

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION**

| | | |
|------------------------------|---|--------------------------|
| IN RE: |) | |
| |) | |
| TEXARKANA HOTELS, LLC |) | CASE NO. 16-50056 |
| |) | CHAPTER 11 |
| |) | |
| DEBTOR |) | |

**DEBTOR’S MOTION FOR ORDER AUTHORIZING
SALE OF ASSETS AND ASSUMPTION AND ASSIGNMENT OF
EXECUTORY CONTRACTS FREE AND CLEAR OF LIENS**

NO HEARING WILL BE CONDUCTED ON THIS MOTION UNLESS A WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AND SERVED UPON THE PARTY FILING THIS PLEADING WITHIN TWENTY-ONE (21) DAYS FROM DATE OF SERVICE UNLESS THE COURT SHORTENS OR EXTENDS THE TIME FOR FILING SUCH OBJECTION. IF NO OBJECTION IS TIMELY SERVED AND FILED, THE PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF AN OBJECTION IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING. IF YOU FAIL TO APPEAR AT THE HEARING, YOUR OBJECTION MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Texarkana Hotels, LLC (“Debtor”), files this Motion For Order Authorizing Sale of Assets and the Assumption and Assignment of Executory Contracts Free and Clear of Liens, (the "Sale Motion"). In support of the Sale Motion, Debtor respectfully states as follows:

I. JURISDICTION AND PROCEDURAL BACKGROUND

1. On March 31, 2016 (the "Petition Date"), Debtor filed its voluntary petition under Chapter 11 of the Bankruptcy Code.
2. This Court has jurisdiction over this Sale Motion pursuant to 28 U.S.C. §§157 and 1334. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2). Venue of this Chapter 11 case and this Sale Motion is proper in this district pursuant to 28 U.S.C. §§1408 and 1409.

3. The statutory predicates for the relief sought herein are Section 363 of Title 11, United States Code (the "Bankruptcy Code"), and Bankruptcy Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Local Rule of Bankruptcy Procedure 6004.

II. SUMMARY OF REQUESTED RELIEF

4. Debtor requests the entry of an Order providing the following relief:

a. Approving the sale of the following real and personal property under 11 U.S.C. §363(f)(2) and/or (3):

(i) (A) Lot Numbered Two (2) of REPLAT NO. 1 OF LOTS NO. 2 AND 3 IN BLOCK NO. 1 OF THE REPLAT NO. 2 OF LOT NO. 1, BLOCK NO. 1 AND LOT NO. 2, BLOCK NO. 2, OF REPLAT NO. 2 OF CROSSROADS WEST SUBDIVISION to the City of Texarkana, Miller County, Arkansas, according to the map or plat thereof recorded as Document No. 2011R003275 of the Records of Miller County, Texas, SAVE AND EXCEPT the 1.41 acre portion of land described in the "save and except" clause made a part of Exhibit "A" attached to the February 13, 2012, Construction Mortgage from Texarkana Hotels, LLC to and for the benefit of Peoples State Bank (and its successors and assigns) Recorded as Document No. 2012R001431 (all of the above being referred to as the "Land"), and (B) all improvements situated on the Land (the "Improvements"). The Land and Improvements are located at 5200 Convention Plaza Drive, Texarkana, AR 71857 and herein referred to as the "Hotel and Convention Center;"

(ii) All of Seller's rights, privilege, easements, hereditaments and appurtenances to the Hotel and Convention Center and including all of Seller's interests (if any) in and to any land lying the bed of any street, road, avenue or alley, open or proposed, public or private, in front of or adjoining the Land to the center line thereof;

(iii) All furniture, fixtures and personal property presently attached to, placed or situated upon the Hotel and Convention Center or utilized in connection with the operations of the Hotel and Convention Center (together the "FF&E").

(iv) All of Seller's tax benefit, advertising and promotion and other agreements and incentive contracts with governmental entities regarding the Hotel and Convention Center (the "Tax Benefit Agreements") including (but not limited to) (A) the Arkansas Tourism Development Incentive Program Tax Credit Agreement between Seller and the Arkansas

Economic Development Commission dated March 31, 2011, as such agreement has been amended or revised, and (B) the October 30, 2009, agreement between Seller and City of Texarkana, Arkansas and/or with the Texarkana Advertising and Promotion Commission as such agreements have been amended, revised and supplemented (including all related or affiliated advertising and promotion tax credits, rebates and reimbursements).

b. Approving Debtor's assumption of the following executory contracts and the assignment of such contracts:

(i) All of Debtor's tax benefit, advertising and promotion and other agreements and incentive contracts with governmental entities regarding the Hotel and Convention Center (the "Tax Benefit Agreements") including (but not limited to) (A) the Arkansas Tourism Development Incentive Program Tax Credit Agreement between Debtor and the Arkansas Economic Development Commission dated March 31, 2011, as such agreement has been amended or revised, and (B) the October 30, 2009, agreement between Seller and City of Texarkana, Arkansas and/or with the Texarkana Advertising and Promotion Commission as such agreements have been amended, revised and supplemented (including all related or affiliated advertising and promotion tax credits, rebates and reimbursements).¹

c. Authorizing and ordering Debtor to execute, deliver and close the Amended Asset Purchase Agreement dated February 10, 2017 between Debtor and James J. Naples, or his permitted assigns ("Buyer" or "Naples"), a copy of which agreement is attached hereto as Exhibit "A" (the "Naples APA");

d. If Naples does not close under the terms of the Naples APA, then authorizing and ordering Debtor to execute and deliver the Amended Asset Purchase Agreement dated January 20, 2017 between Debtor and MidSouth Bank, N.A. ("MidSouth"), or its permitted assigns ("Backup Bidder"), a copy of which agreement is attached hereto as Exhibit "C" (the "Backup APA");

e. Authorizing and ordering Debtor to execute and deliver to Naples or the Backup Bidder, as the case may be, at closing any and all documents necessary to consummate a sale of the Hotel and Convention Center and FF&E and an assignment of the Tax Benefit Agreements at Closing; and

¹ This agreement includes several components such as an \$84,800.00 annual pledge by the City of Texarkana Advertising and Promotions Commission, a \$150,000.00 annual benefit related to the Convention Center Project, and an advertising and promotion tax rebate or refund. Any and all such components or features are included as a part of the "Tax Benefit Agreements."

f. Authorizing and ordering Debtor and any closing agent to disburse the sums described herein as the purchase price to be paid by Naples to (i) MidSouth Bank, N.A. ("MidSouth"), (ii) allowed ad valorem taxing authorities' claims secured by the Hotel and Convention Center or the FF&E, (iii) pay all costs of closing, and (iv) the IOLTA account of Debtor's counsel, Bill Payne.

5. Attached to this Motion as Exhibit "B" is a proposed form of order providing for the above relief (the "Sale Order").

III. STATEMENT OF FACTS

A. Background

6. Debtor is a Texas limited liability company, the only two (2) members of which are Hiren Patel ("Hiren"), who owns 95% of Debtor's membership interests, and Dineschandra Patel ("Dinesh") who owns 5% of the membership interests. Debtor owns and operates the Hotel and Convention Center.

7. The Hotel and Convention Center is a state of the art hotel located off Interstate Highway 30, with 127 rooms. The hotel is currently operated under the terms of the Holiday Inn ® Hotel New Development License Agreement dated August 6, 2010 (as amended, the "License Agreement") between Holiday Hospitality Franchising, LLC ("HHF") and Debtor. The project cost for the Hotel and Convention Center was approximately \$15,000,000.00.

8. Debtor also owns FF&E utilized in connection with the operations of the Hotel and Convention Center.

9. Debtor's License Agreement with HHF is not included in the Sale Assets. Subject to bankruptcy court approval, the License Agreement will be rejected by Debtor and terminated at Closing.

10. On February 13, 2012, Debtor signed and delivered to Peoples State Bank a promissory note in the original principal amount of \$2,500,000.00 ("Note 1"). MidSouth subsequently acquired Peoples State Bank and it is now the owner and holder of Note 1. The

unpaid balance of Note 1 on the Petition Date was \$2,533,551.81, plus MidSouth's allowable pre-bankruptcy attorneys' fees, expenses, and costs.

11. On February 13, 2012, Debtor signed and delivered to Peoples State Bank a promissory note in the original principal amount of \$7,500,000.00 ("Note 2"). MidSouth is also the owner and holder of Note 1. The unpaid balance of Note 2 on the Petition Date was \$7,571,833.14, plus MidSouth's allowable pre-bankruptcy attorneys' fees, expenses, and costs.

12. On September 26, 2013, Debtor signed and delivered to MidSouth a promissory note in the original principal amount of \$475,000.00 ("Note 3"). The unpaid balance of Note 3 on the Petition Date was \$459,672.94, plus MidSouth's allowable pre-bankruptcy attorneys' fees, expenses and costs. This note has been sold by MidSouth Bank, N.A.

13. MidSouth holds all secured claims against Debtor and virtually all of the allowed unsecured claims.

14. Debtor is a counter-party to the Tax Benefit Agreements with the City of Texarkana, the Texarkana Advertising and Promotion Commission, and the State of Arkansas. Those agreements provide "revenue," "income" and other "benefits" to Debtor and arise from the Hotel and Convention Center. The Tax Benefit Agreements are executory contracts within the meaning of 11 U.S.C. §365, such agreements will be assumed by Debtor and assigned to the purchaser as a part of the Sale Assets described herein. If the Tax Benefit Agreements are not executory contracts but are, instead, vested rights and interests of the Debtor, those rights will also be included as a part of the Sale Assets to the extent permitted or required by the terms of the Naples APA.

15. For purposes of this Motion, the Hotel and Convention Center, the FF&E, the Tax Benefit Agreements (and specifically excluding the License Agreement), and all of Debtor's inventory are referred to as the "Sale Assets."

16. It is imperative that assets of Debtor's estate be sold immediately since the Sale Assets are subject to decline or loss. It is clear to Debtor that unless Debtor proceeds with this sale, Debtor may not be able to rely upon the financial support of MidSouth for many more weeks.

B. Bid Procedures and Auction.

17. On November 22, 2016, Debtor filed its Motion for Order Authorizing and Approving Procedures for the Sale of Substantially all of Debtor's Assets Free and Clear of Liens Assumption and Assignment of Executory Contracts and Related Relief (Dkt. No. 103) (the "Bid Procedures Motion"). On December 5, 2016, the Court entered its order granting the Bid Procedures Motion (Dkt. 108) (the "Bid Procedures Order").

18. Pursuant to the Bid Procedures Order, Debtor immediately served notice of the court approved bid procedures (the "Bid Procedures") on at least 28 perspective bidders or purchasers. In response to such notice, Debtor received numerous inquiries. At least 9 interested parties conducted due diligence in one form or the other concerning the Sale Assets and were granted access to the Hotel and Convention Center and/or financial information regarding Debtor's operations.

19. At the conclusion of due diligence by the interested parties, four (4) proposed Asset Purchase Agreements were signed and submitted to Debtor with "good faith deposits." It was determined by Debtor that the four (4) interested parties qualified as "Qualified Bidders" under the Bid Procedures. Those Qualified Bidders included James J. Naples, Hemant Chatrala, SSG Hotels, LLC and Hi-Texarkana, I, LLC. Under the terms of the Bid Procedures, MidSouth

was also an automatic “Qualified Bidder.”

20. An auction under the Bid Procedures followed. Technically, the Auction commenced on January 16, 2017 and was immediately convened and recessed to January 19, 2017.²

21. Hi-Texarkana, I, LLC withdrew from bidding before the Auction. After the commencement of the Auction, SSG Hotels, LLC also withdrew from bidding. After full, and fair opportunity for each Qualified Bidder to contend for the acquisition of the Sale Assets, it was determined by Debtor (after consulting with MidSouth) that the Successful Bid was submitted by James J. Naples (“Buyer”) in the amount of \$6,550,000. MidSouth made a credit bid in the amount of \$6,495,000. MidSouth’s credit bid is the “back-up bid” under the terms of the Bid Procedures.

C. The Asset Purchase Agreement

22. Debtor, with the consent of MidSouth Bank, the holder of a first-priority lien on the Sale Assets (as defined below) has concluded that a sale of the Sale Assets to Buyer is in the best interest of Debtor’s estate and the creditors of this estate. If Buyer does not close on the purchase of the Sale Assets, MidSouth’s “Backup Bid” is the next highest and best bid and a sale of the Sale Assets to MidSouth under the terms of the credit bid contained in the Backup APA would be in the best interest of Debtor’s estate and the creditors of this estate.

