

Membership and Account Agreement



The information about Qualstar Credit Union accounts and services contained in this booklet is accurate as of 7/1/2025, and is subject to change.

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IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

As required by the USA PATRIOT (Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept & Obstruct Terrorism) Act, Federal laws mandate all financial institutions obtain, verify, and record information that identifies each person who opens an account.

What this means for you:

When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you.

We may also ask to see your driver's license or other identifying documents.

We thank you for your understanding and assistance in keeping our members' information secure.

NOTICE

This agreement includes a requirement to arbitrate disputes. Please see Section V of this Agreement for details, including your ability to opt out.

QUALSTAR CREDIT UNION

MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement is the contract of deposit which covers your and our rights and responsibilities concerning Membership and Account(s) offered to you by Qualstar Credit Union ("Credit Union"). In this Agreement, the words "you" and "yours" mean those who sign the membership and account application as applicants, joint owners, or any authorized users. The words "we," "us," and "our" mean Qualstar Credit Union. The word "account" means any one or more share accounts you have with the Credit Union.

By signing the Membership and Account Application (Application), or by using any Qualstar Credit Union account or access device that is a part of the Agreement, each of you, jointly and severally, agree to the terms and conditions in this Agreement, including the Funds Availability Policy, Electronic Funds Transfer provisions, and the Rate and Fee Schedule accompanying this Agreement, which collectively govern your Membership and Accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement, as amended from time to time.

I. MEMBERSHIPS AND ACCOUNTS

1. **Membership Eligibility.** To be eligible for membership in Qualstar Credit Union, you must be an individual or entity qualifying within the Credit Union's field of membership and must subscribe to at least one Credit Union service, or deposit, or loan account. You authorize us to check your account, credit, employment history, and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for particular accounts.

2. **Individual Accounts.** An individual Account is an account in the name of one person. Only that person (or authorized agent) may conduct transactions (e.g., make withdrawals).

3. **Joint Accounts.** An account owned by two or more persons is a joint account. If your account is a joint account, the account is owned as a joint account with rights of survivorship unless otherwise stated on the Account Application. If your account is a joint account without right of survivorship (a tenants-in-common account) the interest of a deceased owner will pass to the estate of the primary owner, unless the primary has also designated a trust or P.O.D. account beneficiary of the primary's interest in the account. If it is a joint account with right of survivorship, upon the death of one of the joint owners that person's interest will become the property of the surviving joint owners. The surviving owner's interest is subject to the Credit Union's statutory lien for the deceased owner's obligations, and to any security interest or pledge granted by the deceased owner, even if the surviving owner did not consent to it.

a. **Rights of Joint Account Owners.** Any joint account owner is authorized to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account and any services from any joint owner. Any joint account owner may terminate the account by withdrawing all funds in the account, stop payment on items drawn on an account, or pledge all or any part of the shares of any account without the consent of the other joint account owner(s) and the Credit Union shall have no duty to notify any other joint account owner(s). If the Credit Union believes that there is a dispute between joint owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a Court order to act or

require that all joint owners agree in writing to any transaction concerning the account.

b. Joint Account Owner Liability. If any item deposited in a joint account is returned unpaid or an account is overdrawn, each of the joint account owners is jointly and severally liable to the Credit Union for the amount of the returned item or overdraft and any charges, regardless of who created the overdraft, deposited or cashed the item or benefited from the transaction. If any joint owner is indebted to the Credit Union such that the Credit Union has a lien against an account of that joint owner, the Credit Union may enforce its rights against any or all funds in the joint account regardless of who contributed the funds to the joint account.

4. **P.O.D. Account.** A Payable on Death (P.O.D.) Account is an account payable to the owner or owners during their lifetimes, and, upon the death of the last owner, payable to the named P.O.D. beneficiary on your Account Application. If the P.O.D. Account is held by more than one owner, each account owner will be subject to the rules pertaining to joint ownership as set forth above. Accounts payable to more than one P.O.D. beneficiary are owned jointly by such beneficiaries with right of survivorship. If there is no surviving P.O.D. beneficiary upon the death of the last owner, state law will determine ownership of the funds of the account.

5. **Minor Accounts.** For any account established for or for a cash or debit card issued to a minor account owner, the custodian listed on the Application agrees to be primarily liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on such accounts. All funds in the account shall be held by the custodian for the exclusive right and benefit of the minor. The Credit Union may make payments of funds directly to the minor without regard to his or her minority unless the Credit Union has received written notice from the custodian to withhold payment and the Credit Union has had a reasonable opportunity to act on the notice. The Credit Union has no duty to inquire of the use or purpose of any transaction by the custodian or minor. No account owner of a minor account may pledge the account as collateral for any loan without consent of all account owners and custodian. The minor account owner's tax identification number must be shown on the Application. When the minor account owner reaches age eighteen (18), the owner may change the account to an individual account; however, rights and responsibilities of the account shall continue until the Credit Union is notified of any account changes, including removal of the custodian by the minor account holder.

6. **Business and Organizational Accounts.** Accounts held by a non-natural person for a business or organizational purpose are subject to the same terms set forth in this Agreement and the following additional rules. The account owners agree to inform the Credit Union of the persons authorized to transact business on behalf of the corporation or organization. The Credit Union may rely on the account owner's representation of authorization stated on a written resolution until such time as the Credit Union is informed of changes in writing. The Credit Union shall have received no notice of any breach of fiduciary duties arising from a transaction by any agent of the account owner, unless the Credit Union has actual knowledge of any wrongdoing. If the use of facsimile signature stamps are used, you agree to hold the credit union harmless of any transactions containing a facsimile signature.

7. **Deposits.** Deposits may be made to checking, savings, money market, and children's deposit accounts in any amount by cash, check,

or other item for deposit at any branch, mailed to the main office, or at designated ATMs. In addition, deposits may be made electronically through direct deposit or our remote deposit check capture service on eligible accounts. The Credit Union may require that additional deposits to share certificates be made in specific amounts. All deposit accounts are nonassignable and nontransferable to third parties.

a. Endorsements. You authorize the Credit Union, in its discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of, any one or more owners on the account, whether or not they are endorsed by all owners. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. When you deposit items to your account, you warrant that all prior endorsements are genuine. The Credit Union reserves the right to verify all endorsements on third party checks presented for deposit either in person or by comparison with member signature files. Insurance, government, and certain other checks or drafts must be endorsed exactly as they are made payable. Endorsement must be placed in the space on the back of the share draft or check between the top edge and 1-1/2 inches from the top edge. The Credit Union may accept drafts or checks with endorsements outside this space. However, if any such endorsement causes any delay in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay. The Credit Union may disregard information on any check other than the signature of the drawer and MICR information. Any item presented with a full payment legend must be presented in person to a Credit Union officer; otherwise, payment is made with full reservation of rights.

b. Final Payment. All non-cash deposits are posted to your account and are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of those deposits and impose a service charge, as set forth in the Rate and Fee Schedule. After we have received final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect your deposit item, the Credit Union may charge such fees to your account. The Credit Union reserves the right to refuse all or part of a deposit or to close your account.

