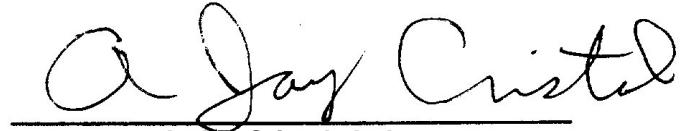




ORDERED in the Southern District of Florida on October 05, 2011.



A. Jay Cristol, Judge
United States Bankruptcy Court

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION**

In re:

MERENDON MINING (Nevada), INC.

a/k/a Milowe Brost,

Debtor.

Case No. 09-11958-BKC-AJC

Chapter 7

**ORDER GRANTING TRUSTEE'S AMENDED MOTION TO (A) APPROVE THE SALE
OF THE BUENO AND BLACK ROSE MINING PROPERTIES FREE AND CLEAR
OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS PURSUANT TO
11 U.S.C. §363; (B) SET THE SALE PROCEDURES AND SALE HEARING
DATE; AND (C) SET THE NOTICE PROCEDURES FOR THE SALE**

THIS MATTER came before the Court for hearing on Tuesday, September 27, 2011 on the Chapter 7 Trustee Marcia Dunn's (the "Trustee") Amended Motion to (a) approve the sale (the "Sale") of the Bueno and Black Rose Mining Properties (as fully described in Exhibit A to this Order) (the "Property"), free and clear of liens, claims, and interests in the Property, pursuant to 11 U.S.C. §§105 & 363; (b) set the Sale Procedures, including the bidding

protections, and Sale Hearing Date; and (c) set the Notice Procedures for the Sale (the “Sale Motion”) [D.E. #256]; and the Court, after having reviewed the Sale Motion, the Exhibits attached thereto, including the Asset Purchase Agreement, dated July 28, 2011, by and between Glory Development Company LLC (“GDC”) and the Trustee, which was attached to the Sale Motion as Exhibit A, as amended by the parties on September 26, 2011 [D.E. #279] (the “APA”), the legal authority cited therein, having heard argument of counsel, and being otherwise duly advised in the premises finds for the reasons stated in open court that shall constitute the decision of the court, that:

- (a) the Court has jurisdiction over the Sale Motion pursuant to 28 U.S.C. §1334, and the Standing Order of Reference of the United States District Court for the Southern District of Florida. S.D.Fla. L.R. 87.2,
- (b) venue is proper pursuant to 28 U.S.C. §1408,
- (c) this matter constitutes a core proceeding pursuant to 28 U.S.C. §157(b)(2),
- (d) the Trustee provided legally sufficient notice of the Sale Motion pursuant to Fed. R. Bankr. P. 2002 & 6004, and this Court’s Order of December 30, 2009 [D.E. #74].
- (e) the Sale Procedures, Bidding Protections, and Sale Hearing Notice requested in the Sale Motion (i) are the product of the Trustee’s sound business judgment, (ii) are in the best interest of Debtor’s estate and all other parties in interest, (iii) will enhance the bidding process, (iv) will maximize the value of the Property, and (v) are fair and reasonable under the circumstances, and
- (f) the minimum Sale price set forth in the APA is greater than the amounts of claims of any non-consenting holders of liens, claim or interests in the subject property, as required by 11 U.S.C. §363(f),

Therefore, for good cause having been shown it is **ORDERED** and **ADJUDGED** that:

1. The Sale Motion [D.E. #256] is GRANTED as provided herein.
2. The Sale of the Property is APPROVED to be sold according to the procedures as set forth herein.
3. The APA, and the form of the APA, is APPROVED.
4. GDC's Expense Reimbursement (the "Expense Reimbursement"), as set forth in §7.5 of the APA is APPROVED. In the event the Trustee closes on the Sale with any purchaser other than GDC, then GDC is entitled to reimbursement for reasonable expenses spent on due diligence up to \$25,000 upon submitting to the Trustee proof of such expenses. GDC shall not be entitled to the Expense Reimbursement if it becomes the successful bidder approved by the Court.
5. GDC is approved as a Qualified Bidder, as that term is defined in the Sales Procedures.
6. The Sale Procedures, including bidding protections, as provided in attached Exhibit B, and the Sale Hearing Notice as provided in attached Exhibit C, are APPROVED.
7. Pursuant to 11 U.S.C. §§105 & 363, the Trustee is authorized to sell the Property free and clear of all liens, claims, encumbrances, and interests (collectively, the "Interests"); except that the sale will be subject to the tax liens assessed by the Boulder County, Colorado Treasurer, pursuant to 11 U.S.C. §363, et al.
8. The Interests shall attach to the net proceeds of the Sale of the Property pending a determination through either a declaratory judgment, or stipulation approved, by this Court in Adversary Proceeding No. 10-03623 determining the validity, extent, and priority of those Interests. The Trustee shall reserve from the net proceeds those amounts necessary to pay the full

value of the asserted Interests pending such resolution.

9. The Trustee is authorized to pay from the net of those proceeds (a) up to \$25,000 in Expense Reimbursement (the “Expense Reimbursement”) to GDC, upon submission by GDC to the Trustee of proof of said expense, (b) all closing costs (including amounts owed to Heritage Title Company), (c) 10% of the purchase price (net of the potential Expense Reimbursement if GDC is not the successful bidder) to Trustee’s Court approved auctioneer, Fisher Auction Co., Inc. (the “Auctioneer”) as an auctioneer’s commission, and (d) subject to Court approval upon application to the Court, all of the Trustee’s professional fees and costs that have enabled the Trustee to recover and sell the Property, including but not limited to, all amounts incurred by the Trustee substantively consolidating the non-debtor entities and bringing the adversary complaints.

