

TMX Finance
Secured Line of Credit Account
Terms and Conditions
Effective June 2025

These TMX Finance Secured Line of Credit Account Terms and Conditions (these “*Terms and Conditions*” or this “*Agreement*”) govern your TMX Finance Secured Line of Credit Account. In this Agreement, “*you*” and “*your*” refer to each Borrower and Co-Borrower who has applied for and been approved for a TMX Finance Secured Line of Credit Account. “*We*,” “*us*,” “*our*,” and “*Lender*” refer to TMX Finance of Tennessee, Inc., which operates under the d/b/a TitleMax. “*Account*” and “*Secured Line of Credit Account*” means the open-end, secured line of credit established between you and Lender in accordance with these Terms and Conditions. TMX Finance of Tennessee, Inc. is a licensee under and offers this open-end line of credit product in accordance with and under the authority of the Tennessee Flexible Credit Act, Tenn. Code § 45-12-101 *et seq.*

These Terms and Conditions contain an arbitration provision. Unless you act promptly to reject the arbitration provision, it will have a substantial effect on your rights in the event of a dispute.

THESE TERMS AND CONDITIONS CONTAIN AN ARBITRATION CLAUSE (THE “CLAUSE”). UNLESS YOU TIMELY OPT OUT OF THE CLAUSE, IT WILL SUBSTANTIALLY IMPACT YOUR RIGHTS IF YOU HAVE A DISPUTE RELATED DIRECTLY OR INDIRECTLY TO THE ACCOUNT THAT IS THE SUBJECT OF THESE TERMS AND CONDITIONS. THESE TERMS AND CONDITIONS ALSO CONTAIN SEPARATE WAIVER OF RIGHT TO TRIAL BY JURY, CLASS ACTION WAIVER, AND MASS ACTION WAIVER PROVISIONS. READ THESE TERMS AND CONDITIONS CAREFULLY BEFORE SIGNING THE PERSONAL LINE OF CREDIT ACCOUNT OPENING DISCLOSURES AND ACCOUNT OPENING ACKNOWLEDGEMENT.

You should review these Terms and Conditions to fully understand how your TMX Finance Secured Line of Credit Account works. If you have questions, you may contact customer service at 1-833-241-3329. You should retain a copy of these Terms and Conditions for your records.

ACCOUNT OPENING DISCLOSURES

Refer to your Secured Line of Credit Account Opening Disclosures and Account Opening Acknowledgement for your Account Opening Disclosures.

TERMS AND CONDITIONS

A. Definitions.

“*Account*,” “*Secured Line of Credit Account*,” and “*TMX Finance Secured Line of Credit Account*” each means the open-end, secured revolving line of credit established between you and Lender in accordance with these Terms and Conditions. The Account is a “flex loan plan” for purposes of the Tennessee Flexible Credit Act, Tenn. Code § 45-12-101 *et seq.*

“*Account Opening Acknowledgement*” means the Secured Line of Credit Account Opening Disclosures and Account Opening Acknowledgement.

“*Application*” and “*Credit Application*” each mean the initial and any supplemental credit application you submit in connection with establishing and maintaining your Account with Lender.

“*Borrower*” means each and every individual identified as a Borrower or a Co-Borrower on the Account.

“*Borrower Notice Address*” means the address provided by Borrower on Borrower’s Credit Application or such other address as Borrower designates to Lender in writing as the Borrower Notice Address.

“*Billing Cycle*” means the interval between the days or dates of regular periodic statements.

“*Business Day*” means any day Lender’s storefront locations in Tennessee are open for business, not including Sundays or holidays.

“*Cash Advance*” means a borrowing of cash made under your Account. Each Cash Advance is a “flex loan” for purposes of the Tennessee Flexible Credit Act, Tenn. Code § 45-12-101 *et seq.*

“*Co-Borrower*” means each and every individual identified as a Co-Borrower on the Account.

“*Collateral*” means the motor vehicle and related property as defined further in the Security Agreement, which Collateral secures Borrower’s payment and performance obligations under the Terms and Conditions and the Account.

“Co-Owner” means any individual co-owner of the Collateral who is not a Borrower or Co-Borrower on the Account.

“Credit Limit” means the maximum amount you can borrow under your Account. Your available credit is based on the outstanding principal balance of Cash Advances made on your Account and is not reduced by accrued and outstanding Interest or Customary Fees.

“Customary Fee” means the fee that Lender charges on the principal balance of your Account to defray the ordinary costs of opening, administering, and terminating your Account. The Customary Fee, which is a periodic rate charged on the average daily principal balance of the Account, is not Interest for purposes of Tennessee law, but is included as part of the APR for the Account.

“Dispute” has a broad meaning and includes each and all claims and disagreements related directly or indirectly to or associated with all of the following: (i) the Credit Application; (ii) the Account Opening Acknowledgement; (iii) the Security Agreement; (iv) these Terms and Conditions; (v) the Account; (vi) the Collateral; (vii) Borrower’s dealings with Lender; (viii) Borrower’s dealings with any Related Party; (ix) any prior Applications and agreements involving Lender and Borrower; (x) amendments, modifications, and payment plans associated with the Account; (xi) collections activities and matters related to the recovery of the Collateral; (xii) payment processing activities and payment authorizations; and (xiii) privacy and customer information matters. “Dispute” also includes claims and disagreements: (xiv) that usually would be resolved in court; (xv) that relate to the validity, coverage, or scope of Section X or any part of Section X; and (xvi) that Borrower has with or involving one or more Related Parties.