c. Direct Deposits. The Credit Union may offer direct deposit options allowing you to preauthorize deposits (i.e., payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at the Credit Union. You must authorize any direct deposits to your accounts either orally or by a separate written authorization form. You authorize the Credit Union to accept any deposit you have authorized even if a written payroll form is not completed. If applicable, you must notify the Credit Union at least 30 days prior to any direct deposit or preauthorized transfer if you wish to cancel the direct deposit or direct transfer option.

d. Mobile Check Deposit. The Credit Union may offer Remote Deposit Capture services allowing you to deposit checks electronically using a mobile device's camera, accessed by the Qualstar Mobile Banking app. All checks submitted for electronic check deposit must be endorsed, "For Mobile Deposit at Qualstar CU only." If any item deposited lacks the required endorsement,

you will be liable for any loss associated with the deposit, the deposited item, or any subsequent deposit of the item, and we will debit your account for the amount of the item plus any fees, as disclosed in the Rate and Fee Schedule. Contact the Credit Union at 1-800-848-0018 for account eligibility requirements.

e. Crediting of Deposits. Unless otherwise stated in the Funds Availability Policy elsewhere in this agreement, deposits received at our offices on business days will be credited to your account as of the day of the deposit. Please refer to our Funds Availability Policy section for more information.

8. Account Access.

a. Authorized Signature. In order to access any account, the Credit Union must have an authorized signature of yours on an account card. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any draft that appears to bear your facsimile signature, even if it was made by an unauthorized person. If you give your account number to a third person, you authorize us to honor transactions initialed by the third person even if you did not specifically authorize a particular transaction.

b. Access Options. You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e., check, automated teller machines [ATMs], in person, by mail, automatic transfer, or telephone). If you make withdrawals by check, the check must be properly completed and signed by you or your representative whose authority is on file with us. The Credit Union may return as unpaid any check that is not drawn on the branch where your account is maintained or not in the form provided by the Credit Union. The Credit Union may restrict the withdrawals or transfers on your accounts.

c. Wire and ACH Transfers. Wire transfer transactions are governed by Regulation J and UCC 4A. ACH transactions are governed by operating rules of the National Automated Clearing House Association (NACHA). In accordance with these rules, you will receive notice of receipt of wire transfers and ACH items in the periodic account statements that we provide. The Credit Union will not provide you with next-day notice of receipt of wire transfers and ACH items to your account. The Credit Union may give you credit for ACH payments before it receives final settlement of the funds transfer. Any such credit is provisional until the Credit Union receives the final settlement of the payment. You are hereby notified and agree, if the Credit Union does not receive such final settlement, that it is entitled to a refund from you of the amount credited to you in connection with that ACH entry. If you give the Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying or account number, payment may be made by the beneficiary's financial institution on the basis of the identifying- or account number, even if the number identifies a person different than the named beneficiary. If you give the Credit Union a payment order which identifies an intermediary or beneficiary's financial institution by both name and an identifying number, a receiving financial institution may rely on the number as the proper identification even if it identifies a different person than the named financial institution.

d. Transactions by Mail. Except as otherwise provided in this Agreement, the Credit Union may permit you to make withdrawals and deposits by mail. Such transactions will be posted to your account the same day the transaction is received by the Credit Union.

e. Credit Union Examination. The Credit Union may disregard information on any check other than the signature of the drawer and the legal written amount of the item and any magnetic encoded information. You agree the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for site examination of items.

9. Account Transaction Limitations.

a. Withdrawal Restrictions. The Credit Union is only required to permit a withdrawal if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan. Drafts or other transfer or payment orders which are drawn against insufficient available funds will be subject to an overdrawn charge or Courtesy Pay fee, set forth in the Rate and Fee Schedule. If there are sufficient available funds to cover some but not all of your withdrawal orders, the Credit Union may allow those withdrawals for which there are sufficient available funds. Items will be paid as follows:

Checks/Drafts - We process checks/drafts you write from your account once per business day in order from smallest dollar amount to largest dollar amount. We do this to minimize the number of transactions that may trigger returned or rejected insufficient funds items or Courtesy Pay fees. Checks are processed separately from electronic payments. These electronic payments may include paper checks which were converted into Automated Clearing House (ACH) transactions.

ACH Transactions - Each day, the Federal Reserve sends the Credit Union multiple files with Automated Clearing House (ACH) payments and deposits—for example, automatic bill payments and direct deposits. You must keep a sufficient Available Balance in your Accounts at all times because debits and credits may occur throughout the day. ACH transactions will be posted throughout the day and files are processed in the order received. If one ACH file contains both debits and credits for your account, we will process deposits before payments and any payments within the same file will be applied in order from the lowest to highest dollar amount. We do this to minimize the number of transactions that may trigger returned or rejected insufficient funds items or Courtesy Pay Fees.

Debit Card Transactions - These type of transactions are posted immediately upon presentment by the merchant's card network without regard to the amount or date and time of the transaction.

We may receive multiple credit or debit transactions on your accounts in many different forms throughout the day. The best way to know how much money you have available to spend, and to avoid paying Courtesy Pay Fees, is to record and track all your transactions closely.

The Credit Union can also refuse to allow a withdrawal in other cases; for example: any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served;

the account has been pledged as collateral for debt to the Credit Union; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. Any garnishment is subject to the Credit Union's lien or security interest in an account. You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except share drafts) of not less than 7 days and up to 60 days before such withdrawal.

b. Transaction Limitations. For Share and Money Market accounts, you may make up to six (6) preauthorized, automatic, telephone, Home or Mobile Banking, or audio response transfers to another account of yours or to a third party, or Point of Sale (POS) debit card transactions during any calendar month. A preauthorized transfer includes any arrangement with the Credit Union to pay a third party from the member's account upon oral or written orders, including orders received through the Automated Clearing House (ACH). There is no limit on the number of transactions you may make in the following manner: (i) transfers to any loan account with the Credit Union; (ii) transfers to another Credit Union account or withdrawals (checks mailed directly to you) when such transfer or withdrawal is initiated in person, by mail or at an ATM. If a transfer request would exceed the transfer limitations set forth above in any Statement period, the Credit Union may reverse the transfer, and your account will be subject to suspension or closure by the Credit Union and the Credit Union may impose a service charge, as set forth in the Rate and Fee Schedule.