10. The Auction of the Property shall take place on January 4, 2012 at 3:00 p.m. at 51 S.W. 1st Avenue, Room 1410, Miami, FL 33130.

11. A hearing to approve the sale shall immediately follow the Auction. All objections to the Auction and the Sale shall be preserved and considered at the hearing.

12. The Trustee has requested and the Court shall consider at the hearing the waiver of the 14-day stay applicable to any order approving the sale, pursuant to Fed. R. Bank. P.6004(h), so that the parties may immediately close the sale transaction, and that this Court make findings and conclusions that determine that the buyer is a good faith purchaser of the property of the estate under 11 U.S.C. §363(m), entitling the purchaser to the protections thereunder and other applicable provisions of §363.

13. At least 21 days prior to the Auction, the Trustee shall serve this Order, the Sale Hearing Notice and the Sale Procedures upon (a) all potential purchasers identified by the

Trustee and the Auctioneer, (b) all creditors and parties in interest, that have requested notice in this matter, (c) the U.S. Trustee, and (d) all entities that the Trustee is aware of that have asserted or may assert Interests in the Property by first class U.S. mail, postage prepaid, directly or through their counsel. Additionally, the Trustee shall serve the Sale Hearing Notice and the Sale Procedures by posting them online at <http://www.gray-robinson.com/news.php?ACTION=%20view&CAT=1&ID=1475>, a website set up for the purposes of providing information on this case, as previously approved as a sufficient form of notice to creditors by this Court [D.E. #74]. Further, the Trustee shall publish the details of the terms and conditions of the Sale, including at a minimum a description of the Property to be sold, the time, date and place of the Auction and Sale Hearing, the address of the website referenced herein, and the contact information for the Auctioneer, in the Boulder County Business Report and the Denver Post, for a one-week period. Service as set forth herein constitutes constitutionally and statutorily adequate notice of the sale of the Property.

14. Nothing in this Order or the APA releases, nullifies, or enjoins the enforcement of any liability to a governmental unit under police and regulatory statutes or regulations that any entity would be subject to as the owner or operator of property after the date of entry of this Order. Nothing in this Order or the APA authorizes the transfer or assignment to the successful purchaser of any license, permit, registration, authorization, or approval of or with respect to a governmental unit without that purchaser's complying with all applicable legal requirements under non-bankruptcy law governing such transfers or assignments.

#

Submitted by:

Ivan J. Reich, Esq.

GrayRobinson, PA
Attorney for the Trustee
401 E. Las Olas Blvd., Suite 1850
Ft. Lauderdale, FL 33301
Telephone: 954-761-8111
Facsimile: 954-761-8112
ivan.reich@gray-robinson.com

(Attorney Reich shall upon receipt serve a copy of this Order as set forth herein and file a certificate of service).

1196819 v1

Exhibit A

PROPERTY DESCRIPTION

(Consisting of this Page and the Next Three Pages)

Note on Water Rights:

Those water/ditch rights listed on Stock Certificate Number 821, showing Sixteen (16) Shares in the Left Hand Ditch Company, owned by Merendon Mining, Resources Intl., purchased on 07/16/1980, in Boulder County, Colorado, and to be further described as is required and/or necessary to fully transfer to Purchaser under the terms of this Agreement.

Note:

Note on All Parcels Conveyed: Any and all mine tailings and buildings located on the parcels described within this Exhibit A, are included with the property to be transferred under the terms of this Agreement.

Bueno Mine Jamestown Colorado Legal Description

PARCEL A:

THE BURNA LODE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 481) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 7 1/2 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED 1-20-2005, UNDER RECEIPTION NO. 2659382, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL B:

THE CENTRAL PACIFIC AND GRANT LODE MINING CLAIMS (UNITED STATES MINERAL SURVEY NO. 7583) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 7 1/2 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED DECEMBER 31, 1880, IN BOOK 187 AT PAGE 155, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL C:

THE ANDREW JACKSON LODE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 16419) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 7 1/2 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED MAY 01, 1900, IN BOOK 288 AT PAGE 17, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL D:

THE PICKARD LODE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 4059) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 7 1/2 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED FEBRUARY 28, 1855, IN BOOK 072 AT PAGE 187, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL E:

THE BUFFALO, NEVADA, EQUATOR, COLORADO, KANSAS, MISSOURI, ILLINOIS, INDIANA, OHIO AND KENTUCKY LODE MINING CLAIMS (UNITED STATES MINERAL SURVEY NO. 12669A) AND KENTUCKY MILL SITE CLAIM (UNITED STATES MINERAL SURVEY NO. 11561B) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 7 1/2 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED JULY 11, 1900, IN BOOK 214 AT PAGE 174.

EXCEPT THAT TRACT OF LAND AS CONVEYED IN DEED RECORDED AUGUST 09, 1873, UNDER RECEIPTION NO. 76290 AND ALSO

EXCEPT THAT TRACT OF LAND AS CONVEYED IN DEED RECORDED JANUARY 02, 1975, UNDER RECEIPTION NO. 125762 AND ALSO

EXCEPT THOSE TRACTS OF LAND AS CONVEYED IN DEEDS RECORDED DECEMBER 22, 1899, UNDER RECEIPTION NOS. 2009080 AND 2009081, COUNTY OF BOULDER, STATE OF COLORADO.

LEGAL DESCRIPTION

TOGETHER WITH THE RIGHT OF INGRESS EGRESS PURPOSES AS SET FORTH IN INSTRUMENT
RECORDED DECEMBER 27, 2000, UNDER RECEPTION NO. 2103015.

PARCEL F:

THE HACKEYT LODGE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 28668) LOCATED IN
THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2
NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND
PATENTED IN UNITED STATES PATENT RECORDED MAY 04, 1857, IN BOOK 1048 AT PAGE
398, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL G:

THE AFTERTHOUGHT LODGE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 30075)
LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24,
TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET
FORTH AND PATENTED IN UNITED STATES PATENT RECORDED JANUARY 17, 1847, IN BOOK
790 AT PAGE 253, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL H:

THE NUCLEAR LODGE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 30862) LOCATED
IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTIONS 13 AND 24,
TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH
AND PATENTED IN UNITED STATES PATENT RECORDED MAY 24, 1855, AT RECEPTION NO.
784268, COUNTY OF BOULDER, STATE OF COLORADO.

Black Rose Mine, Jamestown Colorado Legal Description

PARCEL A:

THE NEW STIVAL LODE MINING CLAIM (UNITED STATES MINERAL SURVEY #1733) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 36 AND 35, TOWNSHIP 2 NORTH, RANGE 7E WEST OF THE 8TH PRINCIPAL MERIDIAN, AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED AUGUST 18, 1819 IN BOOK 884 AT PAGE 140.

PARCEL B:

THE SUNSHINE, SUNSHADE, LONGS PEAK, WISTERIA, WHITE ROSE, BLACK ROSE, LADY IRENE, RED ROSE, YELLOW ROSE AND LADY BRILLIANT LODE MINING CLAIMS (UNITED STATES MINERAL SURVEY #17874A) AND THE SUN MILL SITE MINING CLAIM (UNITED STATES MINERAL SURVEY #17874B) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTIONS 35 AND 36, TOWNSHIP 2 NORTH, RANGE 7E WEST OF THE 8TH PRINCIPAL MERIDIAN, AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED MAY 15, 1898 IN BOOK 2814 AT PAGE 128.

Exhibit B

SALE PROCEDURES

1. On January 4, 2012 at 3:00 p.m., Marcia Dunn, as the Chapter 7 Trustee for the Estate of the Debtor, Merendon Mining (Nevada), Inc., a Nevada corporation, (the “**Trustee**”) through her Court appointed auctioneer, Fisher Auctions Co., Inc. shall (a) conduct an Auction (the “**Auction**”) of the ***Bueno and Black Rose Mining Properties*** (as defined in ¶2 below) in the courtroom of Judge A. Jay Crystol at the United States Bankruptcy Court for the Southern District of Florida (Miami Division), Claude Pepper Federal Building, 51 S.W. 1st Avenue, Room 1410, Miami, FL 33130.

Auction of the Bueno and Black Rose Mining Properties

2. At the Auction, ***Qualified Bidders*** (as described in ¶4 below) will bid on the Estate’s rights, title, and interest in all properties located in Boulder County, Colorado (the “***Bueno and Black Rose Mining Properties***”) free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests, mechanic's liens, judgments, warranty claims, successor liability, tort claims, and interests (collectively, the “**Interests**”), except that the sale will be subject to the tax liens assessed by the Boulder County, Colorado Treasurer, pursuant to 11 U.S.C. §363, *et al*, with any Interests to attach to the net proceeds of the sale of the Bueno and Black Rose Mining Properties upon a determination by the Bankruptcy Court of the validity and priority of the Interests.

Hearing to Approve the Sale to the Successful Bidder

3. Immediately following the Auction, the Court will hold a hearing to approve the Sale of the Bueno and Black Rose Mining Properties by the Trustee to the Qualified Bidder, as defined herein below, providing the highest and best offer, as determined by the Trustee, and her

professionals.

Only Qualified Bidders may bid in the Auction

4. **Qualification Requirements.** In order to bid in the Auction, a bidder must become a “*Qualified Bidder*” by (a) making a deposit with the Trustee in the manner described in ¶5 below and (b) submitting an executed purchase and sale agreement to the Trustee through her Auctioneer prior to or at the time the bidder makes the deposit. Interested bidders may request an acceptable purchase and sale agreement, in the form approved by the Court, from Trustee’s Auctioneer, Francis D. Santos, Vice President, Fisher Auction Co. Inc., at 351 S. Cypress Rd., Ste 210, Pompano Beach, FL 33060, tel # (954) 942-0917 x-16; fax # (954) 782-8143; email at francis@fisherauction.com. Glory Development Company LLC (“GDC”), as the initial bidder, has been deemed a Qualified Bidder by the Court.

5. **Deposit.** In order to become a Qualified Bidder, a person or entity must first either (a) make a \$50,000 deposit with the Trustee, through her Auctioneer at the address provided in ¶4 above within fourteen days prior to the Auction or (b) make a \$495,000 deposit between that time and the start of the Auction (the “*Deposit*”). The Deposit shall be made payable to Marcia Dunn, as Chapter 7 Trustee for the Estate of Merendon Mining (Nevada), Inc. and be made by (a) wire transfer, or (b) certified or cashier’s check. The Trustee shall hold each Deposit in an account that shall not bear interest. Within three business days after the Auction, the Trustee shall return the Deposits of the Qualified Bidders who were not selected by the Trustee as the Successful Bidder or Backup Bidders (as described in ¶10 below). The Trustee shall return the Deposit of a Backup Bidder within seven days after the Trustee closes on the sale of the Bueno and Black Rose Mining Properties with another bidder. **In the event that a Qualified Bidder fails to consummate a sale of the Bueno and Black Rose Mining**

Properties due to such bidder's breach of an executed contract, the Trustee shall retain the Deposit as liquidated damages.

