

PME AFFILIATE PROGRAM TERMS AND CONDITIONS

Effective: January 1, 2013

Updated: November 8, 2013

These terms and conditions ("Terms") are between you (herein "you" or "your") and Private Money Exchange ("Company," "PME," "us," "we," or "our"). PME is a unique direct marketing company that markets its products and services, primarily commercial lending opportunities, through Independent Business Consultants or Affiliates ("Affiliate"). These Terms govern your relationship with PME as an Affiliate.

You understand that upon submission of your application and your Initial Payment (as defined below) as well as continued payment of the Yearly Payment (as defined below), you agree to fully comply with these PME Terms of Conditions ("Terms and Conditions") and PME Compensation Plan. PME reserves the right, at its sole discretion, to reject your application to become a PME Affiliate for any reason it deems appropriate.

You have carefully read and agreed to comply with the PME Compensation Plan, which is incorporated into and made part of these Terms (these documents shall be collectively referred to as the "Agreement"). You understand that you must be in good standing, and not in violation of the Agreement, to be eligible for referral fees from PME. You understand that these Terms and the PME Compensation Plan may be amended at the sole discretion of PME, and you shall immediately abide by all such amendments without the necessity of having to initial or sign any additional document indicating your acceptance of any amendment.

You agree to present the PME Compensation Plan and PME Affiliate program only as set forth in the Agreement (as defined below) and official PME literature. You agree that you will not make any earnings claims to any individual or entity.

In order to be eligible to participate in PME's Affiliate program, you must be: (i) an individual of legal majority in the jurisdiction in which you reside (usually age 18); (ii) a legal entity that is properly registered and in good standing with your governing jurisdiction; (iii) reside in the United States; (iv) provide evidence of identity in the form and manner as the Company may require; and (v) provide any tax identification required by any taxing jurisdiction in which you do business (Social Security number of individuals, Federal Tax ID number for any entity).

You agree that as a PME Affiliate you are completely independent of PME, and cannot act on behalf of PME nor can you bind PME to any contract or agreement. You are not and will not be considered to be an agent or employee of PME for any purpose. You agree that you are not entitled to any benefits that PME provides to its employees either voluntarily or as statutory benefits. You agree that all your business cards and marketing materials will identify you as an independent contractor Affiliate of PME. **YOU UNDERSTAND THAT YOU SHALL NOT BE TREATED AS AN EMPLOYEE OF PME FOR FEDERAL OR STATE TAX PURPOSES.** PME is not responsible for withholding, and shall not withhold or deduct from referral fees, if any, FICA, or taxes of any kind.

You are not required to purchase our products or sales tools to become a PME Affiliate. Upon acceptance of the Agreement applicants become independent consultants with no option to earn referral fees until they are active.

To become and remain an Affiliate, you understand and agree that you must pay (i) an initial charge of Nine Hundred Ninety-Seven and No/100 Dollars (\$997.00) ("Initial Payment") and (ii) a yearly charge equal to Two Hundred Fifty and No/100 Dollars (\$250.00) ("Yearly Payment"). The Yearly Payment shall be due and payable on the day that is exactly one year following the day on which an Affiliate enrolls and on the same day in each subsequent year unless or until you cancel or terminate your status as an Affiliate. **UPDATE (November 2013): The Company has made the decision to not collect the Yearly Payment during 2014, but shall instead begin collecting the Yearly Payment beginning January 1, 2015.** The Company may grant you a thirty (30) day grace period following the payment date of your Yearly Payment before terminating your status as an affiliate. During the grace period, you will not be entitled to receive any referral fees or other compensation due you until you have paid the Yearly Payment. Your Yearly Payment cannot be subtracted from any referral fee or other compensation you may be entitled to receive from the Company. The Initial Payment and Yearly Payment are both non-refundable. You understand and agree that the Initial Payment is a one-time charge as long as you remain current with your Yearly Payment and you

nor the Company cancels or terminates (including termination by the Company for failure to pay the Yearly Payment) your Affiliate status. You understand and agree that you may opt out and cancel or terminate your status as an Affiliate at any time by cancelling your Yearly Payment. Furthermore, you understand that if you fail to make your Yearly Payment or PME is unable to successfully process your automatic credit card payment through no fault of PME, you will be deemed to have terminated your status as an Affiliate. After you terminate or cancel your Affiliate status, you understand that if you elect to re-enroll as an Affiliate, you will be required to repay the Initial Payment.

You may terminate your status as a PME Affiliate at any time. PME reserves the right to terminate you as a PME Affiliate if (i) you are in violation of or fail to comply with these Terms or PME Compensation Plan; (ii) you fail to comply with the code of ethics or otherwise engages in unethical behavior; (iii) you fail to comply with any local, state or federal law or regulation in the conduct of criminally charged with any white collar crime, including, but not limited to, fraud, bankruptcy fraud, financial fraud, consumer fraud, forgery, embezzlement, securities violations or fraud, and identity theft; (iv) a civil court issues a judgment against an Affiliate for any civil offense which is akin to white collar crimes; or (v) you are in violation of or fail to comply with the Private Money Exchange Forum Participant Agreement governing your use of the PME Forum. When your status as an Affiliate is terminated, for whatever reason, your rights as set forth in the Agreement also terminate. There is no specified term for which you must serve as an Affiliate. If you fail to continue your Affiliate business in good standing or if you or PME cancels or terminates (voluntarily or involuntarily) your Affiliate status, you understand that you will permanently lose all rights as an Affiliate. You shall not be eligible to operate in the PME Affiliate program nor shall you be eligible to receive referral fees or other income resulting from the activities. In the event of cancellation or termination (voluntarily or involuntarily), you waive all rights you have, including but not limited to property rights, to the parties you referred to the Company for the purpose of borrowing or lending money and to any referral fees or other compensation derived through the borrowing or lending activities of your referral clients. PME reserves the right to terminate all Affiliate Agreements upon notice in the unfortunate event that the company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its products and/or services via direct selling channels.

The compensation you may be entitled to receive is detailed in PME's Compensation Plan. You are neither guaranteed a specific income nor assured of any level of profit or success. If you have questions about or believe any errors have been made regarding referral fee, personal organization, or charges, you must notify the Company within sixty (60) days of the date of purchase, closing or incident in question. We will not be responsible for any errors, omissions, or problems not reported to the Company. PME may impose a "check fee" for the costs associated with generating, delivering or tracking any referral fee check or EFT payment. If the check fee is greater than the pending referral fee payment, PME may elect to offset the costs of the check fee against the pending referral fee payment. In such a case, no check will be issued. Upon request, PME will issue a replacement check for a lost check; however, a \$35.00 service fee will be assessed on any request. Requests for replacement checks must be made within 120 days from the date of issue. PME makes every effort to ensure that you receive your checks or EFTs. When a check or EFT is returned to PME for any reason beyond PME's control, the returned check amount shall be credited to your business account ninety (90) days after its date of issue. Check and EFT credits that are not claimed or cashed within six months of issuance will be rescinded and placed into PME's general operating fund. Once there, these proceeds cannot and will not be paid to you if you fail to claim the fee regardless of reason, including death, dismemberment or other acts of GOD.

An Affiliate will not automatically qualify for a loan through PME, as a result of being an Affiliate. PME applies the same underwriting guidelines to every proposed borrower, including Affiliates. No Affiliate will have a right to a refund of the Initial Payment or Yearly Payments as a result of PME's failure to qualify that Affiliate for a real estate investment loan. Furthermore, PME is not a lender or broker of real estate investment loans and has never been a lender or a broker of real estate investment loans.

We are a values-based company and pride ourselves on the quality and character of our Affiliates. You agree to practice the following ethical behavior when operating your business. PME's code of ethics is as follows:

- I will actively work to establish and maintain a customer base.
- I will be respectful of every person I meet while operating my business.
- At all times, I will conduct myself and my business in an ethical, moral, legal, and financially sound manner.
- I will not engage in activities that may bring disrepute to PME, any PME corporate officer or employee.

- I will not make disparaging or discouraging claims towards the Company, its personnel and representatives or other PME Affiliates.
- I will ensure that in all PME business dealings I will refrain from engaging in negative language and defamatory statements.
- I will be truthful in my representations of PME products or services and make no unauthorized claims regarding the products or services that PME may offer from time to time.
- I will provide support and encouragement to my customers to ensure that their experience with PME is a successful one and will clearly state all terms of any transaction.
- I will make personal telephone contact with potential applicants and customers in a reasonable manner and during reasonable hours to avoid intrusiveness.
- When making sales presentations, I shall discontinue it immediately upon the request of the recipient.
- I will take appropriate steps to protect the private information of my customers.
- I will respect the lack of commercial experience of potential applicants and actual customers.
- I will not abuse the trust my customers place in me, nor shall I exploit their age, illness, lack of understanding or unfamiliarity with language.
- I will not make misleading comparisons of another company's direct selling opportunity, products or services.
- I understand that all promotional literature, advertisements and mailings may not contain descriptions or other information that is false, deceptive or misleading. All literature must also contain the address and telephone number of the Company as well as my contact information.
- I agree to comply with all local, state, and federal laws and regulations which may govern my activities as an Affiliate.

You agree to be ethical and professional at all times when operating your PME Affiliate business. Accordingly, you agree that you will not participate in unethical activity. Examples of unethical activities include, but are not limited to the following:

- Making unapproved claims about the products or services;
- Making unapproved income claims;
- Making false statements or misrepresentations of any kind, including but not limited to, untruthful or misleading representations or sales offers relating to the quality, availability, grade, price, terms of payment, refund rights, guarantees, or performance of the products;
- Making disparaging comments;
- Promoting product sales in retail chain establishments;
- Use of another person's credit card without express written permission;
- Unauthorized use of confidential information;
- Failure to comply with sales and promotional activity requirements;
- Engaging in unauthorized premarket activity;
- Personal conduct that discredits the Company;
- Violating the laws of your jurisdiction that pertain to your business;
- Breaching the code of ethics outlined above; or
- Failing to fully comply with the terms of the Agreement.

If the Company develops a system whereby PME Affiliates are able to use their PME back office to initiate emails to the PME Affiliate's referred clients, the Company shall record those emails for training and compliance purposes. The Company shall also require a disclaimer to be used at the bottom of all such PME Affiliate initiated emails. Failure to include the disclaimer will be a willful violation of this Agreement by the PME Affiliate. PME Affiliates should also ensure that all emails sent the PME Affiliates for the purpose of obtaining referral business complies in all respects with this Agreement.

PME Affiliates may have access to a PME sponsored web forum (the "Forum"). PME Affiliates' activities in the Forum shall be governed by this Agreement and the Private Money Exchange Forum Participant Agreement ("Forum Agreement"). The Forum Agreement shall be incorporated into and be considered part of the Agreement. For purposes of the term Agreement, as referenced herein, it shall be deemed to include the Forum Agreement.

By agreeing to become a PME Affiliate, you grant to the Company and its affiliates and agents the absolute, perpetual, and worldwide right and license to use, record, publish, reproduce, exhibit, advertise, display and sell in any manner for all purposes, your name, photograph, likeness, voice, testimony, written, oral or electronic correspondence with the Company, biographical information and image and other information related to your business with the Company (collectively, the “Likeness”), in marketing, promotional advertising and training materials, whether in print, radio or television broadcasts, including cable and satellite transmissions), audio and videotapes on the Internet or in other media materials (the “Publicity Materials”) for an unlimited number of times, in perpetuity throughout the universe, without compensation. You waive any right to inspect or approve any Publicity Materials including or accompanying your Likeness. You further release the Company from any liability or obligation that may arise as a result of the use of your Likeness, including without limitation, claims for invasion of privacy, infringement of right of publicity and defamation (including libel and slander). You may withdraw your authorization of any use of your Likeness that has not already been publicized by providing written notice to the Company. You warrant and represent that any information given by you including any testimonial is true and accurate.

Only the promotional and advertising materials produced by the Company or approved in advance in writing by the Company may be used to advertise or promote the Company’s business or to sell the Company’s products and services. The Company owns all copyrights for all promotional and advertising materials produced by the Company. The Company’s literature and materials may not be duplicated or reprinted without the Company’s prior written permission. If you desire to utilize an internet webpage to promote your PME business, you may do so *only* through an official PME website, or if available, through PME approved replicating websites. You may not use PME’s proprietary marks or other intellectual property except as specifically authorized by PME.

You may not sell, market, or promote the Company’s business, marketing plan, products or services on eBay, Facebook, MySpace, Craigslist or any other business or social networking Internet site except as specifically authorized by PME. You shall not make offers or solicitations in the guise of research, surveys or informal communication, when the real intent is to sell products or services. If you share personal information collected, you must provide individual consumers with an opportunity to prohibit the dissemination of such information, and if any consumer requests that his or her personal information not be shared, you shall refrain from sharing such information. You shall provide individual consumers the option to terminate any further communication between you and the consumer and if any consumer requests that you cease communication, you shall immediately stop communicating upon such request. You must abide by all laws and regulations regarding electronic communications.

PME products or services may not be sold or promoted through catalogs or other mass sales mediums such as magazines, infomercials, television, radio, or other related sales media, unless approved by the Company.

You are not permitted to send unsolicited emails unless such emails strictly comply with applicable laws. Any email sent by you may not use any of PME’s proprietary marks. Spamming or the distribution of unsolicited emails to a person with whom you have had no prior or existing personal or business relationship, or the sending of chain letters or junk mail is not allowed. You must comply with all laws, rules and regulations regarding electronic communications including, without limitation, the federal CAN SPAM Act. We may periodically send commercial emails on your behalf. By agreeing to comply with these Terms you agree that we may send such emails and that your physical and email addresses will be included in such emails as outlined above. You shall honor opt-out requests generated as a result of such emails sent by the Company.

Except as provided in this section, you may not use or transmit unsolicited faxes or use automatic telephone dialing systems related to the operation of your PME business. You must comply with all federal, state and local laws governing the telephone solicitations and/or transmittal of faxes. You agree not to make unsolicited telephone calls or fax or e-mail blasts that violate any federal or state law or regulation regarding calls to persons that have requested that they not be called by telemarketers.

You may not answer the telephone by saying “PME” or by any other manner that would lead the caller to believe that he or she had reached PME’s corporate offices.

PME only operates in specified states. You are authorized only to conduct your independent businesses in those states specified by PME. It is your responsibility to be aware of the states that PME does and does not conduct

business in. Furthermore, it is your responsibility to not conduct business only in those states where PME conducts business in.

You understand that Loans are not available nationwide for real estate investments. As an Affiliate, you acknowledge and agree that you must possess the appropriate license in the states of Arizona, California, Nevada, New York, New Jersey, North Dakota, South Dakota, Rhode Island, and Utah to receive compensation for loan referral business. Loans are only for business and commercial purposes. Loans are not allowed for personal, family or household use and are never available for owner-occupied residential real properties.

Loans are not available on any type of property (residential or commercial) in Arizona, California, New York, Nevada, New Jersey, North Dakota, South Dakota, Rhode Island. All advertisements and/or solicitations by the Affiliate to prospective borrowers located in Arizona, California, New York, Nevada, New Jersey, North Dakota, South Dakota, Rhode Island is strictly limited to educational advertisements inviting people to funding tours or other education events sponsored by PME, Secured Investment Corp., I'm the Solution or The Lee Arnold System of Real Estate. These advertisements will be located in the back office for use. This restriction applies to all Affiliates regardless of where the Affiliate resides. All other advertisements and/or solicitations to prospective borrowers in Arizona, California, New York, Nevada, New Jersey, North Dakota, South Dakota, Rhode Island are strictly prohibited.

All advertisements and/or solicitations by the Affiliate to prospective borrowers located in Idaho, Minnesota, Michigan, Oregon, and Utah is strictly limited to residential properties containing 5 or more units or commercial properties. You acknowledge and agree that you are strictly prohibited from making general solicitations and general advertisements to potential lenders. The term general solicitations means, any advertisement, article, notice or other communication published in any newspaper, magazine, or similar media or broadcast over television and radio and any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

LICENSING AND REGULATORY REQUIREMENTS ARE SUBJECT TO CHANGE AT ANY TIME. PME WILL DO ITS VERY BEST TO KEEP YOU UPDATED ON ANY ADDITIONAL DEVELOPMENTS.

You agree that an Affiliate may bring an action against PME for any act or omission relating to or arising from the Agreement, only within 6 months from the date of the "alleged" misconduct giving rise to the cause of action. Failure to bring such action within such time shall bar all claims against PME. Because laws and the business environment periodically change, PME may, in its sole and absolute discretion, find it necessary to amend these Terms and the PME Compensation Plan. Once the amendments are published, you are required to comply with the current amendments. Amendments shall be effective upon publication of the amended Agreement to the Company's official website. Notification of amendments may also take one of the following additional forms: (i) electronic mail (email); (ii) inclusion with product orders; or (iii) special mailings.

You further agree to release PME, its affiliates, and each of PME's and PME's affiliates employees, directors, shareholders, members, managers, agents, and representatives (collectively, the "Affiliated Parties") from any and all liability, losses, damages, expenses (including attorneys' fees), costs, claims, suits, demands, actions, causes of action, proceedings, judgments, assessments, and deficiencies and charges (collectively, the "Liabilities") whatsoever, whether known or unknown, arising directly or indirectly from, as a result of or in connection with the promotion or operation of your PME business and any activities related to it, including, but not limited to, (i) the presentation of PME products or Compensation and Marketing Plan; (ii) the operation of a motor vehicle; (iii) the lease of meeting or training facilities; (iv) any breach of the Agreement by the Affiliate, and (v) any and all other activities relating to your promotion, marketing or operation of your PME business. This indemnification obligation shall apply regardless of the legal theory under which a claim is asserted, including, but not limited to, that of tort, contract, negligence, statute or otherwise.

The Company is not responsible for interrupted, inaccessible or unavailable networks, servers, satellites, Internet service providers, websites, or other connections; or for miscommunications, failed, jumbled, scrambled, delayed, or misdirected computer, telephone, cable, fiber optic, or wireless transmissions; or for any technician malfunctions, failures or difficulties. In no event will PME or its Affiliated Parties be liable to Affiliate or for any consequential, exemplary, special, incidental, reliance or indirect damages (including lost profits or loss of goodwill) (collectively,

"Consequential Damages") arising out of or related to the Agreement, whether such damages are based in contract, tort (including negligence and strict liability) or any other form of action, even if such has been advised of the possibility of any Consequential Damages.

You may not assign any rights or delegate your duties under the Agreement without the prior written consent of PME. Any attempt to transfer or assign the Agreement without the express written consent of PME renders the Agreement voidable at the option of PME and may result in termination of me as an Affiliate. Your status as a PME Affiliate is non-transferable and non-assignable.

The Agreement, in its current form and as amended by PME, in its sole and absolute discretion, constitutes the entire agreement between PME and the Affiliate. The Company shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as acts of terrorism, natural disasters, strikes, labor difficulties, fire, war, acts or omissions of third parties, disruptions in communication systems, government decrees or orders or curtailment of a party's usual source of supply.

A waiver of any default, breach or non-compliance by the Affiliate under the Agreement is not effective unless in writing and signed by a PME executive officer. No waiver will be inferred from or implied by any failure to act or delay in acting by PME in respect of any default, breach, non-observance or by anything done or omitted to be done by Affiliate. The waiver by PME of any default, breach or non-compliance under the Agreement will not operate as a waiver of PME's rights under the Agreement in respect of any continuing or subsequent default, breach or non-compliance (whether of the same or any other nature).

If for any reason any provision of this Agreement is determined by a tribunal of competent jurisdiction to be legally invalid or unenforceable, the validity of the remainder of the Agreement will not be affected and such provision will be deemed modified to the minimum extent necessary to make such provision consistent with applicable law and, in its modified form, such provision will then be enforceable and enforced. These Terms and the PME Compensation Plan represent the entire agreement between PME and you regarding the subject matter contained in the Agreement.

You specifically acknowledge and agree that the Agreement and its interpretation and enforcement are governed by the laws of the state of Idaho. Furthermore, You irrevocably (i) submit to the jurisdiction of any court of the State of Idaho located in Kootenai County for the purpose of any suit, action or other proceeding arising out of the Agreement or any of the agreements or transactions contemplated hereby (each, a "Proceeding"), (ii) agree that all claims in respect of any Proceeding may be heard and determined in any such court, (iii) waive, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein, (iv) agree not to commence any Proceeding other than in such courts and (v) waive, to the fullest extent permitted by law, any claim that such Proceeding is brought in an inconvenient forum.