10. Overdrafts

a. Overdraft Liability. If you maintain your checking account in good standing and are not in default or delinquent on any Qualstar account, we may honor and pay items and transactions that will overdraw your account and create a negative balance. You may opt out of the service at any time by oral request or in writing, but you are responsible for any overdrawn and negative balances, including any fees, at the time of opting out. If on any day, the available funds in your checking account are not sufficient to cover checks and other items posted to your account, those checks and items will be handled in accordance with our overdraft procedures or any optional overdraft protection plan you have with us. Your Available Balance is based on your Current Balance less holds placed on deposits, debit card, or electronic transactions that have been authorized, but are pending and have not yet posted to your account, and any other holds placed on funds in your account such as but not limited to holds related to pledges of account funds or to comply with court orders or other legal processes. The Credit Union's determination of an insufficient account balance may be made at any time between presentation of an item (or receipt or posting of an EFT, Online, or Mobile Banking transaction, or ACH, or Debit Card transaction) and the Credit Union's midnight deadline with only one review of the account required. The Credit Union has no duty to notify you of an insufficient funds item. Your account will then be subject to a charge for the item if paid as set forth in the Rate and Fee Schedule. Except as otherwise agreed in writing, the Credit Union, by covering one, does not agree to cover items in the future and may discontinue covering items at any time. If the Credit Union pays an item that would oth-

erwise overdraw your account, you agree to pay the overdraft amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor bank extra time beyond any midnight deadline limits. If you incur an overdraft, you agree to pay the entire overdraft amount plus charges and costs of collection. Costs of collection include, but are not limited to, reasonable attorney's fees, and collection agency fees. In the event of your default, you agree and understand that the Credit Union may retain the services of a collection agency and pay such agency a fee calculated on an amount of such fee will be our actual cost of collection, exclusive of any court costs and you agree to pay these amounts.

b. Overdraft Protection Plan. You can request to have Overdraft Protection on your account. We will honor checks and other items drawn on insufficient funds in your checking account if your account is covered by optional Overdraft Protection. With this service, your checking account may be linked to your other Qualstar accounts including but not limited to your Line of Credit, Visa, Savings Account, or Money Market Account. If on any day the available balance in your Checking Account is not sufficient to cover checks and other items posted to your account (including returned items, EFTs, Home or Mobile Banking transfers, ACH transfers, ATM withdrawals, and POS or other ATM or Debit Card transactions), you authorize us either to make an advance under your linked Visa or LOC or transfer funds from your linked account to pay any deficiency. Transfers from the linked account may help you avoid returned or rejected items and/or paying overdraft fees.

c. Courtesy Pay. The Credit Union offers two types of optional overdraft protection services which will allow your account balance to become negative. Basic Courtesy Pay and Extended Courtesy Pay are non contractual services available to accounts in good standing. The Credit Union reserves the right to discontinue these services without prior notice and reserves the right to not pay any overdraft. For Basic and Extended Courtesy Pay, overdrafts are covered up to the approved limit (see requirements below) from available funds including the Courtesy Pay fee (see Rate and Fee Schedule) for each overdrawn item.

Basic Courtesy Pay may be provided for members who inadvertently overdraw their checking accounts by covering overdrafts created by check and ACH items up to the approved limit. Basic Courtesy Pay Protection does not cover ATM or one-time Visa® Debit card transactions.

Extended Courtesy Pay is available at members' request if they wish to have Basic Courtesy Pay protection and cover ATM withdrawals and Visa Debit transactions that will overdraw the Account, up to the approved limit. To request Extended Courtesy Pay coverage, contact the Credit Union at 1-800-848-0018.

Account requirements for Basic & Extended Courtesy Pay Protection:

- Members who have a Qualstar checking account (excluding MyCash Checking) with check writing access receive \$300 in coverage when the account is opened; after six (6) months, coverage increases to \$500; Union Checking accounts receive \$100 in coverage at account

opening and are eligible for Extended Courtesy Pay following their initial Union Checking deposit.

- The member cannot have any delinquent loans, bankruptcies or charged-off loans.
- The account must be brought to a positive balance within thirty (30) days from the first day the account is overdrawn.
- The account must have a current address and phone number, otherwise Courtesy Pay will be discontinued.

Members who do not wish to receive Basic Courtesy Pay protection are required to opt-out by calling us at 1-800-848-0018 or mail an opt-out request to: Qualstar Credit Union, PO Box 3050, Bothell, WA 98041.

11. **Share Certificates.** You agree that Share Certificate Accounts are governed by the terms of this Agreement and the specific terms and disclosures on the Certificate Account Agreement provided at the time you open a certificate account. If any term is conflicting between the Agreements, the Certificate Account Agreement shall govern. Certificate accounts will automatically renew upon expiration of the initial term for the same term at the prevailing interest rate unless 1) instructed to the contrary or 2) withdrawn or transferred within the seven day period following the renewal date.

12. **Postdated and Stale-dated Items.** You authorize us to accept and pay any check, even if the check is presented for payment before its date. You also agree not to deposit checks, drafts, or other items before they are properly payable. The Credit Union is under no obligation to you to, but we may, pay a check or draft drawn on your account which is presented more than six months after its date.

13. **Fees and Charges.** The Credit Union may charge you fees for the services provided by the Credit Union. A current Rate and Fee Schedule has been provided to you separately. You agree that the Rate and Fee Schedule may change at any time and you will be notified of such changes as required by law.

14. **Stop Payment Orders.**

a. **Stop Payment Request.** You may, upon timely and proper request, ask the Credit Union to stop payment on any check or other payment order drawn upon your checking account. Stop payments of Credit Union official checks can only be requested if the check is lost. In the event an official check is lost, a declaration of loss form must be completed. You may request a stop payment by telephone, by mail, or by appearing in person. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, date and number of the item, its exact amount, and to whom it was issued. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we credit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to the Credit Union all of your rights against the payee or other holders of the check, and to assist the Credit Union in legal action taken against the person. If you request a stop payment on a one-time or recurring ACH transfer, the stop order will apply to all future debits and credits from the sender.

b. Duration of Order. Stop payment orders, verbal or written, will remain in effect until the return of the debit entry or written notice to revoke the stop payment order is received from the account holder.

c. Liability. The Credit Union may charge a fee for each stop-payment order requested, as set forth on the Rate and Fee Schedule. Stop payments of Credit Union official checks can only be requested if the check is lost. In the event an official check is lost, a declaration of loss form must be completed. You can only stop payment on any other checks or drafts that the Credit Union issues on your behalf in the Credit Union's sole discretion. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop payment order.

15. **Lost Items**. The Credit Union, in receiving items from you for withdrawal or deposit, acts only as your agent and reserves the right to reverse the credit for any deposited items or to charge your account for the items should they become lost in the collection process.

16. **Credit Union's Liability for Errors**. If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union will be liable for your losses or damages not to exceed the amount of the transaction. The Credit Union will not be liable if: (a) through no fault of the Credit Union, your account does not contain enough money to make the transaction; (b) circumstances beyond the Credit Union's control prevents the transaction; (c) your loss is caused by the negligence of another financial institution; or (d) the money in your account is subject to legal process or other claim. In no event will the Credit Union be liable for consequential damages. The Credit Union's actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearing house rules and general banking practices followed in the area serviced by the Credit Union. You grant the Credit Union the right, in making payments of deposited funds, to rely exclusively on the form of the Account and the terms of this Account Agreement. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this agreement and applicable written form.

17. **Credit Union Lien**. If you owe the Credit Union money and it is due, the Credit Union will have a lien on any or all of the funds in any account you may own at the Credit Union, regardless of the source of the funds. The Credit Union may apply the funds on which it has a lien to pay off your indebtedness to the Credit Union. If the Credit Union chooses not to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time.

18. **Account Information**. The Credit Union agrees not to disclose information to third parties about your account regarding any transaction or balances except when: (1) it is necessary to complete the transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with the Fair Credit Reporting Act or other applicable laws and regulations; (3) such disclosure is in compliance with the law, government agencies or court orders; or (4) you give us your written permission.