“Due Date” means the date reflected on your Periodic Statement on which your payment is due.

“Interest” means the periodic rate of interest charged on the average daily principal balance of your Account.

“Lender” means TMX Finance of Tennessee, Inc. d/b/a TitleMax.

“Lender Notice Address” means TMX Finance of Tennessee, Inc. d/b/a TitleMax, Legal Department, 2312 E. Trinity Mills Road, Suite 100, Carrollton, Texas 75006.

“Minimum Payment Amount” means the minimum payment you agree to make each Billing Cycle, consisting of the Minimum Principal Amount and accrued and outstanding Interest and Customary Fees.

“Minimum Principal Amount” means that portion of your Minimum Payment Amount that is applied to the outstanding principal balance of your Account. The formula for calculating the Minimum Principal Amount is set forth in Section F below.

“Periodic Statement” means the written statement issued for each Billing Cycle that describes, among other things, Cash Advances, accrued Interest and Customary Fees, payments made, other credits, balances that are past due, your previous balance, your new balance and your payment Due Date for that Billing Cycle.

“Related Party” includes each of the following: (i) Lender’s affiliates; (ii) employees, directors, officers, shareholders, members, representatives, and service providers (e.g., vehicle recovery vendors, collections companies, payment processors, consumer reporting agencies) of Lender and its affiliates; (iii) any person or company involved in any way with the Credit Application, these Terms and Conditions, the Account Opening Acknowledgement, the Collateral, and the Account (including the origination, servicing, and collections thereof), including, without limitation, vehicle recovery vendors, collections companies, payment processors, and consumer reporting agencies, and employees, directors, officers, shareholders, members, representatives of any such person or company; and (iv) any person or company involved in a Dispute involving Borrower and Lender or Borrower and another Related Party.

“Security Agreement” means the separate Secured Line of Credit Account Motor Vehicle Pledge and Security Agreement entered into by Borrower and Lender, whereby Borrower pledges to Lender the Collateral described therein to secure Borrower’s payment and performance obligations under the Terms and Conditions and the Account.

B. Eligibility for a TMX Finance Secured Line of Credit Account; Validation of Information and Credit Reporting; Account Suspension

You may be eligible for a TMX Finance Secured Line of Credit Account if you meet certain eligibility criteria established by us, which may change from time to time at our sole discretion. As of the date of this Agreement, the eligibility criteria are as follows:

- You have a regular source of income;
- You are at least 18 years old;
- You own an unencumbered motor vehicle or a motor vehicle that has no encumbrances other than a lien in favor of TitleMax of Tennessee, Inc. or a lien for a credit obligation that will be fully satisfied from the proceeds of the initial Cash Advance;

- Your motor vehicle collateral satisfies Lender's minimum value and vehicle appraisal standards;
- You meet all other credit underwriting standards established by Lender from time to time; and
- You are not in default as defined in Section I of these Terms and Conditions.

TMX Finance may verify all information provided in your Application and your continuing eligibility for your Account as follows: (a) by obtaining and reviewing information about you from one or more consumer reporting agencies and other information sources; (b) by obtaining and reviewing past or current credit and payment history information about you from affiliates and third party source(s); and (c) by contacting any person or company listed on your Application, including any persons that you may add at a later date. Your Application may be denied and access to your Account may be suspended or terminated if any information provided by you to Lender is found to be inaccurate, incomplete, incorrect or false.

Reporting to Credit Bureaus: Lender may report information concerning your Account and/or transactions with Lender to credit bureaus. Late payments, missed payments or other defaults on your Account may be reflected in your credit report.

If at any point while your Account remains open Lender determines in its sole discretion that you no longer meet one or more of the eligibility criteria for the Account, Lender may suspend access to your Account and restrict your right to request and receive Cash Advances until such time as Lender has validated your satisfaction of all eligibility criteria. Lender may also suspend access to your Account and restrict your right to request and receive Cash Advances as described in Section H, Section I and Section K of these Terms and Conditions.

C. Opening Your Account; Credit Limit

In order to open an account with Lender, you must

1. execute and submit to Lender an accurate and complete Credit Application;
2. satisfy all of Lender's eligibility criteria;
3. execute and deliver a Security Agreement whereby you pledge to Lender Collateral that satisfies Lender's minimum value and vehicle appraisal standards;
4. execute and deliver to Lender the Account Opening Acknowledgement;
5. if there is a Co-Owner of the Collateral the Co-Owner must execute and deliver in favor of Lender a Co-Owner Consent and Security Agreement, whereby the Co-Owner grants to Lender a security interest in the Collateral; and
6. provide to Lender such other information and documentation as Lender may request in order to permit Lender to evaluate your Application and perfect a security interest in the Collateral.

The Account is an open-end, secured revolving line of credit with a maximum Credit Limit assigned by Lender. Subject to Borrower's continuing eligibility and satisfaction with the Terms and Conditions, Borrower may borrow, repay and re-borrow amounts from time to time, up to the Credit Limit. Your available credit at any given time is equal to the Credit Limit amount less the outstanding principal balance of Cash Advances made on your Account; available credit is not reduced by accrued and outstanding Interest or Customary Fees.

