

Cazier - DNR, Tim <tim.cazier@state.co.us>

Wed, May 8, 2013 at 4:29 PM

Providence Lease Agreement

1 message

shannon murphy <shannonpmurphy@msn.com> We
To: "tim.cazier@state.co.us" <tim.cazier@state.co.us>
Cc: art braun <braunenv@msn.com>, Dave Cullity- MM&E <dcullity@murphymining.com>

Hello Tim,

Thanks for your time yesterday.

Attached is a copy of the signed lease agreement which we concluded in April.

I appreciate the 30 day extension and will be expedient in getting the complete application through to your office.

As discussed previously Art Braun will be assisting with the preparation and application process and may well contact you directly as certain questions present themselves.

Kindly send my best regards to Mr. Waldron and Kaldenbach.

Have a great day.

Shannon

Shannon P. Murphy

President & CEO

Murphy Mining Group of Companies



"The Power of Positive Mining"

100 W. Bennett Ave. Cripple Creek, CO USA 80813

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The contents of this e-mail has been checked by our system for computer viruses and although none has been found/identified by our system, we cannot guarantee that it is completely free from such viruses or related problems and we do not accept any liability whatsoever, for any loss or damage which may be caused as a result thereof.



El Dorado (Denis-Bauserman) Lease.pdf 4324K

LEASE OPTION AGREEMENT

This lease agreement is made and entered into this 1st day of April, 2013 by and between Robert M. Denis and Verna A. Bauserman, hereinafter referred to as "Landlord" or "Seller", and Murphy Mining and Exploration, LLC, hereinafter referred to as "Tenant" or "Purchaser".

In consideration of the covenants and agreements hereinafter contained, to be kept and performed by the respective parties, the Landlord/Seller does hereby grant to the Tenant/Purchaser a Lease with an Option to Purchase on the following described property:

Legal Description: 18-15-69 8068 PT ELDORADO LYING N OF THE MARY A MS

More commonly known as El Dorado, Teller County, Colorado

Assessor Account Number: N0038630

LEASE

1. This lease shall commence on the 1st day of April, 2013 and continue for a period of eight (8) months thereafter, expiring on the 31st day of December, 2013.

2. The Tenant agrees to pay the Landlord as rent of the demised premises the sum of \$250.00 per month, in advance throughout the term of this lease. Additionally, the Tenant shall pay as additional rent the sum of the 2012 taxes paid to the Teller County Treasurer in the amount of \$139.96. This additional rent shall be paid with the first monthly rent payment and the total amount of \$389.96 shall be due on or before April 15, 2013. All rent payments thereafter shall be due on the first of each month. The monthly rent payments shall be mailed or otherwise delivered to the Landlord at 1201 Doyle Place, Colorado Springs, CO 80915 or such other location as the Landlord directs. Funds may be sent to 5 Star Bank Direct Deposit: Account Number: 0201029576 Routing Number: 307087713.

3. In the event that the purchase of the property under this Lease Option Agreement is not completed by the expiration of the Lease the parties to this Lease Option Agreement may elect to execute a new Agreement.

4. The Tenant hereby acknowledges that they have received the above described premises, and the personal property located therein as hereinabove described, if any, in good order and repair, and will, at the expiration of the term of this lease, surrender and deliver up possession of said premises in as good order and repair as the same are at this date, ordinary wear and tear excepted. The Tenant further agrees to maintain the premises in a clean and sanitary condition, and guarantees to the Landlord the surrender of said premises in good order and repair at the expiration of the term of this lease.