Please refer to our Privacy Policy section for more information.

19. **Inactive and Abandoned Accounts**. If you have an account that has a balance less than \$200.00 and you have not made a withdrawal from, deposit to, or transfer involving your account for more than

one (1) year and the Credit Union has been unable to contact you during that period, the Credit Union will classify your account as an inactive account and may charge an inactive account service fee as allowed by applicable law and set forth on the Rate and Fee Schedule. The Credit Union will notify you at your last known address three (3) months prior to imposing any fee. If a deposit or withdrawal has not been made on the account and the Credit Union has had no other contact with you for the minimum period of years as required by the Uniform Unclaimed Property Act, the account will be presumed to be abandoned. Funds in abandoned accounts will be remitted in accordance with state law. Once funds have been turned over to the state, the Credit Union has no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

20. **Death of a Member.** Upon the death of a member, funds in the account shall be payable to joint owners or others in accordance with applicable state law. The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. The Credit Union may continue to honor all transfers, withdrawals, deposits and other transactions on the account until the Credit Union learns of the member's death. Once the Credit Union learns of a member's death, the Credit Union may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days unless the Credit Union receives instructions from an authorized person to stop payment of the checks or other items. You agree that the Credit Union can require that anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim.

21. **Legal Process.** If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may refuse to pay out any money from your account until the dispute is resolved. If the Credit Union incurs any expenses or attorney fees in responding to legal process, such expenses may be charged against your account without prior notice to you, unless prohibited by law. Any legal process against your account is subject to the Credit Union's lien in security interest. You understand that the credit union will not notify you prior to executing a levy, garnishment, or attachment brought against your account.

22. **Notices.**

a. **Name or Address Change.** It is your responsibility to notify the Credit Union upon a change of address or change of name. An undeliverable address fee will be charged on the last day of every month on members' accounts that have an invalid address (per returned mail from the USPS, refer to the current fee schedule.) The Credit Union is only required to honor items drawn upon the name as listed on the account and to attempt to communicate with you only at the most recent address you have provided the Credit Union.

b. **Notice of Amendments.** Except as otherwise prohibited by applicable law, the terms of this Agreement and all fees and other agreements provided to you in connection with this account are subject to change at any time. If required by law, the Credit Union will notify you of any changes in terms, rates, or fees at such time as is required by law. To the extent permitted by law, amendments will be effective upon posting of the amendments in the branch office or upon delivery of notice to the last address which you have specified for this account. If the notice is given by mail, you agree only one notice is

necessary in the case of a joint account. You may terminate your account prior to the effective date of any changes. You or any account holder may change the types of accounts or services at any time without the consent of any other account holder. Amendments requested by you, or any one joint owner, such as adding or closing a new type of account or service, may be made by telephone instruction. You agree that oral instructions are binding and agree to hold Credit Union harmless from any liability arising as a result of such instructions. Changes in account ownership such as adding or removing a joint owner, must be evidenced by a signed Subsequent Account Action form, which upon execution will be incorporated herein by this reference.

23. Taxpayer Identification Numbers (TINs) and Backup Withholding. The Credit Union is required by law to withhold and pay to the Internal Revenue Service (IRS) a required percentage of payments of interest, dividends and certain other payments under certain conditions. This is called backup withholding. Your failure to furnish a correct TIN or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, the Credit Union may suspend your account privileges.

24. Statements (Print & Electronic). You will receive a periodic statement of all transactions and activity on your account during the statement period. For checking accounts, savings, money market accounts, and loans opened under and open-ended lending plan with current activity, a statement will be sent monthly. For savings and money market accounts without current electronic activity and all other accounts, statements will be provided quarterly.

You can choose to receive statements as a paper copy sent via mail or as electronic copies (eStatements) online. eStatements (and eNotices) are available as PDFs (Adobe Reader is required and can be obtained online at no charge) via Online Services; enrollment to receive eStatements is also available via Online Services; two (2) years of archived statements are available online from the time of enrollment. In the event a paper copy is needed, you can print directly from the PDF; or if that is not an option you can call to request a copy (a statement copy fee will apply, please refer to the current fee schedule.) You can choose to discontinue receiving eStatements at any time by calling us or by changing your preference in Online Services under "eStatements," which will prompt paper statements to be sent. (Both options cannot be provided concurrently.) An e-mail notification is sent to the address on file when the statement is available to view online; your consent to receive eStatements includes your understanding that a current e-mail address must be kept on file in order to ensure the statements are received in a timely manner.

Any deposit, withdrawal, transfer, payment of dividends or interest, and imposition of applicable fees will appear on your statement. You are responsible for examining each statement and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, or unauthorized item drawn on your account if (1) you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement, or (2) any item forged or altered in a manner not detectable by a reasonable person including the unauthorized use of a facsimile signature machine.

You understand that your original check will not be returned to you but copies will be available through the collecting financial institution or the Credit Union and made available upon your request subject to a fee set forth in the Rate and Fee Schedule. You agree that the Credit Union's retention of checks does not alter or waive your responsibility

to examine your statements or the time limits for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or charge to your account unless you notify the Credit Union in writing within the time limit after the statement and checks are made available to you.

25. **Termination of Account.** The Credit Union may terminate your account at any time without notice to you and may require you to close your account and apply for a new account if (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud involving your account reported or committed; (3) there is a dispute as to the ownership of funds in the account; (4) any account checks are lost or stolen; (5) if there are excessive returned unpaid items not covered by an overdraft protection plan; or (6) if there has been any misrepresentation or any other abuse of any of your accounts. You may terminate your account at any time by notifying the Credit Union in person, by telephone or in writing. The Credit Union is not responsible for payment of any check, withdrawal, or other item once your account is terminated.

26. **Termination of Membership.** You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw from membership. The Credit Union is not liable for payment on any share draft, withdrawal, or other item once your membership is terminated. You may be expelled from membership for any reason allowed by applicable law, including causing a loss to the Credit Union.

27. **Indemnity.** If you ask the Credit Union to follow instructions that the Credit Union believes might expose it to claims, suits, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require a bond or other protection. An example of the kind of protection asked for would be your promise to defend the Credit Union against any claims and pay all legal fees and costs associated with the defense.

28. **Waiver.** Any waiver of any term or condition stated in this Agreement must be in writing and signed by an officer of the Credit Union and shall not be considered as a waiver of any future or other obligation or right.

29. **Severability.** In the event that any paragraph of the Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.

30. **Governing Laws.** The Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the State of Washington, and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located.

31. **Enforcement.** In the event either party brings a legal action to enforce the Agreement and collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. If there is a lawsuit, you agree that it may be filed and heard in the county and state in which the Credit Union is located, if allowed by applicable law.

II. FUNDS AVAILABILITY POLICY

1. General Policy. In accordance with Regulation CC, deposits of cash, electronic deposits, and wire transfers received during regular business hours on business days will be available on the day we receive the deposit. Once the funds are available, you may withdraw the funds in cash and may use the funds to pay checks that have been written. For determining the availability of your deposits, business days are Monday - Thursday, 9:00 a.m. - 5:00 p.m. and Friday 9:30 a.m. - 6:00 p.m. PST. Federal holidays, Saturdays, and Sundays are not considered business days. If you make deposits after hours on a business day or during a holiday or weekend, we will consider that the deposit was made on the next business day we are open.