D. Accessing Your Account; Cash Advance Cancellation Right

You can request a Cash Advance at any TMX Finance location in Tennessee that offers the Secured Line of Credit Account product during normal business hours for such location by executing and submitting a Line of Credit Cash Advance Request Form. The minimum Cash Advance amount is \$50 (or the remaining available credit amount, if such amount is less than \$50). Aggregate outstanding Cash Advances may not exceed your Credit Limit, and individual Cash Advances are limited to the amount of available credit on your Account. Proceeds of Cash Advances may be issued by check or by any other method authorized by Lender in writing.

You may cancel any Cash Advance by returning to Lender the proceeds of the Cash Advance no later than the close of business on the business day after the day on which the Cash Advance was made. Lender will not assess any Interest or Customary Fees on the amount of any such Cash Advance that is timely canceled and returned.

E. Interest, Fees and Charges; Balance Computation Method; Billing Rights

Interest will accrue on the outstanding principal balance of your Account at the periodic rate of 0.0657% per day (23.9805% annual percentage rate). Customary Fees will accrue on the outstanding principal balance of your Account at the periodic rate shown in your Account Opening Acknowledgement. The Annual Percentage Rate

shown in your Account Opening Acknowledgement is the annual rate comprised of the annual Interest rate plus the annual Customary Fee rate.

Your daily Customary Fee percentage is determined based on your creditworthiness and whether you have done business with Lender previously. More creditworthy consumers and consumers who have a good history with Lender may qualify for daily Customary Fee percentages at the lower end of the range. Lower promotional rates may be offered from time to time.

Automobile			
Maximum Credit Limit	Customary Fee Rate (Daily/Annual)	Interest Rate (Daily/Annual)	Interest and Customary Fees Combined Annual Percentage Rate (APR)
\$100.00 to \$699.99	0.5257% to 0.6243% (191.88% to 227.8800%)	0.0657% (23.9805%)	215.8605% to 251.8605%
\$700.00 to \$999.99	0.5257% to 0.6243% (191.88% to 227.8800%)	0.0657% (23.9805%)	215.8605% to 251.8605%
\$1,000.00 to \$1,399.99	0.4928% to 0.5915% (179.88% to 215.8800%)	0.0657% (23.9805%)	203.8605% to 239.8605%
\$1,400.00 to \$1,999.99	0.4599% to 0.5586% (167.8800% to 203.8800%)	0.0657% (23.9805%)	191.8605% to 227.8605%
\$2,000.00 to \$2,699.99	0.4271% to 0.5257% (155.8800% to 191.8800%)	0.0657% (23.9805%)	179.8605% to 215.8605%
\$2,700.00 to \$3,999.99	0.3613% to 0.4928% (131.8800% to 179.8800%)	0.0657% (23.9805%)	155.8605% to 203.8605%
\$4,000.00	0.3613% to 0.4599% (131.8800% to 167.8800%)	0.0657% (23.9805%)	155.8605% to 191.8605%

Motorcycle			
Credit Score	Customary Fee Rate (Daily/Annual)	Interest Rate (Daily/Annual)	Interest and Customary Fees Combined Annual Percentage Rate (APR)
0 to 279	0.395% to 0.559% (143.88% to 203.88%)	0.0657% (23.9805%)	167.8605% to 227.8605%
280 to 399	0.362% to 0.526% (131.88% to 191.88%)	0.0657% (23.9805%)	155.8605% to 215.8605%
400 to 559	0.329% to 0.493% (119.88% to 179.88%)	0.0657% (23.9805%)	143.8605% to 203.8605%
560 to 729	0.296% to 0.460% (107.88% to 167.88%)	0.0657% (23.9805%)	131.8605% to 191.8605%
730 to 1000	0.263% to 0.427% (95.88% to 155.88%)	0.0657% (23.9805%)	119.8605% to 179.8605%

Interest and Customary Fees will accrue on the outstanding principal balance of your Account at the combined annual periodic interest rate set forth in the Account Opening Acknowledgement. Interest and Customary Fees accrue based on the number of days elapsed over a 365-day year. Interest and Customary Fees will continue to accrue on delinquent principal amounts as permitted by Tennessee law. Customary Fees will not accrue while the Account is in default status.

We calculate your balance using a method called “average daily balance (including new cash advances)”. To get the “average daily balance” we take the beginning principal balance of your Account each day, add any new Cash Advances and subtract any payments or credits to principal. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the “average daily balance.”

Information on your rights to dispute transactions and how to exercise those rights is provided in [Section J](#) of these Terms and Conditions.

If your maximum Credit Limit is adjusted up or down such that your Account will be in a different Customary Fee rate tier, Lender reserves the right to change the Customary Fee rate accordingly beginning with the first day of the billing cycle following the effective date of the change in your Credit Limit.

F. Promise to Pay; Payments; Calculation of Minimum Principal Amount

You promise to pay the total of all Cash Advances outstanding on your Account from time to time, together with all Interest and Customary Fees that accrue on your Account from time to time as described in these Terms and Conditions. You also promise to pay all costs and fees, including reasonable attorneys' fees, which we incur in referring your Account to an attorney for collection or enforcement, to the extent permitted by Tennessee law.

