



## Acknowledgement and agreement

On October 26th, 2001, the President signed into law the USA PATRIOT Act (the Act). Title III of the Act makes a number of amendments to the anti-money laundering provisions of the Bank Secrecy Act of 1970 (BSA) that are intended to promote the prevention, detection and prosecution of international money laundering and the financing of terrorism. San Diego Gold Exchange Inc. enthusiastically supports this endeavor.

Among the Act's provisions are the requirements that all financial institutions - including dealers in precious metals - establish an anti-money laundering (AML) program and verify the identity of their customers. It is for this reason that San Diego Gold Exchange Inc. asks you for various identifying information.

For AML programs to be effective, they require each of us to be alert to possible money laundering. Generally, money laundering is the process of concealing the true origin of criminally-derived proceeds so they appear to have legitimate origins. This occurs in many ways, including converting cash into precious metals, then moving the metals undetected into financial systems. The Act and BSA apply severe penalties to money launderers and also to those who ignore, or are "willfully blind" to suspicious activity that turns out to be money laundering.

It is in the best interest of all of us to comply with the Act and assist in the prevention of money laundering and terrorism funding. Thank you for your part of this effort

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The following sets forth the terms and conditions that San Diego Gold Exchange Inc, and all of their respective affiliates, successors, subsidiaries and related entities (herein "SDGE") and Customer (as identified herein) agree shall apply to all transactions between them concerning the within subject matter.

1. Customer represents and warrants that none of the Materials it brings to SDGE will originate from, relate to, further, or be involved or derived in any way from any type of activity that is criminal, illegal, illicit, or otherwise prohibited.
2. SDGE will determine the applicable precious metal content of the Materials sold/purchased by SDGE using the analytical method that SDGE deems, in its sole discretion, to be the most effective for the involved Material. This determination by SDGE shall be the determinative, agreed content for purposes of the involved transaction. Analytical methods utilized by SDGE include, Fire Assay, and X-Ray Fluorescence Spectroscopy (XRF). SDGE will not be accused of misrepresenting assay results. Customer agrees to hold SDGE harmless and Customer agrees to waive the right to hold SDGE liable for any assay results.
3. Customer will provide to SDGE its contact information for notice purposes, a list of all persons authorized to transact on Customer's behalf, and specimen signatures for each such person. Customer is responsible for updating its list to add or remove authorized persons.
4. The rights and obligations of SDGE and Customer hereunder shall be governed by, construed, and enforced in accordance with the laws of the State of California, without regard to the conflicts of law principles thereof.
5. Limitation of Liability. Customer agrees that SDGE's maximum, total liability to Customer under these General Terms and Conditions and otherwise shall be limited. IN NO EVENT SHALL SDGE BE LIABLE FOR LOST PROFITS, DAMAGE TO REPUTATION, LOST BUSINESS OPPORTUNITY, INTEREST OR ATTORNEYS FEES, OR INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL LOSSES OR DAMAGES.
6. SDGE shall not be liable for any delay or non-performance caused, in whole or in part, by the occurrence of any contingency beyond the control of SDGE, including, but not limited to, acts of war (declared or not), sabotage, terrorism, insurrection, riot or other act of civil disobedience, act of a public enemy, failure or delay in transportation, act of any government, agency, or subdivision thereof, including a judicial action, labor dispute, strike, accident, fire, explosion, flood, storm, or other act of God, or shortage of materials.
7. These General Terms and Conditions supersede all prior agreements, terms, conditions, understanding and arrangements, and constitute the entire agreement and understanding between SDGE and Customer concerning the subject matter hereof. There are no other agreements, representations, or warranties except those specifically set forth herein regarding the subject matter hereof. Customer agrees that no representations or warranties, whether express or implied, shall be binding upon SDGE unless expressed in writing herein. SDGE specifically disclaims all warranties and representations of any kind, written or oral, expressed or implied, that relate to SDGE's determination of the Materials' precious metal content or weight, SDGE's gem/stone removal and recovery services, or that are not specifically asserted herein. These General Terms and Conditions may only be modified or amended by written instrument duly executed by SDGE and Customer, and shall not be modified or amended by the terms of purchase orders, packing lists, or other documents issued unilaterally by Customer (the terms of which are specifically objected to by SDGE). None of either party's rights or obligations hereunder shall be assigned by either party without the prior written consent of the other, except to its successor-in-interest by operation of law or to the transferee of all or substantially all of the party's assets or business to which these General Terms and Conditions relate.
8. If any provision of these General Terms and Conditions is found by a court of competent jurisdiction to be wholly or partly invalid, the remaining provisions will nonetheless be valid and enforceable.
9. Customer represents and warrants that none of the payments it brings to SDGE will originate from, relate to, further, or be involved or derived in any way from any type of activity that is criminal, illegal, illicit, or otherwise prohibited.
10. Any lawsuits filed against SDGE must be filed in San Diego, CA, USA.
11. The individual signing page 1 of this document pledges under penalty of perjury that he/she, if signing on behalf of an entity, has the authority to sign, and act on behalf of the entity.
12. If Customer files suit against SDGE, Customer will be liable to pay for SDGE's court costs, lost income, interest, and attorneys fees if the court deems it appropriate.