5. Landlord warrants that Tenant shall be granted peaceable and quiet enjoyment of the Premises free from any eviction or interference by Landlord for so long as Tenant pays the rent and other payments provided in this Lease, and otherwise fully performs the material terms and conditions hereunder

6. The Tenant promises and agrees that if default be made in the payment of rents or in the performance of any other condition of this lease that this lease may be terminated at the election of the Landlord. Prior to termination of the leased premises, written notice to the Tenant, from the Landlord shall be given to the Tenant stating the breach of conditions of this lease and the election of the Landlord to so terminate the lease. The Tenant shall be entitled to cure such breach within 10 days of the notice if a breach is for non-payment of rent and within 30 days for any other breach. In the event of such termination, it is understood and agreed that any advance rental payment made herein shall be retained by the Landlord as liquidated damages for the breach of this agreement, in addition to other legal remedies which the Landlord may have for such breach.

7. The failure of the Landlord to insist on any one or more instances, upon a strict compliance of any of the obligations, covenants and agreement herein contained or the failure of the Landlord in any one or more instances to exercise any option, privilege or right herein contained shall in no way be construed to constitute a waiver or relinquishment or release of such obligation, covenant or agreement, and no forbearance by the Landlord of any default hereunder shall in any manner be construed as constituting a waiver of such default by the Landlord.

8. The parties agree that the Tenant may assign this Lease Option Agreement to a subsidiary or related company. The tenant shall remain responsible for strict compliance of any of the obligations, covenants and agreement herein contained.

9. Any written notice called for by the terms of this Lease shall be mailed by certified mail to the respective parties at their addresses given herein.

OPTION TERMS

In consideration of the Lease of the premises, the Purchaser of the abovedescribed leased premises shall be entitled to an option to purchase the leased premises.

10. The purchase price of the property shall be Forty Thousand Dollars and No Cents (\$40,000.00).

11. Each month during the term of the lease the Seller will credit \$250.00 of the lease payment as earnest money toward the purchase price.

12. The Purchaser shall pay cash or obtain new financing and the balance of the purchase price shall be paid at closing.

13. In the event the Purchaser wants to close on the property prior to the expiration of the lease term, Purchaser shall be entitled to do so with credit given for those months that earnest money was credited.

15. In order to exercise this Option to purchase, the Purchaser shall give notice to the Seller of their intention to close on the property and a closing shall be scheduled not more than 30 days from the date the notice or intent to purchase is provided. A copy of this contract will be provided to a title company to coordinate title insurance and closing.

16. A current commitment for title insurance policy in an amount equal to the purchase price, at Seller's expense, shall be furnished the Purchaser on or before fifteen (15) days prior to closing. Seller will deliver the title insurance policy to Purchaser after closing and pay the premium thereon. Seller will deliver the Title/Deed of the property after full payment is received from the Buyer.

17. Title shall be merchantable in the Seller. Subject to payment or tender as above provided and compliance with the other terms and conditions hereunder by Purchaser, Seller shall execute and deliver a good and sufficient warranty deed to Purchaser on the date of closing, or, by mutual agreement, at an earlier date, conveying said property free and clear of all liens for special improvements now installed, whether assessed or not; free and clear of all liens and encumbrances except easements for telephone, electricity, water and sanitary sewer, and subject to building and zoning regulations, and restrictive covenant of record. Any encumbrance required to be paid may be paid at the time of settlement from the proceeds of this transaction or from any other source.

18. General taxes for the year of closing shall be apportioned to the date of delivery of deed based upon the most recent levy and the most recent assessment.

19. Closing shall be within 30 days after notice of intent to purchase is provided to the Seller from the Purchaser.

20. Possession of premises shall be delivered to Purchaser pursuant to the lease agreement contained herein.

21. In the event the premises shall be damaged by fire or other casualty prior to the time of closing, in an amount of not more than ten percent of the total purchase price, the Seller shall be obligated to repair the same before the date herein provided for delivery of deed. In the event such damage cannot be repaired within said time or if such damage shall exceed such sum, this contract may be cancelled at the option of Purchaser. Should the Purchaser elect to carry out this agreement despite such damage, such Purchaser shall be entitled to all the credit for the insurance proceeds resulting from such damage, not exceeding, however, the total purchase price.