You agree to make the Minimum Payment Amount shown on each Periodic Statement on or before the applicable Due Date for such payment. The Minimum Payment Amount consists of the Minimum Principal Payment and accrued and outstanding Interest and Customary Fees.

We credit each payment to your Account effective the Business Day on which such payment is received. Each payment received will be applied as follows: (1) past due billed Minimum Principal Payment amounts, (2) past due billed unpaid Interest, (3) past due billed Customary Fees, (4) current billed Minimum Principal Payment amount, (5) current billed unpaid Interest, (6) current billed unpaid Customary Fees, and (7) the outstanding principal balance of your Account.

Payments on your Account are accepted at any TMX Finance location in Tennessee that offers the Secured Line of Credit Account product during normal business hours for such location. Payments may be made by cash, money order, certified check, debit card, Western Union and such other payment method(s) as Lender may designate from time to time in writing. Lender does not accept personal checks.

We encourage you to pay more than the Minimum Payment Amount to minimize the amount of Interest and Customary Fees you may incur. You may prepay any outstanding principal amount and billed Interest and Customary Fees owed on your Account in whole or in part at any time without penalty.

The Minimum Principal Amount due for each Billing Cycle is calculated at the end of each Billing Cycle and will be an amount equal to 3% of the ending principal balance for such Billing Cycle. For example, if the starting principal balance for a Billing Cycle is \$899.99, you make a Cash Advance of \$200.00 during the Billing Cycle, and you make a payment during such Billing Cycle of which \$100.00 is applied to principal, the ending principal balance for such Billing Cycle will be \$999.99 (\$899.99 + \$200.00 - \$100.00). The Minimum Principal Amount due under the statement for such Billing Cycle will be \$30.00 (3% of \$999.99).

G. Periodic Statements

Not less than once each Billing Cycle during which there is (i) one or more transactions, (ii) a payment is received, or (iii) there is an outstanding balance owing on your Account, we will make available to you a Periodic Statement reflecting, among other things, Cash Advance transactions, accrued Interest and Customary Fees, payments made, other credits, balances that are past due, your previous balance, and your new balance. In addition, we will provide you from time to time with any other disclosures or information required by applicable law and these Terms and Conditions. The Periodic Statement for each Billing Cycle will be generated and mailed at least fourteen (14) days prior to the applicable Due Date for such Billing Cycle.

H. Collateral

Your Credit Limit is based in part on Lender's appraisal of the Collateral. At all times during the term of your Account, you must have pledged to Lender Collateral with a value sufficient to support the Credit Limit. The Collateral is subject to an inspection and appraisal from time to time (but no more frequently than every 6 months) during the term of your Account. If you fail to comply with this periodic Collateral review, Lender will suspend access to your Account and restrict your right to request and receive Cash Advances until the Collateral review is made and Lender determines, in its discretion, that the Collateral is of sufficient value to support the Credit Limit. If at any time Lender, in its discretion, determines that the Collateral is not of sufficient value to support the Credit Limit, Lender reserves the right to suspend access to your Account and reduce your Credit Limit accordingly. Lender may permit you to pledge different or additional Collateral in its sole discretion.

Lender may also suspend access to your Account and restrict your right to request and receive Cash Advances if the Collateral is repossessed or impounded, if Lender is unable to perfect the lien on the Collateral, or if Lender determines, in its sole discretion, that you have breached any promise you make about the Collateral in the Security Agreement or that the realization of the Collateral is significantly impaired.

I. Delinquency and Default; Account Suspension; Consequences of Default

Your Account will be delinquent if you fail to pay any Minimum Payment Amount in full on or before the Due Date for such amount. Interest and Customary Fees will continue to accrue on delinquent principal amounts. While your Account remains delinquent, Lender will suspend access to your Account and restrict your right to request and receive Cash Advances. Lender may also suspend access to your Account and restrict your right to request and receive Cash Advances as described in Section H and Section K of these Terms and Conditions.

If you fail to timely pay in full a Minimum Payment Amount for a Billing Cycle and do not bring your Account current by the close of business on the 30th day following the Due Date for such missed or incomplete payment, your Account will be in default status. Unless you timely cure such default, Lender may take any of the following actions to the extent allowed: (1) Lender may declare all amounts outstanding under the Security Agreement immediately due and payable (the "Accelerated Balance"); (2) Lender may seek payment of any such Accelerated Balance under the terms set for in the Optional Loan Payment Authorization, if applicable; (3) Lender may seek payment of any such Accelerated Balance through a one-time payment for all amounts due outlined in the Secured Line of Credit Account Opening Disclosures and Account Opening Acknowledgment (Authorization to Collect Debt Upon Default); (4) consistent with the terms of the Security Agreement, Lender may repossess and foreclose upon the Vehicle with or without judicial process; and (5) Lender may exercise any other right or remedy allowed by law or this Security Agreement.

Lender's rights under these Terms and Conditions, the Security Agreement and under applicable law are cumulative and not exclusive.

We reserve the right to close your Account at any time following default without notice. We also reserve the right to close your Account after 12 months of inactivity on your Account. You remain obligated to pay all amounts owing on your Account notwithstanding the suspension or closure of your Account.

