SendMoney Service may be sent to you electronically to any electronic address we have for you, or, at our option, another electronic address you provide to us, or in any other manner permitted by law including, but not limited to, posting notices or communications on our website.

24. Waiver. No delay or omission on our part in exercising any rights or remedies shall operate as a waiver of such rights or remedies or of any other rights or remedies.

25. Force Majeure. You understand and agree that we are not responsible or liable for any loss, liability, damages, expenses, or cost of any kind resulting from any delay or interruption in the SendMoney Service due to causes beyond our reasonable control.

26. Severability. A determination that any provision of this Agreement is unenforceable or invalid shall not render any other provision of this Agreement unenforceable or invalid.

27. Consent and Agreement. By clicking on the “By using this service, you agree to the terms and conditions set forth in the SendMoney Service Agreement. Please click link to review:” link on the previous page and by using the SendMoney Service, you agree to all the terms, conditions, and notices contained in this Agreement and accept responsibility for your use of the SendMoney Service. Please read this Agreement carefully before accepting. We may amend these terms and may modify or cancel the SendMoney Service from time to time without notice except as may be required by law. By using any new or modified features when they become available, you agree to be bound by the rules concerning these features.