

3. On March 1, 2010 (the “Petition Date”), Debtor filed a voluntary petition for relief under Chapter 11, Title 11 of the United States Code (the “Bankruptcy Code”). Pursuant

to sections 1107(a) and 1108 of the Bankruptcy Code, Debtor is continuing to operate its businesses and manage its financial affairs as a debtor-in-possession. On March 11, 2010, the Office of the United States Trustee appointed the Committee.

4. On September 30, 2010, the Debtor and the Committee (sometimes hereafter jointly referred to as the “Movants”) filed a Joint Motion for Order Approving Settlements with Defendants Cory and Heather Atkinson and Defendants Darain and Mia Atkinson (the “Settlement Motion”). The Settlement Motion sought approval, *inter alia*, for a Settlement Agreement by and among Darain and Mia Atkinson, the Debtor and the Committee. Pursuant to the Settlement Agreement, Darain and Mia Atkinson agreed to surrender to the Debtor substantially all of their assets in exchange for the consideration spelled out in the Settlement Motion. On October 22, 2010, this Court entered its Order Approving Settlement (the “Settlement Order”).

5. Pursuant to the Settlement Order, Darain and Mia Atkinson surrendered to the Debtor the real estate, improvements and other personal property located at 5 Lakeview Ct., Lake St. Louis, MO (the “Lakeview Real Estate”).

6. The Movants have reached an agreement with 5 Lakeview Acquisition Group, LLC (the “Prospective Buyer”) to purchase the Lakeview Real Estate pursuant to the terms of a Special Sale Contract which is subject to higher or better bids, all as is more particularly described in the Special Sale Contract which is attached hereto as **Exhibit A** and incorporated herein by reference (the “Purchase Agreement”).¹ The purchase price under the Purchase Agreement is \$4,750,000.

7. By this Motion, the Movants seek the following:

¹ The Purchase Agreement contains an Authorization to Show Property where the Debtor will pay a 2% commission to Kelsey Cottrell Realty Group upon closing of the Prospective Sale.

- (a) Entry of an Order (the “Procedures Order”) following a hearing on November 17, 2010 at 10:00 a.m. (the “Sale Procedures Hearing”) (i) establishing certain objection deadlines, hearing dates and other procedures (the “Bidding and Sale Procedures”) for considering a sale of the Lakeview Real Estate, under Section 363 of the Bankruptcy Code, and (ii) approving the a break-up fee payable to the Prospective Buyer if a competing bid for the Lakeview Real Estate is ultimately accepted and the purchase closed (the “Break-Up Fee”); and
- (b) Entry of an Order (the “Sale Order”) following a final hearing to be scheduled by the Court (the “Sale Hearing”) authorizing Movants to sell the Lakeview Real Estate to the Prospective Buyer pursuant to the Purchase Agreement free and clear of all liens, claims and encumbrances or, alternatively, in the event that the Court approves a higher or better offer from a party not affiliated with the Prospective Buyer, approving the sale of the Lakeview Real Estate to such other party and the payment of the Break-Up Fee to the Prospective Buyer.

BACKGROUND ON PURCHASE AGREEMENT

- 8. The offer submitted by Prospective Buyer for the Lakeview Real Estate is the highest and best of the proposals received for the Lakeview Real Estate.
- 9. The sale of the Lakeview Real Estate to Prospective Buyer under the Purchase Agreement is the product of substantial negotiations between parties.
- 10. The proposed sale has been negotiated at arms-length and constitutes a good faith offer to purchase in accordance with Section 363(m) of the Bankruptcy Code. The Prospective Buyer has no prior business or personal relationship with the Debtor, the Committee, Darain Atkinson, or Mia Atkinson. The Prospective Buyer is not an “insider” within the meaning of Section 101(31).
- 11. The Closing of the proposed Sale is to occur only after the Bankruptcy Court approves the sale after notice and a hearing as required by Section 363 of the Bankruptcy Code and Bankruptcy Rule 2002(a) with an outside closing date of December 17, 2010.

APPROVAL OF BREAK-UP FEE

- 12. In consideration of Prospective Buyer’s agreement to be bound by the terms of the Purchase Agreement, the Movants have agreed, subject to Court approval, to pay to the

Prospective Buyer a fee equal to \$142,500 upon the occurrence of certain conditions (the “Break-Up Fee”).

13. In summary, the Prospective Buyer will be paid the Break-Up Fee in cash only if the Debtor consummates a sale of the Lakeview Real Estate pursuant to section 363(b) of the Bankruptcy Code to a buyer or buyers other than Prospective Buyer.

14. The Movants request that the Court approve payment of the Break-Up Fee under the conditions set forth in the Purchase Agreement as an administrative expense under 11 U.S.C. § 503(b) and a surcharge under 11 U.S.C. § 506(c) payable in full by the Debtor to Prospective Buyer to be deducted from the purchase price concurrently with the closing of the transaction with a party other than Prospective Buyer or an affiliate of Prospective Buyer.

15. The Break-Up Fee is 3 percent of the purchase price, which Movants believe is reasonable and would fairly compensate Prospective Buyer for the substantial time and effort it has invested and the risks it has assumed and for time and effort that Prospective Buyer will incur prior to the Sale Hearing in performing additional due diligence and negotiating with third-parties. The Movants believe that Prospective Buyer’s agreement to purchase the Lakeview Real Estate, as evidenced by the Purchase Agreement, is critical to arranging an orderly sale of the Lakeview Real Estate and obtaining the highest realizable price. If Prospective Buyer had not committed its resources to the sale process, the Debtor may have been forced to resort to a less orderly process with higher costs and the risk of a smaller recovery for the estate. The Prospective Buyer’s offer also benefits the estate by creating a form of purchase agreement and by establishing the “floor” amount of the purchase price, both of which Debtor will now use to attempt to generate competing bids. Accordingly, Prospective Buyer’s efforts have provided material benefits to the Debtor’s estate that justify payment of the Break-Up Fee.

APPROVAL OF SALE AND BIDDING PROCEDURES

16. The Movants request approval of the following procedures governing the Sale Hearing and the submission of any bid (a "Competing Bid") by parties interested in purchasing the Lakeview Real Estate:

- (a) Any parties desiring to submit a Competing Bid (hereinafter referred to as "Competitive Bidders") must by 5:00 p.m. (St. Louis time) on December 6, 2010 (the "Bid Deadline") file any and all documents evidencing their Competing Bid (and required herein) with the Court and serve copies of such documentation upon David A. Warfield, Thompson Coburn LLP, One U.S. Bank Plaza, St. Louis, Missouri 63101 and Robert E. Eggmann, Lathrop & Gage, LLP, Pierre Laclede Center, 7701 Forsyth Boulevard, Suite 400, Clayton, MO 63105 (the "Notice Parties").
- (b) Competing Bids must be in writing and must state that (i) such Competitive Bidder offers to purchase all of the Lakeview Real Estate upon substantially the same terms and conditions set forth in the Purchase Agreement, together with all exhibits and schedules thereto, marked to show any amendments and modifications to the Purchase Agreement, including, without limitation, the proposed purchase price and time of closing; (ii) such Competitive Bidder is prepared to enter into and consummate the transaction by the deadlines set forth in the Purchase Agreement; and (iii) such Competing Bid is irrevocable until the completion of the Sale Hearing, and, in the event that the Competitive Bidder is the Prevailing Party (as defined herein) until December 31, 2010.
- (c) A Competing Bid will not be considered by the Debtor or the Court as qualified for the Auction, as hereinafter defined, unless such Competing Bid is for an amount equal to, or greater than \$5,000,000;
- (d) Any subsequent Competing Bids thereafter must be higher than the existing lead bid in increments of not less than \$50,000 in cash; provided, however, any overbids by Prospective Buyer thereafter shall only be required to be equal to the sum of: (i) the then existing lead bid plus (ii) \$50,000 less (iii) the dollar value of the Break-Up Fee;
- (e) A higher Bid will not be considered by the Debtor as qualified for the Auction if: (i) such Bid contains financing, due diligence, or other contingencies of any kind (other than Bankruptcy Court approval); (ii) such Bid consists of any form of consideration other than cash consideration, payable by wire transfer of immediately available funds to the account or accounts designated in writing by the Debtor; (iii) such Bid is not received by the Debtor and Prospective Buyer in writing on or prior to the Bid Deadline(each bid that satisfies the criteria set forth herein in constitutes a "Qualifying Bid")

- (f) Prior to the Bid Deadline, a Competitive Bidder must deliver to the Debtor a deposit, by wire transfer of immediately available funds or certified check, in the amount of \$500,000 (the “Deposit”):
- (g) Competing Bids must be accompanied by (i) sufficient financial information about the Competing Bidder that will enable the Debtor and the Committee to evaluate the Competitive Bidder's ability to satisfy its obligations under the Competing Bid; and (ii) other evidence of the Competitive Bidder's ability to close the acquisition of the assets in a timely manner.
- (h) If one or more Qualifying Bids are submitted by the Bid Deadline, the Debtor shall convene an outcry auction to be held on December 7, 2010 at 10:00 a.m. (Central) at Thompson Coburn LLP, One US Bank Plaza, Suite 3500 (the “Auction”), at which Auction only Qualifying Bidders and the Prospective Buyer shall be entitled to participate as provided herein.
- (i) At the Auction, the Movants shall have the right to select the highest or best Bid from Prospective Buyer and any Competitive Bidders who submitted a Qualifying Bid (the “Highest or Best Bid”), which will be determined by considering, among other things: (i) the number, type, and nature of any changes to the Purchase Agreement requested by each Competitive Bidder; (ii) the extent to which such modifications are likely to delay closing of the sale of the Lakeview Real Estate and the cost to the Debtor of such modifications or delay, including potential decrease in purchase sale price of the Debtor’s Lakeview Real Estate if not sold by the Closing Date, as defined in the Purchase Agreement; (iii) the total consideration to be received by the Debtor; (iv) the likelihood of the Competitive Bidder’s ability to close a transaction and the timing thereof; and (v) the net benefit to the estate, taking into account Prospective Buyer’s rights to the Break Up Fee and the payment of any commissions that will be due on account of such sales.
- (j) If the person submitting the Highest or Best Bid (the “Prevailing Party”) fails to perform its obligation pursuant to the terms of its Highest or Best Bid (and if Debtor is not in material breach of their obligations thereunder), its Deposit shall be retained by Debtor as liquidated damages. The Deposit shall be returned to the Competitive Bidder if the Court does not approve its Competing Bid.
- (k) Subsequent to the Sale Hearing, the Movants promptly shall return any Deposit received in connection with the submission of an unsuccessful Competing Bid. Any Deposit received from a Prevailing Party shall be applied to its purchase price on the closing of the Sale pursuant to the Sale Order, or released to the Debtor upon termination of the Sale upon default by the Prevailing Party.

**SALE OF ASSETS UNDER SECTION
363 OF THE BANKRUPTCY CODE**

17. The Movants request that the Court authorize the sale of the Lakeview Real Estate pursuant to Section 363 of the Bankruptcy Code free and clear of all liens, claims and encumbrances, with such liens, claims and encumbrances to attach to the sale proceeds.

18. Section 363(b) of the Bankruptcy Code authorizes the sale of property of the estate other than in the ordinary course of business, after notice and a hearing. A sale of assets outside the ordinary course of business is a matter within the Court's discretion. In re Channel One Comm., Inc., 117 B.R. 493, 496 (E.D. Mo. 1990); In re Apex Oil Co., 92 B.R. 847, 866 (Bankr. E.D. Mo. 1988).

19. The Movants have determined that, in their respective business judgments, the Sale of the Lakeview Real Estate to Prospective Buyer in accordance with the terms of the Purchase Agreement (or to another bidder making a higher or better offer for the Lakeview Real Estate in accordance with the Proposed Bidding Procedures) is in the best interest of Debtor's Chapter 11 estate and its creditors. The Proposed Sale of the Lakeview Real Estate is for fair and reasonable consideration, is in good faith, does not unfairly benefit any insiders or creditors of the Debtor, and will maximize the value of the Debtor's estate.

SALE FREE AND CLEAR OF ALL LIENS

20. Section 363(f) of the Bankruptcy Code authorizes a debtor to use, sell or lease property of the estate outside of the ordinary course of business free and clear of any interest in such property. Under the Proposed Sale, the Lakeview Real Estate is to be sold free and clear of all liens, claims and encumbrances with any such liens, claims and encumbrances to attach to the net sale proceeds with the same validity, priority, force and effect that such liens, claims and encumbrances had on such assets prior to the closing of the Proposed Sale. Alternatively, in the event that a Competitive Bidder makes a higher or better offer for the Lakeview Real Estate, the Lakeview Real Estate is to be sold to such party free and clear of all liens, claims and

encumbrances with any such liens, claims and encumbrances to attach to the net sale proceeds with the same validity, priority, force and effect that such liens, claims and encumbrances had on such assets prior to the closing of the transaction.

21. The Movants have examined the title to the Lakeview Real Estate and have identified at least 20 other entities (the “Mechanic’s Lien Claimants”) that have asserted mechanic’s liens. The Mechanic’s Lien Claimants are listed on Exhibit B attached hereto and incorporated herein by this reference.

22. Prior to the transfer of the Lakeview Real Estate to the Debtor in connection with the Settlement Order, Darain and Mia Atkinson had signed a Listing Agreement with Dielmann Sotheby’s Intl Realty for the sale of the Lakeview Real Estate (the “Listing Agreement”). The Movants wish to sell the Lakeview Real Estate free and clear of any liens or claims that may arise out of or in connection with the Listing Agreement.

23. No governmental unit has filed a lien on the Lakeview Real Estate for the non-payment of any state, federal or local taxes or charges of any sort. Nevertheless, the Movants wish to sell the Lakeview Real Estate free and clear any unrecorded liens that may exist in favor of any governmental unit receiving notice of this Motion, including liens arising under 26 U.S.C. §6231 (the “Unrecorded Governmental Unit Claims”).²

24. The sale of the Lakeview Real Estate may be ordered free and clear of the claims or liens of the Mechanic’s Lien Claimants because such interests are liens and the price at which the Lakeview Real Estate is to be sold is greater than the aggregate value of all liens on such property. *See* 11 U.S.C. § 363(f)(3). The sale of the Lakeview Real Estate may be ordered free and clear of the claims or liens arising out of the Listing Agreement because applicable nonbankruptcy law permits the sale free and clear and such interest is in bona fide dispute. *See*

² The sale of the Lakeview Real Estate shall, however, be subject to any real estate taxes due and payable at the time of Closing.

11 U.S.C. § 363(f)(1) and (4). The sale of the Lakeview Real Estate may be ordered free and clear of the Unrecorded Governmental Unit Claims because such claims are in bona fide dispute. *See* 11 U.S.C. § 363(f)(1).

WAIVE 6004(H) PERIOD

25. To facilitate a prompt closing of the sale, the Movants request that the time period set forth in Bankruptcy Rule 6004(h) be waived and that the order approving the sale hereunder be immediately final.

WHEREFORE the Movants hereby respectfully request:

(a) Entry of a Procedures Order following the Sale Procedures Hearing (i) approving the Proposed Bidding Procedures, and (ii) authorizing payment of the Break-Up Fee to Prospective Buyer under the terms and conditions set forth in the Purchase Agreement; and

(b) Entry of a Sale Order following the Sale Hearing authorizing the Debtor (i) to sell the Lakeview Real Estate to Prospective Buyer pursuant to the Purchase Agreement or, alternatively, in the event that Prospective Buyer is not the Prevailing Party, approving the sale of the Lakeview Real Estate to the Prevailing Party and the payment of the Break-Up Fee to Prospective Buyer, and (ii) take each of those steps outlined in the Purchase Agreement, or in the event that Prospective Buyer is not the Prevailing Party, those steps outlined in the Prevailing

Party's form of purchase contract, to close on the sale of the Lakeview Real Estate.

Dated: November 11, 2010

THOMPSON COBURN LLP

LATHROP & GAGE LLP

By /s/ David A. Warfield
David A. Warfield, #4642
One US Bank Plaza
St. Louis, Missouri 63101
(314) 552-6000 (Phone)
(314)-552-7000 (Fax)
dwarfield@thompsoncoburn.com

By: /s/ Robert E. Eggmann
Robert E. Eggmann, #37374
7701 Forsyth Blvd., Suite 400
Clayton, Missouri 63105
Ph: (314) 613-2800 (Phone)
Fax: (314) 613-2801 (Fax)
Reggmann@lathropgage.com

Attorneys for the Official Unsecured Creditors'
Committee for US Fidelis, Inc.

Attorneys for the Debtor

Exhibit A

Purchase Agreement

This document has legal consequences.
If you do not understand it, consult your attorney.

© ST. LOUIS ASSOCIATION OF REALTORS®
Approved by Counsel for the St. Louis Association of REALTORS®
and by the Bar Association of Metropolitan St. Louis.
To be used exclusively by REALTORS®
and members of the Bar Association of Metropolitan St. Louis.

Form # 2043

3/10

SPECIAL SALE CONTRACTDATE: November 10, 2010

Note: This form does not have many clauses protecting Buyers included in the Residential Sale Contract, Form #2090. It should normally be used only for the sale of property without provision for building, termite, environmental, gas, municipal, insurability, and other inspections. Regardless of whether Seller's Disclosure Form is to be provided, Seller is still obligated to comply with Federal and State laws which require disclosure of certain defects, hazardous conditions and adverse material facts.

1. PARTIES AND PROPERTY.5 Lakeview Acquisition Group, LLC

Buyer(s), agrees to purchase from the undersigned Seller, the following real property located in the City
of Lake St. Louis Missouri (legal description on Seller's title to govern) being all the real property Seller owns at
said address: 5 Lakeview Circle, Lake St. Louis, MO 63367

2. INCLUSIONS AND EXCLUSIONS.

The purchase price includes all existing improvements on the property (if any) and appurtenances, fixtures
and equipment (which Seller guarantees to own free and clear) including:

(Note: To avoid misunderstanding, the parties are urged to list as "included" or "excluded" any items which
may be subject to any questions).

In addition, the following items are included: Property listed on Rider #2 attached hereto.

The following items are excluded: _____

3. PURCHASE PRICE.

\$4,750,000 is the total purchase/sale price to be paid as follows:

\$500,000 earnest money received for delivery to/deposit by Thompson Coburn LLP

_____, escrow agent. Selling broker to be
escrow agent if none specified above.

\$N/A additional earnest money to be delivered to escrow agent within _____
days after the "Acceptance Deadline" date or _____

The balance, including adjustments set forth in Paragraphs 4 or 7, less, if applicable, any amount of Seller
financing or of Seller's loan being assumed as stipulated in this contract, is to be paid at closing, by cashier's
check, wire transfer or any form acceptable to closing agent.

4. METHOD OF FINANCING.

☐ Conventional, FHA or VA Financing. Buyer agrees to do all things necessary, including, but not limited
to the execution of a loan application and other instruments, the payment to the lender of the credit report,
appraisal and any other required fees, and to otherwise cooperate fully in order to obtain the financing
described below. If Buyer does not deliver written notice, provided by Buyer's lender, to Seller or listing
Broker, of Buyer's inability to obtain a loan commitment on the terms described below on or before

_____, (the "Loan Commitment Date") then this condition shall be deemed
waived and Buyer's performance under this contract shall thereafter not be conditioned upon Buyer's
obtaining financing. If lender will not give Buyer such written notice then Buyer may directly notify Seller or
listing broker (on or before the Loan Commitment Date) by providing a notarized affidavit that Buyer has
complied with all of the terms of this paragraph and that despite request, Buyer was unable to obtain such
written notice from lender. If Buyer has complied with the terms of this paragraph and has timely provided
written notice to Seller or listing broker of Buyer's inability to obtain the loan commitment, then this
contract shall be terminated with earnest money to be returned to Buyer, subject to paragraph 12.

Loan Terms: _____

Note: If Loan Commitment Date passes without a rejection as outlined above, Buyer remains obligated under this contract. Therefore, Buyer should be certain that he will have the funds to close. If Buyer's performance under this contract is to be independently conditioned upon the property appraising at a specified value, then Buyer should complete and attach to this contract an appropriate appraisal rider.

☐ **Assumption by Buyer of Existing Note and Deed of Trust.** (See rider #2105) or **Seller to Take Back Note and Deed of Trust.** (See rider #2097)

☒ **Not Contingent Upon Financing.** This contract is not contingent upon financing, however, Buyer reserves the right to finance any portion of the purchase price.

5. CLOSING AND POSSESSION

The "Closing" is the exchange of the Seller's deed for the total purchase/sale price. The Closing of this sale shall take place on 10 days after court approval, or any other date that both parties agree in writing. Buyer will close at Insight Title Company, the title company which provides title insurance. Regardless of who closes for Buyer, Seller may close at the title company of Seller's choice. Note: If the seller does not close at the same title company as the buyer, or the seller's choice of title company does not have a common underwriter with the buyer's title company, then the seller will be required to sign a Notice of Closing or Settlement Risk acknowledging that their settlement funds are not protected by the title insurance underwriter. Title will pass when the sale is closed. Possession of the property and keys to be delivered to Buyer no later than 5:00 p.m. (time) of 10 days after court approval (date) but in no event prior to Closing as defined above. All parties agree to sign closing documents at a time that facilitates this possession. (Note: If possession is to be delivered on a day other than Closing, as defined above, parties should complete the appropriate rider.) Deed as directed by Buyer. Except for tenants lawfully in possession, seller warrants that the property will be vacant at time of possession and delivered to Buyer in its same condition (together with any improvements or repairs required by this contract), ordinary wear and tear excepted, as it was on the date of this contract. Buyer and Seller authorize title company and/or closing agent to release to broker(s) signed copies of the closing statements.

6. TITLE AND SURVEY. special

Seller shall transfer title to Buyer by general warranty deed (or fiduciary deed, where applicable), subject to the following: a) zoning regulations; b) leases and occupancy of tenants existing on the date contract is executed by Buyer and disclosed to Buyer in writing before execution of contract by Buyer; c) general taxes payable in the current year and thereafter; d) any lien or encumbrance created by or assumed by Buyer in writing or any easement accepted by Buyer in writing; e) subdivision, use and other restrictions, rights of way and utility easements, all of record, which do not adversely affect the use of the property as it exists for residential purposes at the time of the contract.

Check box (whether "Seller to Order, Provide and Purchase Title" or "Buyer to Order and Purchase Title").

☐ **Seller To Order, Provide and Purchase Title.**

Not later than _____ days (5 if none stated) after the "Acceptance Deadline" date, Seller will order a commitment for title insurance to be provided to the Buyer for both an Owner's policy of title insurance and for a Lender's policy of title insurance (if required by lender) in the latest ALTA form including mechanics lien coverage from the title company selected in paragraph 5. Seller and Buyer authorize and direct the title company to furnish this commitment to the selling and listing Broker. Seller shall pay for the title insurance (including title premium and title service charges), at closing, at a cost not to exceed _____. Buyer to pay title cost exceeding this amount.

☒ **Buyer to Order and Purchase Title.**

Buyer may, at Buyer's option and expense, order a title examination and a commitment to issue an owner's and/or lender's policy of title insurance in the latest ALTA form including mechanics lien coverage from the title company specified in paragraph 5. (Note: This should be ordered promptly after contract acceptance in order to allow sufficient time to obtain and review documents, and, if necessary, object to defects that may be discovered.)

Buyer may, at Buyer's option and expense, order a Boundary Survey and Improvement Location ("stake survey") or a Surveyor's Real Property Report ("spot survey") of the property to determine if there are any defects, encroachments, overlaps, boundary line or acreage discrepancies, or other matters that would be disclosed on a survey.

Note: A "stake survey" is generally required in order to obtain full survey coverage in an owner's policy of title insurance. A "spot survey" is the minimum report normally required by a lender and it may or may not disclose all of the defects involving such matters as encroachments, overlaps, boundary line or acreage discrepancies.

If any defects are discovered as a result of the title examination, title commitment or the survey and if Buyer chooses to act on this contingency, Buyer shall within 25 days (25 if none stated) after the "Acceptance Deadline" date, furnish a copy of the document evidencing the defect to Seller or listing broker stating, in writing, any title or survey defects that are 1) unacceptable to Buyer; 2) not listed above; and 3) adversely affect the use of the property as it exists for residential purposes at the time of the contract. Failure by Seller or listing broker to receive such objections to title or survey within such time will constitute a waiver by Buyer of any objections to the title so long as Buyer is able to obtain at closing, an Owner's title insurance policy in the latest ALTA form including mechanics lien coverage. If Buyer does timely object to any title or survey defects, Seller has five (5) days from receipt of Buyer's notice of objection by Seller or listing broker, to agree in writing to correct the defects prior to closing at Seller's expense. If Seller does not so agree, this contract is terminated unless Buyer, within two (2) additional days, agrees in writing to accept the title and survey "as is". If the contract is terminated in accordance with the provisions of this paragraph, Buyer's earnest money to be refunded, subject to paragraph 12, and Seller agrees to reimburse Buyer's cost to pay for title, survey, inspection(s) and appraisal. Seller shall be responsible for clearing any defects that arise between the date of the contract acceptance and closing.

Note: Easements, subdivision indentures, and government regulations may affect Buyer's intended use of the property. Construction of improvements (for example: a room addition, fence or swimming pool), non-residential use of the property (for example: use of a room for a business), or the right to keep certain vehicles or animals on the property, all may be affected. Buyer is advised to review all easements, government regulations, and subdivision indentures before making an offer to purchase the property if he plans these or similar uses. If Buyer requires assistance in reviewing easements, surveys, indentures, or other matters affecting title or use of the property, he should consult an attorney.

7. ADJUSTMENTS AND CLOSING COSTS.

Buyer and Seller shall have prorated and adjusted between them on the basis of thirty (30) days to the month as of the date of closing (Seller to pay for last day); current rents (Seller to receive rent for day of closing); rents which are delinquent over thirty (30) days are to be collected by seller and not adjusted; general taxes (based on assessment and rate for current year, if both are available, otherwise, based on previous year); district improvement assessments for current year (buyer to pay thereafter); subdivision upkeep assessments and monthly condominium fees; interest (when Buyer assumes existing loan); flat rate utility charges including waste, sewer and trash. Seller to pay for special taxes and special assessments levied before closing. Buyer shall pay the Seller the fair market value of any heating oil or propane gas in tank(s) on the property at closing based on suppliers current charges. Seller and/or Buyer to pay real estate compensation to broker(s) per separate written agreement; Seller authorizes selling portion of commission to be paid directly to selling broker. Buyer and Seller to pay closing cost customarily charged.

8. LOSS.

Risk of loss to the improvements of the property shall be borne by the Seller until title is transferred. If any improvements covered by this contract are damaged or destroyed, Seller shall immediately notify Buyer or selling broker in writing of the damage or destruction, the amount of insurance proceeds payable, if any, and whether Seller intends prior to closing, to restore the property to its condition at the time of the contract. In the event Seller restores the property to its prior condition before scheduled closing, and provides Buyer with proof of the repairs, Buyer and Seller shall proceed with closing. In the event the property is not to be restored to its prior condition by the Seller before closing, Seller shall immediately provide Buyer or selling broker with a copy of any policies of insurance, the name and number of the agent for each of said policies, and written authorization (if needed) for Buyer to communicate with the insurer. Buyer may either a) proceed with closing and be entitled to the amount of insurance proceeds relating to real property improvements, if any, payable to Seller under all policies insuring the improvements plus receive a credit from the Seller at closing in an amount equal to the deductible not covered by insurance, or b) terminate the contract, thereby releasing all parties from liability hereunder. If all of the aforementioned insurance information is received by the Buyer or selling broker more than ten (10) days prior to the scheduled closing date, Buyer is to give written notification to Seller or listing broker as to his election of (a) or (b) above within ten (10) days after the Buyer or selling broker's receipt of such information; and if not received by Buyer or selling broker more than ten (10) days prior to the scheduled closing date, Buyer may, at Buyer's option and by written notice to Seller or listing broker, extend the closing date up to ten (10) days, during which time Buyer may make his election as to (a) or (b) above. Failure by Buyer to notify Seller shall constitute an election to terminate the contract. If the contract is terminated in accordance with the provisions of this paragraph, earnest money to be returned to Buyer, subject to paragraph 12, and Seller agrees to reimburse Buyer's cost to pay for title, survey, inspection(s) and appraisal.

9. ASSIGNABILITY OF CONTRACT.

such consent not to be unreasonably withheld.

This contract is assignable by Buyer, but not without the written consent of Seller. ~~If a) Seller is taking back a note and deed of trust as part of the purchase price, or b) Buyer is assuming the existing note.~~ Assignment does not relieve the parties from their obligations under this contract.

172 **10. TIME IS OF THE ESSENCE.**

173 Time is of the essence in the performance of the obligations of the parties. All references to a
174 specified time shall mean Central Time.

175 **11. BINDING EFFECT.**

176 This contract shall be binding on and for the benefit of the parties and their respective heirs, personal
177 representatives, executors, administrators or assigns.

178 **12. EARNEST MONEY.**

179 Buyer and Seller agree that the earnest money received by the escrow agent in connection with
180 this contract shall be deposited within ten (10) banking days after the "Acceptance
181 Deadline" date. Additional earnest money, if applicable, is to be deposited by escrow
182 agent within ten (10) banking days after receipt. Any earnest money received within ten
183 (10) banking days prior to the scheduled closing date, shall be in the form of a cashier's check
184 or any other form acceptable to the escrow agent. If sale is closed, earnest money to apply to
185 the purchase. If any earnest money is being returned to Buyer, Buyer agrees
186 that any expenses for services requested by Buyer may be withheld by escrow agent and
187 paid to the applicable service provider(s).

188 In the event of a dispute over any earnest money held by the escrow agent, the escrow
189 agent shall continue to hold said deposit in its escrow account until: 1) escrow agent has a
190 written release from all parties consenting to its disposition; or 2) until a civil action is filed
191 to determine its disposition (at which time payment may be made into court, and in such
192 event, court costs and escrow agent's attorney fees will be paid from earnest money); or 3)
193 until a final court judgment mandates its disposition; or 4) as may be required by applicable
194 law. The parties specifically acknowledge and agree that whenever ownership of the earnest
195 money or any other escrowed funds, received by a Missouri licensed real estate broker, is in
196 dispute between the parties, said broker is required by Missouri Statute, Section 339.105.4
197 RSMo to report and deliver the monies to the State Treasurer within 365 days of the initial
198 projected closing date. Broker shall not report and deliver any such monies to the State
199 Treasurer until at least sixty (60) days after the initial projected closing date.

200 **Note: An escrow agent who is not a licensed real estate broker is not bound by Missouri statutes and**
201 **regulations which apply to earnest money deposits. If the escrow agent is not a licensed broker, the**
202 **parties are urged to have the escrow agent agree in writing to be bound by the provisions of this**
203 **contract before being named as the escrow agent.**

204 **13. REMEDIES.**

205 If either party defaults in the performance of any obligation of this contract, the party claiming
206 a default shall notify the other party in writing of the nature of the default and his election of remedy. The
207 notifying party may, but is not required to, provide the defaulting party with a deadline for
208 curing the default.

209 If the default is by Buyer, Seller may either accept the earnest money as liquidated damages and
210 release Buyer from the contract (in lieu of making any claim in court), or may pursue any
211 remedy at law or in equity.

212 If Seller accepts the earnest money, it shall be divided as follows: expenses of broker and seller in
213 this transaction will be reimbursed, and balance to go ~~one-half to Seller, and one-half divided~~
214 ~~equally between listing broker and selling broker (if working as subagent of Seller) in lieu of~~
215 ~~commission on this contract.~~ If the default is by Seller, Buyer may either release Seller from
216 liability upon Seller's release of the earnest money and reimbursement to Buyer for all direct costs
217 and expenses, as specified in Buyer's notice of default (in lieu of making any claim in court), or may
218 pursue any remedy at law and in equity, including enforcement of sale. Buyer's release of Seller
219 does not relieve Seller of his liability to brokers under the listing contract.

220 In the event of litigation between the parties, the prevailing party shall recover, in addition to damages or
221 equitable relief, the cost of litigation including reasonable attorney's fee. This provision shall survive
222 closing and delivery of Seller's deed to Buyer.

223 **14. GOVERNING LAW.**

224 This contract shall be considered a contract for the sale of real property and shall be construed
225 in accordance with the laws of the State of Missouri.

226 **15. ENTIRE AGREEMENT.**

227 This contract constitutes the entire agreement between the parties hereto and there are no other
228 understandings, written or oral, relating to the subject matter hereof. The contract may not be
229 changed, modified or amended, in whole or in part, except in writing signed by all parties.

230 **16. CONSTRUCTION.**

231 Words and phrases shall be construed as in the singular or plural number, and as masculine,
 232 feminine or neuter gender, according to the context. When the term "listing broker" is used, it refers
 233 to one of the following: a) a broker working for the Seller under a listing
 234 contract; or b) a broker assisting the Seller as a transaction broker, whichever is
 235 appropriate. When the term "selling broker" is used, it refers to one of the following: a) a
 236 broker working for the Buyer under a buyer's agency agreement; b) a broker assisting the
 237 Buyer as a subagent of the Seller; or c) a broker assisting the Buyer as a transaction
 238 broker, whichever is appropriate. The term "broker" shall include the broker's affiliated
 239 licensees (referred to as "salespeople"). With the exception of the term "banking days" as used
 240 in paragraph 12, a day is defined as a 24 hour calendar day, seven days per week.

241 **17. FLOOD PLAIN.**

242 Buyer may terminate this contract if any portion of the property is located in a designated 100
 243 year flood plain unless disclosed to Buyer in writing prior to contract. If so terminated, earnest
 244 money to be returned to Buyer subject to paragraph 12.

245 **18. ACCESS, FINAL WALK-THROUGH AND UTILITIES.**

246 Upon reasonable advance notice to Seller or listing broker, Seller agrees to provide access for
 247 appraiser(s) and other professionals as may be provided for in the contract or required by
 248 Buyer's lender or insurer. Buyer and selling broker may be present. Seller grants Buyer and
 249 selling broker the right to enter and walk-through the property and the right to have
 250 utilities turned on or transferred, at Buyer's expense, within four (4) days prior to closing. This
 251 right is for the Buyer to see that the property is in the same condition, ordinary wear and tear
 252 excepted, as it was on the date of this contract.

253 The closing does not relieve Seller of his obligation to complete improvements and repairs
 254 required by this contract.

255 **19. SPECIAL AGREEMENTS.**

256 Special agreements between Buyer and Seller forming a part of this contract:

257 See Rider #1 attached hereto.

258 _____
 259 _____
 260 _____
 261 _____
 262 _____
 263 _____
 264 _____

265 **20. SELLER'S DISCLOSURE STATEMENT. (Check one)**

266 ☐ Buyer confirms that before signing this offer to purchase, Buyer has read a copy of the
 267 Seller's Disclosure Statement for this property. The Seller's Disclosure Statement is not a
 268 substitute for any inspection that Buyer may wish to obtain. Buyer is advised to address any
 269 concerns Buyer may have about information in the statement by use of contingencies in the
 270 contract.

271 ☐ Seller agrees to provide Buyer with a Seller's Disclosure Statement within one (1) day after
 272 the "Acceptance Deadline" date. Buyer shall have three (3) days after the "Acceptance
 273 Deadline" date to review said statements and to declare in writing that the contract is
 274 terminated with earnest money to be returned to Buyer, subject to paragraph 12, otherwise,
 275 this contingency shall be deemed as waived by Buyer.

276 ☒ No Seller's Disclosure Statement will be provided by Seller.

277 By his signature, Seller confirms that the information in the Seller's Disclosure Statement is accurate as of
 278 the date of this contract. Seller will fully and promptly disclose in writing any new material information
 279 pertaining to the property that is discovered at any time prior to closing. Seller states that if Seller knows or should
 280 have known that the property was a lab, production or storage site for methamphetamine, or was the residence of a
 281 person convicted of crimes related to methamphetamine, Seller will attach a written explanation.

282 *Note: The Seller's Disclosure Statement is not in any way incorporated into the terms of this contract.*

21. RELATIONSHIP DISCLOSURE.

Buyer and Seller confirm that disclosure of the licensee's relationship was made no later than the first showing of the property, upon first contact, or immediately upon the occurrence of a change to the relationship.

Note: Under MREC Rules and Regulations, one box must be checked in each of the following two sections by the Selling Licensee.

Licensee assisting Seller is a: (Check appropriate box)

- ☐ Seller's Agent: Licensee is acting on behalf of the Seller.
☐ Buyer's Agent: Licensee is acting on behalf of the Buyer.
☐ Dual Agent: Licensee is acting on behalf of both Seller and Buyer.
☐ Designated Agent: Licensee has been designated to act on behalf of the Seller.
☐ Transaction Broker Assisting Seller: Licensee is not acting on behalf of either Seller or Buyer.

Licensee assisting Buyer is a: (Check appropriate box)

- ☐ Buyer's Agent: Licensee is acting on behalf of the Buyer.
☐ Seller's Agent: Licensee is acting on behalf of the Seller.
☐ Dual Agent: Licensee is acting on behalf of both Buyer and Seller.
☒ Designated Agent: Licensee has been designated to act on behalf of the Buyer.
☐ Transaction Broker Assisting Buyer: Licensee is not acting on behalf of either Buyer or Seller.
☐ Subagent of Seller: Licensee is acting on behalf of the Seller.

☐ Seller ☐ Buyer is a real estate licensee and is acting as a principal party in this contract.

Sources of compensation to Broker(s), including commissions and/or other fees: ☒ Seller ☐ Buyer

Buyer and Seller acknowledge that they have received and read the Missouri Real Estate Commission Broker Disclosure Form.

By signing below, the licensees confirm making disclosure of the brokerage relationship to the appropriate parties.

All Parties agree that this transaction can be conducted by electronic/digital signatures, according to the Uniform Electronic Transaction Act as adopted by Missouri.

Kelsey Cottrell Realty Group

Selling Broker's Firm

Listing Broker's Firm

By (Signature):

By (Signature):

Date: 11/10/10 Public ID: KOTTRREL

Date: _____ Public ID: _____

OFFER to be accepted by Seller by: 5pm m of 11/10/10

BUYER

DATE

BUYER

DATE

Seller's Printed Name

US Fideles, Inc.

SELLER ACCEPTS THE TERMS SET FORTH IN THIS CONTRACT.

SELLER

TIME and DATE

SELLER

TIME and DATE

OR

____ (initials) **WE REJECT THIS OFFER AND MAKE A COUNTEROFFER (use #2164 Sale Contract Counteroffer Form).**

OR

____ (initials) **WE REJECT THIS OFFER.**

Note: Unless otherwise agreed in writing, "Acceptance Deadline" is defined as the date for acceptance which was provided to the last party whose signature resulted in a contract (even if that signature was obtained before the deadline).

RIDER #1 TO SPECIAL SALE CONTRACT

1. Bankruptcy Court Provisions.

1.1 The parties' obligations to close on the sale hereunder are subject to approval of the Bankruptcy Court in the case of *In re US Fidelis, Inc.*, Case No. 10-41902 (the "Bankruptcy Case") pending in the U.S. Bankruptcy Court for the Eastern District of Missouri (the "Bankruptcy Court"). Unless earlier terminated as set forth herein, within five days of the Acceptance Date, the Seller shall file with the Bankruptcy Court a Motion seeking approval of this agreement (the "Sale Motion") and the Seller shall request the Bankruptcy Court to schedule a hearing on the Sale Motion as soon as possible after expiration of the minimum notice period described in Bankruptcy Rule 2002(a)(2).

1.2 The Sale Motion shall provide that the sale of the Property (both real and personal) shall be free and clear of all liens, claims and encumbrances on the Property under Section 363(f) of the Bankruptcy Code to the fullest extent permitted by law. In particular, and without limiting the generality of the foregoing, the Sale Motion shall state that the sale of the Property shall be free and clear of all mechanic's liens that have been asserted against the Property in Case No. 1011-CV01556 pending in the Circuit Court for St. Charles County, Missouri.

1.3 The Buyer acknowledges that the Seller must consider competing bids ("Competing Bids") for the Property that will yield greater value to the Seller's bankruptcy estate. The Sale Motion shall provide that all Competing Bids for the Property must call for a purchase price of not less than \$5,000,000 in cash payable at closing and shall not be subject to any financing contingency ("Initial Competing Bid"). The Sale Motion shall further provide that, in lieu of any expense reimbursement, the Buyer shall receive at closing a fee equal to 3% of the purchase price hereunder, or \$142,500 ("Break Up Fee"), if the Buyer is not ultimately the successful bidder for the Property because a Competing Bidder is selected by the Bankruptcy Court. If a qualified Competing Bid is submitted, then the Buyer and any qualifying Competing Bidder(s) shall be entitled to improve their bids at an auction. Any Competing Bid (after the Initial Competing Bid) must net to the Seller at least \$50,000 more than the previous Bid. At any point in the bidding, the Buyer may agree to waive the Break Up Fee and shall be entitled to a dollar for dollar credit on the amount of Buyer's bid on account of such waiver. Buyer's earnest money deposit shall be promptly return in the event it is not the successful buyer for the Property.

2. **Personal Property.** The property to be sold by Seller to Buyer hereunder also includes the personal property listed on Schedule A.

3. **Proof of Financing.** Buyer shall provide proof of funds and ability to close, in writing, within two (2) business days after the Acceptance Date, which shall be acceptable to Seller in Seller's reasonable discretion. If (a) Buyer fails to deliver such proof by such date, or (b) Seller is not satisfied with such proof, in Seller's reasonable discretion, then either Seller may terminate this contract by giving Buyer written notice of such termination within three (3) business days after receipt of such proof of funds. Upon such termination, this contract shall be null and void and neither party shall have any further obligations hereunder and the Earnest Deposit shall be returned to the Buyer.

4. As-Is Sale.

4.1 BUYER ACKNOWLEDGES THAT SELLER HAS NOT OCCUPIED THE PROPERTY, AND BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS RELYING SOLELY ON ITS INSPECTIONS OF THE PROPERTY IN MAKING ITS DECISION TO ACQUIRE THE PROPERTY. ADDITIONALLY, BUYER HAS BEEN URGED TO PERFORM COMPLETE AND COMPREHENSIVE TITLE, SURVEY, BUILDING, STRUCTURAL, ENVIRONMENTAL, GEOTECHNICAL AND OTHER DUE DILIGENCE WITH RESPECT TO THE PROPERTY. BUYER UNDERSTANDS AND AGREES THAT BUYER SHALL HAVE NO RECOURSE AGAINST

SELLER IF AT ANY TIME NOW OR HEREAFTER, BUYER OR ANY SUBSEQUENT BUYER OF THE PROPERTY DISCOVERS ANY TITLE, SURVEY, BUILDING, STRUCTURAL, ENVIRONMENTAL, GEOTECHNICAL OR ANY OTHER DEFECT OR ISSUE IN CONNECTION WITH THE PROPERTY, UNLESS OTHERWISE SPECIFICALLY PROVIDED FOR IN THIS CONTRACT.

4.2 BUYER AGREES THAT SELLER IS NOT MAKING, AND HEREBY SPECIFICALLY DISCLAIMS MAKING, ANY WARRANTY, GUARANTY OR REPRESENTATION OF ANY KIND OR CHARACTER, WHETHER EXPRESS, IMPLIED, STATUTORY OR ARISING BY OPERATION OF LAW, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, OR CONCERNING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, (I) THE PHYSICAL NATURE, CONDITION AND REPAIR OF THE PROPERTY OR ANY PORTION THEREOF, INCLUDING, WITHOUT LIMITATION, CONDITION OF ANY IMPROVEMENTS (INCLUDING, WITHOUT LIMITATION, STRUCTURAL SUPPORT AND WATERTIGHTNESS), LAND, WATER, SOIL OR GEOLOGY, AND THE SUITABILITY THEREOF AND OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY ELECT TO CONDUCT THEREON, OR THE EXISTENCE OF ANY ENVIRONMENTAL HAZARDS OR CONDITIONS THEREON (INCLUDING, WITHOUT LIMITATION, ASBESTOS, LEAD-BASED PAINT, POLYCHLORINATED BIPHENYL A/K/A PCB, MOLD OR OTHER MICROBIAL MATTER, HYDROCARBONS OR HAZARDOUS OR TOXIC SUBSTANCES) OR THE COMPLIANCE OF THE PROPERTY WITH ANY AND ALL APPLICABLE ENVIRONMENTAL LAWS, RULES OR REGULATIONS; (II) THE NATURE AND EXTENT OF ANY RIGHT-OF-WAY, LEASE, POSSESSION, LIEN, ENCUMBRANCE, LICENSE, RESERVATION, CONDITION OR OTHER MATTER AFFECTING TITLE; (III) THE COMPLIANCE OF THE PROPERTY OR ITS OPERATION WITH ANY LAWS, STATUTES, ORDINANCES, RULES, REQUIREMENTS OR REGULATIONS OF ANY GOVERNMENT OR OTHER BODY (INCLUDING, WITHOUT LIMITATION, LICENSING LAWS, BUILDING CODES AND ZONING REGULATIONS); (IV) THE VALUE, EXPENSE OF OPERATION, INCOME POTENTIAL, ECONOMIC VIABILITY OR MARKETABILITY OF THE PROPERTY; (V) TAX MATTERS PERTAINING TO THE TRANSACTION CONTEMPLATED HEREBY; (VI) THE ACCURACY OR COMPLETENESS OF ANY REPORTS OR OTHER INFORMATION FURNISHED BY SELLER TO BUYER WITH RESPECT TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ENGINEERING, FINANCIAL, ENVIRONMENTAL OR OTHER REPORTS, STUDIES OR INVESTIGATIONS, IF ANY; (VII) ZONING; (VIII) VALUATION; (IX) HABITABILITY; (X) MERCHANTABILITY; OR (XI) SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE. **THE PROPERTY IS BEING SOLD IN ITS "AS IS" CONDITION WITH ALL FAULTS. SELLER HEREBY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO THE PROPERTY. THERE ARE NO WARRANTIES BEYOND THE FACE OF THIS CONTRACT. THE PARTIES STIPULATE AND AGREE THAT THE CONSIDERATION FOR THE PURCHASE AND SALE OF THE PROPERTY HAS BEEN ADJUSTED TO COMPENSATE BUYER FOR THE RISKS ASSOCIATED WITH PURCHASING THE PROPERTY ON AN "AS IS" BASIS WITH ALL FAULTS. FURTHER, BUYER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE TRANSACTION CONTEMPLATED HEREBY WHICH HAVE BEEN MADE BY SELLER OR ANY THIRD PARTY.**

4.3 ANY FACTUAL INFORMATION SUCH AS PROPERTY TAXES, UTILITY INFORMATION, PROPERTY DIMENSIONS, SQUARE FOOTAGE, OR SKETCHES SHOWN TO BUYER ARE OR MAY BE APPROXIMATE. BUYER REPRESENTS AND WARRANTS TO

SELLER THAT, EXCEPT AS EXPRESSLY SET FORTH OTHERWISE IN THIS CONTACT, BUYER HAS, OR SHALL HAVE, INSPECTED AND VERIFIED SUCH FACTS AND INFORMATION TO BUYER'S SATISFACTION, AND THAT NO LIABILITY FOR ANY INACCURACIES, ERRORS OR OMISSIONS WITH RESPECT THERETO IS ASSUMED BY SELLER OR OTHER AGENTS OR REPRESENTATIVES OF SELLER.

4.4 IF, AFTER CLOSING, ANY INVESTIGATION, REMOVAL, ABATEMENT, REMEDIATION, OR OTHER CORRECTIVE ACTION IS AT ANY TIME REQUIRED IN CONNECTION WITH THE PROPERTY OR ANY ADJACENT OR NEARBY PROPERTY AS A RESULT OF THE PRESENCE OF ANY ENVIRONMENTAL PROBLEMS, HAZARDOUS SUBSTANCES, HAZARDOUS MATERIALS, OR ENVIRONMENTAL CONTAMINATION (AS EACH SUCH TERM IS DEFINED IN ANY AND ALL APPLICABLE ENVIRONMENTAL LAWS) AT OR ON THE PROPERTY OR ANY ADJACENT OR NEARBY PROPERTY, INCLUDING, WITHOUT LIMITATION, ASBESTOS, LEAD-BASED PAINT, POLYCHLORINATED BIPHENYL A/K/A PCB, MOLD OR OTHER MICROBIAL MATTER, HYDROCARBONS AND BYPRODUCTS AND ANY CONSTITUENTS THEREOF, REGARDLESS OF WHEN SAME OCCURRED, BUYER AGREES THAT: (I) ANY SUCH INVESTIGATION, REMOVAL, REMEDIATION, OR CORRECTIVE ACTION SHALL BE PERFORMED BY BUYER AND AT BUYER'S SOLE COST AND EXPENSE; AND (II) THE SELLER HAS NO DUTY OR OBLIGATION TO PERFORM OR CAUSE TO BE PERFORMED ANY SUCH INVESTIGATION, REMOVAL, REMEDIATION, OR CORRECTIVE ACTION. BUYER AGREES THAT, EFFECTIVE UPON CLOSING, BUYER, FOR ITSELF, AND ITS SUCCESSORS AND ASSIGNS, HEREBY IRREVOCABLY AND UNCONDITIONALLY INDEMNIFIES, DEFENDS (BY COUNSEL REASONABLY ACCEPTABLE TO SELLER), HOLDS HARMLESS, WAIVES, RELEASES, AND RELINQUISHES SELLER (AND SELLER'S DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS) FROM ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, JUDGMENTS, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, WHETHER SUIT IS INSTITUTED OR NOT, AND ENVIRONMENTAL CONSULTANTS' FEES) WHETHER KNOWN OR UNKNOWN, LIQUIDATED OR CONTINGENT (COLLECTIVELY "CLAIMS"), OR RIGHTS OF CONTRIBUTION (INCLUDING ANY RIGHT TO CONTRIBUTION UNDER 42 U.S.C. §9613(F)) WHICH BUYER OR ITS SUCCESSORS, LEGAL REPRESENTATIVES OR ASSIGNS NOW HAS OR MAY HAVE AGAINST THE SELLER, ITS DIRECTORS, OFFICERS, PRINCIPALS, AFFILIATES, AGENTS OR ANY OF ITS EMPLOYEES OR AGENTS, BY REASON OF THE PRESENCE OF ANY HAZARDOUS SUBSTANCE (INCLUDING, BUT NOT LIMITED TO, ASBESTOS, LEAD-BASED PAINT, POLYCHLORINATED BIPHENYL A/K/A PCB, MOLD OR OTHER MICROBIAL MATTER, HYDROCARBONS AND BYPRODUCTS AND ANY CONSTITUENTS THEREOF) OR ANY OTHER ADVERSE ENVIRONMENTAL CONDITION, DEFECT, OR PROBLEM WITH RESPECT TO THE PROPERTY (WHETHER SUCH CONDITION, DEFECT, OR CONDITION BE KNOWN OR UNKNOWN, LATENT OR PATENT, OR WHETHER OR NOT ANY INVESTIGATION, REMEDIATION, OR CORRECTIVE ACTION MAY BE REQUIRED OR DESIRABLE WITH RESPECT TO THE PROPERTY).

4.5 BUYER HEREBY AGREES TO INDEMNIFY, DEFEND (BY COUNSEL REASONABLY ACCEPTABLE TO SELLER) AND HOLD HARMLESS SELLER (AND SELLER'S DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS) FROM ANY AND ALL CLAIMS ARISING AFTER THE CLOSING OF THE PROPERTY RELATING TO ANY ALLEGED ACT OR OMISSION ON THE PART OF SELLER OR ANY PRIOR OR SUBSEQUENT OWNER RELATING TO THE CONDITION OF THE PROPERTY OR ANY IMPROVEMENTS, STRUCTURES, STREETS, SEWERS, UTILITY OR OTHER RELATED INFRASTRUCTURE, INCLUDING, WITHOUT LIMITATION, CLAIMS BY NEIGHBORS, ANY HOMEOWNER'S ASSOCIATION, ST. CHARLES

COUNTY, THE CITY OF LAKE ST. LOUIS, ANY UTILITY COMPANY OR ANY OTHER THIRD PARTY.

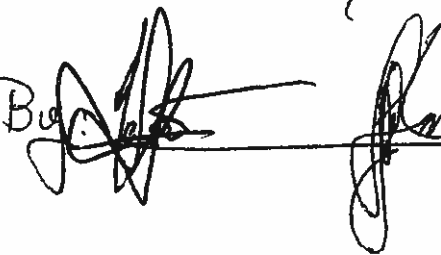
4.6 THE PROVISIONS SET FORTH IN THIS SECTION 4 SHALL SURVIVE THE CLOSING AND SHALL NOT MERGE THEREIN OR INTO ANY DOCUMENTS EXECUTED IN CONNECTION THEREWITH.

5. Closing Date. Notwithstanding anything to the contrary contained in paragraph 5 of this Special Contract, Buyer may close on the purchase of the Property hereunder at any time up to and including December 17, 2010, notwithstanding the date the order granting the Sale Motion is entered.

6. Scope of Real Property. While the legal description attached hereto shall control, the parties acknowledge and agree that the sale of the real property hereunder is intended to include all of that real property that was formerly known and numbered as 15 Woodview Drive.

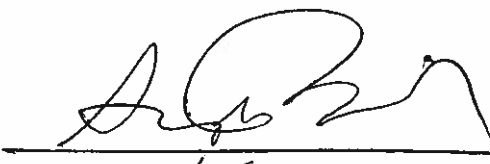
Buyer:

S Lakeview Acquisition Group, LLC

By:  _____

Seller:

US Fidelis, Inc

By:  _____
Scott Eisenberg
CRO

**Personal Property to be Sold With
5 Lakeview Court, Lake St. Louis, MO**

Garage

“Marge Carson” oversize dining table on wrought iron support, including side serving table and chairs

Fourteen, “Marge Carson” upholstered dining chairs

Kitchen table and chairs

Washer and dryer from main laundry

All components for B&W Sound System including Runco Projector, B&W Speakers and other related items

Refrigerator (subzero) and deco front panels to match cabinets in Art Room

Assorted furniture and accessories in garage

5 mopeds

Left over building materials

2004 24 foot Malibu, plus trailer

2005 24 foot Harris Boat, plus trailer, plus outboard motor

2009 Polaris 4 WHL

John Deere Tractor, including all attachments and related landscaping maintenance tools in barn

First Floor North Guest Bedroom

Upholstered club chair

Wrought iron tripod lamp table w/ bowl

Upholstered sectional settee

Wrought iron glass top coffee table

Pair Ethan Allen two drawer galleried top end tables

Pair composition table lamps

Four poster mahogany bed, imperfections

Two oversize ceramic planters

Upholstered slipper chair

Upholstered banquette on turned legs

Miscellaneous decorative glass, picture frames, ceramics on shelves & mantle

LG flat panel television

Library

Composition copper colored decorative urn

Three Peruvian vases

Master Bedroom Hallway

Collection of decorative items; composition birds, candle sconces and more

Master Bedroom

Beige leather upholstered open armchair

Brown suede upholstered recliner

Beige upholstered ottoman

Circular black slate top drinks table

LG flat panel TV

Children's Bedroom

LG flat panel TV

West Upstairs Bedroom

Ivory upholstered and wood curved back settee

Pair of composition and glass end tables

Flat screen television

Upstairs Meditation Room

White shag carpet

Bernhardt paisley upholstered sofa

Coffee table

Second Floor North Guest Bedroom

Four pieces black enameled bedroom furniture; bedstead, two night stands, chest of drawers

Upholstered armchair, floor screen, floor lamp

Upstairs Laundry Room

Washer & Dryer

North Apartment

Two wrought iron bar stools

Four poster wooden bed, cannon ball finials

Upholstered armchair & ottoman

Sharp flat panel TV

Basement

Three green upholstered easy chairs

Curvilinear green microfiber sofa

Two contemporary design coffee tables

Pair of tan leather upholstered easy chairs

Cyber relax massage chair

Pair of brown leather upholstered easy chair (band room)

Stainless steel and glass coffee table with a pair of circular tops

Oval wood coffee table

Sharp flat panel TV

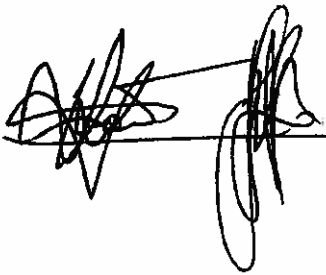
(2) LG flat panel TV

(2) Switch TVs

(2) LG flat panel TVs

Buyer:

S Lakeview Acquisition LLC

By  _____

Seller:

US Fidelis, Inc.

By  _____
Scott Eisenberg
CRO

Authorization to Show Property

The undersigned ("Owner"), being the sole owner(s) or authorized agent(s) of all owners of the property located at **5 Lakeview Circle, Lake St. Louis, Missouri 63367** (the "Property"), hereby authorizes the BROKER named below and its affiliated licensees to show the Property to **5 Lakeview Acquisition Group, LLC** ("Prospective Buyer"), for a period of Sixty (60) days from and after the Effective Date hereof (the "Authorization Period"), after which time this Authorization to Show Property ("Authorization") will terminate. This Authorization does not permit media advertising or the placing of signs on the Property.

SALE PRICE: \$4,750,000.00 ("Original Price") or mutually agreeable to Owner and Prospective Buyer.

Owner agrees that if (a) Owner enters into a contract ("Contract") during the Authorization Period to sell the Property to Prospective Buyer, and (b) Owner and Prospective Buyer ultimately close on the purchase and sale of the Property under the Contract; then Owner will pay BROKER a commission of two percent (2%) of the Original Price ("Commission"), to be paid in cash at closing. BROKER shall not be entitled to any commission on any sale price over and above the Original Price. Owner shall not be obligated, under any circumstances, to pay the Commission to BROKER or any other person if the Contract terminates for any reason. Without limiting the generality of the foregoing, BROKER shall not be entitled to any liquidated damages that Owner may receive pursuant to the Contract. BROKER is authorized to provide sales data to the local Board of Realtors, their members, member prospects, appraisers and other professional users of real estate sales data.

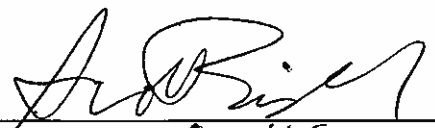
This Authorization does not create an agency relationship between Owner and BROKER, and is neither an exclusive right to sell or lease nor an exclusive agency/brokerage. Owner is free to deal with other brokers or persons who have not been introduced to the Property by BROKER pursuant to this Authorization. Pursuant to this Authorization, BROKER may act in the capacity of a buyer's agent or as a transaction broker.

BROKER acknowledges that Owner's obligations under this Authorization are subject to approval of the Bankruptcy Court in the case of *In re US Fidelis, Inc.*, Case No. 10-41902 (the "Bankruptcy Case") pending in the U.S. Bankruptcy Court for the Eastern District of Missouri (the "Bankruptcy Court"). Unless earlier terminated as set forth herein, within five days of the Effective Date, Owner shall file with the Bankruptcy Court a Motion seeking approval of this Authorization (the "Motion") and Owner shall request the Bankruptcy Court to schedule a hearing on the Motion as soon as possible after expiration of the minimum notice period described in Bankruptcy Rule 2002(a)(2).

The "Effective Date" shall be the date of final acceptance hereof, as indicated by the date of the last party to sign this Authorization. Owner acknowledges receipt of one copy of this Authorization.

OWNER:

US Fidelis, Inc.

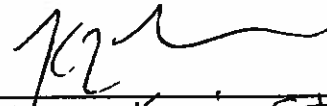
By: 

Printed Name: Scott Eisenberg
Title: Chief Restructuring Officer
Date: Nov. 10, 2010

5233262

BROKER:

Kelsey Cottrell Realty Group

By: 

Printed Name: Kevin Cottrell
Title: Co-Founder/Owner
Date: Nov 11, 2010

Exhibit B
List of Mechanic's Liens

1. **Frisch Masonry, Inc.** Mechanic Lien filed by Frisch Masonry Inc. being Case No. 1011-ML00012, filed January 22, 2010 in the amount of \$238,604.00 in the St. Charles Circuit Clerks Office. Suit filed by Frisch Masonry Inc. on February 17, 2010 being Case No. 1011-CV01556 in the St. Charles Circuit Clerks Office.
2. **Pool Tron, Inc.** Mechanic Lien filed by Pool Tron Inc. being Case No. 1011-ML00032, filed February 11, 2010 in the amount of \$190,332.87 in the St. Charles Circuit Clerks Office.
3. **Elastizell of St. Louis, Inc.** Mechanic Lien filed by Elastizell of St. Louis, Inc. being Case No. 1011-ML00054, filed March 3, 2010 in the amount of \$4,345.00 in the St. Charles Circuit Clerks Office.
4. **Waterhout Construction Company, Inc.** Mechanic Lien filed by Waterhout Construction Company Inc. being Case No. 1011-ML00057, filed March 9, 2010 in the amount of \$136,188.75 in the St. Charles Circuit Clerks Office.
5. **Stone Fabricators, Inc.** Mechanic Lien filed by Stone Fabricators Inc. being Case No. 1011-ML00061, filed March 16, 2010 in the amount of \$38,784.25 in the St. Charles Circuit Clerks Office.
6. **Wm. J. Zickel Co., d/b/a Zickel Flooring** Mechanic Lien Notice recorded in Book 5350 Page 707 by Zickel Flooring and/or WM J. Zickel for \$147,219.00 and duplicate notice recorded in Book 5350 page 709. Mechanic Lien filed by William J. Zickel being Case No. 1011-ML00063 filed March 19, 2010 in the amount of \$147,219.00 in the office of the Circuit Clerk and recorded in Book 5350 Page 707.
7. **Williams Tile & Marble, Inc.** Mechanic Lien filed by Williams Tile and Marble being Case No. 1011-ML00065 in the amount of \$26,400.00 in the St. Charles Circuit Clerks Office.
8. **Professional Irrigation, LLC** Mechanic Lien filed by Professional Irrigation LLC being Case No. 1011-ML00066 in the amount of \$56,040.00 in the St. Charles Circuit Clerks Office.
9. **R.G. Brinkmann Company, d/b/a Brinkmann Constructors** Mechanic Lien filed by RG brinkman Co. being Case No. 1011-ML00069 in the amount of \$300,382.01 in the St. Charles Circuit Clerks Office.
10. **American Ready Mix Co.** Mechanic Lien Notice recorded by American Reddy Mix Company in Book 5358 page 902 in the St. Charles Recorder of Deeds and Mechanic Lien filed being Case No. 1011-ML00072 in the amount of \$2,458.90.
11. **Schilli Plastering Co.** Mechanic Lien Notice recorded by Schilli Plastering Co. in Book 5367 page 409 and Book 5367 page 406 in the St. Charles Circuit Clerks Office. Mechanic Lien filed by Schilli Plastering Co. being Case No. 1011-ML00078 filed April 21, 2010 in the amount of \$13,435.30 in the St. Charles Circuit Clerks Office.

12. **Wahle's Wood Works & Mouldings, Inc.** Mechanic Lien filed by Wahle's Wood Works and Mouldings being Case No. 1011-ML00081 filed April 26, 2010 in the amount of \$34,558.38 and recorded in Book 5369 Page 1870 and Book 5369 Page 1873.
13. **Diane Breckenridge Interiors, Inc.** Mechanic Lien filed by Diane Breckenridge Interiors being Case No. 1011-ML00080 filed April 26, 2010 in the amount of \$63,155.19 in the St. Charles Circuit Clerks Office.
14. **Midwest Ceramic Tile and Marble, Inc., n/k/a Midwest Tile and Granite, LLC** Mechanic Lien filed by Midwest Ceramic Tile and Marble being Case No. 1011-ML00085 filed April 30, 2010 in the amount of \$32,668.39 and recorded in Book 5370 page 2153.
15. **Rivers West Landscaping, Inc.** Mechanic Lien filed by Rivers West Landscaping Inc. being Case No. 1011-ML00094 filed May 5, 2010 in the amount of \$47,683.50 in the St. Charles Circuit Clerks Office.
16. **Sigman Indoor Climate Solutions, LLC and Sigman Heating and Air Conditioning, Inc.** Mechanic Lien filed by Sigman Indoor Climate Solutions being Case No. 1011-ML00093 filed May 5, 2010 in the amount of \$105,933.49 in the St. Charles Circuit Clerks Office.
17. **Newspace, Inc.** Mechanic Lien filed by Newspace Inc. being Case No. 1011-ML00095 filed May 6, 2010 in the amount of \$5,239.17 in the St. Charles Circuit Clerks Office.
18. **Earthworks, Inc. (2 Liens)** Mechanic Lien filed by Earthworks Inc. being Case No. 1011-ML00097 filed May 11, 2010 in the amount of \$50,876.14 in the St. Charles Circuit Clerks Office. Mechanic Lien filed by Earthworks Inc. being Case No. 1011-ML00102 filed June 1, 2010 in the amount of \$85,895.33 in the St. Charles Circuit Clerks Office.
19. **Robert Snell Electric, Inc.** Mechanic Lien filed by Robert Snell Electric Inc. being Case No. 011-ML00101 filed May 26, 2010 in the amount of \$53,057.14 and recorded in Book 5378 Page 1237 and Book 5387 Page 180.
20. **Koch Bros. Decorating, Inc.** Mechanic Lien filed by Koch Bros Decorating Inc. being Case No. 1011-ML00110 filed June 10, 2010 in the amount of \$132,000.00 in the St. Charles Circuit Clerks Office.