J. Billing Rights

Your Billing Rights: Keep This Document For Future Use
This notice tells you about your rights and our responsibilities under federal law.

What To Do If You Think You Find A Mistake On Your Statement

If you think there is an error on your statement, write to us at:

TMX Finance of Tennessee, Inc.
Legal Department
2312 E. Trinity Mills Road, Suite 100
Carrollton, Texas 75006.

(DO NOT SEND PAYMENTS TO THIS ADDRESS)

In your letter, give us the following information:

- *Account information:* Your name and account number.
- *Dollar amount:* The dollar amount of the suspected error.
- *Description of Problem:* If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

What Will Happen After We Receive Your Letter

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on

that amount.

- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- *If we made a mistake:* You will not have to pay the amount in question or any interest or other fees related to that amount.
- *If we do not believe there was a mistake:* You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

K. Change in Terms

We reserve the right to change these Terms and Conditions at any time with notice to you as required by applicable law. We will notify you of any significant change in these Terms and Conditions by providing written notice of such change to the Borrower Notice Address and/or Borrower's designated electronic mail address at least 45 days before the effective date of such change. Continued use of your Account after the effective date of such change constitutes your acceptance of and agreement to the changed Terms and Conditions. If you wish to decline the changes to your Account, Lender will suspend access to your Account and restrict your right to request and receive Cash Advances, pending the payment in full and closure of your Account. You will still be required to repay all amounts that you owe on your Account pursuant to the prior Terms and Conditions.

L. Regulatory Complaint Notice Address

Complaints about Lender may be submitted to the Tennessee Department of Financial Institutions at the following address:

Tennessee Department of Financial Institutions
Tennessee Tower 26th Floor
312 Rosa L. Parks
Nashville, TN 37243
Phone: 1-800-778-4215
Fax: 615-253-7794
<https://first.tn.gov/Complaints/UI/>.

The Tennessee Department of Financial Institutions Consumer Complaint Form can be downloaded from the agency website at http://www.tennessee.gov/assets/entities/tdfi/attachments/Complaint_Form.pdf or requested by email at tdfi.consumerresources@tn.gov.

M. Telephone Recording

You agree that Lender (directly or via its account servicing representative) may monitor and record any phone conversation with you.

N. Correspondence and Notices

All correspondence concerning these Terms and Conditions, the Account Opening Acknowledgment, the Account, the Security Agreement, or the Collateral must be directed to Lender at the Lender Notice Address. Notices to Borrower shall be sent to the Borrower Notice Address, provided that Lender also may send Account communications (including Periodic Statements and other important Account Information) to Borrower's designated electronic mail address. This Section N covers all correspondence between Lender and Borrower, including correspondence after default or Borrower's bankruptcy.

O. Notice and Cure

Each party agrees that before suing or starting arbitration about (i) the Credit Application, (ii) these Terms and

Conditions, (iii) the Account Opening Acknowledgement, (iv) the Security Agreement, (v) the Collateral, or (vi) the Account, such party first must do all of the following:

- a. The party filing the dispute (the “*Claimant*”) must tell all other parties (the “*Defending Party*”) of the dispute (the “*Dispute Notice*”). Each Dispute Notice must describe the nature of the claim and relief requested. Each Dispute Notice must be written and, except for collections letters from Lender, must give at least 30 days to solve the dispute.
- b. Claimant must mail Dispute Notices to the Notice Address for Lender and the Borrower Address for Borrower. Dispute Notices to Lender must include the Account Number and Borrower’s mailing address and phone number.
- c. If Defending Party asks for more information about the dispute, Claimant must give it.

P. Successors and Assigns

These Terms and Conditions are binding upon Borrower’s heirs and personal representatives in probate and upon anyone to whom Borrower assigns his or her assets or who succeeds Borrower in any other way. Lender may assign all of its rights, title and interest under these Terms and Conditions and/or the Account at Lender’s discretion. Borrower may not assign his or her rights under these Terms and Conditions or the Account without Lender’s written consent.

Q. Waivers

If Lender delays or does not enforce its rights every time, Lender can still do so later. Borrower waives presentment, demand for payment, notice of intent to accelerate, notice of acceleration, protest, and notice of dishonor. Lender need not sue, arbitrate, or show diligence in collecting against Borrower or others. Lender may require that Borrower pay the Account in full without asking anyone else to pay. Lender may sue or arbitrate against Borrower without giving up any of its rights against any other person. Lender may sue or arbitrate with a person without joining or suing others. Lender may release or modify a person’s liability without changing other persons’ liability.

R. Severability

If any provision of these Terms and Conditions (including the Arbitration Clause contained in Section X hereof) is held invalid or unenforceable, such provision will be considered changed to the extent necessary to comply with law, and the validity or enforceability of any other provision will not be affected.

S. Governing Law; Venue

These Terms and Conditions and the Account involve interstate commerce. Tennessee law governs these Terms and Conditions and the Account, but the Federal Arbitration Act, 9 U.S.C. § 1, et seq., exclusively governs the Arbitration Clause contained in Section X hereof. For any in-person arbitration hearing arising out of or related to (i) Borrower’s Credit Application, (ii) these Terms and Conditions, (iii) the Account Opening Acknowledgement, (iv) the Security Agreement, (v) the Collateral, or (vi) the Account, Lender and Borrower acknowledge and agree that such arbitration hearing must be at a place reasonably convenient to me and that disputes subject to arbitration may also be resolved in writing or by conference call.