Regulation CC does not apply to funds deposited by checks to non-transaction accounts (i.e. Savings, Certificates and Money Market accounts), checks deposited through Online Services (Remote Deposit Capture) to any account type, nor to foreign checks. If a hold is necessary in any of these cases, a hold may be placed until funds are collected..

2. Reservation of Right to Hold. Funds deposited by use of Online Services, an ATM displaying our "Qualstar" logo (a Qualstar-owned ATM), shared branch, Qualstar Night Depository Drop Box, or the United States Postal Service (USPS) will be combined with all deposit(s) made to your Account(s) on that day and generally will be available on or before the second business day after the business day of your deposit.

Deposits at non-Qualstar owned ATMs will be combined with all deposit(s) made to your Account(s) on that day and generally will be available on or before the fifth business day after the day of your deposit. Deposits to your Account by way of a person-to-person transfer service will be available in accordance with the terms and conditions for that service. However, regardless of the manner or location of your deposit, as stated below, longer delays may apply.

Depending on the type of check that you deposit, funds may not be available until the seventh business day after the day of your deposit. However, the first \$275 of your deposit will be available on the first business day after the date of deposit. If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit and tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will notify you by mail, secure e-mail or secure message through online banking. The length of the delay is counted in business days from the day of your deposit. The length of delay varies depending on the type of deposit and is explained below.

3. Same-Day Availability. Funds from electronic direct deposits (for example ACH deposits) to your account will be available on the day we receive the deposit.

4. Next-Day Availability. Funds from the following deposits are available on or before the first business day after the day of your deposit if they are made to a branch employee:

- Cash
- Wire Transfers
- Cashier's checks, certified checks, and teller's checks payable to you
- Federal Home Loan Bank and Federal Reserve Bank checks payable to you
- Share drafts drawn on Qualstar Credit Union payable to you

- State, local government, and US. Treasury checks payable to you
- US Postal Service money orders payable to you

If you do not make your deposit to one of our employees (for example, if you mail the deposit or drop it in the Night Depository Drop Box), funds from these deposits will be available on the second business day after the day of your deposit.

5. Other Check Deposits. The delay for other check deposits is as follows: The first \$275 from a deposit of checks will be available on or before the first business day after the day of your deposit. The remaining funds will be available on or before the second business day after the day of your deposit. For example, if you deposit a check of \$700 on a Monday, \$275 of the deposit is available on or before Tuesday. The remaining \$425 is available on or before Wednesday.

6. Deposits Made at Nonproprietary Automated Teller Machines (ATMs). Nonproprietary ATMs are not owned by the Credit Union. Deposits made at Nonproprietary ATMs will generally be available to you no later than the fifth business day after the day we receive your deposit.

7. Longer Delays May Apply. Funds you deposit by check may be delayed for a longer period under the following circumstances:

- Large deposits aggregated in any one day. The first \$6,725 is subject to the standard availability policy. The remaining funds will be available no later than the seventh (7th) business day after the day of deposit.
- Redeposit of a check that has been returned unpaid.
- Repeated overdrafts on your account in the last six (6) months.
- There is an emergency, such as a failure of communication or computer equipment a suspension of payments by another institution, war, or an emergency condition beyond the control of the Credit Union.
- There is reasonable cause to believe that a check is uncollectible.

We will notify you if we delay your availability to withdraw funds for any of these reasons and we will tell you when the funds will be available, which is generally no later than the seventh (7th) business day after the day of your deposit.

8. New Accounts Exception. An account is considered to be a new account for the first 30 days it is open. An account is not considered a new account if each signer on the account has another established checking account at the Credit Union for at least 30 days.

- Electronic direct deposits received during regular business hours on business days will be available on the day we receive the deposit.
- Cash, wire transfers, and funds from the first \$6,725 of a day's total deposits of cashier's, certified, federal, local government, state, teller's, and traveler's checks will be available no later than the first business day after the day of deposit. The remaining funds from next-day items will be available no later than the seventh (7th) business day after the day of deposit.

- Funds from all other check deposits will be available no later than the seventh (7th) business day after the day of deposit.
- If you do not make a deposit with one of our employees, (for example, if you mail the deposit), the first \$6,725 from these deposits will be available on the second business day after the day of deposit. The remainder of the deposit will be available no later than the seventh (7th) day after the date of deposit.
- Deposits to new accounts are not subject to any other availability time schedules, nor are they subject to the \$275 cash withdrawal requirement.

The first \$6,725 of a day's total deposit of funds from all other check deposits or deposits of all checks made at non-Qualstar ATMs will be generally available on or before the fifth business day after the day of deposit. The excess over \$6,725 will generally be available on or before the ninth business day after the day of your deposit.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit and tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice. The notice will specify the deposit amount on hold, the reason it is placed on hold, and when the funds will be available. Funds will generally be available no later than the seventh business day after your deposit.

9. Disclosures.

Disclosures will be provided:

- At account opening (within 1 business day if the account is opened by mail)
- In the event of any change to this policy
- Upon Request

Disclosures will be posted:

- Wherever employees accept deposits
- At Credit Union owned ATMs
- On any preprinted deposit slips provided by the Credit Union

III. ELECTRONIC FUNDS TRANSFERS

The following disclosures set forth your and our additional rights and responsibilities concerning the electronic funds transfers. Terms and conditions set forth elsewhere in the Agreement shall also apply to your electronic funds transfer (EFT) service. Electronic funds transfers are electronically initiated transfers of money through direct deposits, automated teller machines (ATMs), Visa® Debit Card purchases, electronic check conversions, and Online Services (Mobile Banking, Home Banking, and Personal Finance Management software) transactions involving your deposit accounts at the Credit Union.

1. Services.

a. ATMs. You may use your card and Personal Identification Number (PIN) in automated teller machines within the Co-op Network, Plus System Network, and such other machines or facilities as the Credit Union may designate. At the present time, you may use your card to:

- Make deposits to your share account or your checking account.
- Withdraw cash from your checking account and share

account.

- Transfer funds between your share account and your checking accounts.
- Obtain balance information for your share account and your checking account.
- Access your Personal Line of Credit or Visa credit card account. (Any line of credit or Visa credit card advances accessed by this card are governed by your Loan Contract Agreement or Visa Credit Card Agreement, whichever is applicable).

b. ATM Surcharge. If you use an ATM that is not operated by us, you may be charged an ATM Surcharge by the ATM operator or an ATM Network utilized for such a transaction. The ATM Surcharge will be debited from your account if you elect to complete the transaction.

c. Direct Deposit. Upon instruction of (i) your employer, (ii) the Treasury Department, or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or of federal recurring payments, such as Social Security.

d. Online Banking Services. You can access your account via Online Services and Personal Finance Management (PFM) software with your log-in information. Currently, you may use these services to:

- Obtain balance information for your share, checking, money market, Certificate of Deposit, IRA, or Youth accounts, and loan accounts.
- Transfer funds between these same accounts (except IRAs and certificates) including loan payments to any of your loan accounts.
- Withdraw funds from share or checking accounts by check, made payable to you and mailed to you at your mailing address.
- Access your Personal Line of Credit Account. (Loan advance withdrawals will be subject to the Loan Contract Agreements governing the account.)
- Access your Visa® Credit Card (Cash advances will be subject to the Visa Credit Card Agreement governing the account.)
- Verify certain account information, including if a particular draft has cleared your checking account, the date of your last payroll deposit, loan payment and loan payoff amounts, and account and loan history.
- View transaction history on your checking, share and loan accounts (The number of transactions available vary by service.)
- View information on dividends earned, interest paid, or IRA contributions from your accounts.
- Pay bills from a checking account. A separate enrollment process and Terms and Conditions apply. Please refer to the most current Rate and Fee Schedule for any applicable fees.
- View eStatements. Up to 2 year's worth of statements are archived, starting from the date of enrollment. Enrollment is required (log in to Online Services at www.qualstarcu.com)

to enable eStatements.

- Deposit checks electronically into savings or checking via the device camera or a desktop scanner. Current check holds and availability apply.
- Manage Visa cards to temporarily freeze access, report lost/stolen (with or without ordering a new card), and schedule travel to prevent service interruption.

e. Visa Debit Card. You may use your card to purchase goods and services anywhere your card is honored by participating merchants that accept the ATM/Credit Card networks Qualstar subscribes to. Contact Qualstar for an up-to-date list of participating networks. Funds to cover your card purchases will be deducted from your checking account. If the balance in your account is not sufficient to pay the transactions amount, the Credit Union may treat the transaction as an overdraft request pursuant to the overdraft protection plan or may terminate all services under the agreement.

f. Visa Debit Card Foreign Transactions. Visa purchases and cash advances processed in foreign countries or currencies (other than U.S. dollars) will be converted to and billed to you in U.S. dollars under the regulations established by Visa International. Qualstar does not determine the currency conversion rate used, nor do we receive any portions of the currency conversion rate. The conversion rate to U.S. dollars will be (a) a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate Visa itself receives, or (b) the government mandated rate in effect for the applicable central processing date, in each instance, plus or minus any adjustment determined by the Issuer. Conversion to U.S. dollars may occur on a date other than the transaction date; therefore, the currency conversion rate may be different than the rate in effect at the time of the transaction. In each instance, Visa charges a 1% Currency Conversion/International Service Assessment fee for each transaction done with a merchant or processor in a foreign country (including telephone and internet transactions). You understand and agree to pay the 1% fee charged to you by Visa through QCU in addition to your actual charges.

g. Electronic Check Conversions. An electronic check conversion occurs when a merchant or other payee uses your paper draft or check to create a one-time electronic transfer from your account using the ACH network. These types of transactions can show up on your account as follows:

- Accounts Receivable Check (ARC). If you write a check to pay a bill and send it in the mail, a merchant may use your signed check as an authorization to convert the check into an electronic withdrawal. Your signed check is the authorization for this conversion. When the electronic withdrawal debits your account, it will reference the number of the check written.
- Point of Purchase (POP) Sale. A POP transaction is a point of purchase sale. Some merchants' systems and debit card transactions are set up to show an electronic check conversion as a POP transaction.
- Re-presented Check (RCK). If vendors do not receive payment for a check or draft, they can represent the item to the Credit Union, often adding a fee (such as an NSF) to the

item. If this occurs, the re-presentation of the item is not an EFT occurrence, however the addition of new fees to the transaction does make it an EFT occurrence. Qualstar does not charge NSF fees.

h. Non-Visa PIN-less Transactions. Non-Visa PIN-less transactions will not be processed as Visa transactions and therefore will not include Visa's zero liability or charge-back and dispute resolution benefits. Additionally, provisions of this agreement relating only to Visa transactions are not applicable to non-Visa and PIN-less debit transactions.

i. Advisory Against Illegal Use. You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

j. Suspension of Electronic Services and Access to Share or Deposit Accounts. Subject to applicable law, we may suspend some or all electronic services and access to your checking or other account(s) if you become delinquent on any of your credit card, line of credit, or deposit obligations to us or you cause a loss to Qualstar Credit Union. We shall not be liable to you in any regard in connection with such suspension of services.

2. Service Limitations.

a. ATMs.

(1) Cash withdrawals can be made from ATMs and a fee may be assessed for an excessive number of withdrawals, as set forth in the Rate & Fee schedule. You may withdraw up to your daily ATM withdrawal limit, which is at least \$300 and varies by account. Please contact us at 1-800-848-0018 to ask about the limit for your account.

(2) Deposits. You should review the Credit Union's Funds Availability Policy to determine the availability of funds deposited at ATMs.

(3) Transfers. You may transfer up to the available balance in your account at the time of transfer. Only one savings and one checking account can be coded for ATM access.

(4) If you use an ATM that is not operated by us you may be charged an ATM surcharge by the ATM operator or by the ATM network utilized for such a transaction. The ATM surcharge will be debited from your account if you elect to complete the transaction.

b. Online Services. Your accounts can be accessed online via Home Banking (browser), Mobile Banking (iPhone or Android app), and Personal Finance Management software. No transfer or withdrawal done via online services may exceed the available funds in your account. The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds or uncollected funds, exceed a credit limit, draw an account below its required minimum balance or otherwise require us to increase our required reserve on the account.

c. Debit Card / POS Purchases / Electronic Check Conversions. There is no limit on the number of Debit Card or POS purchase transactions you may make by card to a checking account during a statement period. There is a daily limit of 20 card transactions permitted for each Debit Card. No purchase may exceed the available funds in your account. The Credit

Union reserves the right to refuse any transaction which would draw upon insufficient funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds.

3. Security of Your Account Access Information.

a. The log in information you use to access your account via Online Services is confidential and should not be disclosed to parties not on the account. If you fail to maintain the security of your log-in(s) and the Credit Union suffers a loss, we may terminate your online services immediately. You can be held liable for transactions conducted via online services by individuals with whom you provided your log in credentials.

b. The ATM PIN (Personal Identification Number) issued to you is for your security purposes. PINs are confidential and should not be disclosed to third parties or recorded on or with the cards. You are responsible for safekeeping your PIN. You agree not to disclose or otherwise make your PIN available to anyone not authorized to sign your accounts. If you authorize anyone to use your PIN that authority shall continue until you specifically revoke such authority by notifying the Credit Union in writing. If you fail to maintain the security of these access codes and the Credit Union suffers a loss, we may terminate your ATM and account services immediately.

4. Member Liability. Tell us at once if you believe your card or PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum line of credit). If you tell us within two (2) business days of detecting unauthorized activity, you can not be held liable for more than \$50. If you do not tell us within two (2) business days after you learn of the loss or theft of your cash card, and we can prove that we could have stopped someone from using your card without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods.