23. The Successful Bid by Buyer provides for, among other things, the sale of all of Debtor’s right, title and interest in, to and under the Sale Assets free and clear of all liens, claims, encumbrances, and other interests. Other essential terms contained in the Naples APA include:

² January 16, 2017 was a federal holiday, Martin Luther King, Jr. Day and many of the Qualified Bidders were concerned that their respective banks were not open on the originally scheduled Auction Date.

- a. **Parties.** The parties to the Naples APA are Debtor as seller, and James J. Naples, or his permitted successors and assigns (the "**Buyer**").
- b. **Sale Assets.** The assets of Debtor's estate to be purchased and sold under the Naples APA consist of all of the Debtor's right, title, and interest in the following assets of the Debtor's estate: the Hotel and Convention Center, the FF&E, all of Debtor's inventory and the Tax Benefit Agreements.
- c. **Tax Benefit Agreements.** Before the Auction, but within the time required by the Bid Procedures Order, two (2) of the counterparties to one or more of the Tax Benefit Agreements filed objections to the assumption of their specific agreements: The City of Texarkana (Docket No. 115) and the Texarkana, Arkansas Advertising and Promotion Commission (Docket No. 117). Neither objecting party objected to the "Cure Costs" (which are, in each instance, \$0.00), but both objections contend (among other things) that their respective Tax Benefit Agreements cannot be assumed and assigned. The Naples APA includes provisions that purchase all Tax Benefit Agreements if the Court approves assumption and assignment, but such approval is not a condition to Closing. Moreover, any decision by the Court to not approve assumption and assignment does not result in a decrease or reduction of the Purchase Price.
- c. **Excluded Assets.** The Sale Assets do not include the following assets of the Debtor's estate (collectively, the "**Excluded Assets**"):
 - i. All cash, cash deposits or cash equivalents of the Debtor's estate;
 - ii. Debtor's License Agreement with HHF;
 - iii. All right, title, and interest of the Debtor's estate in and to its accounts and other receivables (other than accounts and receivables attributable to operations at the Hotel and Convention Center after the Closing Date);
 - iv. All claims and causes of action of the Debtor's estate, including any and all claims owned by, though, or under the Debtor or the Debtor's estate (including, without limitation, any litigation or arbitration claims and any refunds and deposits), rights, rights of offset or causes of action that the Debtor's estate may have against or from any person or entity relating to (A) any of the Excluded Assets; (B) those arising under and relating to the Bankruptcy Code, including under Chapter 5 of the Bankruptcy Code; (C) any rights under any insurance policy, any and all claims and causes of action belonging to the Debtor's estate; and (D) the Debtor's former employees, officers, or directors;
 - v. All claims and causes of action of the Debtor's estate, including any and all claims owned by, though, or under the Debtor or the

Debtor's estate that may be asserted against the Buyer, including any claims to the extent of the Buyer's failure to close such transactions hereunder or any documents delivered in connection herewith;

- vi. Originals of all corporate, financial and tax records of Debtor's estate, including, without limitation, the Debtor's organizational documents, and other documents and instruments relating solely to the organization, maintenance and existence of the Debtor as a limited liability company (and the Buyer may obtain copies of all such records at its own expense); and
 - vii. Any tax refunds, overpayments for utility charges, and insurance premium refunds due the Debtor's estate.³
- d. **Purchase Price.** \$6,550,000.00 in cash.
 - e. **Deposit.** \$327,500.00.
 - f. **Title Policy.** Buyer is responsible for the cost of any title insurance policy premium and/or endorsement(s).
 - g. **Closing.** Consummation of the transactions contemplated by the Naples APA (the "Closing") shall occur at the offices of the Seller's counsel, Bill F. Payne, Law Offices of Bill F. Payne, 12770 Coit Road, Suite 541, Dallas, Texas 75251, within one (1) business days following the date on which the Sale Order becomes a Final Order (the "Closing Date"), or such other time and place as the parties (with the consent of MidSouth) mutually agree in writing. The projected Closing Date is February 28, 2017.

The terms of the Backup APA are essentially the same as those of the Naples APA, with the following notable exceptions: a) MidSouth's credit bid was for \$6,495,000.00; b) MidSouth's consideration paid will be provided only in the form of a credit bid; and c) no "good faith deposit" was required.

D. Bid Assessment Criteria

24. The criteria reviewed by Debtor with respect to the bidders for the Sale Assets included the following:

³ All of such assets are subject to the first-priority liens of MidSouth, and following the Closing Agent's receipts of such amounts, the Closing Agent shall promptly remit all such amounts to MidSouth, as provided for in the Sale Order.

- a. the amount and nature of the consideration offered;
- b. the proposed assumption of identified liabilities, if any;
- c. the proposed assumption of executory contracts and conditions placed on an offer regarding Court approval of the assumption and assignment of those contracts;
- d. the ability of the qualified bidders to close the proposed transaction;
- e. the proposed closing date and the likelihood, extent and impact of any potential delays in closing;
- f. any purchase price adjustments;
- g. the impact of the contemplated transaction on any actual or potential litigation;
- h. the net economic effect of changes from the Form APA, if any, contemplated by a bid;
- i. any tax consequences applicable to the Debtor's estate;
- j. the consideration provided to the Debtor's estate on a post-closing basis (including any provisions regarding payment of administrative expenses);
- k. the impact of contemplated transactions on employees and the business;
- l. committed capital or financing available to the bidder to consummate the contemplated transaction;
- m. if any successful bid is less than what would be necessary to pay the MidSouth secured claim in full, the decision of MidSouth Bank to consent or its refusal to consent to a sale in the amount of the successful bid; and
- n. any other factors that make a bid more advantageous to the Debtor's estate (collectively the "Bid Assessment Criteria").

25. After careful consideration of the Bid Assessment Criteria, Debtor believes the Naples APA is and should be accepted as the "Successful Bid" under the terms of the Bid Procedures Order. Although the Successful Bid is not in an amount sufficient to satisfy the claims of MidSouth secured by the Sale Assets, MidSouth has consented to the sale on the terms set forth in the Naples APA, this Motion and the proposed Sale Order filed herewith.

26. Alternatively, the Backup Bid of MidSouth should be approved.

IV. BASIS FOR APPROVAL OF THE AGREEMENT AND RELATED TRANSACTIONS

A. Sale of the Sale Assets is Authorized Pursuant to Section 363 of the Bankruptcy Code

27. Section 363(b)(1) of the Bankruptcy Code provides that "[t]he trustee, after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Courts have uniformly held that approval of a proposed sale of property pursuant to Section 363(b) of the Bankruptcy Code is appropriate if a court finds that the transaction represents a reasonable business judgment on the part of the debtor. *See Institutional Creditors of Cont'l Air Lines, Inc. v. Cont'l Air Lines, Inc. (In re Cont'l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) ("for the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.") (citing *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983)); *Pension Benefit Guaranty Corp. v. Braniff Airways, Inc. (In re Braniff Airways, Inc.)*, 700 F.2d 935, 940 (5th Cir. 1983); *Sullivan Cent. Plaza I Ltd. v. Bancboston Real Estate Capital Corp.*, 106 B.R. 934, 938 (N.D. Tex. 1989) (approving the *Abbots Dairies* fairness standard for the sale of assets); *In re Property Co. of Am. Joint Venture*, 110 B.R. 244, 247 n.5 (Bankr. N.D. Tex. 1990) ("a judge determining a §363 application must expressly find that the evidence presents a good business reason to grant the application"); *In re Phoenix Steel Corp.*, 82 B.R. 334, 335 (Bankr. D. Del. 1987) (stating that the elements necessary for approval of a section 363 sale in a chapter 11 case are "that the proposed sale is fair and equitable, that there is a good business reason for completing the sale and the transaction is in good faith").

28. Debtor believes that, for the reasons set forth herein, the sale of the Sale Assets pursuant to either the Naples APA or the Backup APA represents a prudent and proper exercise of Debtor's business judgment and is supported by articulated business reasons.

B. Sale of the Sale Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests Should be Authorized

29. Debtor requests authority to transfer the Sale Assets free and clear of any and all liens, claims, encumbrances, and other interests. Section 363(f) of the Bankruptcy Code permits such sales if one of the following conditions is satisfied:

- a. applicable non-bankruptcy law permits sale of such property free and clear of such interest;
- b. such entity consents;
- c. such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- d. such interest is in bona fide dispute; and
- e. such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f). The ad valorem taxing authorities will be paid in full. It is believed that MidSouth will consent to the sale of the Sale Assets. There are no other lienholders against any of the Sale Assets. However, if any holder of an interest, lien or security interest against any of the Sale Assets does not expressly consent to the sale of the Sale Assets, but also does not oppose the sale by filing a timely response or objection to this Motion then pursuant to Bankruptcy Rules of Procedure, Local Rules of Bankruptcy Procedure, and/or applicable law then the failure to file such a timely response or objection shall or should be considered such lienholder's consent to the sale of the Sale Assets as requested herein.

30. The Sale Order to be entered will provide that, except to the extent paid and released at the Closing, all liens, claims, encumbrances, and other interests (other than those

assumed by Successful Bidder) will attach to the proceeds of the sale transaction with the same force and effect as such liens previously had on the Sale Assets, with MidSouth receiving all net proceeds from the sale of the Sale Assets after a) the payment of ad valorem taxes secured by the Sale Assets, b) setting aside appropriate carve-outs for the payment of U.S. Trustee's fees and some of Debtor's administrative costs, and c) any other agreed "carve-outs" for other creditors to which MidSouth consents. Accordingly, Debtor submits that the transfer of the Sale Assets free and clear of any liens, claims, encumbrances and other interests satisfies the statutory prerequisites of Section 363(f).

C. Assumption and Assignment of the Tax Benefit Agreements Should be Approved.

31. Debtor designated the Tax Benefit Agreements for assumption and assignment to the buyer. There are no "Cure Costs" associated with any of the executory contracts. The Tax Benefit Agreements include unperformed duties on the part of both parties to each agreement. For the Debtor's part, it is obligated to use funds paid under the agreements "exclusively for the convention center portion of the complex." The agreements may be assumed and assigned. *In re Sunberg*, 729 F.2d 561 (8th Cir. 1984).

D. A Finding of Buyer's Good Faith is Warranted

32. Pursuant to Section 363(m) of the Bankruptcy Code, a good faith purchaser is one who purchases assets for value and in good faith. Debtor submits that the Bid Procedures, Auction and all other components to the bidding process was fair, reasonable, transparent, and designed to maximize value of such assets from a pool of prospective bidders. The sales process resulted in a final Naples APA with Buyer that was negotiated in good faith and at arm's length with Debtor. Accordingly, sales on the terms set out in the Naples APA have been proposed in

good faith and the good faith finding provided for in Bankruptcy Code Section 363(m) is appropriate in this case. The same is true of the Backup APA.

E. Waiver of Bankruptcy Rule 6004(g)

33. Debtor requests that the Court direct that the Sale Order become effective *immediately* upon its entry, notwithstanding the automatic stay provisions set forth in Rules 6004(g) of the Bankruptcy Rules, such that the stay provisions will not apply to the Bid Procedures Order.

V. CONCLUSION

34. Debtor believes that the relief requested herein will maximize the value of the Sale Assets in an expedited manner that best accomplishes under the circumstances the Debtor's goal of ensuring that the highest and best cash price is obtained for the Sale Assets. Accordingly, based upon the foregoing, Debtor respectfully submits that approval of this Sale Motion pursuant to Section 363(b) of the Bankruptcy Code and in accordance with the Agreement is in the best interest of the Debtor's estate and its creditors.

WHEREFORE, Debtor respectfully requests that this Court grant this Sale Motion and order other and further relief as this Court may deem just and proper.

DATED: February 10, 2017

Respectfully submitted,

LAW OFFICES OF BILL F. PAYNE

/s/ Bill F. Payne

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COUNSEL FOR THE DEBTOR

CERTIFICATE OF SERVICE

The undersigned does hereby certify that a true and correct copy of the above and foregoing pleading was mailed by first class mail, postage prepaid, to the parties listed on the service list attached hereto on this 10th day of February 2017.

/s/ Bill F. Payne
Bill F. Payne

Label Matrix for local noticing
0540-5
Case 16-50056
Eastern District of Texas
Texarkana
Fri Feb 10 10:36:43 CST 2017

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The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

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PO Box 13528
Austin, Texas 77811-3528

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u) Donna E. Burnett
Young, Hoy & Burnett

(u) THE CITY OF TEXARKANA, ARKANSAS

| | |
|---------------------|----|
| End of Label Matrix | |
| Mailable recipients | 36 |
| Bypassed recipients | 2 |
| Total | 38 |

EXHIBIT "A"

ASSET PURCHASE AGREEMENT

[see attached]

EXHIBIT "A"

AMENDED ASSET PURCHASE AGREEMENT

This Amended Asset Purchase Agreement (this "Agreement"), made by and between Texarkana Hotels, LLC (the "Seller" or "Debtor"), and James J. Naples or his permitted assigns (the "Buyer"). (Seller and Buyer may be collectively referred to herein as the "parties").