T. WAIVER OF RIGHT TO TRIAL BY JURY

TRIAL BY JURY IS A CONSTITUTIONAL RIGHT. UNDER CERTAIN CONDITIONS THE LAW ALLOWS PARTIES TO WAIVE THIS RIGHT. LENDER AND BORROWER KNOWINGLY AND FREELY WAIVE ALL RIGHTS TO A JURY TRIAL FOR ANY SUIT RELATED DIRECTLY OR INDIRECTLY TO (I) BORROWER’S CREDIT APPLICATION, (II) THESE TERMS AND CONDITIONS, (III) THE ACCOUNT OPENING ACKNOWLEDGEMENT, (IV) THE SECURITY AGREEMENT, (V) THE COLLATERAL, AND (VI) THE ACCOUNT. THIS JURY TRIAL WAIVER WILL NOT CHANGE ANY ARBITRATION CLAUSE TO WHICH LENDER AND BORROWER AGREE.

U. CLASS ACTION WAIVER, MASS ACTION WAIVER:

BORROWER AGREES TO CONDUCT ANY DISPUTE RESOLUTION PROCEEDING ON AN INDIVIDUAL BASIS ONLY. BORROWER HEREBY WAIVES ITS RIGHT TO DO ANY OF THE FOLLOWING: (1) SERVE AS A PRIVATE ATTORNEY GENERAL OR IN A REPRESENTATIVE CAPACITY; (2) BE IN A LAWSUIT OR DISPUTE WHERE THIS IS MORE THAN ONE PLAINTIFF OR PETITIONER, UNLESS THE ADDITIONAL PLAINTIFF OR PETITIONER IS A CO-BORROWER, A CO-OWNER, OR ANOTHER PERSON THAT WOULD BE DEEMED AN “INDISPENSABLE PARTY” TO SUCH PROCEEDING; (3) BRING OR BE A CLASS MEMBER IN A CLASS ACTION OR CLASS ARBITRATION; (4) JOIN, COMBINE, OR CONSOLIDATE (OR PERMIT TO BE JOINED, COMBINED, OR CONSOLIDATED) A DISPUTE BORROWER HAS WITH A

DISPUTE INVOLVING OR BROUGHT BY ONE OR MORE OTHER CONSUMERS; AND (5) PARTICIPATE IN ANY WAY IN ANY DISPUTE RESOLUTION PROCEEDING THAT IS A “MASS ACTION.” IF ANY WAIVER OR ANY PART OF ANY WAIVER BY BORROWER CONTAINED IN THE FOREGOING SENTENCE IS PROHIBITED BY LAW OR DEEMED CONTRARY TO PUBLIC POLICY BY A FINAL, NON-APPEALABLE ORDER OF A COURT OF COMPETENT JURISDICTION, LENDER AND BORROWER AGREE THAT BORROWER SHALL NOT BE ENTITLED TO RECOVER ANY ATTORNEYS’ FEES OR COSTS ASSOCIATED WITH BORROWER’S PURSUING OR PARTICIPATING IN THE CLASS ACTION, REPRESENTATIVE ACTION, OR “MASS ACTION,” EVEN IF SUCH FEES OR COSTS MAY BE AWARDED TO BORROWER UNDER ANOTHER SECTION OF THESE TERMS AND CONDITIONS.

V. Small Claims Court

Borrower and Lender agree that Lender will not demand arbitration of any lawsuit Borrower brings on Borrower’s behalf in small claims court. But, Lender may demand arbitration of any appealed small claims decision.

W. Entire Agreement

These Terms and Conditions, including the Arbitration Clause contained in Section X hereof and the Account Opening Acknowledgement together represent the final agreement between Lender and Borrower regarding the Account, and there are no other oral or written agreements between Lender and Borrower regarding the Account.

X. ARBITRATION CLAUSE

BACKGROUND AND SCOPE		
<u>Question</u>	<u>Short Answer</u>	<u>Further Detail</u>
What is a Dispute?	A disagreement	In this Clause, “Dispute” has the meaning assigned to it by <u>Section A</u> above.
What is arbitration?	An alternative to court	In arbitration, a third party arbitrator (“ <i>TPA</i> ”) solves Disputes in a hearing (“ <i>hearing</i> ”). It is less formal than a court case.
What is this Clause about?	The parties’ agreement to arbitrate Disputes	Subject to certain exceptions specified in this Clause, Lender and Borrower agree that any party may arbitrate or demand arbitration of any Dispute unless Borrower opts out or the law does not allow it.
What Disputes does the Clause cover?	Most Disputes that normally would go to court (except certain Disputes)	<p>This Clause covers Disputes involving Lender and Borrower. This Clause also covers Disputes involving Borrower and one or more Related Parties.</p> <p>This Clause does not preclude Pledgor from filing a claim in court solely for the purpose of stopping Lender from taking or selling the Collateral, nor does it preclude Lender from filing a claim in court requesting possession of the Collateral. If any proceeding is brought as permitted by the preceding sentence, any additional claims also raised are covered by this Clause and must be severed from such proceeding.</p> <p><u>Section V</u> of the Terms and Conditions also permits Borrower to bring a Dispute on Borrower’s behalf in small claims court. Lender will not demand arbitration of any lawsuit you bring for yourself individually in small claims court, but Lender may demand arbitration of any appealed small claims decision.</p> <p>Either party may sue or continue with a suit if the other party does not demand arbitration. This Clause also does not prohibit a party from asking a court to determine the validity or enforceability of any class action waiver contained in the Terms and Conditions or in this Clause, but the TPA otherwise shall be responsible for Disputes involving the validity, coverage, or scope of the Terms and Conditions, any part of the Terms and Conditions, this Clause, or any part of this Clause.</p>

Who does the Clause cover?	Lender and Borrower, and it also benefits Related Parties	This Clause covers Lender and Borrower. This Clause also applies if a Dispute is brought against one or more Related Parties (as defined in Section A above). Related Parties benefit from this Clause. Borrower may not compel a Related Party to arbitration, but a Related Party may compel Borrower to arbitrate each and every Dispute that is covered by this Clause.
Is arbitration under these Terms and Conditions different from court and jury trials?	Yes	<p>An arbitration proceeding is private. It is usually less formal, faster, and less costly than a lawsuit. Pre-hearing fact finding sometimes is limited. Appeals are limited. Courts rarely overturn arbitration awards. Furthermore, for Disputes being resolved in an arbitration proceeding under these Terms and Conditions:</p> <ol style="list-style-type: none"> 1. A jury will not decide Disputes. 2. The only Disputes a court may decide are (a) cases filed in small claims court, (b) claims you file in court solely for the purpose of stopping Lender from taking or selling the Collateral, or (c) claims Lender files to request possession of the Collateral. All other Disputes are subject to arbitration. 3. No individual will serve as a private attorney general or in a representative capacity. 4. A Dispute you have will not be joined or permitted to be joined with a dispute by or involving other consumers. 5. No person will be a class member, and no arbitration will be a class action or class arbitration.
Is Lender giving up any rights?	Yes	For Disputes subject to and being resolved under this Clause, by participating in an arbitration proceeding, Lender gives up its right to have a jury decide Disputes and to pursue most Disputes in court.
Is it confidential?	Yes, it can be	Any part to the arbitration can ask that arbitration be confidential. That means things people say, and documents and information disclosed as part of the arbitration, will be used only for the arbitration and will not be shared with anyone who is not part of the arbitration. That also means that people involved in the arbitration may be asked to sign a separate confidentiality agreement. Confidential information may be used to appeal or enforce an arbitration award.
Can Borrower opt-out of this Clause?	Yes, within 60 days	<p>If you do not want this Clause to apply, you have 60 days after you sign the Account Opening Acknowledgement to opt out (the “<i>Opt-Out Deadline</i>”). To opt out, you must tell Lender in a letter you send to the Notice Address. You must give your name, address, and Account number. You must state that you “opt out” of this Clause. You may not send your notice electronically. To be effective, your written opt out notice must have a postmark or courier date that is on or before the Opt-Out Deadline. If you opt out of this Clause in these Terms and Conditions, that does not impact the effectiveness of any Clause contained in any other Terms and Conditions that you have entered into or may in the future enter into with Lender for which you did not exercise your opt-out right.</p> <p>The waivers you agree to in Section U above apply whether or not you exercise your right to opt out of this Clause.</p>

Who handles the arbitration?	A Third Party Arbitrator	Arbitrations must be conducted under this Clause. The TPA will be one of the following: <ul style="list-style-type: none"> • An individual, independent TPA the parties choose together; • JAMS, 620 Eighth Avenue, 34th Floor, New York, NY 10018, www.jamsadr.com; or • Any other arbitration company the parties choose together. No arbitration may be held without Lender’s consent by an arbitration company or TPA that would allow class arbitration under this Clause. Unless Lender and you agree otherwise, the TPA must be a lawyer with 10+ years of experience or a retired judge.
What rules apply to the arbitration?	Usually, the arbitration company rules	If the parties use an arbitration company such as JAMS, that company’s consumer arbitration rules will apply. If the parties choose an individual TPA, then such TPA will follow the JAMS consumer arbitration rules, unless the parties mutually agree to an alternative. In any case, the TPA will not apply any state or federal rules of civil procedure or evidence. Arbitration rules that conflict with this Clause do not apply.
Does this Clause permit class arbitration or mass arbitration?	No	TPAs shall <u>not</u> handle a class or representative Dispute. All Disputes under this Clause must be arbitrated or decided by individual small claims case. This Clause will be void if a court allows a TPA to decide a Dispute on a class basis and such ruling is not reversed on appeal. No TPA will have the authority to conduct any “mass action” or to combine or aggregate similar claims or conduct.
What law applies?	The Federal Arbitration Act (“FAA”)	The FAA governs this Clause. The TPA must apply law consistent with the FAA. The TPA must honor statutes of limitation and privilege rights. Constitutional standards that apply in court proceedings govern punitive damage awards.