Time is of the essence hereof, and if any payment or any other condition 22. hereof is not made, tendered or performed by either the Seller or Purchaser as herein provided, then this contract, at the option of the party who is not in default, may be terminated by such party, in which case the non-defaulting party may recover such damages as may be proper. In the event of such default by the Seller, and the Purchaser elects to treat the contract as terminated, then all payments made hereon shall be returned to the Purchaser. In the event of such default by the Purchaser, and the Seller elects to treat the contract as terminated, then all payments made hereunder shall be forfeited and retained on behalf of the Seller. In the event, however, the non-defaulting party elects to treat this contract as being in full force and effect, the non-defaulting party shall have the right to an action for specific performance and damages.

Except as stated in paragraph 17, if title is not merchantable and written 23. notice of defect(s) is given by the Purchaser or Purchaser's agent to Seller or Seller's agent within the time herein provided for delivery of deed and shall not be rendered merchantable within 30 days after such written notice, then this contract, at the Purchaser's option, shall be void and of no effect and each party hereto shall be released from all obligations hereunder and the payments made hereunder shall be returned forthwith to Purchaser upon return of the abstract, if any, to Seller; provided, however, that in lieu of correcting such defect(s), Seller may, within 30 days, obtain a commitment for owner's title insurance policy in the amount of the purchase price reflecting title insurance protection in regard to such defect(s) and the Purchaser shall have the option of accepting the then existing insured title in lieu of such merchantable title. The Seller shall pay the full premium for such owner's title insurance policy, and the abstract, if any, shall be returned by the Purchaser.

24. The parties may elect to execute a new Agreement to Purchase the property reflecting the terms of this agreement prior to submitting the contract to the title company.

Murphy Mining & Exploration, LLC

David R. Cullity, General Manager

Tenant/Purchaser P.O. Box 661 Cripple Creek, CO 8813

Robert M. Denis Nema Gottone Po A Landlord/Seller 1201 Doyle Place Colorado Springs, CO 80915

Verna A. Gottone fka Verna A.

Bauserman Landlord/Seller 1201 Doyle Place Colorado Springs, CO 80915

12:20PM Page 1 of 2 515149 02/28/2001

Connie Joiner, Clerk & Recorder, Teller County, Colorado

DEED OF TRUST

Robert M. Denis and Verna A. Bauserman THIS DEED OF TRUST is dated November 3, 2000 between whose address is 1201 Doyle Place, Colorado Springs, CO. 80915 and the Public Trustee ("Trustee") of the County wherein the below described property is located.

Grantor has executed a promissory note or notes ("Note") dated November 3, 2000

for the total

principal sum of Twenty Seven Thousand and 00/100 CENTURY ESCROW CORP

Dollars, payable to the order of

("Beneficiary") whose address is

P.O. Box 4234 Woodland Park, CO 80866

percent per after the date hereof, with interest thereon from the date thereof at the rate of 13.5 annum, principal and interest payable according to the terms of the Note, all of which terms, together with any and all extensions, postponements of the time of payment, additions or releases of parties liable, other indulgences, loans or advances of additional funds, are incorporated herein.

To secure prompt payment when due of all principal and interest on the indebtedness evidenced by the Note, late charges and all other obligations of Grantor as provided therein, any disbursements by Beneficiary to protect the security of this Deed of Trust, and any prior encumbrances, Grantor does hereby grant and convey unto said Trustee, in Trust, with power of sale, the following property County, State of Colorado: ("Property") located in Teller

See Attached Exhibit A Eldorado Mining Claim, Survey No. 8068

Together With and Reserving Those Easements Described in Dedications of Easements Recorded in Teller County, CO. Reception: 6483000 - recorded October 12, 1998. also known as:

Grantor covenants that Grantor owns and has the right to grant and convey the Property, and warrants title to the same, subject to general real estate taxes for the current year, easements, declarations, restrictions, reservations and covenants of record, if any, as of this date, and except:

