

ARBITRATION AGREEMENT

You and we agree to attempt to informally settle any disputes arising out of, affecting, or relating to your accounts or your relationship with us. If that cannot be done, you and we agree that any claim or dispute between us that is filed or initiated after the Effective Date of this Arbitration Agreement ("Claim"), even if the Claim arose prior to the Effective Date of this Arbitration Agreement, that arises out of or relates to this Agreement, your accounts or your use of our products or services shall, whether such Claim is in contract, tort, statute, or otherwise, at the election of either you or us, be resolved by arbitration administered by JAMS in accordance with its applicable rules and procedures for consumer disputes ("Rules"). The Rules can be obtained on the JAMS website free of charge at [JAMS: Mediation, Arbitration and ADR Services \(jamsadr.com\)](http://JAMS: Mediation, Arbitration and ADR Services (jamsadr.com)). This Arbitration Agreement shall be construed and interpreted as broadly as legally possible in order to bring within its application, ambit and scope as many disputes, claims, or controversies arising out of or relating to this Membership Agreement, including this Arbitration Agreement, to your membership in the Credit Union, or to any account, product, loan, or service you have or have had with the Credit Union as possible.

Either you or we may elect to resolve a particular Claim through arbitration, even if one of us has already initiated litigation in court related to the Claim by: (a) making written demand for arbitration upon the other party, (b) initiating arbitration against the other party, or (c) filing a motion to compel arbitration in court. AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE A PARTICULAR CLAIM THROUGH ARBITRATION, YOU WILL GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN SMALL CLAIMS COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT).

This Arbitration Agreement will be interpreted and enforced in accordance with the Federal Arbitration Act (FAA) in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claim. Notwithstanding the foregoing, some claims fall outside the scope of the FAA, including, but not necessarily limited to, covered members of the armed forces pursuant to 10 U.S.C. § 987(e)(3).

By consenting to ARBITRATION AGREEMENT, you understand and agree with the following terms:

- **SELECTION OF ARBITRATOR:** If either you or we elect to resolve a Claim through binding arbitration, your rights will be determined by a single neutral arbitrator and NOT a judge or jury, in accordance with all applicable laws and Rules.
- **EFFECTIVE DATE:** This Arbitration Agreement is effective for existing members upon the 31st day after we provide you with notice of this amendment ("Effective Date") unless you opt out in accordance with the requirements under this Arbitration Agreement. For new members, this Arbitration Agreement is effective the 31st day after you open your account unless you opt-out in accordance with the requirements under this Arbitration Agreement.
- **CLAIMS ARISING PRIOR TO EFFECTIVE DATE: THIS ARBITRATION AGREEMENT APPLIES TO ALL CLAIMS THAT ARE FILED OR INITIATED AFTER THE EFFECTIVE DATE, EVEN IF THE CLAIM ARISES OUT OF, AFFECTS, OR RELATES TO CONDUCT THAT OCCURRED PRIOR TO THE EFFECTIVE DATE.** If a Claim is filed or initiated prior to the Effective Date, this Arbitration Agreement will not apply to such Claim.
- **STARTING ARBITRATION:** To initiate arbitration, you or we must give written notice of an election to arbitrate. This notice may be given after a lawsuit has been filed and may be given in papers or motions filed in the lawsuit. If such a notice is given, then the Claim shall be resolved by arbitration under this Arbitration Agreement, and the applicable rules of the Administrator then in effect.

- **ARBITRATION PROCEEDINGS:** Arbitration proceedings provide you with a fair hearing, but the arbitration procedures are simpler and more limited than rules applicable in court. Discovery will be available for non-privileged information to the fullest extent permitted under the Rules. Any defenses that would apply to a Claim if it was brought in a court of law will apply in any arbitration proceeding between us, including defenses based on the expiration of the applicable statute of limitations or otherwise relating to the timeliness of the initiation of the Claim, and the commencement of an arbitration proceeding under this Arbitration Agreement will be deemed the commencement of an action for such purposes. Arbitration decisions are as enforceable as any court order and are subject to very limited review by a court. Arbitrators can award the same remedies including damages, injunctive relief, and other remedies that a court can award, including public injunctive relief. The arbitrator's award can be entered as a judgment in court. Any determination as to whether this Arbitration Agreement is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration.

As an exception to arbitration, you retain the right to pursue in a small claims court any Claim that is within the court's jurisdiction and proceeds on an individual basis and that remains in small claims court. The arbitration clause shall also not apply to actions for collection or monies owed to credit union.

- **CLASS ACTION WAIVER:** ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION.
- **SELF-HELP REMEDIES:** This Arbitration Agreement does not prohibit either of us from exercising any lawful rights or using other available remedies to preserve, foreclose or obtain possession of real or personal property; exercise self-help remedies, including setoff and repossession rights; or to obtain provisional or ancillary remedies such as injunctive relief, attachment, garnishment, restraint, or the appointment of a receiver by a court of competent jurisdiction.
- **NOT ALL DISPUTES SUBJECT TO ARBITRATION:** Not all disputes related to your relationship with us are subject to arbitration. For example, the Military Lending Act (10 U.S.C. § 987) prohibits service members and their dependents from waiving their right to bring legal actions in court. The Truth in Lending Act prohibits disputes involving residential mortgage loans or extensions of credit under an open-end credit secured by your principal dwelling from being subject to arbitration (15USC 1639c). In addition, if the credit union honors the request of a third party to freeze or garnish funds in your account, you may contest this action in court.
- **LOCATION:** The Arbitrator, after consulting with the Parties that have appeared, shall determine the date, time, and location of the Hearing. The Arbitrator and the Parties shall attempt to schedule consecutive Hearing days if more than one day is necessary. However, provided that all parties agree, such proceedings may be conducted remotely on platforms such as Zoom or Teams.
- **REPRESENTATION:** Parties may be represented by counsel or any other person of the Party's choice. Each Party shall give prompt written notice to the Case Manager and the other Parties of the name, address, telephone number and email address of its representative. The representative of a Party may act on the Party's behalf in complying with the Arbitration Rules.
- **COSTS:** With respect to the cost of the arbitration, when a member initiates arbitration against the credit union, the members shall be required to pay no more than the maximum filing fee permitted under JAMS' Rules for Arbitration of Consumer Disputes. All other costs must be borne by the credit union, including any remaining JAMS Filing Fee, Case Management Fee, and all professional fees for the arbitrator's services. When the credit union is the claiming party initiating an arbitration against the

member, the credit union will be required to pay all costs associated with the arbitration.

Each party will be responsible for the cost of their attorneys, experts, and witnesses.

- CHOICE OF LAW: Any arbitration proceeding brought pursuant to this Arbitration Agreement shall be governed by the Federal Arbitration Act (FAA) with reference to the State laws of Texas, where applicable.
- SURVIVAL, SEVERABILITY, PRIMACY - This Arbitration Agreement shall survive closure of your deposit account; our sale or transfer of our rights under this Agreement; any legal proceeding or set off to collect a debt owed by you; or any bankruptcy or insolvency. If any portion of this Arbitration Agreement cannot be enforced in a proceeding between you and us, then the rest of the Arbitration Agreement will continue to apply, provided that the entire Arbitration Agreement shall be null and void if the class action waiver is held to be invalid regarding any class or representative Claim in a proceeding between you and us, subject to any right to appeal such holding. In the event of any conflict or inconsistency between this Arbitration Agreement and the Agreement Rules, this Arbitration Agreement will govern.
- RIGHT OF OPT-OUT: You have the right to opt-out of this Arbitration Agreement, provided that you notify us of your intent to opt-out within 30 days after we provide you notice of this Arbitration Agreement. Your opt-out is only effective if you notify us in writing at ASSOCIATED CREDIT UNION OF TEXAS, Attn: COMPLIANCE, P.O. Box 9004, League City, Texas 77574 within such 30-day time period. Any rejection notice must include your name, address, telephone number, and account number.

If you fail to opt out within this 30-day time period, you will be deemed to have provided your consent to the resolution of your Claims through binding arbitration and this Arbitration Agreement will take effect on the 31st day after notice. In the event you opt out of this Arbitration Agreement, such opt-out will not affect other terms and conditions of your Membership and Account Agreement.