Can anything you do negate this Clause?	No, though you can opt out	This Clause stays in force if you: (1) cancel or close the Account; (2) default, renew, prepay or pay the Account in full; or (3) go into bankruptcy. Borrower can opt out as described above.
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PROCESS

<u>Question</u>	<u>Short Answer</u>	<u>Further Detail</u>
What must be done before starting a lawsuit or arbitration?	Send a written Dispute Notice; work to resolve the Dispute	Before starting a lawsuit or arbitration, Claimant must give a Dispute Notice as <u>Section O</u> above requires. If you are the Claimant, you or your attorney must sign the Dispute Notice. You must give the Account Number and a contact number for you or your attorney. Collections letters from Lender are Dispute Notices. Each Dispute Notice (other than collections letters) must give at least 30 days to settle the dispute.
How does arbitration start?	Follow the rules of the arbitration company	If the parties do not settle the Dispute within the 30-day period, Claimant may start arbitration. To start arbitration, Claimant must work with Lender and any Related Parties to select a TPA. If the parties cannot agree on upon a mutually satisfactory arbitration company, Claimant may select a TPA and must file the necessary paperwork with the arbitration company to commence the arbitration. If one party sues or threatens to sue, the other party can demand arbitration. This demand can be made in court papers. It can be made if a party sues on an individual basis and then tries to pursue a class action. Once an arbitration demand is made, no suit can be brought and any current suit must stop.

Will any hearing be held nearby?	Yes	Any in-person hearing must be at a place reasonably convenient to Borrower. The TPA may decide that an in-person hearing is not needed. A Dispute may be resolved in writing and by conference call.
What if Borrower needs help due to language or a disability?	Lender shall work with Borrower on accommodations	If Borrower requires assistance in a language other than English, or special services to accommodate a disability, Lender and Borrower shall agree to proceed in a way that accommodates Borrower's needs.
What about appeals?	Very limited	The FAA limits appeal rights. For Disputes over \$50,000, any party may appeal the award to a panel of three TPAs. The arbitration company or the parties choose the panel. This panel will review anything appealed in the initial award. The panel's decision will be final, except for any FAA appeal right. Any suitable court may enter judgment upon the TPA panel's award.

ARBITRATION FEES AND AWARDS

<u>Question</u>	<u>Short Answer</u>	<u>Further Detail</u>
Who pays arbitration fees?	Usually Lender does	Lender will pay, to the arbitration company or the TPA directly, all filing, hearing, and TPA fees if you act in good faith, cannot get a fee waiver, and ask Lender to pay. If Claimant starts an arbitration, the arbitration company may require Claimant to pay a fee, which Lender will reimburse.
Will Lender cover Borrower's fees and costs?	No, unless required by law	Each party to a Dispute shall bear its own legal fees and costs. If applicable law requires the losing party to pay the winning party's legal fees and/or costs, then the TPA may award such fees and/or costs. If Borrower is the winning party, and the TPA awards fees and/or costs to Borrower, then Lender will pay such award.
Will Borrower ever owe Lender for fees or costs?	Only if Borrower acts in bad faith	The TPA can make you pay Lender's arbitration, attorney, expert, and witness fees and costs if it finds that you have acted in bad faith (per the Fed. Rules of Civ. Proc. § 11(b) standard). Also, if the TPA awards fees and/or costs to Lender in connection with a counterclaim Lender brings against Borrower, then Borrower will pay such award. The TPA's power to assess fees and costs against Borrower as permitted by this provision does not void this Clause.

Can a failure to resolve a Dispute informally mean a larger recovery for Borrower?	Yes	<p>If I win in arbitration and I adhere to the Conditions set forth below, I may be eligible to get a minimum damages award of \$3,500. I will be ineligible to get a minimum damages award if (a) I opt out of arbitration as permitted by the Clause or (b) I do not comply in all respects with this Clause.</p> <p>To be eligible to receive a minimum damages award of \$3,500, I must take all of the following steps and satisfy the following criteria (collectively, the "Conditions"):</p> <ol style="list-style-type: none"> 1. Before initiating any formal dispute resolution process with Lender, I must comply with the Notice and Cure requirements of <u>Section O</u>, and I must submit a settlement demand to Lender that Lender does not accept; and 2. I must not initiate a court proceeding or lawsuit of any type against Lender (including any court proceeding or lawsuit expressly authorized by the Note or this Clause). <p>If Borrower wins the arbitration and the TPA awards damages to Borrower in an amount less than \$3,500, Borrower may ask the TPA to increase that award to \$3,500 as permitted by this Clause. If Borrower has satisfied the Conditions, then the TPA shall increase the damages award to \$3,500.</p>
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Can an award be explained?	Yes	Within 14 days of the ruling, a party may ask the TPA to explain its ruling. Upon such request, the TPA will explain its ruling in writing.

By signing below, Lender and Borrower/Co-borrower agree to all the aforementioned Account Terms & Conditions, including but not limited to, the Arbitration Clause (presented above in a Q & A form so it is easier to understand). All the aforementioned clauses, including the Arbitration Clause, are a legally binding part of these Terms and Conditions.

Borrower Name:

Borrower Signature:

Date:

Co-borrower Name:

Co-Borrower Signature:

Date:

Account #:

Acknowledged and Agreed

LENDER: TMX FINANCE OF TENNESSEE, INC.

By its Authorized Representative