

**MASTER PHYSICAL PRECIOUS METALS
COLLATERIALIZED LEASE AGREEMENT**

This Agreement, entered into on this _____ day of _____, 200____, sets forth the terms and conditions under which

Alliance Financial, LLC (“Alliance” or “Lender” or “Lessor”)

may lend to

_____ (“Borrower” or “Lessee”)

various physical precious metals (“Precious Metals Lease”, “Scheduled Lease” or “Lease”).

1. TERMS OF LEASE(S)

- a) Alliance and Lessee may from time to time enter into Precious Metals Lease(s) pursuant to which Alliance will lend to Lessee quantities of certain physical precious metals (as described in and conforming to the specifications set forth in Schedule A — Metals Lease Confirmation or any other Metal, at any location as mutually agreed (“Leased Metal’). The execution of this document creates the facility whereby the Lender may lend to the Lessee the enclosed described Leased Metal, under the terms and conditions set forth under this Master Agreement.
- b) Each Lease (as evidenced by an executed and accepted Schedule A) shall be governed by this Master Physical Metals Lease Agreement (the “Master Agreement”), together with the specific terms of each Lease as set forth on such fully executed, accepted and approved Schedule A. Unless objected to upon receipt, each Schedule A shall be final and binding on the parties.
- c) Any Lease may be renewed, subject to the prior approval of Lessor. Any such renewal shall be subject to the terms and conditions of the original Lease, except as expressly modified at the time of such renewal.
- d) The Parties acknowledges that all Leases are entered into in reliance on the existence of this Master Agreement and all Leases constitute a single agreement between the Lessor and Alliance, and the parties agree that they would have not otherwise entered into this Master Agreement and/or any specific Leases.

2. DELIVERY

Lessor specifically agrees to deliver all Leased Metal (at its sole expense) pursuant to Lessee’s instructions. All Leased Metal shall be transferred to Lessee at such location as the Lessee shall designate (subject to the Lessor’s prior approval), on the commencement date of the applicable Lease. Lessor specifically warrants that Lessor is authorized to enter into this Master Agreement and to deliver the Leased Metal hereunder.

Additionally, Lessor specifically warrants to Lessee that Lessor holds good and marketable title to the Leased Metal, free and clear of any and all liens, pledges, mortgages, encumbrances, easements, charges, claims, restrictions, purchase options, and/or agreements limiting the use or transfer of the leased metal.

3. COLLATERAL

At all times during which Lessee has outstanding a Lease Agreement (as set forth in a fully executed Schedule A) under this Master Lease Agreement, the full value of all Leased Metal shall be secured and covered by the deposit of collateral acceptable to the Lessor, subject to the following Coverage Ratios which shall be maintained:

	Acceptable Collateral	Coverage Ratio Based on Leased Metal Secured		
		Gold	Silver	Platinum
a)	Cash Collateral =	103%	105%	107.50%
b)	US Treasury Securities			

ALLIANCE FINANCIAL, LLC

721 E. Madison / Suite 100 / Villa Park, Illinois 60181 TEL 1 312/582.6700 FAX 1 312/582.6738

b) i) 90-Day T-Bills	103%	105%	107.5%
ii) 1-10 Year T-Notes	110%	112%	114.50%
iii) > 10 Year T-Bonds	133%	135%	137.50%
c) Bank Letters of Credit: issued by institutions acceptable to the Lessor and containing the specific language (with not modifications) as set forth in Schedule B attached:			
i) Initial	110%	115%	120%
ii) Maintenance	105%	107%	110%
d) Listed Securities (subject to Lessor's prior and continuing approval			
i) Initial	133%	135%	137.50%

4. MAXIMUM VALUE

At all times subsequent to the Effective Date, the Value of all Leased Metal, shall not on any day exceed US\$ _____ (Insert Amount) ("Maximum Value). In the event the Value of the Leased Metal exceeds the Maximum Value, then Lessee shall immediately, either:

- e) deliver or cause to be delivered to Lessor, at such location as Lessor may designate, a sufficient quantity of Metal, in the appropriate Form and Fineness so as to reduce the Value of the Leased Metal to below the Maximum Value; or
- f) purchased a sufficient quantity of Metal so as to reduce the Value of the Leased Metal to below the Maximum Value.

5. LEASE FEE

- g) With respect to each Lease hereunder, Lessee unconditionally promises to pay to the Lessor a fee ("Lease Fee"). The Lease Fee shall be calculated on the first day of a specific Lease Term as follows:
 - i) **Quantity** — number of Troy Ounces of Leased Metal (as set forth in Schedule A), multiplied by;
 - ii) **Base Price** — value of the Leased Metal, determined by taking Reference Price on the first day of the Lease Term, multiplied by;
 - iii) **Lease Rate** — the annual percentage lease rate agreed upon by the parties (as set forth in Schedule A), divided by;
 - iv) **Annualization Factor** — three hundred sixty (360) days, multiplied by;
 - v) **Lease Term** — the number of days the Leased Metal is being leased.

The above-described Lease Fee(s) shall be calculated, and shall be paid by Lessee's wire transfer and/or corporate check on the 1st day of the Lease Term of a specific Lease.

- h) Lessee hereby unconditionally promises to pay Lessor interest on any Lease Fee payable by Lessee under this Master Agreement that shall not be paid to the Lessor when due hereunder, for each day during the period from and including the date such payment is due to but excluding the date the same is paid in full, at a rate per annum equal to the prevailing US Prime Rate ("Prime") two (2%) percent per annum.
- i) If Lessee shall fail to return any Leased Metal (or its fungible equivalent) to the Lessor when due hereunder, then, notwithstanding anything in this Master Agreement to the contrary, for each day during the period, from and including the date of such return is due, excluding the date such Leased Metal is returned, Lessee agrees to pay all associated fees and costs of Lessor based on the then-current market situation. Such fees and costs shall be payable from time to time, on demand of Lessor.

6. RISK OF LOSS & USAGE OF LEASED METAL

Lessee shall be responsible for, and agrees to indemnify and hold harmless Lessor against, any sales, use, personal property, value added, or other taxes (including penalties) that may arise relating to this Master Agreement, any Leased Metal hereunder, or the use thereof. The Lessee shall also be responsible for, and agrees to indemnify and hold harmless Lessor against, any

liability, claim, or expense relating to any Leased Metal or use thereof, including, without limitation, any product, environmental, or toxic waste liability claims.

Lessee shall be responsible for all risk of loss, damage, or disappearance from any cause whatsoever of, or with respect to, any Leased Metal from the time of delivery to Lessee until the Leased Metal is returned to the Lessor.

Lessor acknowledges that the Leased Metal delivered to the Lessee under this Master Agreement is "fungible in nature" and that Lessee's obligation to return the Leased Metal is specifically limited to returning like weights and grades, as per industry standards and practices.

Lessee acknowledges that it shall maintain, in its possession and/or control, the specific property borrowed or property of similar in nature that is "fungible" with the property borrowed hereunder.

Lessor specifically authorizes Lessee to do the following with any and all Leased Metal:

"fabricate or alter the form of the Leased Metal in the Lessee's normal course of business."

Any such fabrication and/or alteration shall not relieve the Lessee from its obligation to return "fungible" property in the form, weights and grade as was originally borrowed hereunder.

Lessor shall not be responsible for Lessee's use of the Leased Metal.

7. DEFAULT

It is hereby understood and agreed that in the event Lessee shall:

- j) fail to return or purchase the Leased Metal promptly upon maturity at the end of the Lease;
- k) default in the prompt payment or performance of any obligation to Lessor hereunder, and fail to cure such default immediately receipt of written notice from Lessor of such default;
- l) file a petition or otherwise commence or authorize the commencement of a proceeding under any bankruptcy or similar law relating to the protection of assets from creditors or have any such petition filed or proceeding commenced against it;
- m) otherwise become bankrupt or insolvent, or be unable to pay its debts as they fall due;
- n) without prior notice to Lessor, merge or consolidate with any unaffiliated company; or sell all or a substantial portion of its assets; or to materially increase its liabilities, or to withdraw or redeem material portions of its equity capital.

Lessor shall have the right to immediately and at any time(s) thereafter, to liquidate (or close out) any and all outstanding Leases and to liquidate any and all Deposited Collateral and/or other property held to satisfy the Lessee's obligation to Lessor, without prior notice to Lessee. Lessee shall remain liable for, and shall promptly remit to Lessor, all costs associated with liquidation of any specific Lease and/or the Master lease Agreement, in whole.

Lessor's rights under this Paragraph shall be in addition to, and not in limitation of, any other right that Lessor may have, whether by agreement, operation of law or equity, or otherwise. In particular, nothing herein shall limit Lessor's right to reclaim or seek to reclaim any metal to which it retains title under the terms of this Master Lease Agreement and the Lease(s).

8. NON-REGULATED NATURE OF TRANSACTIONS

This Master Agreement authorizes the parties to enter into transactions in "non-regulated physical commodities" (including, but not limited to: "physical: gold, silver, platinum, palladium bullion, bullion coins, fabricated bullion products including lease and/or loan agreements thereon"). A physical transaction (purchase, sale, lease or loan) of precious metals are bound by the Uniform Commercial Code and are not subject to any additional regulation by any governmental or self-regulatory authority. Purchases, sales, leases or loans of precious metals may not be suitable for persons who require liquidity and/or a relatively certain rate of return on their investment. Nothing contained in this Master Agreement shall constitute a solicitation to trade or authorization to enter into, or shall entitle the parties to enter into regulated futures, options on regulated futures, securities or options on securities transactions. Unless alternate forms of delivery are agreed upon by Alliance, all transactions entered into under this Master Agreement shall be satisfied by the actual taking or making of "physical delivery" of the merchandise bought, sold, borrowed or lent subject to industry standards and practices.

The Lessee specifically acknowledges that the Commodity Exchange Act, as amended does not cover “non-exchange traded cash transactions” in physical precious metals. Additionally, the Lessee acknowledges that funds or property received by Alliance Financial, LLC arising out of or resulting from transactions entered into under this Master Agreement are not required to be segregated and in fact, will not be segregated, from funds or property of Alliance Financial, LLC. The Lessee acknowledges that the Customer Protections available under the Commodity Exchange Act, as amended, the Rules and Regulations of the Commodity Futures Trading Commission, the Rules and Regulations of the National Futures Association and/or the various exchanges do not apply to transactions covered under this Master Agreement.

9. REPRESENTATIONS

Lessor and Lessee each represent and warrants to the other as follows:

- o) it is duly authorized to enter into this Master Lease Agreement;
- p) the person executing this Master Agreement and all other documents, agreements, schedules hereunder on its behalf is authorized to do so;
- q) its execution of this Master Agreement does not violate any agreement by which it is bound or by which any of its assets are affected.
- r) where the Lessee is a natural person, the Lessee represents that he is of legal age and has the mental capacity to understand and enter into this Master Agreement.

10. WARRANTIES

Each party warrants that the Leased Metal delivered or returned by it hereunder is consistent with the specifications provided herein. **THERE ARE NO EXPRESS WARRANTIES OTHER THAN THOSE HEREIN SPECIFIED. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION OF THE LEASED METAL DESCRIBED IN THIS MASTER AGREEMENT, NO WARRANTY OF MERCHANTABILITY, OR OF FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTY OF ANY OTHER NATURE SHALL BE IMPLIED.**

11. TIME IS OF THE ESSENCE

Time is of the essence under this Master Agreement and any and all individual Scheduled Leases that are incorporated herein.

12. AMENDMENTS

No provision of this Master Agreement shall in any respect be waived, altered, modified or amended unless its waiver, alteration, modification or amendment is committed to in writing and signed by and accepted in writing by an authorized officer of Alliance Financial, LLC.

13. ASSIGNMENT

The provisions of this Master Agreement shall be continuous and shall inure to the benefit of Alliance Financial, LLC its successors and assigns and shall be binding upon the Lessee and/or the estate, personal representatives, administrators and successors of the Lessee. The Lessee shall not assign any rights or delegate any obligations hereunder without having sought and received the prior written consent of a duly authorized officer of Alliance Financial, LLC and any attempt at such assignment or delegation without such consent shall be void.

14. NO IMPLIED WAIVER

The failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect the full right to require such performance at any time thereafter. The waiver by either party of a breach of any provision hereof shall not constitute a waiver of the provision itself. The failure of either party to exercise its rights under this Master Agreement shall not constitute a waiver of such right.

15. SEVERABILITY

Nothing contained in this Master Agreement shall be construed as to require the commission of any act contrary to local, state or federal law. Whenever there is any conflict between any provision of this Master Agreement and any present or future applicable statute, law, ordinance or regulation governing the transactions hereunder, the latter shall prevail, but in such event the provisions of this Master Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event any part, article, paragraph, sentence or clause of the Master Agreement shall be held to

be indefinite, invalid or otherwise unenforceable, the entire Master Agreement shall not fall on account thereof and the balance of this Master Agreement shall continue in full force and effect.