6. Only Qualified Bidders may bid at the Auction. A bid made by a Qualified Bidder is a “*Qualified Bid*”.

7. All Qualified Bidders shall appear in person at the Auction or through a duly authorized representative.

Sale to the Successful Bidder

8. ***Opening Bid.*** The Trustee will open bidding for the purchase of the Bueno and Black Rose Mining Properties with either (a) the opening Qualified Bid of \$495,000.00 from GDC, or (b) a higher Qualified Bid made prior to the Auction in writing if accompanied by a signed Purchase and Sale Agreement, if the bid meets the overbid procedures outlined in ¶9 below. Parties seeking to make a Qualified Bid prior to the Auction must contact the Trustee’s counsel.

9. ***Bid Procedures.*** The initial overbid shall be at least \$45,000, and Qualified Bids shall be in minimum increments of at least \$10,000. However, since GDC is entitled to up to \$25,000 in potential expense reimbursements if outbid for the Property, it is entitled to a bidding credit of \$25,000. As such, in order to outbid GDC, the next bidder will always have to bid at least \$35,000 more than GDC to cover the Expense Reimbursement, and the minimum bidding increment of \$10,000.

10. ***Acceptance of Highest and Best Qualified Bid.*** At the conclusion of the Auction, and subject to Court approval following the Auction, the Trustee shall accept the highest and best Qualified Bid. The Qualified Bid that the Trustee accepts is referred to as the “*Successful Bid*” and such Qualified Bidder is referred to as the “*Successful Bidder*.” The Trustee may also accept

one or more Qualified Bids as “***Backup Bids***” that will be conditioned upon the failure of another Qualified Bidder to close on the sale. A Qualified Bidder whose bid is accepted as the Backup Bid is known as the “***Backup Bidder***.” The Trustee shall have the right to reject any Qualifying Bids at her discretion in the exercise of her business judgment, provided however that she may not reject the bid from GDC if it is the highest and best offer as determined by the Trustee in her sole and absolute discretion.

11. ***Purchase and Sale Agreement.*** Immediately upon the acceptance of a Successful Bid, the Trustee will execute the purchase and sale agreement of the Successful Bidder, unless the Successful Bidder is already under contract with the Trustee, and the Trustee may execute one or more backup purchase and sale agreements with the Backup Bidder(s).

12. ***Closing within seven (7) days.*** The Successful Bidder must close and make payment in full within seven (7) days of the Court Order approving the sale, unless the closing period is extended by the Trustee.

13. Once the Court enters the Sale Order approving the sale, the Trustee shall complete and sign all agreements, contracts, instruments, or other documents evidencing and containing the terms and conditions upon which such Successful Bid was made, if that has not occurred before, and Trustee shall use good faith and best efforts to take all reasonable steps to close the transaction.

Reservation of Rights, Deadline Extensions, and Trustee’s Discretion

14. The Trustee may (i) amend and/or impose additional terms and conditions at or prior to the Auction, (ii) extend the deadlines set forth in the these Sale Procedures and/or adjourn the Auction at the Auction and/or the hearing on this Sale Motion in open court without further notice, and (iii) to reject any Qualified Bids or proceed solely with GDC if in the

Trustee's reasonable judgment no other Qualified Bid is found to be for a fair and adequate price.

Exhibit C

AUCTION AND SALE HEARING NOTICE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

In re:	
MERENDON MINING (Nevada), INC. a/k/a Milowe Brost,	Case No. 09-11958-BKC-AJC
Debtor.	Chapter 7
	/

NOTICE OF SALE PROCEDURES, AUCTION DATE AND SALE HEARING

On January 4, 2012 at 3:00 p.m. EST (the “Auction and Sale Hearing Date”) in the courtroom of Judge A. Jay Crystol at the United States Bankruptcy Court for the Southern District of Florida (Miami Division), Claude Pepper Federal Building, 51 S.W. 1st Avenue, Room 1410, Miami, FL 33130, Marcia Dunn, the Chapter 7 Trustee for the Estate of Merendon Mining (Nevada), Inc., (the “Trustee”) will hold an Auction, subject to the Trustee’s discretion to accept the highest and best offer, with a hearing to approve the sale immediately following the Auction, to sell all of the Trustee’s rights, title and interest in the Bueno and Black Rose Mining Properties described on the Exhibit A (attached to this Notice) (the “Property”) pursuant to the Amended Motion (the “Sale Motion”) to (a) Approve the Sale of the Bueno and Black Rose Mining Properties Free and Clear of Liens, Claims, and Interests (the “Interests”) in Such Properties Pursuant to 11 U.S.C. §363; (b) Set the Sale Procedures and Sale Hearing Date; and (c) Set the Notice Procedures for the Sale [D.E. #256]. The sale will be free and clear of the Interests, subject to the tax liens assessed by Boulder County, Colorado. All objections to the Auction and the Sale shall be preserved and considered at the hearing.

The Auction shall be governed by the approved Sale Procedures. The Sale Procedures may be viewed online at the following website: <http://www.gray-robinson.com/news.php?ACTION=%20view&CAT=1&ID=1475>, or by obtaining a copy from the Trustee’s Auctioneer at the address listed below.

The opening bid is \$495,000 as provided by the Asset Purchase Agreement approved by the Court. All bids are subject to the approved bidding procedures which includes (a) a minimum opening overbid of \$45,000, (b) minimum bidding increments of \$10,000, and (c) that all competing bids must also cover a potential expense reimbursement to the approved initial bidder of \$25,000 in order to be considered a higher and better offer than the initial bidder. All bidders must appear at the auction personally or through an authorized representative, and be prepared to

close within seven days of the Court Order approving the sale if determined the successful bidder.

The Trustee may also accept more or more qualified bids as backup bids that will be conditioned upon the failure of the successful bidder to close on the sale, and such backup bidder must be prepared to close within seven days of the successful bidder's failure to timely close. The Trustee shall return the deposit of a backup bidder within seven days after the Trustee closes on the sale of property with another bidder.

Any bidder desiring to bid at the Auction must become qualified by (a) executing an acceptable purchase and sale agreement, in a form approved by the Court, and (b) either making a deposit with the Trustee's Auctioneer in good and cleared funds of either (i) \$50,000 within fourteen days prior to the Auction and Sale Hearing Date or (ii) \$495,000 between that date and the start of the Auction, with such deposits subject to being held until such time that the bidder is no longer either the successful or back up bidder. The successful and back up bidders' deposits are subject to being forfeited if such bidders are obligated to close on the sale, but fail to do so.

All requests for information concerning this Sale should be directed to the Trustee's Auctioneer, Francis D. Santos, Vice President, Fisher Auction Co. Inc., at 351 S. Cypress Rd., Ste. 210, Pompano Beach, FL 33060, tel # (954) 942-0917 x-16; fax # (954) 782-8143; email at francis@fisherauction.com.

AUCTION AND SALE HEARING NOTICE

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF FLORIDA MIAMI DIVISION

In re: MERENDON MINING (Nevada), INC. a/k/a Milowe Brost, Debtor. <hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-top: 10px;"/> /	Case No. 09-11958-BKC-AJC Chapter 7
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NOTICE OF SALE PROCEDURES, AUCTION DATE AND SALE HEARING

On January 4, 2012 at 3:00 p.m. EST (the "Auction and Sale Hearing Date") in the courtroom of Judge A. Jay Crystol at the United States Bankruptcy Court for the Southern District of Florida (Miami Division), Claude Pepper Federal Building, 51 S.W. 1st Avenue, Room 1410, Miami, FL 33130, Marcia Dunn, the Chapter 7 Trustee for the Estate of Merendon Mining (Nevada), Inc., (the "Trustee") will hold an Auction, subject to the Trustee's discretion to accept the highest and best offer, with a hearing to approve the sale immediately following the Auction, to sell all of the Trustee's rights, title and interest in the Bueno and Black Rose Mining Properties described on the Exhibit A (attached to this Notice) (the "Property") pursuant to the Amended Motion (the "Sale Motion") to (a) Approve the Sale of the Bueno and Black Rose Mining Properties Free and Clear of Liens, Claims, and Interests (the "Interests") in Such Properties Pursuant to 11 U.S.C. §363; (b) Set the Sale Procedures and Sale Hearing Date; and (c) Set the Notice Procedures for the Sale [D.E. #256]. The sale will be free and clear of the Interests, subject to the tax liens assessed by Boulder County, Colorado. All objections to the Auction and the Sale shall be preserved and considered at the hearing.

The Auction shall be governed by the approved Sale Procedures. The Sale Procedures may be viewed online at the following website: <http://www.gray-robinson.com/news.php?ACTION=%20view&CAT=1&ID=1475>, or by obtaining a copy from the Trustee's Auctioneer at the address listed below.

The opening bid is \$495,000 as provided by the Asset Purchase Agreement approved by the Court. All bids are subject to the approved bidding procedures which includes (a) a minimum opening overbid of \$45,000, (b) minimum bidding increments of \$10,000, and (c) that all competing bids must also cover a potential expense reimbursement to the approved initial bidder of \$25,000 in order to be considered a higher and better offer than the initial bidder. All bidders must appear at the auction personally or through an authorized representative, and be prepared to

close within seven days of the Court Order approving the sale if determined the successful bidder.

The Trustee may also accept more or more qualified bids as backup bids that will be conditioned upon the failure of the successful bidder to close on the sale, and such backup bidder must be prepared to close within seven days of the successful bidder's failure to timely close. The Trustee shall return the deposit of a backup bidder within seven days after the Trustee closes on the sale of property with another bidder.

Any bidder desiring to bid at the Auction must become qualified by (a) executing an acceptable purchase and sale agreement, in a form approved by the Court, and (b) either making a deposit with the Trustee's Auctioneer in good and cleared funds of either (i) \$50,000 within fourteen days prior to the Auction and Sale Hearing Date or (ii) \$495,000 between that date and the start of the Auction, with such deposits subject to being held until such time that the bidder is no longer either the successful or back up bidder. The successful and back up bidders' deposits are subject to being forfeited if such bidders are obligated to close on the sale, but fail to do so.

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Exhibit A

PROPERTY DESCRIPTION

(Consisting of this Page and the Next Three Pages)

Note on Water Rights:

Those water/ditch rights listed on Stock Certificate Number 821, showing Sixteen (16) Shares in the Left Hand Ditch Company, owned by Merendon Mining, Resources Intl., purchased on 07/16/1980, in Boulder County, Colorado, and to be further described as is required and/or necessary to fully transfer to Purchaser under the terms of this Agreement.

Note:

Note on All Parcels Conveyed: Any and all mine tailings and buildings located on the parcels described within this Exhibit A, are included with the property to be transferred under the terms of this Agreement.

Bueno Mine Jamestown Colorado Legal Description

PARCEL A:

THE BUENA LODE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 431) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED 1-20-2005, UNDER RECEIPTION NO. 2459382 COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL B:

THE CENTRAL PACIFIC AND GRANT LODE MINING CLAIMS (UNITED STATES MINERAL SURVEY NO. 7683) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED DECEMBER 31, 1880, IN BOOK 187 AT PAGE 155, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL C:

THE ANDREW JACKSON LODE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 16419) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED MAY 01, 1890, IN BOOK 288 AT PAGE 17, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL D:

THE PICKARD LODE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 4083) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED FEBRUARY 28, 1955, IN BOOK 972 AT PAGE 487, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL E:

THE BUFFALO, NEVADA, EQUATOR, COLORADO, KANSAS, MISSOURI, ILLINOIS, INDIANA, OHIO AND KENTUCKY LODE MINING CLAIMS (UNITED STATES MINERAL SURVEY NO. 12869A) AND KENTUCKY MILL SITE CLAIM (UNITED STATES MINERAL SURVEY NO. 12541B) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED JULY 11, 1960, IN BOOK 214 AT PAGE 174.

EXCEPT THAT TRACT OF LAND AS CONVEYED IN DEED RECORDED AUGUST 09, 1973, UNDER RECEIPTION NO. 76298 AND ALSO

EXCEPT THAT TRACT OF LAND AS CONVEYED IN DEED RECORDED JANUARY 02, 1975, UNDER RECEIPTION NO. 125762 AND ALSO

EXCEPT THOSE TRACTS OF LAND AS CONVEYED IN DEEDS RECORDED DECEMBER 22, 1999, UNDER RECEIPTION NOS. 2000080 AND 2000081, COUNTY OF BOULDER, STATE OF COLORADO.

LEGAL DESCRIPTION

TOGETHER WITH THE RIOTUE OF INGRESS EGRESS PURPOSES AS SET FORTH IN INSTRUMENT
RECORDED DECEMBER 27, 2000, UNDER RECEIPTION NO. 2103015.

PARCEL F:

THE EMBRACE LODE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 28668) LOCATED IN
THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2
NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND
PATENTED IN UNITED STATES PATENT RECORDED MAY 04, 1857, IN BOOK 1048 AT PAGE
380, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL G:

THE AFTERTHOUGHT LODE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 20075) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24,
TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET
FORTH AND PATENTED IN UNITED STATES PATENT RECORDED JANUARY 17, 1847, IN BOOK
790 AT PAGE 259, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL H:

THE NUCLEAR LODE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 20862) LOCATED
IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTIONS 13 AND 24,
TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH
AND PATENTED IN UNITED STATES PATENT RECORDED MAY 24, 1855, AT RECEIPTION NO.
784248, COUNTY OF BOULDER, STATE OF COLORADO.

File Number: Wm010420

~~Black Rose Mine Jamestown Colorado Legal Description~~

PARCEL A:

THE NEW STONE LODE MINING CLAIM (UNITED STATES MINERAL SURVEY #1787) LOCATED IN THE CENTRAL MINING DISTRICT AND ENBRACING A PORTION OF SECTION 35 AND 36, TOWNSHIP 2 NORTH, RANGE 7 1/2 WEST OF THE 8TH PRINCIPAL MERIDIAN, AS SET FORTH AND PATENTED IN UNITED STATES PATENT RRC02804D, AUGUST 18, 1918 IN BOOK 281, AT PAGE 140.

PARCEL B:

THE SUNSHINE, SUNSHADE, LONGS PEAK, WISTERIA, WHITE ROSE, BLACK ROSE, LADY IRENE, RED ROSE, YELLOW ROSE AND LADY NELLIE LODE MINING CLAIMS (UNITED STATES MINERAL SURVEY #1787(A)) AND THE SUN MILL SITE MINING CLAIM (UNITED STATES MINERAL SURVEY #1787(B)) LOCATED IN THE CENTRAL MINING DISTRICT AND ENBRACING A PORTION OF SECTIONS 35 AND 36, TOWNSHIP 2 NORTH, RANGE 7 1/2 WEST OF THE 8TH PRINCIPAL MERIDIAN, AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED MAY 16, 1928 IN BOOK 281, AT PAGE 128.

PROPERTY DESCRIPTION

(Consisting of this Page and the Next Three Pages)

Note on Water Rights:

Those water/ditch rights listed on Stock Certificate Number 821, showing Sixteen (16) Shares in the Left Hand Ditch Company, owned by Merendon Mining, Resources Intl., purchased on 07/16/1980, in Boulder County, Colorado, and to be further described as is required and/or necessary to fully transfer to Purchaser under the terms of this Agreement.

Note:

Note on All Parcels Conveyed: Any and all mine tailings and buildings located on the parcels described within this Exhibit A, are included with the property to be transferred under the terms of this Agreement.

Bueno Mine Jamestown Colorado Legal Description

PARCEL A:

THE BUENA LODE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 431) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED 1-20-2005, UNDER RECEIPTION NO. 2654382 COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL B:

THE CENTRAL PACIFIC AND GRANT LODE MINING CLAIMS (UNITED STATES MINERAL SURVEY NO. 7683) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED DECEMBER 31, 1880, IN BOOK 187 AT PAGE 135, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL C:

THE ANDREW JACKSON LODE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 16419) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED MAY 01, 1898, IN BOOK 289 AT PAGE 17, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL D:

THE PICKARD LODE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 4055) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED FEBRUARY 28, 1855, IN BOOK 072 AT PAGE 187, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL E:

THE BUFFALO, NEVADA, EQUATOR, COLORADO, KANSAS, MISSOURI, ILLINOIS, INDIANA, OHIO AND KENTUCKY LODE MINING CLAIMS (UNITED STATES MINERAL SURVEY NO. 12869A) AND KENTUCKY MILL SITE CLAIM (UNITED STATES MINERAL SURVEY NO. 12541B) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED JULY 11, 1900, IN BOOK 244 AT PAGE 174.

EXCEPT THAT TRACT OF LAND AS CONVEYED IN DEED RECORDED AUGUST 09, 1873, UNDER RECEIPTION NO. 74298 AND ALSO

EXCEPT THAT TRACT OF LAND AS CONVEYED IN DEED RECORDED JANUARY 02, 1875, UNDER RECEIPTION NO. 125762 AND ALSO

EXCEPT THOSE TRACTS OF LAND AS CONVEYED IN DEEDS RECORDED DECEMBER 22, 1999, UNDER RECEIPTION NOS. 200980 AND 200981, COUNTY OF BOULDER, STATE OF COLORADO.

LEGAL DESCRIPTION

TOGETHER WITH THE RIGHT OF INGRESS EGRESS PURPOSES AS SET FORTH IN INSTRUMENT
RECORDED DECEMBER 27, 2000, UNDER RECEPTION NO. 2103015.

PARCEL F:

THE EAGLETT LODGE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 28663) LOCATED IN
THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24, TOWNSHIP 2
NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH AND
PATENTED IN UNITED STATES PATENT RECORDED MAY 04, 1857, IN BOOK 1048 AT PAGE
380, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL G:

THE AFTERTHOUGHT LODGE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 30075) LOCATED IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTION 24,
TOWNSHIP 1 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET
FORTH AND PATENTED IN UNITED STATES PATENT RECORDED JANUARY 17, 1857, IN BOOK
799 AT PAGE 259, COUNTY OF BOULDER, STATE OF COLORADO.

PARCEL H:

THE NUCLEAR LODGE MINING CLAIM (UNITED STATES MINERAL SURVEY NO. 30862) LOCATED
IN THE CENTRAL MINING DISTRICT AND EMBRACING A PORTION OF SECTIONS 13 AND 24,
TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, ALL AS SET FORTH
AND PATENTED IN UNITED STATES PATENT RECORDED MAY 24, 1855, AT RECEPTION NO.
784248, COUNTY OF BOULDER, STATE OF COLORADO.

Black Rose Mine Jamestown Colorado Legal Description

PARCEL A:

THE NEW STAN LEAD MINING CLAIM (UNITED STATES MINERAL SURVEY #1723) LOCATED IN THE CENTRAL MINING DISTRICT AND ENBRACING A PORTION OF SECTION 35 AND 36, TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 10TH PRINCIPAL MERIDIAN, AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED, AUGUST 19, 1916 IN BOOK 284 AT PAGE 140.

PARCEL B:

THE SUNSHINE, SUNSHADE, LONGS PEAK, WISTERIA, WHITE ROSE, BLACK ROSE, LADY IRENE, RED ROSE, YELLOW ROSE AND LADY NELLIE LODGE MINING CLAIMS (UNITED STATES MINERAL SURVEY #1727(A)) AND THE SUN MILL SITE MINING CLAIM (UNITED STATES MINERAL SURVEY #1727(B)) LOCATED IN THE CENTRAL MINING DISTRICT AND ENBRACING A PORTION OF SECTIONS 35 AND 36, TOWNSHIP 2 NORTH, RANGE 72 WEST OF THE 10TH PRINCIPAL MERIDIAN, AS SET FORTH AND PATENTED IN UNITED STATES PATENT RECORDED MAY 16, 1926 IN BOOK 284 AT PAGE 120.

SALE PROCEDURES

1. On January 4, 2012 at 3:00 p.m., Marcia Dunn, as the Chapter 7 Trustee for the Estate of the Debtor, Merendon Mining (Nevada), Inc., a Nevada corporation, (the “*Trustee*”) through her Court appointed auctioneer, Fisher Auctions Co., Inc. shall (a) conduct an Auction (the “*Auction*”) of the ***Bueno and Black Rose Mining Properties*** (as defined in ¶2 below) in the courtroom of Judge A. Jay Crystol at the United States Bankruptcy Court for the Southern District of Florida (Miami Division), Claude Pepper Federal Building, 51 S.W. 1st Avenue, Room 1410, Miami, FL 33130.

Auction of the Bueno and Black Rose Mining Properties

2. At the Auction, ***Qualified Bidders*** (as described in ¶4 below) will bid on the Estate’s rights, title, and interest in all properties located in Boulder County, Colorado (the “***Bueno and Black Rose Mining Properties***”) free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests, mechanic's liens, judgments, warranty claims, successor liability, tort claims, and interests (collectively, the “*Interests*”), except that the sale will be subject to the tax liens assessed by the Boulder County, Colorado Treasurer, pursuant to 11 U.S.C. §363, *et al*, with any Interests to attach to the net proceeds of the sale of the Bueno and Black Rose Mining Properties upon a determination by the Bankruptcy Court of the validity and priority of the Interests.

Hearing to Approve the Sale to the Successful Bidder

3. Immediately following the Auction, the Court will hold a hearing to approve the Sale of the Bueno and Black Rose Mining Properties by the Trustee to the Qualified Bidder, as defined herein below, providing the highest and best offer, as determined by the Trustee, and her

professionals.

Only Qualified Bidders may bid in the Auction

4. **Qualification Requirements.** In order to bid in the Auction, a bidder must become a “*Qualified Bidder*” by (a) making a deposit with the Trustee in the manner described in ¶5 below and (b) submitting an executed purchase and sale agreement to the Trustee through her Auctioneer prior to or at the time the bidder makes the deposit. Interested bidders may request an acceptable purchase and sale agreement, in the form approved by the Court, from Trustee’s Auctioneer, Francis D. Santos, Vice President, Fisher Auction Co. Inc., at 351 S. Cypress Rd., Ste 210, Pompano Beach, FL 33060, tel # (954) 942-0917 x-16; fax # (954) 782-8143; email at francis@fisherauction.com. Glory Development Company LLC (“GDC”), as the initial bidder, has been deemed a Qualified Bidder by the Court.

5. **Deposit.** In order to become a Qualified Bidder, a person or entity must first either (a) make a \$50,000 deposit with the Trustee, through her Auctioneer at the address provided in ¶4 above within fourteen days prior to the Auction or (b) make a \$495,000 deposit between that time and the start of the Auction (the “*Deposit*”). The Deposit shall be made payable to Marcia Dunn, as Chapter 7 Trustee for the Estate of Merendon Mining (Nevada), Inc. and be made by (a) wire transfer, or (b) certified or cashier’s check. The Trustee shall hold each Deposit in an account that shall not bear interest. Within three business days after the Auction, the Trustee shall return the Deposits of the Qualified Bidders who were not selected by the Trustee as the Successful Bidder or Backup Bidders (as described in ¶10 below). The Trustee shall return the Deposit of a Backup Bidder within seven days after the Trustee closes on the sale of the Bueno and Black Rose Mining Properties with another bidder. **In the event that a Qualified Bidder fails to consummate a sale of the Bueno and Black Rose Mining**

Properties due to such bidder's breach of an executed contract, the Trustee shall retain the Deposit as liquidated damages.

6. Only Qualified Bidders may bid at the Auction. A bid made by a Qualified Bidder is a “*Qualified Bid*”.

7. All Qualified Bidders shall appear in person at the Auction or through a duly authorized representative.

Sale to the Successful Bidder

8. *Opening Bid.* The Trustee will open bidding for the purchase of the Bueno and Black Rose Mining Properties with either (a) the opening Qualified Bid of \$495,000.00 from GDC, or (b) a higher Qualified Bid made prior to the Auction in writing if accompanied by a signed Purchase and Sale Agreement, if the bid meets the overbid procedures outlined in ¶9 below. Parties seeking to make a Qualified Bid prior to the Auction must contact the Trustee’s counsel.

9. *Bid Procedures.* The initial overbid shall be at least \$45,000, and Qualified Bids shall be in minimum increments of at least \$10,000. However, since GDC is entitled to up to \$25,000 in potential expense reimbursements if outbid for the Property, it is entitled to a bidding credit of \$25,000. As such, in order to outbid GDC, the next bidder will always have to bid at least \$35,000 more than GDC to cover the Expense Reimbursement, and the minimum bidding increment of \$10,000.

10. *Acceptance of Highest and Best Qualified Bid.* At the conclusion of the Auction, and subject to Court approval following the Auction, the Trustee shall accept the highest and best Qualified Bid. The Qualified Bid that the Trustee accepts is referred to as the “*Successful Bid*” and such Qualified Bidder is referred to as the “*Successful Bidder*.” The Trustee may also accept

one or more Qualified Bids as “***Backup Bids***” that will be conditioned upon the failure of another Qualified Bidder to close on the sale. A Qualified Bidder whose bid is accepted as the Backup Bid is known as the “***Backup Bidder***.” The Trustee shall have the right to reject any Qualifying Bids at her discretion in the exercise of her business judgment, provided however that she may not reject the bid from GDC if it is the highest and best offer as determined by the Trustee in her sole and absolute discretion.

11. ***Purchase and Sale Agreement.*** Immediately upon the acceptance of a Successful Bid, the Trustee will execute the purchase and sale agreement of the Successful Bidder, unless the Successful Bidder is already under contract with the Trustee, and the Trustee may execute one or more backup purchase and sale agreements with the Backup Bidder(s).

12. ***Closing within seven (7) days.*** The Successful Bidder must close and make payment in full within seven (7) days of the Court Order approving the sale, unless the closing period is extended by the Trustee.

13. Once the Court enters the Sale Order approving the sale, the Trustee shall complete and sign all agreements, contracts, instruments, or other documents evidencing and containing the terms and conditions upon which such Successful Bid was made, if that has not occurred before, and Trustee shall use good faith and best efforts to take all reasonable steps to close the transaction.

Reservation of Rights, Deadline Extensions, and Trustee’s Discretion

14. The Trustee may (i) amend and/or impose additional terms and conditions at or prior to the Auction, (ii) extend the deadlines set forth in the these Sale Procedures and/or adjourn the Auction at the Auction and/or the hearing on this Sale Motion in open court without further notice, and (iii) to reject any Qualified Bids or proceed solely with GDC if in the

Trustee's reasonable judgment no other Qualified Bid is found to be for a fair and adequate price.