

-The First Agreement-

A G R E E M E N T

THIS AGREEMENT, made this 9th day of January, 1974, by and between MARK IV ASSOCIATES, INC., a New Mexico corporation, hereinafter referred to as Seller; PYRAMID ENTERPRISES, INC., a Delaware corporation, hereafter referred to as Buyer; and THE FIRST NATIONAL BANK IN ALBUQUERQUE, a National Banking Association, hereinafter referred to as Bank;

WITNESSETH:


WHEREAS, Seller represents itself to be the lawful owner, subject only to the indebtedness described below, of certain precious metals identified in warehouse receipts issued by Lawrence Systems, Inc., as follows:

<u>Warehouse Receipt No.</u>	<u>Issue Date</u>	<u>Stated Value</u>
16077	12/3/73	\$ 300,000.00
16078	12/3/73	250,000.00
16081	12/3/73	453,000.00
16080	12/3/73	124,244.32
16082	12/3/73	<u>200,000.00</u>
	TOTAL	\$1,328,034.32

Bank makes no representation as to quantity, composition or value of the materials described in these warehouse receipts.

WHEREAS, said certain of these warehouse receipts have been assigned to and are issued in the name of the Bank as holder, as collateral for indebtedness of the Seller to the Bank in the amount of \$300,000.00, plus accrued interest; and

WHEREAS, the Buyer hereby acknowledges receipt from the Seller of assay certificates issued by Valley Agri-Services, Inc., of Roswell, New Mexico, pertaining to the materials described in said warehouse receipts; and



WHEREAS, the Buyer wishes to receive an assignment from the Seller and the Bank of the material described in said warehouse receipts in consideration of the sum of \$1,000,000.00 paid to the Seller, and the Seller and the Bank are willing to make the assignment for such consideration, the interest of the Bank being solely as a secured creditor of Seller;

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE RECITALS, AND THE COVENANTS AND AGREEMENTS HEREINAFTER MADE, IT IS MUTUALLY AGREED BY AND AMONG THE PARTIES, as follows:

1. Buyer shall immediately cause to be wired to Bank a letter of credit in the amount of \$1,000,000.00.
2. When the wire advice is received, Bank shall immediately draw down the proceeds and apply the sum of \$300,000.00 plus interest accrued to the date of such application, in full payment of the indebtedness from Seller to Bank, and the balance shall be paid over by Bank to Seller in such manner as shall be directed by Seller.
3. Seller and Bank each hereby sell and assign to Buyer all right, title and interest held in their respective capacities to the warehouse receipts described above and the materials identified therein; such assignment to become effective immediately upon application by the Bank of the proceeds of the letter of credit as described in paragraph 2.
4. Immediately upon receipt by the Bank of said letter of credit, Bank and Seller will cause the Lawrence Systems, Inc., to reissue the warehouse receipts in the name of the Buyer, as holder, and the Bank will receive the reissued receipts when

returned by Lawrence Systems, Inc. and will hold the new warehouse receipts on behalf of the Buyer as collateral for the undertakings herein.

5. Immediately upon receipt by the Bank of said letter of credit, Seller will undertake, at its own risk and expense, to deliver to a refinery (authorized by the Treasury Department of the United States Government to refine gold and noble metals), a sufficient amount of precious metals, which shall not include any of the materials described in the aforesaid warehouse receipts, for the refinery to deliver to Buyer in bar stock form, precious metals having a certified market value of \$1,333,333.00 on the date of delivery. The date of delivery shall be the date upon which the refinery issues its refiner's receipt and transfers the precious metals to the account of Buyer on its records. The market value shall be specified in the refiner's receipt and shall be calculated at the prices quoted on the Daily London Metals Market as of the date of delivery, for the various precious metal components of the bar stock.

6. Seller will give instructions to the refinery to deliver the bar stock to the following address:


STANDARD SAFE DEPOSIT CO. OF NEW YORK
25 BROAD STREET
NEW YORK, NEW YORK

Account of PYRAMID ENTERPRISES, INC.

Shipment from the refinery to this address will be at the expense of Seller, and the Seller agrees to provide the Buyer with evidence of satisfactory insurance coverage for the shipment.

7. Seller shall instruct the refinery to send the original of its refiner's receipt to Buyer, with a copy to be sent to Bank. Immediately upon receipt by the Bank of said refiner's

receipt, it shall release the warehouse receipts to Seller, and Buyer agrees to the reassignment to Seller of its interest in said warehouse receipts at that time, and to the removal of its name from said warehouse receipts as holder.

8. Seller agrees to provide Buyer a copy of its letter to the refinery instructing it as to the matters contained in paragraphs numbered 5, 6 and 7 above. 

9. Seller agrees to provide Buyer a letter from its insurance brokers, Bayly, Martin & Fay, describing the type and extent of insurance coverage currently maintained by Seller.

10. Seller agrees to execute to Buyer any further documents or instruments of conveyance, including proper authorizing resolution of its Board of Directors, as may be required to establish Buyer as the rightful owner of the bar stock to be delivered to it, or such other documents as Buyer may reasonably request in furtherance of this Agreement.

11. Buyer will provide Seller its gold license number for inclusion in the written instructions from Seller to the refinery.

12. All notices and communications hereunder shall be made to the following addresses:

SELLER: MARK IV ASSOCIATES, INC.
2125 Wyoming Boulevard, N.E.
Albuquerque, New Mexico 87112

Attention: Mr. Kenneth D. Meadows, President

BUYER: PYRAMID ENTERPRISES, INC.
c/o Mellon Bank International
77 Water Street
New York, New York

Attention: Mr. Barry Wohl, Executive
Vice President

BANK:

FIRST NATIONAL BANK IN ALBUQUERQUE
Post Office Box 1305
Albuquerque, New Mexico 87103



Attention: Mr. Chester Pasnewski,
Vice President and Trust Officer

IN WITNESS WHEREOF, the parties have set their hands and
seals this day and year first above written.

J. D. Thompson
ATTEST:
J. D. Thompson
Secretary

MARK IV ASSOCIATES, INC.

By *Kenneth O. Meadows*
Kenneth O. Meadows
President



PYRAMID ENTERPRISES, INC.

By *Stanley Smith*
Stanley Smith
Authorized Representative



FIRST NATIONAL BANK IN ALBUQUERQUE

By *Joseph B. Casey*
Joseph B. Casey
Vice President



STATE OF NEW MEXICO
COUNTY OF BERNALILLO

Tom Thomas
Notary Public

February 13, 1974

My Commission Expires May 17, 1976