If you believe your cash, debit or credit card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call:

7:30 a.m. to 6:00 p.m. PST, weekdays (excluding holidays):
425-643-3400 or 1-800-848-0018 (toll free)

After hours:
425-643-7827 or 1-800-422-6016 (toll free)

You can also block a lost or stolen card, with re-order, within Online Services, or write:

Qualstar Credit Union
PO Box 3050
Bothell, WA 98041-3050

5. Business Days. Our business days are Monday through Friday.

Holidays recognized by the Federal Reserve Bank are not included.

6. **Fees and Charges.** There are certain charges for electronic fund transfer services as set forth on the Rate and Fee Schedule. From time to time, the charges may be changed. We will notify you of any changes as required by law. If you request a transfer or check withdrawal from your Personal Line of Credit account, such transactions may be subject to charges under the terms and conditions of your Loan Contract Agreement or Visa Credit Card Agreement.

7. **Right to Receive Documentation Transfers**

a. Periodic Statements. Transfers and withdrawal transacted through an ATM or Online Services will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.

b. Direct Deposits. If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling the phone numbers listed above. This does not apply to transactions occurring outside the United States.

c. Terminal Receipts. You get a receipt at the time you make any transfer to or from your account using Plus System ATMs, or a point of sale terminal.

8. **Account Information Disclosure.** We will disclose information to third parties about your account or the transfers you make:

- a. As necessary to complete transfers;
- b. To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant;
- c. To comply with government agency or court orders;
- d. If you give us your written permission.

Please refer to our Privacy Notice section for more information.

9. **Credit Union Liability for Failure to Make Transfers.** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damage. However, there are some exceptions. 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 or the transfer would go over the credit limit on your line of credit.
- b. If you used the wrong PIN, or you used a PIN or card in an incorrect manner.
- c. If the automated teller machine (ATM) where you are making the transfer does not have enough cash.
- d. If the ATM was not working properly and you knew about the problem when you started the transaction.
- e. If circumstances beyond our control (such as fire, flood or power failure) prevent the transaction.
- f. If the money in your account is subject to legal process or other claim.
- g. If your account is frozen because of a delinquent loan.

h. If the error was caused by an ATM network Qualstar subscribes to.

i. If there are other exceptions as established by Us.

j. The ATM may retain your card in certain instances, in which event you may contact the Credit Union about its replacement.

10. Preauthorized Electronic Fund Transfers.

a. Stop Payment Rights. If you have arranged in advance to make regular electronic fund transfers out of your account(s) for money you owe others, you may stop payment of preauthorized transfers from your account. You must notify the Credit Union orally or in writing at any time up to three (3) business days before the scheduled date of the transfer. Stop payment orders, verbal, written or via Online Services, will remain in effect until the return of the debit entry or written notice to revoke the stop payment order is received from the account holder. The stop order for a one-time or recurring ACH will apply to all future debits and credits originating from another party.

A fee may be assessed for each stop-payment request for a preauthorized ACH debit originating from another party as set forth in the Rate and Fee Schedule. The fee will be debited from your Checking Account or other Account if you do not have a Checking Account or have insufficient Available Funds in your Checking Account.

b. Liability for Failure to Stop Payment of Preauthorized Transfers. If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

c. Notice of Varying Amounts. If regular payments vary in amount, the person you are going to pay is required to tell you, ten (10) days before each payment, when it will be made and how much it will be.

11. Termination of ATM, EFT, or Online Services. You agree that we may terminate this Agreement and your use of your Card, EFT, or Online Services at any time if:

a. You, or any authorized user of your PIN, or Online Banking Services login information, breach this or any other agreement with us;

b. We have reason to believe that there has been an unauthorized use of your PIN or Online Banking Service log-in information; or

c. We notify you or any other party to your account orally or in writing that we have canceled or will cancel this Agreement.

You or any other party to your account can terminate this Agreement by notifying us in writing. Termination of service will be effective the first business day following receipt of your written notice.

Termination of this Agreement will not affect the rights and responsibilities of the parties under this agreement for transactions initiated before termination.

12. Notices. The Credit Union reserves the right to change the terms and conditions upon which this service is offered. The Credit Union will mail notice to you at least twenty-one (21) days before the effective date of any change, as required by law. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

13. **Billing Errors.** In case of errors or questions about your electronic transfers, telephone us at the phone numbers or write us at the address set forth above as soon as you can. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- a. Tell us your name and account number.
- b. Describe the transfer you are unsure about, and explain clearly as you can why you believe it is an error or why you need more information.
- c. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will tell you the results of our investigation within 10 business days* after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45** days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10)* business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. (If the error you assert is an unauthorized Visa transaction, other than a cash disbursement at an ATM, we will credit your account within five (5) business days unless we determine that the circumstances or your account history warrant a delay, in which case you will receive credit within 10 business days). If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation within three business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

* If you give notice of an error within 30 days after you make the first deposit to your account, we will have 20 business days instead of 10 business days.

** If you give notice of an error within 30 days after you make the first deposit to your account, notice of an error involving a point of sale transaction, or notice of an error involving a transaction initiated outside the U.S. its possessions and territories, we will have 90 days instead of 45 days to investigate.

14. **ATM Safety Notice.** The following information is a list of safety precautions regarding the use of Automated Teller Machine (ATM) and Night Deposit facilities.

- a. Be aware of your surroundings, particularly at night.
- b. Consider having someone accompany you when the ATM or Night Deposit facility is used after dark.
- c. If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction.
- d. Refrain from displaying your cash at the ATM or night deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.
- e. If you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit

facility, or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your ATM access device or deposit envelope, and leave.

f. If you are followed after making a transaction, go to the nearest public area where people are located.

g. Always protect your PIN. Do not write your PIN down anywhere, especially on your card, and never give your PIN to anyone. If you choose your own PIN, avoid using obvious numbers such as telephone numbers, addresses, or birth dates.

h. Bewary of giving out account information over the phone. Never send your card or account information over email

i. Do not withdraw money or purchase gift cards for an "official" person. No official would ask you to withdraw money or purchase gift cards for any reason.

j. Report all crimes to law enforcement immediately.

IV. PRIVACY

a. Short Code 72483 Text Messaging Terms & Conditions. Messaging and data rates may apply. User information will only be used for the service they have opted-in for and will not be used for other services provided on this short code. User information will not be sold to a 3rd party. . To opt-out from services on this short code, text STOP, END, CANCEL, QUIT, or UNSUBSCRIBE to this short code, 72483.

b. Privacy Notice - See next page.

FACTS

WHAT DOES QUALSTAR CREDIT UNION DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number
- credit history and payment history
- credit card or other debt and investment experience

How?

All financial companies need to share members' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their members' personal information; the reasons Qualstar Credit Union chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Qualstar CU share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	Yes
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For our affiliates to market to you	Yes	Yes
For non-affiliates to market to you	Yes	Yes

To limit our sharing

Call **800-848-0018** and a representative can assist you **or**

Visit us online:

www.qualstarcu.com and log in to Mobile or Home Banking to send a secure message.

Please note:

If you are a *new* member, we can begin sharing your information 30 days from the date we sent this notice. However, you can contact us at any time to limit our sharing.

When you are *no longer* our member, we continue to share your information as described in this notice.