RECITALS

A. On March 31, 2016, Texarkana Hotels, LLC filed its voluntary petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division (the "Bankruptcy Court"), in Bankruptcy Case No. 15-50056.

B. The Buyer wishes to purchase all of the Sale Assets (as defined in Section 1(b) below) on the terms and conditions set forth herein and subject to a Final Order of the Bankruptcy Court approving such sale.

C. Buyer previously offered to purchase the Sale Assets by a proposed Asset Purchase Agreement dated January 11, 2016. Thereafter, an auction of the Sale Assets commenced on January 16, 2017 and was concluded on January 19, 2017. Buyer was selected by Debtor as the "Successful Bidder" at the conclusion of the Auction and the terms of the "Successful Bid" are reflected in this Agreement.

D. This Agreement documents the final terms under which Buyer proposes to purchase the Sale Assets.

WITNESSETH:

In consideration of the foregoing recitals and the mutual promises, representations, covenants, payments and actions herein provided, the Parties each intending to be legally bound hereby, agree to the above Recitals and as follows:

1. Sale of Sale Assets.

(a) At the Closing (as such term is defined below in Section 3(a)) of the transaction contemplated hereby) and for and in consideration of the purchase price set forth in Section 2 below (the "Purchase Price"), the Seller shall sell, assign, transfer and deliver to the Buyer, and the Buyer shall purchase and accept from the Seller, the Sale Assets, free and clear of any pledge, lien, license, option, lease, sublease, security interest, claim, charge, or encumbrance of any kind whatsoever except (i) ad valorem, real and personal property taxes and interests owned by third parties that do not constitute "property of the estate" under Section 541 of the Bankruptcy Code, and except for any Tax Benefit Agreement the assumption and transfer of which is not approved by the Bankruptcy Court.

(b) Sale Assets. The assets of the Debtor's estate to be purchased and sold under this Agreement consist of all of the Debtor's right, title, and interest in the following (collectively, the "Sale Assets"):

EXHIBIT "A"

(i) (A) Lot Numbered Two (2) of REPLAT NO. 1 OF LOTS NO. 2 AND 3 IN BLOCK NO. 1 OF THE REPLAT NO. 2 OF LOT NO. 1, BLOCK NO. 1 AND LOT NO. 2, BLOCK NO. 2, OF REPLAT NO. 2 OF CROSSROADS WEST SUBDIVISION to the City of Texarkana, Miller County, Arkansas, according to the map or plat thereof recorded as Document No. 2011R003275 of the Records of Miller County, Texas, SAVE AND EXCEPT the 1.41 acre portion of land described in the "save and except" clause made a part of Exhibit "A" attached to the February 13, 2012, Construction Mortgage from Texarkana Hotels, LLC to and for the benefit of Peoples State Bank (and its successors and assigns) Recorded as Document No. 2012R001431 (all of the above being referred to as the "Land"), and (B) all improvements situated on the Land (the "Improvements"). The Land and Improvements are located at 5200 Convention Plaza Drive, Texarkana, AR 71854 and herein referred to as the "Hotel and Convention Center;"

(ii) All of Seller's rights, privilege, easements, hereditaments and appurtenances to the Hotel and Convention Center and including all of Seller's interests (if any) in and to any land lying the bed of any street, road, avenue or alley, open or proposed, public or private, in front of or adjoining the Land to the center line thereof;

(iii) All furniture, fixtures and personal property presently attached to, placed or situated upon the Hotel and Convention Center or utilized in connection with the operations of the Hotel and Convention Center (together the "FF&E").

(iv) All of Seller's tax benefit, advertising and promotion and other agreements and incentive contracts with governmental entities regarding the Hotel and Convention Center (the "Tax Benefit Agreements") including (but not limited to) (A) the Arkansas Tourism Development Incentive Program Tax Credit Agreement between Seller and the Arkansas Economic Development Commission dated March 31, 2011, as such agreement has been amended or revised, and (B) the October 30, 2009, agreement between Seller and City of Texarkana, Arkansas and/or with the Texarkana Advertising and Promotion Commission as such agreements have been amended, revised and supplemented (including all related or affiliated advertising and promotion tax credits, rebates and reimbursements).¹

(c) The Buyer acknowledges that the Holiday Inn ® Hotel New Development License Agreement dated August 6, 2010 (as amended, the "License Agreement")

¹ This agreement includes several components such as an \$84,800.00 annual pledge by the City of Texarkana Advertising and Promotions Commission, a \$150,000.00 annual benefit related to the Convention Center Project, and an advertising and promotion tax rebate or refund. Any and all such components or features are included as a part of the "Tax Benefit Agreements." If it is determined by the Bankruptcy Court that any one or more of such agreements cannot be assumed by Debtor and assigned to Buyer, then such agreement(s) shall be excluded from the definition of the "Tax Benefit Agreements" and excluded from the "Sale Assets." It is the intention of the parties, however, to convey any and all Tax Benefit Agreements assumed by Debtor and assignable by Debtor to Buyer in accordance with this Agreement.

EXHIBIT "A"

between Holiday Hospitality Franchising, LLC (“HHF”) and Seller is not included in the Sale Assets. Subject to Bankruptcy Court approval, the License Agreement will be rejected by Seller and terminated at Closing. In order for the Buyer to operate the Hotel as a Holiday Inn ® after Closing, Buyer will need to apply for a new license with HHF, which may or may not be approved in HHF’s sole and absolute discretion. A license application may be obtained by contacting Kevin Winkowski, manager, Transactions & Asset Management, InterContinental Hotels Group, (770) 604-5158, kevin.winkowski@ihg.com. Buyer is encouraged to contact Mr. Winkowski for the application and to submit a complete application package as early as possible. Only HHF’s Franchise Approval Committee (“the FAC”) can approve a new license application. The FAC schedule for 2017 has been set and applications must be submitted on time and be complete in order to be considered. Buyer is aware of the following deadlines under the current FAC schedule for 2017:

| Last Day for Complete Applications to be Submitted to HHF for Review and Processing | Deal List Due Date (i.e., last day for completed applications to be placed on FAC meeting agenda) | FAC Meeting Date |
|--|--|--------------------------|
| December 9, 2016 | December 16, 2016 | January 9, 2017 |
| January 5, 2017 | January 12, 2017 | January 30, 2017 |
| January 27, 2017 | February 3, 2017 | February 21, 2017 |
| February 10, 2017 | February 17, 2017 | March 6, 2017 |
| February 24, 2017 | March 3, 2017 | March 20, 2017 |

Neither Seller nor HHF assure a response to any application within the certain time period.

2. Payment of Purchase Price.

(a) Purchase Price. The Purchase Price to be paid by the Buyer to the Seller for the transfer of the Sale Assets shall consist of cash in the amount of SIX MILLION FIVE HUNDRED FIFTY THOUSAND AND NO/100 Dollars (\$6,550,000.00) (the “Purchase Price”). The Purchase Price shall be paid at Closing by the Buyer to the Seller, as provided below.

EXHIBIT "A"

(b) Payment of the Purchase Price. At Closing, Buyer shall pay the purchase price to Seller in same-day funds as set forth in Section 2(c), with credit to be given for the Earnest Money Deposit (as defined in Section 2(c) below).

(c) Adjustments to Purchase Price. The Purchase Price shall not be adjusted, except that the sum of THREE HUNDRED TWENTY-SEVEN THOUSAND AND FIVE HUNDRED AND NO/100 DOLLARS (\$327,500.00) constituting the "Earnest Money", which has been deposited by the Buyer shall be applied in reduction of the Purchase Price. The Buyer has, as of the date this Agreement is signed, delivered the Earnest Money Deposit to the Seller, in care of the Debtor's counsel, Bill F. Payne, by wire transfer of funds into Bill F. Payne's trust account, and thereafter the Seller's counsel shall transfer such funds to the Seller upon the entry of the Final Order (as defined in Section 8(a) below).

In the event the Closing does not occur because of the material breach of this Agreement by the Seller, or a failure of the Conditions Precedent to the Buyer's obligations (specified in Section 8 hereof) to be satisfied, and the Earnest Money Deposit is otherwise due and payable to the Buyer pursuant to Section 19, the Seller shall return the Earnest Money Deposit promptly to the Buyer.

(d) "As-Is, Where-Is". **THE BUYER ACKNOWLEDGES THAT EXCEPT FOR ANY EXPRESS WARRANTIES AND REPRESENTATIONS CONTAINED IN THIS AGREEMENT OR THE CLOSING DOCUMENTS, THE BUYER IS NOT RELYING ON ANY WRITTEN, ORAL, IMPLIED OR OTHER REPRESENTATIONS, STATEMENTS OR WARRANTIES BY THE SELLER, OR THE DEBTOR'S ESTATE. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE CLOSING DOCUMENTS, THE SELLER OR THE DEBTOR'S ESTATE SHALL HAVE NO LIABILITY TO THE BUYER. EXCEPT AS EXPRESSLY PROVIDED HEREIN IN SECTION 6 OR IN THE CLOSING DOCUMENTS, NEITHER THE SELLER OR THE DEBTOR'S ESTATE HAVE MADE, AND THE BUYER DOES EXPRESSLY DISCLAIM, ANY WARRANTIES AND REPRESENTATIONS, EXPRESSED OR IMPLIED, OR ARISING BY OPERATION OF LAW, AS TO THE MERCHANTABILITY, HABITABILITY, QUANTITY, QUALITY, VALUE OR ENVIRONMENTAL CONDITION OF THE SALE ASSETS, THE SALE ASSETS' SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE. THE BUYER HEREBY ACCEPTS THE SALE ASSETS IN THEIR PRESENT CONDITION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" BASIS AND ACKNOWLEDGES THAT (i) WITHOUT THIS ACCEPTANCE, THIS SALE WOULD NOT BE MADE, AND (ii) SELLER SHALL NOT BE UNDER ANY OBLIGATION WHATSOEVER TO UNDERTAKE ANY REPAIR, ALTERATION, REMEDIATION OR OTHER WORK OF ANY KIND WITH RESPECT TO ANY PORTION OF THE SALE ASSETS. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE CLOSING.**

(e) Additional Disclaimers; Release; Indemnification. AS A MATERIAL INDUCEMENT TO SELLER TO ENTER INTO THIS AGREEMENT AND TO CONVEY THE PROPERTY TO BUYER, BUYER HEREBY ACKNOWLEDGES AND AGREES THAT EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN

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THIS AGREEMENT OR THE DOCUMENTS TO BE EXECUTED AND DELIVERED BY SELLER TO BUYER AT THE CLOSING PURSUANT TO THE TERMS OF THIS AGREEMENT (THE "CLOSING DOCUMENTS");

(i) INFORMATION SUPPLIED BY SELLER. EXCEPT FOR ANY EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT OR THE CLOSING DOCUMENTS, BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER HAS MADE, IS MAKING, AND SHALL MAKE, NO REPRESENTATION OR WARRANTY OF ANY NATURE CONCERNING THE ACCURACY OR COMPLETENESS OF SELLER'S DOCUMENTS, OR THE AUTHENTICITY, SOURCE, ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN SUCH SELLER'S DOCUMENTS OR ANY OTHER DOCUMENTS PREVIOUSLY OR HEREAFTER FURNISHED BY OR ON BEHALF OF SELLER TO BUYER, INCLUDING WITHOUT LIMITATION THE VARIOUS STUDIES, INSPECTIONS, REPORTS AND EXHIBITS AND CORRESPONDENCE RELATING THERETO. BUYER SHALL BE RESPONSIBLE FOR DEALING DIRECTLY WITH THE ISSUER OR PREPARER OF ANY DOCUMENTS, ASSESSMENTS, STUDIES, INSPECTIONS, OR REPORTS TO THE EXTENT THAT BUYER DESIRES ANY EXPRESS RIGHT OF RELYING THEREON. BUYER FURTHER ACKNOWLEDGES THAT SELLER HAS NOT REVIEWED AND IS UNDER NO OBLIGATION TO REVIEW ANY FILES IN SELLER'S POSSESSION OR WHICH MAY BE AVAILABLE TO SELLER. AS TO CERTAIN OF THE MATERIALS MADE AVAILABLE TO BUYER IN SELLER'S DOCUMENTS, BUYER SPECIFICALLY ACKNOWLEDGES THAT THEY HAVE BEEN PREPARED BY THIRD PARTIES WITH WHOM BUYER HAS NO PRIVACY AND BUYER ACKNOWLEDGES AND AGREES THAT NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, HAS BEEN MADE, NOR SHALL ANY BE DEEMED TO HAVE BEEN MADE, BY SELLER TO BUYER WITH RESPECT THERETO. EXCEPT FOR ANY EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT OR THE CLOSING DOCUMENTS, BUYER WAIVES ANY CLAIM OF ANY NATURE AGAINST SELLER SHOULD ANY INFORMATION, CONCLUSION, PROJECTION, OR OTHER STATEMENT OF ANY NATURE CONTAINED IN ANY OF SUCH MATERIALS PROVE NOT TO BE TRUE OR ACCURATE FOR ANY REASON. BUYER REPRESENTS AND WARRANTS THAT IT HAS BEEN AFFORDED AN OPPORTUNITY TO REVIEW FILES AND RECORDS RELATING THERETO, AND, AT CLOSING, BUYER SHALL BE DEEMED TO HAVE KNOWLEDGE OF THE STATE AND CONTENTS THEREOF.