Upon default or breach of any obligation, covenant or agreement contained herein or secured hereby, at Beneficiary's option, all of the sums secured by this Deed of Trust shall be immediately due and payable (Acceleration). To exercise this option, Beneficiary may invoke the power of sale and any other remedies permitted by law. Beneficiary shall be entitled to collect all reasonable costs and expenses incurred in pursuing such remedies or otherwise enforcing or defending this Deed of Trust including but not limited to reasonable attorney fees. If Beneficiary invokes the power of sale, Beneficiary shall give written notice of election and demand to Trustee; Trustee shall give notice to Grantor of Grantor's rights and shall record a copy of such notice; Trustee shall advertise the time and place of the sale of the Property and provide copies of such notice to Grantor and other persons; and without demand on Grantor shall sell the Property at public auction to the highest bidder for cash at the time and place as contained in such notice, in one or more parcels as Trustee may think best and in such order as Trustee may determine, all as required by law. Beneficiary may purchase the Property at any sale. The purchaser at any such sale need not see to the application of the purchase moneys. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including but not limited to reasonable Trustee and attorney fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto. After the expiration of the time of redemption, Trustee shall execute and deliver to the purchaser a deed to the Property.

Grantor covenants to pay all taxes, assessments, charges and liens against the Property, to commit no waste upon the property, and to keep all improvements insured for fire and extended coverage in an amount not less than the unpaid balance of the Note with loss payable to Beneficiary, and will deliver a copy of the policy to Beneficiary. If Grantor fails to perform any of these covenants, Beneficiary may perform for Grantor and all amounts expended by Beneficiary shall be additional indebtedness secured hereby.

Whenever foreclosure is commenced for nonpayment of any sums due hereunder, Grantor or other owner(s) of the Property shall be entitled to cure said defaults by paying all delinquent principal and interest payments due as of the date of cure, costs, expenses, late charges, attorney fees and other fees, all in the manner provided by law. Upon such cure, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as though no Acceleration had occurred, and the foreclosure proceedings shall be discontinued. Upon expiration of the cure period, Beneficiary shall be entitled to possession, and upon refusal of delivery of possession Beneficiary shall be entitled to appointment of a receiver for the Property by a court of competent jurisdiction.. Grantor waives any Homestead or other exemption to the fullest extent allowable by law.

The singular shall include the plural and vice versa. Any gender shall include all genders. All of the covenants and benefits contained and provided herein shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. All covenants of Grantor are joint and several

a Bauserman

State of Colorado County of

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Robert M Denis

4022399-01

Verna A. Bauserman

Canceller Promisson No. Canceller Deed of Truck Released State of Colorado County of The foregoing was acknowledged before me this 310 day of 10,000 day, 20 to, by Teller County Public Trustee 011 2 8 2008 Robert M. Denis and Verna A. Bauserman Witness my hand and official seal My commission expires: (A PUB Notary Public





GENERAL POWER OF ATTORNEY

THIS IS A MILITARY POWER OF ATTORNEY PREPARED AND EXECUTED PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 1044B BY A PERSON AUTHORIZED TO RECEIVE LEGAL ASSISTANCE FROM THE MILITARY SERVICES. FEDERAL LAW EXEMPTS THIS POWER OF ATTORNEY FROM ANY REQUIREMENT OF FORM, SUBSTANCE, FORMALITY OR RECORDING THAT IS PRESCRIBED FOR POWERS OF ATTORNEY BY THE LAWS OF ANY STATE, COMMONWEALTH, TERRITORY, DISTRICT, OR POSSESSION OF THE UNITED STATES. FEDERAL LAW SPECIFIES THAT THIS POWER OF ATTORNEY SHALL BE GIVEN THE SAME LEGAL EFFECT AS A POWER OF ATTORNEY PREPARED AND EXECUTED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION WHERE IT IS PRESENTED.

KNOW ALL PERSONS BY THESE PRESENTS:

That I, Robert Denis, a resident of the State of Alaska, a person authorized to receive legal assistance from the United States Armed Forces, currently residing in Delta Junction, AK, do hereby appoint my wife, Verna A. Gottone, presently of 1201 Doyle Place, Colorado Springs, CO, 80915, my true and lawful attorney-in-fact to manage and conduct all my affairs and act in all matters in my name and in my behalf. Such acts shall include:

To lease, sell, use, establish title to, register, insure, transfer, mortgage, maintain, manage, pledge, exchange or otherwise dispose of or encumber any and all of my property, real, personal, or mixed, including motor vehicles of any kind, and to execute and deliver good and sufficient deeds or other instruments for the lease, conveyance, mortgage, maintenance, or transfer of the same.

To buy, receive, lease, accept or otherwise acquire in my name and for my account, property, real, personal or mixed upon such terms, considerations and conditions as my said attorney-in-fact shall deem appropriate.

To transact all business of mine on my behalf including entering into contracts and the making of such investments as my attorney shall deem sound.

To institute and prosecute, or to appear and defend, any claim or litigation involving me or my interests. This shall include, but not be limited to, the authority to present a claim against the United States for damage to or loss of personal property. To prepare and file all tax returns and governmental applications and requests.

To execute all documents needed for travel of my family members and transportation or storage of my property, as authorized by law and Military regulations; to sign for and clear government or other quarters in the best interests of my family members and in accordance with law and Military regulations.

To demand, act to recover, and receive, all sums of money which are now or will become owing or belonging to me, and to institute accounts on my behalf and to deposit, draw upon or expend such funds of mine as are necessary in furtherance of the powers granted herein. This shall include, but not be limited to, the authority to receive, endorse, cash, or deposit negotiable instruments made payable to me and drawn upon the Treasurer, or other fiscal officer or depository, of the United States.

To change my local address as it pertains to delivery of leave and earning statements, net pay advices, and locally issued military pay checks and obtain my net pay amount each pay period.

I HEREBY GIVE AND GRANT unto my attorney full power and authority to do and perform each and every act and matter concerning my estate, property, and affairs as fully and effectually to all intents and purposes as I could do legally if I were present. The above described powers are merely examples of the authority granted by this document and not in limitation or definition thereof. However, my Agent shall have no rights or powers hereunder with respect to the following:

Life Insurance: My Attorney shall have no rights or powers hereunder to cancel or change the beneficiary of any policy of life insurance owned by me. Fiduciary Powers: My Attorney shall have no rights or powers hereunder with respect to any act, power, duty, right or obligation, relating to any person, matter, transaction or property, owned by me or in my custody as a trustee, custodian, personal representative or other fiduciary capacity for someone else.

I HEREBY RATIFY ALL THAT MY ATTORNEY SHALL LAWFULLY DO OR CAUSE TO BE DONE BY THIS DOCUMENT. All business transacted hereunder for me or for my account shall be transacted in my name, and that all endorsements and instruments executed by my attorney for the purpose of carrying out the foregoing powers shall contain my name, followed by that of my attorney and the designation "attorney-in-fact." This Power of Attorney shall become effective when properly signed and executed below. Further, unless sooner revoked or terminated by me, this Power of Attorney shall become NULL and VOID on 16 August 2013.

IN WITNESS WHEREOF, I sign, seal, declare, publish, make and constitute this as and for my Power of Attorney in the presence of the Notary Public witnessing it at my request this date, 16 August 2011.

The Robert Denis

WITH THE UNITED STATES ARMED FORCES AT FORT GREELY, ALASKA

I, the undersigned, do hereby certify that on 16 August 2011, before me personally appeared Robert Denis, who signed and executed the foregoing instrument. I do further certify that I am at the date of this certificate a person in the service of the United States Armed Forces authorized the general powers of a notary public under Title 10 U.S.C. 1044a of the grade, branch of service and organization stated below and that this certificate is executed in my capacity as a person authorized notary public under Title 10 U.S.C. 1044a of the grade.

Q. Marshall

Fort Greety Legal Office