Questions?

Call 800-848-0018 or log in to Mobile or Home Banking to send us a secure message.

What we do

How does Qualstar Credit Union **protect my personal information?**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does Qualstar Credit Union **collect my personal information?**

We collect your personal information, for example, when you

- open an account or apply for a loan
- provide account information or pay your bills

	<ul style="list-style-type: none"> ■ seek advice about your investments <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ <i>sharing for affiliates' everyday business purposes—information about your creditworthiness</i> ■ <i>affiliates from using your information to market to you</i> ■ <i>sharing for non-affiliates to market to you</i>

Definitions

Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Our affiliates include companies with a Qualstar name, such as:</i> <ul style="list-style-type: none"> • Qualstar Financial Services
Non-affiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ Non-affiliates we share with can include check order companies, insurance companies, and fraud protection service companies. Current non-affiliate companies include: <ul style="list-style-type: none"> • TruStage for Accidental Death & Dismemberment

	<p>Insurance</p> <ul style="list-style-type: none"> • TruStage for Auto & Homeowner's insurance • TruStage for Life Insurance • Harland Clarke for account check orders
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <p>■ <i>Qualstar Credit Union does not jointly market</i></p>

V. ARBITRATION AND CLASS ACTION WAIVER AGREEMENT

RESOLUTION OF DISPUTES BY ARBITRATION: THIS AGREEMENT CONTAINS IMPORTANT INFORMATION REGARDING YOUR SHARE OR DEPOSIT ACCOUNTS AND RELATED ELECTRONIC FINANCIAL SERVICES. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT CERTAIN DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.

Agreement to Arbitrate Disputes. Either you or we may elect, without the other's consent, to require that any dispute between us concerning your Deposit Accounts (which includes share accounts) and the electronic financial services related to your Deposit Accounts be resolved by binding arbitration, except for those disputes specifically excluded below. This Arbitration Agreement and any arbitration conducted under it are governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and are not subject to any state law related to arbitration.

Disputes Covered by Arbitration. Claims or disputes between you and us arising out of or relating to your Deposit Account(s), transactions involving your Deposit Account(s) and any related electronic financial service with us are subject to arbitration. Electronic financial services include online and mobile account access, bill pay, telephone access, and any other electronic service provided pursuant to our Electronic Funds Transfer Disclosures. You agree that any claims against Zelle® or Early Warning Services, LLC related to the Zelle service are also subject to this Arbitration and Class Action Waiver Agreement. Any claims or disputes arising from or relating to this agreement, any prior account agreement between us, any advertising, the application for, or the approval or establishment of your account are also included. Disputes include not only claims made directly by you, but also made by anyone connected with you or claiming through you, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bank-

ruptcy. Claims are subject to arbitration, regardless of what theory they are based on or whether they seek legal or equitable remedies. Arbitration applies to any and all such claims or disputes, whether they arose in the past, may currently exist or may arise in the future. All such disputes are referred to in this section as “Claims”.

Disputes Not Covered by Arbitration. Both you and we have the right to pursue a Claim in state court instead of arbitration for claims related to our collection of any negative balance or other amounts you owe us under our Membership and Account Agreement, including but not limited to: fraud, deposited items returned unpaid or subject to claims by other parties, and other unpaid account obligations. This exception applies only if the Claim is in that court’s jurisdiction and brought on an individual basis. Also, arbitration will not apply to your Account as long as you are an active duty Service Member. Otherwise, this Agreement to arbitrate will apply without limitation, regardless of whether 1) your account is closed; 2) you pay us in full any outstanding debt you owe; or 3) you file for bankruptcy.

No Class Action or Joinder of Parties. YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. Unless you and we both agree, claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account holders or beneficiaries on your account and/or related accounts, or parties to a single transaction or related transaction), whether or not the claim may have been assigned.

Arbitration Procedures. The arbitration must be filed with the following neutral arbitration forum and must follow its rules and procedures for initiating and pursuing an arbitration:

JAMS

www.jamsadr.com

1-800-352-5267 (toll-free)

The arbitration shall take place in the federal district in which you reside, or in which you entered into this Agreement. The arbitration shall be decided by a single, neutral arbitrator selected by both parties in accordance with the rules of the arbitration forum. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures or pursuant to JAMS’ Streamlined Arbitration Rules and Procedures. Judgment on the arbitrator’s award may be entered in any court having jurisdiction. This Arbitration Agreement does not preclude parties from bringing claims in small claims court or seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. You or we may choose to have a hearing, be represented by counsel and conduct discovery. If the claim is brought by you, you will pay no more than \$250 of the filing costs and expenses and the remaining costs are borne by us. If we bring the claim, we pay for all filing fees and costs. Judgment on the arbitration award may be entered by any court of competent jurisdiction. We will not reimburse any fees if the arbitrator determines that your claim or dispute was frivolous or baseless. Each party shall be responsible for its own attorney fees in any arbitration unless the arbitrator awards attorney fees under applicable law or agreement.

Right to Resort to Provisional Remedies Preserved. Nothing herein shall be deemed to limit or constrain our right to resort to self-help remedies, such as our federal statutory lien; our right of set-off; the

right to restrain funds in an account; to interplead funds in the event of a dispute; to exercise any security interest we may hold in property; to comply with legal process; or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies.

Right to Reject this Arbitration Agreement. You have the right to opt out of this agreement to arbitrate if you tell us within 30 days after you opened your first Account. If you are receiving this Agreement with a notice issued after your first account was opened, you must tell us within 30 days after we issued our notice and this Agreement. To opt out, send us written notice as follows: (i) your written notice must include your name, as listed on your account, your account number, and a statement that you reject this Arbitration Agreement, and (ii) you must send your written notice to Us at the following address: Qualstar Credit Union, P.O. Box 3050, Bothell, WA 98041-3050, Attn: Arbitration Opt-Out; or complete the secure online form at www.qualstarcu.com/arbitration-opt-out.

Acceptance of Arbitration and Class Action Waiver. Following receipt of this Binding Arbitration and Class Action Waiver Agreement and expiration of the rejection period, your decision not to reject this Agreement as confirmed by your continued use of your Account, confirms your agreement to be bound by the above terms for all of your Accounts and your Accounts will be bound by this Arbitration and Class Action Waiver Agreement.

Account Access

For 24/7 access to your accounts, download the Qualstar Mobile Banking app for iPhone or Android, and enroll for instant access (Carrier message and data rates apply) to:

- View eStatements
- Deposit checks
- Transfer money to and from Qualstar accounts, as well as accounts at other financial institutions
- Bill Payer - pay unlimited bills at no charge
- Manage Visa® Credit and Debit Cards
- Check your credit score and credit report at no charge

How to Reach Us

Email via Online Services

To send a **secure** email to us, please use our secure message feature in Online Services. **Please do not** send account or personal information through unsecured email.

Member Contact Center

Toll Free: 800-848-0018

Local: 425-643-3400

Mailing Address

PO Box 3050

Bothell, WA 98041-3050

Branch Locations

Visit qualstarcu.com/locations



This credit union is federally insured by the National Credit Union Administration.

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