(ii) NEGOTIATED PURCHASE PRICE. BUYER REPRESENTS AND WARRANTS TO SELLER THAT BUYER IS SPECIFICALLY FAMILIAR WITH THE PROPERTY AND THAT BUYER HAS INSPECTED AND EXAMINED, OR WILL INSPECT AND EXAMINE, ALL ASPECTS OF THE PROPERTY AND ITS CURRENT CONDITION THAT BUYER BELIEVES TO BE RELEVANT TO ITS DECISION TO PURCHASE THE PROPERTY. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THE PURCHASE PRICE NEGOTIATED BY SELLER AND BUYER REFLECTS THE KNOWN AND UNKNOWN RISKS

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AND LIABILITIES ASSUMED BY BUYER UNDER THIS AGREEMENT, SELLER'S UNWILLINGNESS TO CONDUCT ANY INVESTIGATION OR DUE DILIGENCE WITH RESPECT TO THE PROPERTY ON BEHALF OF BUYER, AND SELLER'S DESIRE TO RECEIVE AN ABSOLUTELY NET, FIXED AMOUNT AS CONSIDERATION FOR THE SALE OF THE PROPERTY REGARDLESS OF ANY FACTS KNOWN OR DISCOVERED BEFORE OR FOLLOWING THE CLOSING WHICH MIGHT RESULT IN A DIMINUTION IN VALUE OF THE PROPERTY, EXCEPT FOR ANY LIABILITY SELLER MAY HAVE FOR ANY BREACH BY SELLER OF ANY EXPRESS WARRANTIES, REPRESENTATIONS OR COVENANTS IN THIS AGREEMENT OR IN THE CLOSING DOCUMENTS.

3. Closing and Delivery of Possession.

(a) Closing. Subject to satisfaction of the conditions precedent set forth in Section 10 below, the date (the "Closing Date") of closing and consummation of the sale pursuant to the terms of this Agreement (the "Closing") shall take place at the offices of the Seller's counsel, Bill F. Payne, 12770 Coit Road, Suite 541, Dallas, Texas 75251, at 10:00 a.m. local time on the later to occur of:

- (i) March 14, 2017, or
- (ii) the first business day immediately following the entry of the Final Order (as defined below), or such other time and place as the parties (with the consent of MidSouth Bank, N.A.) mutually agree in writing, time being of the essence.

(b) Possession. Possession of the Sale Assets shall be delivered to the Buyer following the Closing on the Closing Date.

4. Documents at Closing.

At the Closing, the documents, statements, and other items listed below will be delivered:

(a) Deed. The Seller shall execute, acknowledge and deliver to Buyer a deed conveying the Hotel and Convention Center to Buyer.

(b) Assignment and Bill of Sale for Sale Assets. The Seller shall execute, acknowledge and deliver to Buyer an Assignment and Bill of Sale for the Sale Assets. The Sale Assets shall be purchased "as is, where is", and without warranty of any kind, including warranties of merchantability or fitness.

(b) Closing Statement. The Parties shall execute a Closing Statement and Schedule of Disbursements detailing the Purchase Price, adjustments and prorations, receipts and disbursements of this transaction.

(c) Purchase Price. The Buyer will deliver the cash portion of the Purchase Price (as adjusted under Section 2(c) above) to the Debtor pursuant to Section 2(b) above.

EXHIBIT "A"

(d) Tax Affidavit. Seller will deliver to Buyer a certificate, duly executed by Seller.

(e) Closing Documents. The Seller will deliver to the Buyer such other closing documents as the Buyer or its counsel may reasonably request in writing not later than the day prior to the Closing.

5. No Assumption of Liabilities of the Debtor or the Debtor's Estate, Except as Provided Herein.

The conveyance by Seller to Buyer of the Hotel and Convention Center shall be free and clear of any and all debts, liens encumbrances and claims of any kind or character except as otherwise expressly set forth herein. Buyer shall not assume, and the Buyer shall not have been deemed to have assumed, any debts, liabilities, or obligations of the Seller, or the Debtor's estate or of the Debtor's officers, members, employees, or agents of any nature, known or unknown, fixed or contingent, including, but not limited to, pre-petition or post-petition debts, liabilities, or obligations with regard or in any way relating to any contracts, trade payables, or tax liabilities except pursuant to the Tax Benefit Agreements if assumed by Debtor and assigned to Buyer pursuant to Bankruptcy Court approval. Disclosure of any obligation or liability on any schedule to this Agreement shall not create an assumed obligation or other liability of the Buyer, except where such disclosed obligation has been expressly assumed by the Buyer as an assumed obligation in accordance with the provisions hereof.

6. Representations of the Seller:

The Seller hereby represents to the Buyer, to the best of Seller's knowledge, as follows, and that all such representations shall be true and correct at and as of the time of Closing and shall survive the Closing hereunder:

(a) Organization of the Debtor. Texarkana Hotels, LLC is a Texas limited liability company duly organized under the laws of the State of Texas.

(b) Power to Sell Sale Assets. Seller does not have authority to sell the Sale Assets without Bankruptcy Court approval. A condition to Closing is that the Bankruptcy Court shall enter, or have entered, a final, non-appealable order (the "Sale Order" or "Final Order") approving the sale of the Sale Assets under the terms of this Agreement, and stating that (i) the Seller is the rightful owner of all right, title, and interest in and to the Sale Assets, (ii) the Seller has the full right and power to sell, transfer, assume, assign and deliver the Sale Assets pursuant to the terms and conditions of this Agreement, (iii) the Seller has all requisite power and authority to enter into and be bound by the terms and conditions of this Agreement and all other agreements and documents to be executed or delivered by the Seller in connection herewith, and (iv) the Seller's execution, delivery and performance of this Agreement have been duly authorized by all necessary action and no further action of the Seller is necessary other than the Sale Order.

(c) Title to Sale Assets. The Sale Order, if entered by the Court, will further provide that (i) the Seller has the full power and authority to take any and all actions as provided for in this Agreement, and (ii) all right, title, and interest of the Seller in and to

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the Sale Assets, now existing or hereafter acquired, will vest in the Buyer all right, title and interest to all of the Sale Assets to be sold under this Agreement, free and clear of all mortgages, liens, charges and encumbrances created by or on account of the Debtor, the Debtor's estate, or the Debtor (except for the ad valorem real and personal property taxes as provided in Section 1(a) above, and excluding any rights and interests of third parties that would not be property of the Debtor's estate under Section 541 of the Bankruptcy Code).

(d) Rejection and Termination of License Agreement. The Bankruptcy Court shall enter, or have entered, an order (the "Rejection Order") approving the rejection and termination of the License Agreement as of 12:01 a.m. on the date of Closing, provided, however, that the Rejection order may be incorporated into the Sale Order. Seller shall file a motion seeking such rejection and termination on a timely basis.

(e) No Parties in Possession. No person or entity other than Seller has the right to possess or occupy all or part of the Hotel and Convention Center pursuant to any contract, lease, sublease, license, sublicense or other agreement that will not be terminated as of the Effective Date.

(f) Continued Operations. Seller agrees to continue to operate the Hotel and Convention Center in a commercially reasonable and prudent manner and continue to strive to meet the brand standards and customer service required of Holiday Inn Licensee's.

7. Representations and Warranties of the Buyer.

The Buyer represents and warrants to the Seller as follows and all such representations and warranties shall be true and correct at and as of the time of Closing and shall survive the sale hereunder:

(a) No Violation of Other Agreements. Neither the execution and delivery of this Agreement nor compliance with the terms and conditions of this Agreement by the Buyer will breach or conflict with any of the terms, conditions or provisions of any agreement or instrument to which the Buyer is a party or by which the Buyer is or may be bound or constitute a default thereunder or result in a termination of any such agreement or instrument.

(b) Approval. The execution and delivery of this Agreement, on behalf of the Buyer, has been approved by the applicable governing authority of the Buyer, and no further corporate action is required on behalf of the Buyer to approve the execution and delivery of this Agreement or compliance by the Buyer herewith.

8. Conditions Precedent to Buyer's Obligations.

All obligations of Buyer under this Agreement are subject to fulfillment, at or prior to the Closing, of each of the following conditions:

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(a) Final Order of Bankruptcy Court. The Bankruptcy Court shall have entered a final, non-appealable order approving the sale of the Sale Assets by Debtor to Buyer in accordance with this Agreement Final Order, which order the Parties anticipate will be signed and entered by 5:00 p.m., Central time, March 14, 2017, and which shall be or become a final order (in form acceptable to Buyer and Seller). The Seller shall present testimony or make an offer of proof, as necessary, at the hearing on the motion seeking the Final Order to enable the Bankruptcy Court to make the requisite findings of adequacy of notice and to enter the Final Order. The Final Order will provide that:

(i) the notice of sale contemplated herein is in all aspects adequate, proper and sufficient, with a specific recitation as to the creditors which were noticed of the proposed transactions (as well as the notice procedure that was followed);

(ii) a description of the proposed transactions, the parties involved, and the value of the consideration being paid by the Buyer for the Sale Assets;

(iii) a statement that the transfers to be made pursuant to this Agreement are free and clear of all liens, claims, encumbrances, and other interests, with such liens, claims, encumbrances, and other interests to attach solely to the net proceeds received by the Seller from the sale of the Sale Assets in the same order of priority and with the same effectiveness as existed prior to the sale;

(iv) the Buyer is a good faith purchaser and is entitled to all of the protections of 11 U.S.C. §363(m); and (b) Rule 6004(b) of the Federal Rules of Bankruptcy Procedure are waived;

(v) the Purchase Price and all other aspects of the transactions contemplated hereby are in good faith, were negotiated at arm's length, and provide the Debtor's estate with reasonably equivalent value;

(vi) the Bankruptcy Court finds that the Seller, on behalf of the Debtor's estate, is the owner of all right, title, and interest in and to the Sale Assets and is authorizing and directing the Seller to execute this Agreement, for and on behalf of the Debtor's estate, and to do and to execute any and all other actions in connection with the consummation of the transactions provided under this Agreement;

(vii) The Tax Benefits Agreements which are approved by the Bankruptcy Court for assumption and assignment are, under the terms of the Court's order, assumed by Seller and assigned to Buyer. The Parties understand and acknowledge that approval of the assumption and assignment of all, some or any such agreements is not a condition precedent to the obligations of the Parties under the terms of this Agreement, but the Seller shall present testimony or make an offer of proof, as necessary, at the hearing on the motion seeking approval for such assumption and assignment the Sale Order in an effort to enable the

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Bankruptcy Court to make the requisite findings of adequate proof of future performance to support the Court's approval (though no such approval is guaranteed, assured or a condition to Closing). Notwithstanding anything to the contrary herein, if the Sale Order does not approve the assumption and/or assignment of any of the Tax Benefit Agreements, the Sale Order shall still be considered a "Final Order" for all purposes of this Agreement even if further proceedings, appeals or other matters are pursued by Seller, Buyer or any counterparty to a Tax Benefit Agreement, it being the intention of the parties that such assumption and assignment not be a condition to Closing in any respect; and

(viii) Upon the Bankruptcy Court's approval of such transactions, all of the terms and conditions are valid and enforceable obligations of the Seller, for and on behalf of the Debtor's estate.

(b) Documents of Transfer. The Seller shall have delivered to the Buyer documents of transfer in form reasonably acceptable to the Buyer, which are sufficient to transfer good title to all of the Sale Assets consistent with the terms hereof.

(c) Notice of Sale. The Final Order shall provide that the notice of the sale was proper and sufficient for all purposes.

(d) Filing of Motion. The Debtor shall pursue the entry of the Final Order consistent with the terms and conditions of Bid Procedures.

(e) Representations True at Closing. All representations of the Seller contained herein shall be true and correct at and as of the time of the Closing as though such representations and warranties were made at and as of such time and the Seller shall have performed and complied with all of its obligations under this Agreement and under the law which are to be complied with and performed by it prior to or at the time of the Closing.

9. Conditions Precedent to the Seller's Obligations. All obligations of the Seller under this Agreement are subject to fulfillment at or prior to the Closing, of each of the following conditions:

(a) Representations True at Closing. All representations of the Buyer contained herein shall be true and correct at and as of the time of the Closing as though such representations and warranties were made at and as of such time and the Buyer shall have performed and complied with all of its obligations under this Agreement and under the law which are to be complied with and performed by it prior to or at the time of the Closing.

(b) Payment of Purchase Price. The Buyer shall have paid and delivered to the Seller the Purchase Price (as adjusted under Section 2(c) above).

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10. Covenants of the Seller and Buyer.

(a) Conditions Precedent. The Debtor agrees to use its commercially reasonable efforts to provide that the conditions precedent to the Buyer's obligation to consummate the transaction contemplated by this Agreement are satisfied at the times required by this Agreement.

(b) Buyer's Qualification. The Buyer shall provide to Seller all cash flow projections, pro forma financial statements, capitalization information, financial commitments, and other loan documentation necessary for the determination as to the qualification of the Buyer as a bona fide purchaser of the Sale Assets, consistent with the terms of the Bid Procedures.

(c) Hearing Date on Sale Motion. The Debtor will seek a hearing date on the Sale Motion consistent with the terms of the Bid Procedures.

(d) De-Identification. If Buyer does not obtain a license for the operation of the Sale Assets with HHF, Buyer cannot use HHF's reservation service, system or marks under the License Agreement and the Sale Assets must be completely and immediately de-identified. Buyer agrees, under such circumstances, to immediately and completely de-identify all Sale Assets in accordance with the terms of the License Agreement and applicable law. Notwithstanding the above, nothing herein is intended to nor shall it modify any of the Seller's obligations and/or HHF's rights under the License Agreement.

(e) No Significant Contribution Claim. Buyer shall not be entitled to, and Buyer shall not request or seek to create any entitlement to be paid any form or type of topping fee, termination fee, expense reimbursement under 11 U.S.C. §503(b), significant contribution claim, break-up fee, or other similar type of payment from Seller, the Sale Assets, MidSouth, or Seller's Bankruptcy Estate.

(f) Assumption and Assignment of Tax Benefit Agreements. Seller shall file on a timely basis and diligently prosecute all appropriate documents, motions and other filings with the Bankruptcy Court seeking its approval for the Seller's assumption of the Tax Benefit Agreements and assignment thereof to Buyer as a portion of the Sale Assets. If such approval is not contained in the Final Order and has not previously been denied by the Bankruptcy Court, Seller shall continue its efforts to seek such approval following the Closing. This obligation shall survive the Closing and not be merged therein, notwithstanding any other limitation on survival set forth in this Agreement; provided, however, that any attorneys' fees, costs and/or expenses associated with any attempt to obtain approval of the assumption and assignment of the Tax Benefit Agreements after the entry of the Sale Order shall be paid for and/or reimbursed by Buyer.

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11. Expenses.

- (a) Expenses of the Seller. The Seller shall pay for the following:
 - (i) attorneys' fees incurred by the Seller and all other fees of professionals providing services to the Debtor's estate; and
 - (ii) any other expense agreed herein to be paid by the Seller.
- (b) Expenses of the Buyer. The Buyer shall pay for:
 - (i) attorneys' fees incurred by the Buyer;
 - (ii) any other expense agreed herein to be paid by the Buyer;
 - (iii) the premium for any required owner's and/or loan policy of title insurance; and
 - (iv) sales, use or similar taxes, recording fees and charges, transfer taxes, mortgages taxes, and similar fees, costs, and taxes arising on account of the transactions contemplated herein.

12. Prorations.

- (a) Ad Valorem Taxes. All city, state, county and municipal ad valorem real estate and personal property taxes and private assessments relating to the Hotel and Convention Center for the year in which the Closing occurs shall be prorated between Seller and Buyer as of 12:01 a.m. on the Closing Date, in each case based upon applicable exemptions, and pre-Closing post-Closing obligations to the taxing authorities shall be assumed by the Buyer upon the Closing without the necessity of further action. Although the ad valorem real and personal property liens shall continue to attach to the Sale Assets in accordance with their priorities, nonetheless the pre-Closing ad valorem real estate and personal property tax obligations shall be paid by the Seller out of the proceeds of the sale.
- (b) Utilities. Utility obligations, if any, shall be determined by the utility providers through the day before Closing, and the amounts so determined owed by the Seller will be paid by the Seller. The Buyer shall establish new accounts and post new deposits, if required, with the utility provider. If any bill for utility service or for any other expense of the Hotel and Convention Center prior to the Closing is received by the Buyer after the Closing, the Buyer shall, upon demand by the Debtor, reimburse the Debtor for the expense or pay such bill directly to the billing party before delinquency.
- (c) The provisions of this Section 12 shall survive the Closing.

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13. Effective Date.

The date of this Agreement (the "Effective Date") for purposes of performance shall be the date when the Sale Order becomes a Final Order; provided, however, notwithstanding the foregoing, the Buyer's agreement to perform its obligations under this Agreement shall remain irrevocable through the Closing Date pursuant to the terms and conditions of this Agreement.

14. Assignment.

This Agreement may be assigned by the Buyer to any assignee of the Buyer, which shall be a U.S. corporation or limited liability company sufficiently capitalized to satisfy its obligations hereunder as determined by the Seller. No such assignment shall relieve Buyer of any liability or obligation under this Agreement and any assignee must and shall assume and be obligated for any and all of Buyer's obligations under the terms of this Agreement.

15. Time Is of the Essence.

Time is of the essence as to all material terms of this Agreement.

16. Broker.

The Buyer and the Seller each represents and warrants to the other that no broker or finder has been engaged by it in connection with this transaction. If a claim for brokerage commission or other compensation in connection with this transaction is made by any broker, salesman or finder claiming to have dealt through or on behalf of one of the parties hereto, Buyer shall indemnify, defend and hold harmless the Seller, the Debtor's estate, and their respective officers, directors, agents and representatives, from all liabilities, damages, claims, costs, fees and expenses whatsoever (including reasonable attorneys' fees and court costs at trial and all appellate levels) with respect to said claim for brokerage. Likewise, if the Seller's conduct results in a claim being made against the Buyer for payment of a commission or other compensation in connection with this transaction, the Debtor's estate shall indemnify, defend and hold harmless the Buyer, and the Buyer's officers, directors, agents and representatives, from all liabilities, damages, claims, costs, fees and expenses whatsoever (including reasonable attorneys' fees and court costs at trial and all appellate levels) with respect to said claim for brokerage fee caused by the Seller's conduct.

17. Notices.

Any notices required or permitted to be given under this Agreement shall either be (a) delivered by hand, (b) mailed by certified or registered mail, return receipt requested, in a postage prepaid envelope, (c) sent by a nationally recognized overnight delivery service (such as Federal Express), or (d) sent by telecopy. Notices shall be addressed as described below (subject to the right of a party to designate a different address for itself by notice similarly given). Notices shall be deemed given upon receipt or refusal of delivery.

Notices to the Seller:

Bill F. Payne, Counsel for Debtor
12770 Coit Road, Suite 541
Dallas, Texas 75251

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Tel.: (972) 628-4901
bill@wpaynelaw.com

Notices to the Buyer:

James Naples
c/o Kyle B. Davis
625 Sam Houston Drive
P.O. Box 1221
New Boston, Texas 75570
Tel.: (903)628-5571
kdavis@ldatty.com

18. Sale of Sale Assets.

The Buyer and the Seller acknowledge and agree that this transaction is a purchase and sale of Sale Assets only and that the Buyer is not purchasing the Debtor, the Debtor's business, or any interest in the Debtor's estate. Except as may be expressly set forth in this Agreement, the Buyer does not assume liability or responsibility for claims incurred by or existing against the Debtor or the Debtor's estate.

19. Remedies.

(a) Default by Buyer. If, after (i) all conditions precedent to the Buyer's obligations hereunder (as set forth in Section 8 above) have been met or waived and (ii) the Seller has fully performed or tendered performance of all of the Seller's obligations and covenants contained in this Agreement, the Buyer thereafter fails to pay the Purchase Price provided in Section 2 above, or to otherwise conclude this transaction, then the Seller may upon forty-eight (48) hours prior written notice to the Buyer (during which time the Buyer may cure such default by complying with such obligations) terminate this Agreement and shall thereupon be entitled to retain the Earnest Money Deposit as reasonable, agreed liquidated damages for breach of this Agreement by the Buyer; the parties hereto agree that said amount is a reasonable amount for such liquidated damages and that from the nature of the subject matter it would be extremely difficult and impractical to fix that actual damage. Upon termination of this Agreement, the retention of the Earnest Money Deposit shall then be the sole remedy available to the Seller for breach of this Agreement by the Buyer.

(b) Default by Seller. If, after (i) all conditions precedent to the Seller's obligations hereunder (as set forth in Section 9 above) have been met or waived, and (ii) the Buyer has fully performed or tendered performance of all of the Buyer's obligations and covenants contained in this Agreement, the Seller thereafter fails to transfer the Sale Assets as provided in Section 3 above, or to otherwise conclude this transaction, the Buyer may upon forty-eight (48) hours prior written notice to the Seller (during which time the Seller may cure such default by complying with such obligations) either:

(i) terminate this Agreement and the Buyer shall thereupon be entitled to an immediate refund of the Earnest Money and the immediate payment of an

EXHIBIT "A"

amount equal to \$5,000.00 as reasonable, agreed liquidated damages for breach of this Agreement by the Seller, payable as provided above; the parties hereto agree that said amount is a reasonable amount for such liquidated damages and that from the nature of the subject matter it would be extremely difficult and impractical to fix that actual damage; or

(ii) at its own discretion grant an extension of time to the Seller to cure the impediment to closing this sale.

To establish Buyer's performance, it shall not be necessary for the Buyer to deliver the Purchase Price to the Seller as long as Buyer has provided a written statement from a bank that the full amount of the Purchase Price is available for funding by the Buyer.

(c) Indemnity for Misrepresentation and Breach of Warranty. Each party shall indemnify, defend and hold the other party (and, with respect to Seller, Seller Group) harmless from and against all actual damages, costs, losses or expenses incurred by the indemnified party as the direct result of any actual misrepresentation made by the indemnifying party and contained herein or any actual breach by the indemnifying party of any warranty or covenant contained herein (EVEN IF CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRENT, ACTIVE, PASSIVE, OR OTHERWISE), STRICT LIABILITY, OR OTHER LEGAL FAULT OF THE INDEMNIFIED PARTY); provided, however, that the Seller shall only be liable for any actual damages, costs, losses or expenses incurred by the Buyer as a direct result of an actual misrepresentation or breach of warranty made by the Seller above, subject to the limitations in this Section. The Bankruptcy Court retains jurisdiction to resolve any disputes under this Section 19, and in connection with the subject matter of this Agreement. Each party's obligations under its representations and warranties hereunder and this Section 19(c) shall survive the Closing for a period of three (3) months (provided that there shall be no termination of a bona fide claim made by Buyer prior to the end of such period). Each party's sole and exclusive remedy for breach of the other party's representations and warranties hereunder is as expressly set forth in this Agreement, and any remedy not expressly set forth is hereby waived for all purposes.

20. Waivers.

The failure of a party hereto at any time or times to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by a party of any condition or of any breach of any term, covenant, representation or warranty contained in this Agreement shall be effective unless in writing, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver of any such condition or breach in other instances or a waiver of any other condition or breach of any other term, covenant, representation or warranty.

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21. No Third-Party Beneficiaries.

This Agreement is solely for the benefit of the parties hereto and their respective affiliates and (other than provisions that expressly accrue to the benefit of Seller) no provision of this Agreement shall be deemed to confer upon third parties any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

22. Access.

23. The Buyer shall have full access to all properties and premises comprising the Hotel and Convention Center upon reasonable notice to the Seller, which shall be presumed to be one (1) day's notice, subject to the provisions of Section 5 above.

24. General.

(a) Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, without giving effect to principles of conflicts of law.

(b) Further Assurances. The parties hereto shall execute and deliver any and all papers and documents which may be necessary to carry out the terms of this Agreement.

(c) Exhibits and Schedules. All of the exhibits and schedules attached to this Agreement are hereby incorporated herein and made a part hereof. Matters contained in a schedule or exhibit for one purpose shall be deemed to be contained in each schedule and exhibit.

(d) Entire Agreement. This Agreement and the related documents referenced herein set forth the entire agreement and understanding of the parties hereto in respect to the transactions contemplated hereby; and the Agreement and such related documents supersede all prior agreements, arrangements and understandings relating to the subject matter hereof and is not intended to confer upon any other person any rights or remedies hereunder. There have been no representations or statements, oral or written, that have been relied on by any party hereto, except those expressly set forth in this Agreement or in any such related document.