16. NOTICES

All communication

if sent to Lessor shall be sent to:

Alliance Financial, LLC
721 E. Madison – STE 100
Villa Park, IL 60181
Main Telephone: 312/582.6700
FAX Telephone: 312/582.6738

if sent to Lessee shall be:

Company Name: _____
Address 1: _____
Address 2: _____
Telephone: _____
Fax: _____

or other such address subsequently provided in writing. All communication given by Alliance to the Lessee by mail shall be effective upon their deposit in the United States Mail, postage prepaid, or upon receipt, whichever occurs earlier. Lessee specifically agrees that all communications required to be delivered to the Lessee by Alliance shall be deemed to be delivered if sent by FACSIMILE Transmission, to the FACSIMILE Telephone Number provided Alliance above. FACSIMILE Transmissions sent by Alliance to the Lessee shall be binding upon the Lessee, having the same force and effect as if they had been deposited in the U.S. Mail.

17. TERMINATION LESSOR SALE OF LEASED METAL/LIQUIDATION OF COLLATERAL; NO EARLY RETURN OF LEASED METAL

This Master Agreement may be terminated on five (5) business days' prior written notice by Lessee to Lessor and immediately upon telephonic notification from Lessor to Lessee. Such termination shall not affect any Lease outstanding at the time such termination is effective, which shall remain subject to the terms and conditions of this Master Agreement until all outstanding obligations are performed or liquidated.

Lessor reserves the right, in its sole and absolute discretion, to immediately terminate, with or without prior notice, a specific Lease Agreement or this Master Lease Agreement, in whole. Such termination shall cause any and all outstanding Lease Agreement(s) to mature and become due and payable. Lessor may, but shall not be required, to allow Lessee the ability to return all or a portion of Leased Metals or to "pay down" some agreed upon portion of a terminated Lease, as may be agreeable to the Lessor. Any such return or "pay down" shall be subject to the Lessor's sole and absolute discretion and on such terms and conditions as the Lessor may establish.

Lessor, may without prior notice, in its sole and absolute discretion, liquidate any and/or all Collateral On Deposit and/or other property of the Lessee held by Lessor and/or its affiliates. Lessor may apply the proceeds from such liquidation (less all costs of such liquidation) to the purchase of replacement metal of fungible nature to the metal previous delivered to the Lessee under such terminated Lease Agreements. In the event the liquidation of said Collateral and/or other property is insufficient to cover the full cost of replacement of the Lease Metal, the Lessee specifically agrees and acknowledges that said Lessee, remains liable for any such shortfall, and shall promptly remit to Lessor such amounts.

It is specifically understood and agreed that all Leases are for a specific term, and that other than the event of a default or termination (as set forth above), Lessor shall have no right to demand the early return of the Leased Metal, and while Lessee may return the Leased Metal to the Lessor prior to the expiration date of the specific Lease, such early return shall not effect the total amount of compensation due Lessor from Lessee (in the form of Lease Fees)

Lessor retains the ability, in its sole discretion, to contract for the sale of the Leased Metal prior to the termination date of any specifically Scheduled Lease entered into under this Master lease Agreement. Lessor specifically acknowledges that any such sales contract (whether OTC Forward or Futures sale) must bear a maturity date, at a minimum, of 1 day after the required return date of the Leased Metal covered by any outstanding Scheduled Lease.

18. CAPTIONS:

Captions contained herein are inserted only as a matter of convenience, and are intended in no way to define, limit, or expand the scope or intent of this Master Agreement or any provisions thereof.

19. SINGULAR IMPARTS PLURAL:

The parties acknowledge that where the context hereof requires the singular, the singular shall impart the plural, the masculine shall impart the feminine or neuter.

20. GOVERNING LAW:

This Master Agreement shall be governed by the laws of the State of Illinois and the parties agree to be subject to the jurisdiction of the Courts of that state as to any disputes arising out of this Master Agreement.

21. ENTIRE AGREEMENT:

This is the complete Agreement between the parties. It can only be changed or modified by a separate writing that is signed by all of the parties. THIS AGREEMENT SHALL HAVE NO FORCE OF LAW UNTIL SUCH TIME AS ACCEPTED IN WRITING BY AN AUTHORIZED REPRESENTATIVE OF ALLIANCE FINANCIAL, LLC.

Lessor: Alliance Financial, LLC

Lessee:

Signature

Print Name/Title

Date:

Signature

Print Name/Title

Date:

PERSONAL GUARANTEE

If customer is a corporation, partnership or limited liability company, then the obligations of Customer to Alliance Financial, LLC are personally guaranteed by:

Signature

Print Name/Title

Date: