

MASTER PHYSICAL PRECIOUS METALS DEPOSIT LEASE AGREEMENT

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

Alliance Financial, LLC (“Alliance” or “Lessee”)

may borrow from

_____ (“Lender” or “Lessor”)

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

1. TERMS OF LEASE(S)

- a) Lessor and Alliance may from time to time enter into Precious Metals Lease(s) pursuant to which Lessor will lend to Alliance quantities of certain physical precious metals (as described in and conforming to the specifications set forth in *Schedule A - Metals Lease Confirmation* - attached hereto or any other Metal, at any other 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, by the execution by Lessor and acceptance by Alliance of a new *Schedule A*. 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. **All Scheduled Leases executed hereunder, having an initial term of 31 days or less, shall be automatically renewed for a like term**, at Alliance’s prevailing interest rate quote on the first business day following the maturity of the initial term, unless Alliance receives written notification from the Lessor, a minimum of 2 business days prior to expiration of the initial or any subsequent term, specifying Lessor’s election to liquidate the specific Scheduled Lease. Such notice shall specifically provide Alliance with instructions concerning the liquidation and/or return of the Leased Metal. All Lease Fees due Lessor (as described below) on automatically renewed Scheduled Leases shall be calculated and accrued daily and shall be paid to the Lessor on the termination of said Lease.
- d) The Lessor 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 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 Alliance 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. LEASE FEE

- a) With respect to each Lease hereunder, Lessee unconditionally promises to pay to the Lessor a fee (“Lease Fee”). The Lease Fee shall be calculated 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 the average value of the Leased Metal over the term of the Lease, multiplied by;
- iii) **Lease Rate** — the annual percentage lease rate agreed upon by the parties (as set forth in Schedule A), multiplied by;
- iv) **Lease Term** — the number of days the Leased Metal is being leased, which shall not include the date of delivery nor the date of return, divided by;
- v) **Annualization Factor** — three hundred sixty (360) days.

The above-described Lease Fee(s) shall be accrued by Alliance daily and shall be paid by corporate check on the date of termination of the Lease.

- b) Alliance hereby unconditionally promises to pay Lessor interest on any Lease Fee payable by Alliance (as 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 LIBOR (“London Interbank Offer rate”) for one-month deposits plus two (2%) percent per annum.
- c) If Alliance 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, Alliance 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.

4. RISK OF LOSS & USAGE OF LEASED METAL

- a) Alliance 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.
- b) Alliance 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 Alliance until the Leased Metal is returned to the Lessor.
- c) Lessor acknowledges that the Leased Metal delivered to the Lessee under this Master Agreement is “fungible in nature” and that Alliance’s obligation to return the Leased Metal is specifically limited to returning like weights and grades, as per industry standards and practices. Lessor acknowledges that Alliance shall have no obligation to retain, in its possession and/or control, the specific property borrowed under this Master Agreement, nor shall Alliance be obligated to retain a like amount of similar property in its possession or control.

Lessor specifically authorizes Alliance to do the following with any and all Leased Metal: 1) sell the Leased Metal on the open market or through a private transaction, including transactions with related parties to Alliance, 2) re-lease Leased Metal to third parties, including related parties of Alliance, on either a secured or unsecured basis, 3) pledge, re-pledge, hypothecate or re-hypothecate the Leased Metal, either separately or in common with such other property for any amounts due to us thereon or for a greater sum and 4) fabricate or alter the form of the Leased Metal.

NOTHING IN THE ABOVE SPECIFIC AUTHORIZATIONS, SHALL IN ANY WAY, LIMIT OR MODIFY ALLIANCE’S OBLIGATION TO RETURN THE LEASED METAL (OR ITS FUNGIBLE EQUIVALENT) TO THE LESSOR UPON TERMINATION OF A SPECIFIC SCHEDULED LEASE OR THIS MASTER AGREEMENT.

- d) Lessor shall not be responsible for Alliance’s use of the Leased Metal.

5. DEFAULT

- a) It is hereby understood and agreed that in the event Alliance shall:
 - i) fail to return or purchase the Leased Metal within seven (7) days of the end of the Lease;
 - ii) default in the prompt payment or performance of any obligation to Lessor hereunder, and fail to cure such default within thirty (30) days of written notice from Lessor of such default;

- iii) 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;
- iv) otherwise become bankrupt or insolvent, or be unable to pay its debts as they fall due;
- v) without prior notice to Lessor, merge or consolidate with any unaffiliated company or sell all or a substantial portion of its assets;

Lessor shall have the right to immediately and at any time(s) thereafter, to liquidate (or close out) any and all outstanding Leases. For the purposes of this Paragraph, any such liquidation shall be accomplished by:

- (1) Lessor providing Alliance with written notification of its election to liquidate, which upon actual receipt by Alliance, shall automatically accelerate the expiration date of all Leases to the date of receipt of such Notice by Alliance;
- (2) Lessor is required to include in such written notice, specific instructions as to whether Alliance is required to a) return the Leased Metal (or its fungible equivalent) subject to the Leases to the Lessor, or b) to pay to the Lessor the market value of the Leased Metal, based upon mutual agreement as to such value;
- (3) In the event Alliance returns the Leased Metal (or its fungible equivalent) or if Alliance remits payment (as provided for above) to Lessor, Alliance shall be required to and shall pay to Lessor any and all Lease Fees (pro-rated and accrued through the date the Lessor elected to liquidated said Lease(s)) to Lessor.

Note: Upon maturity of any Scheduled Lease or termination of this Master Agreement, Lessor is required to follow the procedures set forth in Paragraph 5a & 5b, and Alliance will only follow such written instructions actually received from the Lessor concerning the liquidation of and/or return of any Leased Metal.

- b) 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).

6. 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 or sold subject to industry standards and practices.

The Customer specifically acknowledges that the Commodity Exchange Act, as amended does not cover "non-exchange traded cash transactions" in physical precious metals. Additionally, the Customer acknowledges that funds or property received by Alliance 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. The Customer 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.

7. REPRESENTATIONS

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

- a) it is duly authorized to enter into this Master Lease Agreement;

- b) the person executing this Master Agreement and all other documents, agreements, schedules hereunder on its behalf is authorized to do so;
- c) 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.
- d) where the Lessor is a natural person, the Lessor represents that he is of legal age and has the mental capacity to understand and enter into this Master Agreement.

8. 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.**

9. FORCE MAJEURE

In the event of adverse conditions in the marketplace or other factors beyond the control of Alliance, including, but not limited to, acts of God, national emergencies, adverse governmental actions, suspension of trading on physical metals markets, by U.S. or foreign commodities markets or exchanges, or the failure or delay of suppliers, the maximum time for delivery of such precious metals by Alliance may be extended or canceled in its entirety. Alliance will not be responsible for delays or failures in the transmission, receipt or execution of orders, payments, deliveries or information due to the incapacity or failure of computer transmission or communication facilities which are beyond Alliance's control.

The parties acknowledge that, where Alliance is acting as a principal and is "making a market quotation" available to the Customer, that Alliance is not obligated, in any way or at any particular time, to make such "market quotation" available, nor shall Alliance be obligated to enter into any minimum size transaction, in any market, at any time.

10. TIME IS OF THE ESSENCE

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

11. 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 the Lessor and accepted in writing by an authorized officer of Alliance Financial, LLC.

12. ASSIGNMENT

The provisions of this Master Agreement shall be continuous and shall inure to the benefit of Alliance, its successors and assigns and shall be binding upon the Lessor and/or the estate, personal representatives, administrators and successors of the Lessor. The Lessor 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 and any attempt at such assignment or delegation without such consent shall be void.

13. 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.

14. 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.

15. NOTICES

All communication

if sent to Lessee 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 Lessor 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 Lessor by mail shall be effective upon their deposit in the United States Mail, postage prepaid, or upon receipt, whichever occurs earlier. Lessor specifically agrees that all communications required to be delivered to the Lessor 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 Lessor shall be binding upon the Lessor, having the same force and effect as if they had been deposited in the U.S. Mail.

16. TERMINATION; LESSOR SALE OF LEASED METAL — NO EARLY RETURN OF LEASED METAL

- a) This Master Agreement may be terminated on five (5) business days' prior written notice by Lessor to Alliance and upon telephonic notification from Alliance to Lessor. 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.
- b) It is specifically understood and agreed that all Leases are for a specific term, and that other than the event of a default, Lessor shall have no right to demand the early return of the Leased Metal, and that Alliance shall have no right to return the Leased Metal to the Lessor prior to the expiration date of the specific Lease.
- c) 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.

17. 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.

18. 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.

19. 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.

20. 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.**

Lessee: Alliance Financial, LLC

Lessor:

Signature

Signature

Print Name/Title

Print Name/Title

Date:

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: