



## **BIDDING PROCEDURES**

**Global Hotels International, LLC (“Debtor”), through counsel, proposes to conduct an auction for the Sale (*defined below*) of the Purchased Assets (*defined below*) and will proceed in accordance with the following bid procedures (“Bidding Procedures”) which have been approved pursuant to an Order entered by the United States Bankruptcy Court for the Western District of Louisiana (“Bankruptcy Court”) on the 1<sup>st</sup> day of March, 2019 (“Bidding Procedures Order”) in the Chapter 11 case styled *In re Global Hotels International, LLC*, Case No. 18-30342 (the “Bankruptcy Case”).**

The Debtor is soliciting bids for the proposed acquisition of the Purchased Assets in accordance with the procedures below. The Debtor will consider all offers which comply with the terms of these Bidding Procedures, which offers may include cash consideration and/or assumption of debt owed to BOM Bank (“BOM”). BOM may credit bid.

- 1. Sale Proposal.** These Bidding Procedures set forth the terms by which prospective bidders may qualify for and participate in the Auction (*defined below*), thereby competing to make the highest or otherwise best offer for the Purchased Assets. The sale of the Purchased Assets (the “Sale”) shall be free and clear of any and all claims, liens, and other encumbrances, except permitted encumbrances identified in **Schedule 1** and **Schedule 2** to these Bidding Procedures. Otherwise, all liens, claims

and encumbrances will attach to the proceeds to the same extent and with the same priority as such liens, claims and encumbrances attached to the Purchased Assets prior to the Sale.

- 2. Purchased Assets.** For purposes of a Sale, the “Purchased Assets” may consist of any or all of the following:

A tract of land which includes approximately 1.539 acres in Jonesboro, Louisiana, more particularly described as Tract 1 in Exhibit A to the Multiple Indebtedness Mortgage executed in favor of BOM by Debtor on April 24, 2015, recorded in the Mortgage Records of Jackson Parish (Instrument Number 403700) on April 27, 2015, bearing municipal address of 134 Old Winnfield Road, Jonesboro, Louisiana, and commonly referred to as the “Sleep Inn - Jonesboro” (the “Business Real Estate and Improvements”). Permitted encumbrances on the Business Real Estate and Improvements are set forth in **Schedule 1**. Bids may include the hotel business records, employee records, billing records, financial statements, licenses, and goodwill (“Business Assets”), and possibly the assumption and assignment of franchise and other contractual rights which may be subject to consent of, and agreement with, the particular counterparty (“Executory Contracts”).

A tract of land which includes approximately 7.5 acres and all improvements thereon, more specifically described as Tract 2, in Exhibit A to the Multiple Indebtedness Mortgage executed in favor of BOM Bank by Debtor on April 24, 2015, recorded in the Mortgage Records of Jackson Parish (Instrument Number 403700) on April 27,

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2015 (the “Other Real Estate”). Permitted encumbrances on the Other Real Estate are set forth in **Schedule 2**.

- 3. “As Is, Where Is” Sale.** Any Sale of the Purchased Assets will be transferred on an “as is, where is,” basis, with all faults, and without representations or warranties of any kind, nature or description by the Debtor, its agents or estate, whether written, verbal, express, implied, or by operation of law.
- 4. Sale Less and Except Cash and Accounts Receivable.** The Sale of the Business Real Estate and Improvements will be less and except cash and accounts receivable collected or accrued prior to the date the Sale is consummated. Further, if the “Winning Bid” (as defined herein) includes the Debtor’s business accounts and financial statements, said purchaser must agree to bill for all goods and services which are provided by and/or performed by the Debtor before the sale and provide

Debtor an account for all cash receipts from said billings.

5. **Auction.** The Debtor will conduct an auction of the Purchased Assets (the "Auction"). The Auction will commence on **March 22, 2019, at 10:00 a.m. Central Time**, to be held online at [www.twincreeksfruston.com](http://www.twincreeksfruston.com).
6. **Qualified Bidder.** To participate in the Auction, any party ("Qualified Bidder") wishing

to submit a proposal, offer, or bid ("Bid") must:

- Participate in the Auction in person or through a duly-authorized representative with authority to bind the person or entity which he or she purports to represent;
- Disclose the identity of any assignee entity or person who will actually complete the Sale, if not the Qualified Bidder, to the extent assignment is anticipated (though the Qualified Bidder, if selected as the Winning Bidder, will be considered the party obligated to close on the Sale);
- Provide proof of financial ability to perform, which may include but not be limited to current financial statements, contact name(s) and number(s) for verification of debt and equity financing sources, and evidence of the potential bidder's internal resources and proof of unconditional debt funding commitments from a recognized banking institution or alternative lending source;
- Be fully prepared, able, and willing to consummate the Sale of the asset(s) for which the party is the Winning Bidder (*as defined herein*) on or before **April 12, 2019**;
- Provide a deposit ("Deposit") of:  
**\$50,000.00 in wired or certified funds** prior to the Auction for Bid submittal on the Business Real Estate and Improvements; and

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**\$10,000.00 in wired or certified funds** prior to the Auction for Bid submittal on the Other Real Estate;

*except* that a deposit of \$50,000.00 for Bid submittal on the Business Real Estate and Improvements will also allow Bid submittal on the Other Real Estate.

- Identify any and all executory contracts and unexpired leases of the Debtor that the Bidder wishes to have assumed and assigned to it at closing, and provide for the payment of all cure amounts payable with respect to such contracts and leases under the Bankruptcy Code; and
- Be deemed to have consented to the core jurisdiction of the Bankruptcy Court and waive any right to a jury trial in connection with any disputes related to the marketing process, the Auction, and the construction and enforcement of the Qualified Bidder's fully executed sale and transaction documents, as applicable.

**7. Initial Minimum Bid/Overbid.**

- The initial required bid for the Business Real Estate and Improvements will be \$300,000, from which the Auction will progress in increments at the auctioneer's discretion.
- The initial required bid for the Other Real Estate will be \$50,000, from which the Auction will progress in increments at the auctioneer's discretion.

**8.** The initial required bids may be modified at the discretion of Debtor in consultation with BOM.

**9. Winning Bidder.** The Auctions of the Business Real Estate and Improvements and the Other Real Estate shall continue until there is only one respective Bid that the Debtor's counsel determines in his reasonable business judgment is the highest or otherwise best Bid (the "Winning Bid," and the Qualified Bidder submitting such Bid, the "Winning Bidder") at which point, the Auction for such item will be closed. The Auction for the Business Real Estate and Improvements and the Other Real

Estate shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an overbid at the Auction to the then-existing overbid.

- 10. Back-Up Bidder.** If the Winning Bidder fails to consummate the Sale, (a) the Debtor may consummate the Sale with the next highest or best bidder at the Auction (*i.e.*, the “Back-Up Bid” and the Qualified Bidder submitting such bid, the “Back-Up Bidder”), without the need for further Court approval, (b) the Debtor will maintain the right to pursue all available remedies against the Winning and Back-Up Bidders.



- 10. Deposits.** All Deposits (without interest) shall be returned to each bidder not selected by the Debtor as the Winning Bidder no later than five (5) business days following the conclusion of the Auction. If the Winning Bidder timely closes the Sale, its Deposit (without interest) shall be credited towards the purchase price.
- 11. Sale Hearing.** A Sale Hearing will be held at the United States Bankruptcy Court for the Western District of Louisiana, Monroe Division, located at the United States Courthouse, 201 Jackson Street, Monroe, Louisiana, on **April 4, 2019**, at **10:00 a.m. CT**.
- 12. Reservation of Rights.** The Debtor reserves the right to modify the Bidding Procedures at any time, with notice to bidders and potential bidders, to facilitate the submission of value-maximizing Bids, to adjourn the Auction one or more times for any reason, or to terminate the Bidding Procedures at any time to pursue an alternative restructuring strategy that maximizes value for the estate and its creditors. The end result is conditioned on confirmation by BOM.