

## BIDDING PROCEDURES

**Alexandria Investment Group, 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 27<sup>th</sup> day of April, 2018 (“Bidding Procedures Order”) in the Chapter 11 case styled *In re Alexandria Investment Group, LLC*, Case No. 18-80416 (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 only cash consideration, except that Red River Bank 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** 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 11 acres in Alexandria, Louisiana, bearing municipal addresses 2225 and 2301 N. MacArthur Drive, Alexandria, Louisiana, and commonly referred to as the “Baymont Inn & Suites and Convention Center” (the “Business Real Estate and Improvements”). Permitted encumbrances on the Business Property are set forth in **Schedule 1**. Bids may include the hotel and convention center business records, employee records, billing records, financial statements, licenses, and goodwill (“Other 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”).
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 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 **May 17, 2018, at 1:00 p.m. Central Time**, to be held in open court, before the Honorable John W. Kolwe, United States Bankruptcy Judge for the Western District of Louisiana.
6. **Qualified Bidder.** To participate in the Auction, any party (“Qualified Bidder”) wishing to submit a proposal, offer, or bid (“Bid”) must:
  - A. Appear at 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;
  - B. 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 **May 31, 2018**; and
  - C. Provide a deposit of **\$50,000.00 in certified funds** (“Deposit”) immediately prior to the Auction or contemporaneously with said Bid submittal.
7. **Initial Minimum Overbid.** Debtor has received a stalking horse bid from Avalon Hotel Group, LLC for the Business Real Estate and Improvements (\$1,000,000 bid plus \$30,000 break-up fee). Accordingly, the Initial Minimum Overbid amount is **\$1,040,000.00** (\$1,000,000 stalking horse bid plus \$30,000 break-up fee plus \$10,000 bidding increment).
8. **Winning Bidder.** The Auction shall continue until there is only one 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 will be closed. The Auction 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.
9. **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 retain the Deposit of such bidder, and (c) 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 or Back-Up Bidder no later than five (5) business days

following the conclusion of the Auction. The Deposit (without interest) of the Back-Up Bidder shall be returned to the Back-Up Bidder no later than 72 hours after the closing of the Sale. If the Winning Bidder timely closes the Sale, its Deposit (without interest) shall be credited towards the purchase price. If the Winning Bidder fails to timely close the Sale, and the Back-Up Bidder is called upon to close the Sale, such Back-Up Bidder's Deposit (without interest) shall be credited towards the Purchase Price.

11. **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.

## **SCHEDULE 1**

### **Permitted Encumbrances for Hotel and Convention Center**

1. Servitude, Ed Vaughn (married to Mildred Chellete Vaughn) to City of Alexandria, dated February 15, 1956, filed and recorded February 16, 1956, Conveyance Book 487, Page 560(#401259).
2. Act of Predial Servitude, Hampton Center, L.L.C., to Hadnot Hotel Properties, L.L.C., dated October 31, 2002, filed and recorded November 26, 2002, Conveyance Book 1651, Page 274 (#1201053).
3. Servitude, John M. Nelson and Barbara D. Nelson (husband and wife), et al. To Hampton Center LLC, dated March 19, 2004, filed and recorded March 25, 2004, Conveyance Book 1688, Page 125 (#1242507).
4. Ordinance, Bayou view Subdivision, filed and recorded January 12, 2009, Conveyance Book 1830, Page 072 (#1387918).