(e) Amendment. This Agreement may not be amended or revised except by a writing signed by all parties hereto.

(f) Survival. Except as set forth in Section 19(c), all representations made in this Agreement will survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. All statements contained in any schedule, certificate or other writing delivered in connection with this Agreement or the transactions contemplated hereby will constitute representations under this Agreement.

(g) Binding Effect. The terms and conditions of this Agreement shall be binding upon the successors, permitted assigns, distributees, administrators, executors and legal representatives of the parties hereto.

(h) Waiver of Terms and Conditions. Either party thereto may waive in writing any terms or conditions, including conditions precedent, provided in this Agreement for its benefit.

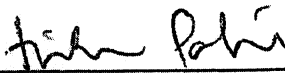
(i) Execution in Counterparts; Facsimile Execution. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile, and the production of a facsimile counterpart shall have the same force and effect as production of an originally executed counterpart for all purposes.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

SELLER:

Date Signed: 2/10, 2017

TEXARKANA HOTELS, LLC

By: 
Name: Hiren Patel
Title: Managing Member

Date Signed: 2/10, 2017

BUYER:

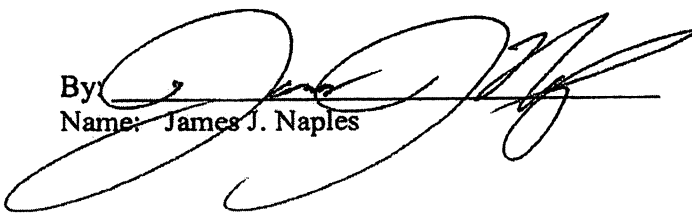
By: 
Name: James J. Naples

EXHIBIT "C"

ASSET PURCHASE AGREEMENT

[see attached]

EXHIBIT "C"

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement"), made as of January 16, 2017, by and between Texarkana Hotels, LLC (the "Seller/Debtor"), and MidSouth Bank, N.A. (the "Buyer"). (Seller and Buyer may be collectively referred to herein as the "Parties").

RECITALS

A. On March 31, 2016, Texarkana Hotels, LLC filed its voluntary petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division (the "Bankruptcy Court"), in Bankruptcy Case No. 15-50056.

B. The Buyer wishes to purchase all of the Sale Assets (as defined in Section 1(b) below) on the terms and conditions set forth herein and subject to a Final Order of the Bankruptcy Court approving such sale.

WITNESSETH:

In consideration of the foregoing recitals and the mutual promises, representations, covenants, payments and actions herein provided, the Parties each intending to be legally bound hereby, agree to the above Recitals and as follows:

1. Sale of Sale Assets.

(a) At the Closing (as such term is defined below in Section 3(a)) of the transaction contemplated hereby, the Seller shall sell, assign, transfer and deliver to the Buyer, and the Buyer shall purchase and accept from the Seller, the Sale Assets, free and clear of any pledge, lien, license, option, sublease, security interest, claim, charge, or encumbrance of any kind whatsoever (except for ad valorem, real and personal property taxes and interests owned by third parties that do not constitute "property of the estate" under Section 541 of the Bankruptcy Code), for the purchase price set forth in Section 2 below (the "Purchase Price").

(b) Sale Assets. The assets of the Debtor's estate to be purchased and sold under this Agreement consist of all of the Debtor's right, title, and interest in the following assets of the Debtor's estate (collectively, the "Sale Assets"):

(i) Lot Numbered Two (2) of REPLAT NO. 1 OF LOTS NO. 2 AND 3 IN BLOCK NO. 1 OF THE REPLAT NO. 2 OF LOT NO. 1, BLOCK NO. 1 AND LOT NO. 2, BLOCK NO. 2, OF REPLAT NO. 2 OF CROSSROADS WEST SUBDIVISION to the City of Texarkana, Miller County, Arkansas, according to the map or plat thereof Recorded as Document No. 2011R003275 of the Records of Miller County, Texas;

Together with the easements and rights of way related to or appurtenant thereto, and SAVE AND EXCEPT the 1.41 acre portion of land described in the "save and except" clause made a part of Exhibit "A" attached to the February 13, 2012,

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Construction Mortgage from Texarkana Hotels, LLC to and for the benefit of Peoples State Bank (and its successors and assigns) Recorded as Document No. 2012R001431. The above real property is located at 5200 Convention Plaza Drive, Texarkana, AR 71857 and herein referred to as the "Hotel and Convention Center."

(ii) All furniture, fixtures and related personal property utilized in connection with the operations of the Hotel and Convention Center (together the "FF&E").

(iii) All of Seller's tax benefit, advertising and promotion and other agreements and incentive contracts with governmental entities regarding the Hotel and Convention Center (the "Tax Benefit Agreements") including (but not limited to) (A) the Arkansas Tourism Development Incentive Program Tax Credit Agreement between Seller and the Arkansas Economic Development Commission dated March 31, 2011, as such agreement has been amended or revised, and (B) the October 30, 2009, agreement between Seller and City of Texarkana, Arkansas and/or with the Texarkana Advertising and Promotion Commission as such agreements have been amended, revised and supplemented (including all related or affiliated advertising and promotion tax credits, rebates and reimbursements).¹

(c) The Buyer acknowledges that the Holiday Inn ® Hotel New Development License Agreement dated August 6, 2010 (as amended, the "License Agreement") between Holiday Hospitality Franchising, LLC ("HHF") and Seller () is not included in the Sale Assets. Subject to bankruptcy court approval, the License Agreement will be rejected by Seller and terminated at Closing. In order for the Buyer to operate the Hotel as a Holiday Inn ® after Closing, Buyer will need to apply for a new license with HHF, which may or may not be approved in HHF's sole and absolute discretion. A license application may be obtained by contacting Kevin Winkowski, manager, Transactions & Asset Management, InterContinental Hotels Group, (770) 604-5158, kevin.winkowski@ihg.com. Buyer is encouraged to contact Mr. Winkowski for the application and to submit a complete application package as early as possible. Only HHF's Franchise Approval Committee ("the FAC") can approve a new license application. The FAC schedule for 2017 has been set and applications must be submitted on time and be complete in order to be considered. Buyer is aware of the following deadlines under the current FAC schedule for 2017:

¹ This agreement includes several components such as an \$84,800.00 annual pledge by the City of Texarkana Advertising and Promotions Commission, a \$150,000.00 annual benefit related to the Convention Center Project, and an advertising and promotion tax rebate or refund. Any and all such components or features are included as a part of the "Tax Benefit Agreements."

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| Last Day for Complete Applications to be Submitted to HHF for Review and Processing | Deal List Due Date (i.e., last day for completed applications to be placed on FAC meeting agenda) | FAC Meeting Date |
|--|--|--------------------------|
| December 9, 2016 | December 16, 2016 | January 9, 2017 |
| January 5, 2017 | January 12, 2017 | January 30, 2017 |
| January 27, 2017 | February 3, 2017 | February 21, 2017 |
| February 10, 2017 | February 17, 2017 | March 6, 2017 |
| February 24, 2017 | March 3, 2017 | March 20, 2017 |

Neither Seller nor HHF assure a response to any application within the certain time period.

2. Payment of Purchase Price.

(a) Purchase Price. The Purchase Price to be paid by the Buyer to the Seller as a credit against the secured claims of Buyer pursuant to 11 U.S.C. §363(k) for the transfer of the Sale Assets shall consist of a credit bid in the amount of Six Million Four Hundred Ninety-Five Thousand and no/100 Dollars (\$6,495,000.00). The Purchase Price shall be paid at Closing by the Buyer as a credit against the secured claims to the Seller, as provided below.

(b) Payment of the Purchase Price. At Closing, Buyer shall pay the purchase price to Seller in a same-day credit.

(c) Credit Bid Terms. The Purchase Price shall not be adjusted. Seller understands and acknowledges that, at Closing, the Purchase Price is credited to the amount of Seller's obligations owed to Buyer but such a credit is only in partial satisfaction, not total satisfaction, of such obligations.

(d) "As-Is, Where-Is". **THE BUYER ACKNOWLEDGES THAT EXCEPT FOR ANY EXPRESS WARRANTIES AND REPRESENTATIONS CONTAINED IN THIS AGREEMENT OR IN THE LOAN DOCUMENTS BY AND BETWEEN SELLER (AS BORROWER) AND BUYER (AS LENDER) (INCLUDING, BUT NOT LIMITED TO, THE NOTES, DEEDS OF TRUST, LOAN AGREEMENT, AFFIDAVIT(S), AND ASSIGNMENT OF RENTS) (THE "LOAN DOCUMENTS"), THE BUYER IS NOT RELYING ON ANY WRITTEN, ORAL, IMPLIED OR OTHER REPRESENTATIONS, STATEMENTS OR**

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WARRANTIES BY THE SELLER, OR THE DEBTOR'S ESTATE. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE SELLER OR THE DEBTOR'S ESTATE SHALL HAVE NO LIABILITY TO THE BUYER, AND BUYER HEREBY RELEASES, AND AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS, THE SELLER OR THE DEBTOR'S ESTATE AND EACH OF THEIR RESPECTIVE AGENTS, EMPLOYEES, REPRESENTATIVES AND ATTORNEYS, FROM ANY LIABILITY ARISING UNDER OR IN ANY WAY RELATED TO THIS AGREEMENT, EVEN IF CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE (WHETHER ACTIVE, PASSIVE, CONCURRENT, OR OTHERWISE), STRICT LIABILITY, OR OTHER LEGAL FAULT OF ANY. EXCEPT AS EXPRESSLY PROVIDED IN THE LOAN DOCUMENTS OR HEREIN IN SECTION 6, NEITHER THE SELLER OR THE DEBTOR'S ESTATE HAVE MADE, AND THE BUYER DOES EXPRESSLY DISCLAIM, ANY WARRANTIES AND REPRESENTATIONS, EXPRESSED OR IMPLIED, OR ARISING BY OPERATION OF LAW, AS TO THE MERCHANTABILITY, HABITABILITY, QUANTITY, QUALITY, VALUE OR ENVIRONMENTAL CONDITION OF THE SALE ASSETS, THE SALE ASSETS' SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE. THE BUYER HEREBY ACCEPTS THE SALE ASSETS IN THEIR PRESENT CONDITION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" BASIS AND ACKNOWLEDGES THAT (i) WITHOUT THIS ACCEPTANCE, THIS SALE WOULD NOT BE MADE, AND (ii) SELLER SHALL NOT BE UNDER ANY OBLIGATION WHATSOEVER TO UNDERTAKE ANY REPAIR, ALTERATION, REMEDIATION OR OTHER WORK OF ANY KIND WITH RESPECT TO ANY PORTION OF THE SALE ASSETS. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE CLOSING.

(e) Additional Disclaimers; Release; Indemnification. AS A MATERIAL INDUCEMENT TO SELLER TO ENTER INTO THIS AGREEMENT AND TO CONVEY THE PROPERTY TO BUYER, BUYER HEREBY ACKNOWLEDGES AND AGREES THAT EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, OR IN THE DOCUMENTS TO BE EXECUTED AND DELIVERED BY SELLER TO BUYER AT THE CLOSING PURSUANT TO THE TERMS OF THIS AGREEMENT (THE "CLOSING DOCUMENTS"), OR IN THE LOAN DOCUMENTS:

(i) INFORMATION SUPPLIED BY SELLER. EXCEPT FOR ANY EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, THE LOAN DOCUMENTS, OR THE CLOSING DOCUMENTS, BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER HAS MADE, IS MAKING, AND SHALL MAKE, NO REPRESENTATION OR WARRANTY OF ANY NATURE CONCERNING THE ACCURACY OR COMPLETENESS OF SELLER'S DOCUMENTS, OR THE AUTHENTICITY, SOURCE, ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN SUCH SELLER'S DOCUMENTS OR ANY OTHER DOCUMENTS PREVIOUSLY OR HEREAFTER FURNISHED BY OR ON BEHALF OF SELLER TO BUYER, INCLUDING WITHOUT LIMITATION THE VARIOUS STUDIES,

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INSPECTIONS, REPORTS AND EXHIBITS AND CORRESPONDENCE RELATING THERETO. BUYER SHALL BE RESPONSIBLE FOR DEALING DIRECTLY WITH THE ISSUER OR PREPARER OF ANY DOCUMENTS, ASSESSMENTS, STUDIES, INSPECTIONS, OR REPORTS TO THE EXTENT THAT BUYER DESIRES ANY EXPRESS RIGHT OF RELYING THEREON. BUYER FURTHER ACKNOWLEDGES THAT SELLER HAS NOT REVIEWED AND IS UNDER NO OBLIGATION TO REVIEW ANY FILES IN SELLER'S POSSESSION OR WHICH MAY BE AVAILABLE TO SELLER. AS TO CERTAIN OF THE MATERIALS MADE AVAILABLE TO BUYER IN SELLER'S DOCUMENTS, BUYER SPECIFICALLY ACKNOWLEDGES THAT THEY HAVE BEEN PREPARED BY THIRD PARTIES WITH WHOM BUYER HAS NO PRIVACY AND BUYER ACKNOWLEDGES AND AGREES THAT NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, HAS BEEN MADE, NOR SHALL ANY BE DEEMED TO HAVE BEEN MADE, TO BUYER WITH RESPECT THERETO, EITHER BY SELLER OR BY ANY THIRD PARTIES THAT PREPARED THE SAME. EXCEPT FOR ANY EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT OR THE CLOSING DOCUMENTS, BUYER WAIVES ANY CLAIM OF ANY NATURE AGAINST SELLER SHOULD ANY INFORMATION, CONCLUSION, PROJECTION, OR OTHER STATEMENT OF ANY NATURE CONTAINED IN ANY OF SUCH MATERIALS PROVE NOT TO BE TRUE OR ACCURATE FOR ANY REASON. BUYER REPRESENTS AND WARRANTS THAT IT HAS BEEN AFFORDED AN OPPORTUNITY TO REVIEW FILES AND RECORDS RELATING THERETO, AND, AT CLOSING, BUYER SHALL BE DEEMED TO HAVE KNOWLEDGE OF THE STATE AND CONTENTS THEREOF.

(ii) NEGOTIATED PURCHASE PRICE. BUYER REPRESENTS AND WARRANTS TO SELLER THAT BUYER IS SPECIFICALLY FAMILIAR WITH THE PROPERTY AND THAT BUYER HAS INSPECTED AND EXAMINED, OR WILL INSPECT AND EXAMINE, ALL ASPECTS OF THE PROPERTY AND ITS CURRENT CONDITION THAT BUYER BELIEVES TO BE RELEVANT TO ITS DECISION TO PURCHASE THE PROPERTY. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THE PURCHASE PRICE NEGOTIATED BY SELLER AND BUYER REFLECTS THE KNOWN AND UNKNOWN RISKS AND LIABILITIES ASSUMED BY BUYER UNDER THE AGREEMENT, SELLER'S UNWILLINGNESS TO CONDUCT ANY INVESTIGATION OR DUE DILIGENCE WITH RESPECT TO THE PROPERTY ON BEHALF OF BUYER, AND SELLER'S DESIRE TO RECEIVE AN ABSOLUTELY NET, FIXED AMOUNT AS CONSIDERATION FOR THE SALE OF THE PROPERTY REGARDLESS OF ANY FACTS KNOWN OR DISCOVERED BEFORE OR FOLLOWING THE CLOSING WHICH MIGHT RESULT IN A DIMINUTION IN VALUE OF THE PROPERTY, EXCEPT FOR ANY LIABILITY SELLER MAY HAVE FOR ANY BREACH BY SELLER OF ANY EXPRESS WARRANTIES, REPRESENTATIONS OR COVENANTS IN THIS AGREEMENT OR IN THE CLOSING DOCUMENTS.

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3. Closing and Delivery of Possession.

(a) Closing. Subject to satisfaction of the conditions precedent set forth in Section 10 below, the date (the "Closing Date") of closing and consummation of the sale pursuant to the terms of this Agreement (the "Closing") shall take place at the offices of the Seller's counsel, Bill F. Payne, 12770 Coit Road, Suite 541, Dallas, Texas 75251, at 10:00 a.m. local time on the later to occur of:

- (i) February 28, 2017, or
- (ii) the first business day immediately following the entry of the Sale Order (as defined below), but in no event later than February 28, 2017,

or at such other time and place as the parties hereto shall mutually agree in writing, time being of the essence.

(b) Possession. Possession of the Sale Assets shall be delivered to the Buyer following the Closing on the Closing Date.

(c) Tax Benefit Agreements. Seller agrees to reasonably cooperate with Buyer in obtaining approval of, and to reasonably prosecute a motion in the Bankruptcy Court for, the assumption and assignment of the Tax Benefit Agreements. Seller agrees that it will not waive, withdraw or compromise the assumption and assignment of the Tax Benefit Agreements or any motion (or part thereof) filed to for such purpose, unless Seller has received Buyer's written consent to such action.

4. Documents at Closing.

At the Closing, the documents, statements, and other items listed below will be delivered:

(a) Assignment and Bill of Sale for Sale Assets. The Seller shall deliver an Assignment and Bill of Sale for the Sale Assets. The Sale Assets shall be purchased "as is, where is", and without warranty of any kind, including warranties of merchantability or fitness.

(b) Closing Statement. The Parties shall execute a Closing Statement and Schedule of Disbursements detailing the Purchase Price, adjustments and proration, receipts and disbursements of this transaction.

(c) Purchase Price. The Buyer will apply the credit for the Purchase Price to the obligations of Debtor pursuant to Section 2(b) above, the Loan Documents and applicable law.

(d) Tax Affidavit. Seller will deliver to Buyer a certificate, duly executed by Seller.

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(e) Closing Documents. The Seller will deliver to the Buyer such other closing documents as the Buyer or its counsel may reasonably request in writing not later than the day prior to the Closing.

5. No Assumption of Liabilities of the Debtor or the Debtor's Estate, Except as Provided Herein.

Buyer shall not assume, and the Buyer shall not have been deemed to have assumed, any debts, liabilities, or obligations of the Seller, or the Debtor's estate or of the Debtor's officers, members, employees, or agents of any nature, known or unknown, fixed or contingent, including, but not limited to, pre-petition or post-petition debts, liabilities, or obligations with regard or in any way relating to any contracts, trade payables, or tax liabilities except from the Tax Benefit Agreements. Disclosure of any obligation or liability on any schedule to this Agreement shall not create an assumed obligation or other liability of the Buyer, except where such disclosed obligation has been expressly assumed by the Buyer as an assumed obligation in accordance with the provisions hereof.

6. Representations of the Seller.

The Seller hereby represents to the Buyer, to the best of Seller's knowledge, as follows, and that all such representations shall be true and correct at and as of the time of Closing and shall survive the Closing hereunder:

(a) Organization of the Debtor. Texarkana Hotels, LLC is a Texas limited liability company duly organized under the laws of the State of Texas.

(b) Power to Sell Sale Assets. The Bankruptcy Court shall enter, or have entered, an order (the "Sale Order") approving the sale of the Sale Assets under the terms of this Agreement, and stating that (i) the Seller is the rightful owner of all right, title, and interest in and to the Sale Assets, (ii) the Seller has the full right and power to sell, transfer, assume, assign and deliver the Sale Assets pursuant to the terms and conditions of this Agreement, (iii) the Seller has all requisite power and authority to enter into and be bound by the terms and conditions of this Agreement and all other agreements and documents to be executed or delivered by the Seller in connection herewith, and (iv) the Seller's execution, delivery and performance of this Agreement have been duly authorized by all necessary action and no further action of the Seller is necessary other than the Sale Order.

(c) Title to Sale Assets. The Sale Order will further provide that (i) the Seller has the full power and authority to take any and all actions as provided for in this Agreement, and (ii) all right, title, and interest of the Seller in and to the Sale Assets will vest in the Buyer all right, title and interest to all of the Sale Assets to be sold under this Agreement, free and clear of all mortgages, liens, charges and encumbrances created by or on account of the Debtor, the Debtor's estate, or the Debtor (except for the ad valorem real and personal property taxes as provided in Section 1(a) above, and excluding any rights and interests of third parties that would not be property of the Debtor's estate under Section 541 of the Bankruptcy Code).

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(d) Rejection and Termination of License Agreement. The Bankruptcy Court shall enter, or have entered, an order (the "Rejection Order") approving the rejection and termination of the License Agreement as of 12:01 a.m. on the date of Closing, provided, however, that the Rejection order may be incorporated into the Sale Order. Seller shall file a motion seeking such rejection and termination on a timely basis.

7. Representations and Warranties of the Buyer.

The Buyer represents and warrants to the Seller as follows and all such representations and warranties shall be true and correct at and as of the time of Closing and shall survive the sale hereunder:

(a) No Violation of Other Agreements. Neither the execution and delivery of this Agreement nor compliance with the terms and conditions of this Agreement by the Buyer will breach or conflict with any of the terms, conditions or provisions of any agreement or instrument to which the Buyer is a party or by which the Buyer is or may be bound or constitute a default thereunder or result in a termination of any such agreement or instrument.

(b) Approval. The execution and delivery of this Agreement, on behalf of the Buyer, has been approved by the applicable governing authority of the Buyer, and no further corporate action is required on behalf of the Buyer to approve the execution and delivery of this Agreement or compliance by the Buyer herewith other than the following: approval of this Agreement by the United States Department of Agriculture.

8. Conditions Precedent to Buyer's Obligations.

All obligations of Buyer under this Agreement are subject to fulfillment, at or prior to the Closing, of each of the following conditions:

(a) Bankruptcy Court Approval. The Seller shall present testimony or make an offer of proof at the hearing on the motion seeking the Sale Order, if necessary, to enable the Bankruptcy Court to make the requisite findings of adequacy of notice and to enter the Sale Order. The Bankruptcy Court shall have entered the Sale Order, which order the Parties anticipate will be signed and entered by 5:00 p.m., Central time, March 14, 2017, and which shall be a final order (in form acceptable to Buyer and Seller) (a "Final Order"), not subject to appeal, or, if an appeal of the Sale Order is pending, the appeal shall not have stayed the effect of the Sale Order, nor shall the Sale Order be subject to stay, by an order of the Bankruptcy Court or any other court having jurisdiction to issue such stay. The Sale Order will provide that:

(i) the notice of sale contemplated herein is in all aspects adequate, proper and sufficient, with a specific recitation as to the creditors which were noticed of the proposed transactions (as well as the notice procedure that was followed);

(ii) a description of the proposed transactions, the parties involved, and the value of the consideration being paid by the Buyer for the Sale Assets;

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(iii) a statement that the transfers to be made pursuant to this Agreement are free and clear of all liens, claims, encumbrances, and other interests, with such liens, claims, encumbrances, and other interests (except for the liens and security interests of Buyer, which liens and security interests can only be waived or released by Buyer in writing and at its sole election);

(iv) the Buyer is a good faith purchaser and is entitled to all of the protections of 11 U.S.C. §363(m); and (b) Rule 6004(b) of the Federal Rules of Bankruptcy Procedure are waived;

(v) the Purchase Price and all other aspects of the transactions contemplated hereby are in good faith, were negotiated at arm's length, and provide the Debtor's estate with reasonably equivalent value;

(vi) the Bankruptcy Court finds that the Seller, on behalf of the Debtor's estate, is the owner of all right, title, and interest in and to the Sale Assets and is authorizing and directing the Seller to execute this Agreement, for and on behalf of the Debtor's estate, and to do and to execute any and all other actions in connection with the consummation of the transactions provided under this Agreement;

(vii) The Tax Benefits Agreements are assumed by Seller and assigned to Buyer; and

(viii) upon the Bankruptcy Court's approval of such transactions, all of the terms and conditions are valid and enforceable obligations of the Seller, for and on behalf of the Debtor's estate.

(b) Documents of Transfer. The Seller shall have delivered to the Buyer documents of transfer in form reasonably acceptable to the Buyer, which are sufficient to transfer good title to all of the Sale Assets consistent with the terms hereof.

(c) Notice of Sale. The Sale Order shall provide that the notice of the sale was proper and sufficient for all purposes.

(d) Filing of Motion. The Debtor shall pursue the entry of the Sale Order consistent with the terms and conditions of Bid Procedures.

9. Conditions Precedent to the Seller's Obligations. All obligations of the Seller under this Agreement are subject to fulfillment at or prior to the Closing, of each of the following conditions:

(a) Representations True at Closing. All representations of the Buyer contained herein shall be true and correct at and as of the time of the Closing as though such representations and warranties were made at and as of such time and the Buyer shall have performed and complied with all of its obligations under this Agreement and under the law which are to be complied with and performed by it prior to or at the time of the Closing.

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(b) Payment of Purchase Price. The Buyer shall have received as a credit against Seller's secured claim in Buyer's bankruptcy the Purchase Price (as adjusted under Section 2(c) above).

10. Covenants of the Seller and Buyer.

(a) Conditions Precedent. The Debtor agrees to use its commercially reasonable efforts to provide that the conditions precedent to the Buyer's obligation to consummate the transaction contemplated by this Agreement are satisfied at the times required by this Agreement.

(b) Buyer's Qualification. [space left intentionally blank].

(c) Hearing Date on Sale Motion. The Debtor will seek a hearing date on the Sale Motion consistent with the terms of the Bid Procedures.

(d) De-Identification. If Buyer does not obtain a license for the operation of the Sale Assets with HHF, Buyer cannot use HHF's reservation service, system or marks under the License Agreement and the Sale Assets must be completely and immediately de-identified. Buyer agrees, under such circumstances, to immediately and completely de-identify all Sale Assets in accordance with the terms of the License Agreement and applicable law. Notwithstanding the above, nothing herein is intended to nor shall it modify any of the Seller's obligations and/or HHF's rights under the License Agreement.

(e) No Significant Contribution Claim. Buyer shall not be entitled to, and Buyer shall not request or seek to create any entitlement to be paid any form or type of topping fee, termination fee, expense reimbursement under 11 U.S.C. §503(b), significant contribution claim, break-up fee, or other similar type of payment from Seller, the Sale Assets, or Seller's Bankruptcy Estate.

11. Expenses.

(a) Expenses of the Seller. The Seller shall pay for the following:

(i) attorneys' fees incurred by the Seller and all other fees of professionals providing services to the Debtor's estate; and

(ii) any other expense agreed herein to be paid by the Seller.

(b) Expenses of the Buyer. The Buyer shall pay for:

(i) attorneys' fees incurred by the Buyer;

(ii) any other expense agreed herein to be paid by the Buyer;

(iii) the premium for any required owner's and/or loan policy of title insurance; and

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(iv) sales, use or similar taxes, recording fees and charges, transfer taxes, mortgages taxes, and similar fees, costs, and taxes arising on account of the transactions contemplated herein.

12. Prorations.

(a) Ad Valorem Taxes. Ad valorem real estate and personal property taxes for the year in which the Closing occurs shall be prorated at Closing, in each case based upon applicable exemptions, and post-Closing obligations to the taxing authorities shall be assumed by the Buyer upon the Closing without the necessity of further action. Although the ad valorem real and personal property liens shall continue to attach to the Sale Assets in accordance with their priorities, nonetheless the pre-Closing ad valorem real estate and personal property tax obligations shall be paid by the Seller out of the proceeds of the sale.

(b) Utilities. Utility obligations, if any, shall be determined by the utility providers through the day before Closing, and the amounts so determined owed by the Seller will be paid by the Buyer at Closing. The Buyer shall establish new accounts and post new deposits, if required, with the utility provider. If any bill for utility service or for any other expense of the Oil and Gas Properties prior to the Closing is received by the Buyer after the Closing, the Buyer shall, upon demand by the Debtor, reimburse the Debtor for the expense or pay such bill directly to the billing party before delinquency.

13. Effective Date.

The date of this Agreement (the "Effective Date") for purposes of performance shall be the date when the Sale Order becomes a Final Order; provided, however, notwithstanding the foregoing, the Buyer's agreement to perform its obligations under this Agreement shall remain irrevocable through the Closing Date pursuant to the terms and conditions of this Agreement.

14. Assignment.

This Agreement may be assigned by the Buyer to any assignee of the Buyer, which shall be a U.S. corporation or limited liability company sufficiently capitalized to satisfy its obligations hereunder as determined by the Seller. No such assignment shall relieve Buyer of any liability or obligation under this Agreement and any assignee must and shall assume and be obligated for any and all of Buyer's obligations under the terms of this Agreement.

15. Time Is of the Essence.

Time is of the essence as to all material terms of this Agreement.

16. Broker.

The Buyer and the Seller each represents and warrants to the other that no broker or finder has been engaged by it in connection with this transaction. If a claim for brokerage commission or other compensation in connection with this transaction is made by any broker, salesman or finder claiming to have dealt through or on behalf of one of the parties hereto, Buyer

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shall indemnify, defend and hold harmless the Seller, the Debtor's estate, and their respective officers, directors, agents and representatives, from all liabilities, damages, claims, costs, fees and expenses whatsoever (including reasonable attorneys' fees and court costs at trial and all appellate levels) with respect to said claim for brokerage. Likewise, if the Seller's conduct results in a claim being made against the Buyer for payment of a commission or other compensation in connection with this transaction, the Debtor's estate shall indemnify, defend and hold harmless the Buyer, and the Buyer's officers, directors, agents and representatives, from all liabilities, damages, claims, costs, fees and expenses whatsoever (including reasonable attorneys' fees and court costs at trial and all appellate levels) with respect to said claim for brokerage fee caused by the Seller's conduct.

17. Notices.

Any notices required or permitted to be given under this Agreement shall either be (a) delivered by hand, (b) mailed by certified or registered mail, return receipt requested, in a postage prepaid envelope, (c) sent by a nationally recognized overnight delivery service (such as Federal Express), or (d) sent by telecopy. Notices shall be addressed as described below (subject to the right of a party to designate a different address for itself by notice similarly given) and all notices shall, in addition to any of the above methods, also be served at the e-mail address(es) indicated below. Notices shall be deemed given upon receipt or refusal of delivery.

Notices to the Seller:

Bill F. Payne, Counsel for Debtor
12770 Coit Road, Suite 541
Dallas, Texas 75251
Tel.: (972) 628-4901
bill@wpaynelaw.com

Notices to the Buyer:

MidSouth Bank, N.A.
Attn: David Bussell, Special Asset Manager
8360 West 70th St.
Greenwood, Louisiana 71033
e-mail: david.bussell@midsouthbank.com

With copy to

MidSouth Bank, N.A.
Attn: Christopher M. Sylvia
880 San Antonio Ave.
Many, Louisiana 71449
e-mail: christopher.sylvia@midsouthbank.com

Ritcheson, Lauffer & Vincent, P.C.
Attn: Scott A. Ritcheson
821 ESE Loop 323, Suite 530
Tyler, Texas 75701
e-mail: scottr@rllawfirm.net

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18. Sale of Sale Assets.

The Buyer and the Seller acknowledge and agree that this transaction is a purchase and sale of Sale Assets only and that the Buyer is not purchasing the Debtor, the Debtor's business, or any interest in the Debtor's estate. Except as may be expressly set forth in this Agreement, the Buyer does not assume liability or responsibility for claims incurred by or existing against the Debtor or the Debtor's estate.

19. Remedies.

(a) Default by Buyer. If, after (i) all conditions precedent to the Buyer's obligations hereunder (as set forth in Section 8 above) have been met or waived and (ii) the Seller has fully performed or tendered performance of all of the Seller's obligations and covenants contained in this Agreement, the Buyer thereafter fails to credit the Purchase Price provided in Section 2 above, or to otherwise conclude this transaction, then the Seller may upon forty-eight (48) hours prior written notice to the Buyer (during which time the Buyer may cure such default by complying with such obligations) terminate this Agreement and shall thereupon be entitled to no claim, reimbursement or right to any damages against Buyer other than for \$1,000.00 in liquidated damages; the parties hereto agree that said amount is a reasonable amount for such liquidated damages and that from the nature of the subject matter it would be extremely difficult and impractical to fix that actual damage. Upon termination of this Agreement, the claim for \$1,000.00 in liquidated damages shall then be the sole remedy available to the Seller for breach of this Agreement by the Buyer.

(b) Default by Seller. If, after (i) all conditions precedent to the Seller's obligations hereunder (as set forth in Section 9 above) have been met or waived, and (ii) the Buyer has fully performed or tendered performance of all of the Buyer's obligations and covenants contained in this Agreement, the Seller thereafter fails to transfer the Sale Assets as provided in Section 3 above, or to otherwise conclude this transaction, the Buyer may upon forty-eight (48) hours prior written notice to the Seller (during which time the Seller may cure such default by complying with such obligations) either:

(i) terminate this Agreement and the Buyer shall thereupon be entitled to the immediate payment of an amount equal to \$1,000.00 as reasonable, agreed liquidated damages for breach of this Agreement by the Seller, payable as provided above; the parties hereto agree that said amount is a reasonable amount for such liquidated damages and that from the nature of the subject matter it would be extremely difficult and impractical to fix that actual damage; or

(ii) at its own discretion grant an extension of time to the Seller to cure the impediment to closing this sale.

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(c) Indemnity for Misrepresentation and Breach of Warranty. Each party shall indemnify, defend and hold the other party harmless from and against all actual damages, costs, losses or expenses incurred by the indemnified party as the direct result of any actual misrepresentation made by the indemnifying party and contained herein or any actual breach by the indemnifying party of any warranty or covenant contained herein (EVEN IF CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRENT, ACTIVE, PASSIVE, OR OTHERWISE), STRICT LIABILITY, OR OTHER LEGAL FAULT OF THE INDEMNIFIED PARTY); provided, however, that the Seller shall only be liable for any actual damages, costs, losses or expenses incurred by the Buyer as a direct result of an actual misrepresentation or breach of warranty made by the Seller above, subject to the limitations in this Section. The Bankruptcy Court retains jurisdiction to resolve any disputes under this Section 19, and in connection with the subject matter of this Agreement. Buyer's obligations under its representations and warranties, and this Section 19(c) shall survive the Closing without time limit. Sellers' obligations under its representations and warranties hereunder and this Section 19(c) shall survive the Closing for a period of three (3) months (provided that there shall be no termination of a bona fide claim made by Buyer prior to the end of such period). Each Party's sole and exclusive remedy for breach of the other party's representations and warranties hereunder is as expressly set forth in this agreement, and any remedy not expressly set forth is hereby waived for all purposes.

20. Waivers.

The failure of a party hereto at any time or times to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by a party of any condition or of any breach of any term, covenant, representation or warranty contained in this Agreement shall be effective unless in writing, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver of any such condition or breach in other instances or a waiver of any other condition or breach of any other term, covenant, representation or warranty.

21. No Third-Party Beneficiaries.

This Agreement is solely for the benefit of the parties hereto and their respective affiliates and (other than provisions that expressly accrue to the benefit of Seller) no provision of this Agreement shall be deemed to confer upon third parties any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

22. Access.

The Buyer shall have full access to all properties and premises of the Seller upon reasonable notice to the Seller, which shall be presumed to be one (1) day's notice, subject to the provisions of Section 5 above.

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23. General.

(a) Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, without giving effect to principles of conflicts of law.

(b) Further Assurances. The parties hereto shall execute and deliver any and all papers and documents which may be necessary to carry out the terms of this Agreement.

(c) Exhibits and Schedules. All of the exhibits and schedules attached to this Agreement are hereby incorporated herein and made a part hereof. Matters contained in a schedule or exhibit for one purpose shall be deemed to be contained in each schedule and exhibit.

(d) Entire Agreement. This Agreement and the related documents referenced herein set forth the entire agreement and understanding of the parties hereto in respect to the transactions contemplated hereby; and the Agreement and such related documents supersede all prior agreements, arrangements and understandings relating to the subject matter hereof and is not intended to confer upon any other person any rights or remedies hereunder. There have been no representations or statements, oral or written, that have been relied on by any party hereto, except those expressly set forth in this Agreement or in any such related document.

(e) Amendment. This Agreement may not be amended or revised except by a writing signed by all parties hereto.

(f) Survival. Except as set forth in Section 19(c), all representations made in this Agreement will survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. All statements contained in any schedule, certificate or other writing delivered in connection with this Agreement or the transactions contemplated hereby will constitute representations under this Agreement.

(g) Binding Effect. The terms and conditions of this Agreement shall be binding upon the successors, permitted assigns, distributees, administrators, executors and legal representatives of the parties hereto.

(h) Waiver of Terms and Conditions. Either party thereto may waive in writing any terms or conditions, including conditions precedent, provided in this Agreement for its benefit.

(i) Execution in Counterparts; Facsimile Execution. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile, and the production of a facsimile counterpart shall have the same force and effect as production of an originally executed counterpart for all purposes.

24. Other Provisions.

(a) Notwithstanding the partial satisfaction at Closing of some of the obligations of Seller under the Loan Documents, the liens and security interests of Buyer are NOT RELEASED OR RELINQUISHED in any manner or respect whatsoever, but such liens and security interests shall remain valid and continuous and in full force and effect, unless and until released by written instrument (the "Release") executed by Buyer or its successors or assigns. Buyer and Seller specifically intend that there shall not be a merger of any of the liens and security interests of Buyer with the title or other interest acquired by Buyer at Closing.

(b) Any and all rights of Buyer to exercise its remedies of foreclosure on any of its liens or security interests (either by judicial foreclosure or non-judicial foreclosure), together with any other remedies available to Buyer, are expressly preserved hereby.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

SELLER:

Date Signed: 2/10, 2017

TEXARKANA HOTELS, LLC

By: [Signature]
Name: Hiren Patel
Title: Managing Member

Date Signed: January 20, 2017

BUYER:

MidSouth Bank, N.A.

By: [Signature]
Name: Christopher M. Sylva
Title: SVP