

Exhibit 4

AUCTION PROCEDURES

The following procedures (collectively, the “Auction Procedures”) shall govern the auction of the Transferred Assets¹ and the assumption of the Assumed Liabilities to be conducted by LS Associates, LLC, solely in its capacity as court-appointed receiver (the “Receiver”) for Saint Catharine College, Inc. (“Saint Catharine”) in Civ. A. No. 3:16-cv-00465 pending in the United States District Court for the Western District of Kentucky, Louisville Division (the “Court”).

These Auction Procedures have been approved and authorized by an order of the Court, dated _____, 2018 (the “Auction Procedures Order”), which Auction Procedures Order, among other things, approves these Auction Procedures, approves the form and manner of the Auction Sale Notice, and schedules the Auction (as defined below) and the Auction Sale Hearing (as defined below). Any party-in-interest who wishes to receive a copy of the motion to approve the auction of substantially all of Saint Catharine’s assets (the “Auction Motion”), including all exhibits thereto, may make such request in writing to the Receiver’s counsel, Kaplan Johnson Abate & Bird LLP, 710 W. Main Street, Suite 400, Louisville, KY 40202, Attn: Brian H. Meldrum (Telephone: (502) 242-9111, email: bmeldrum@kaplanjohnsonlaw.com) or by downloading a copy of same from the Court’s website (which is located at <http://www.kywd.uscourts.gov/>).

I. Due Diligence

The Receiver shall afford any interested party (each, a “Potential Bidder”), the opportunity to conduct reasonable due diligence, subject to parameters that the Receiver, in consultation with its advisors, deems appropriate. The due diligence period shall extend through and including the Bid Deadline (as defined below). The Receiver and its advisors shall not be obligated to furnish any due diligence information after the Bid Deadline.

Except as provided by applicable law or court order, neither the Receiver nor its advisors shall be obligated to furnish any information of any kind whatsoever relating to the Transferred Assets to any person or entity who is not a Potential Bidder that fails to comply with the participation requirements herein.

II. Bid Deadline

In order to be considered, Qualifying Bids (defined below) must be delivered to the Receiver, through its counsel, Kaplan Johnson Abate & Bird LLP, 710 W. Main Street, Suite 400, Louisville, KY 40202, Attn: Brian H. Meldrum (Telephone: (502) 242-9111, email: bmeldrum@kaplanjohnsonlaw.com), so as to be received on or before **12:00 p.m. (prevailing Eastern time), on November 27, 2018** (the “Bid Deadline”), with copies to (i) counsel for The Huntington National Bank (“Huntington”), bond trustee and senior secured party, through

¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Auction Motion and, as applicable, any exhibits thereto (including the Auction APA).

Dinsmore & Shohl LLP, 250 W. Main St., Suite 1400, Lexington, Kentucky 40507, Attn: John M. Spires (Telephone: (859) 425-1036, Facsimile: (859) 425-1099, email: john.spires@dinsmore.com); and (ii) the Receiver's broker, CBRE 6060 Dutchmans Lane, Suite 100 | Louisville, KY 40205, Attn: David Hardy (Telephone: 502-412-7644), email: david.hardy@cbre.com.

III. "Qualifying Bidder" Requirement

In order to participate in the Auction with respect to College Property Tract 1, College Property Tract 2, College Property Tract 3, and/or College Property Tract 4 depicted on the attached Exhibit (collectively, the "College Property"), a Potential Bidder must be deemed a "Qualifying Bidder" making a "Qualifying Bid." To the extent a bidder for the College Property also makes a bid for the Bypass Properties (defined below), it must be deemed a Qualified Bidder making a Qualified Bid.

In order to participate in the Auction solely with respect to the Bypass Property Tract 1, Bypass Property Tract 2, and/or Bypass Property Tract 3 depicted on the attached plat (the "Bypass Properties"), a Potential Bidder must follow the steps described below in Section V.

Any Potential Bidder who desires to become a "Qualifying Bidder" must deliver to the Receiver (care of its counsel) and counsel for Huntington, as provided below, the most current audited (if available) and the latest unaudited financial statements and/or any other financial information evidencing the Potential Bidder's ability to close the transaction or, if the party is an entity formed for the purpose of acquiring all or part of the Transferred Assets, current audited financial statements of the equity holders of such party or other financial information evidencing the Potential Bidder's ability to close the transaction whose equity holders must guarantee the obligations of such purchasing entity. The Receiver shall determine, in its sole discretion and after consultation with Huntington, whether a party is a Qualifying Bidder and shall provide prompt written notice of its determination to any such Potential Bidder.

The Receiver or Huntington may request additional information from a Potential Bidder or Qualifying Bidder at any time in order to evaluate such bidder's ability to consummate a sale and to fulfill its obligations in connection therewith, and the Potential Bidder or Qualifying Bidder will be obligated to provide such additional information as a precondition to participating further in the Auction process.

IV. Requirements of a "Qualifying Bid" (Applicable to Bids That Include the College Property)

A "Qualifying Bid" shall mean any bid submitted by a Qualifying Bidder that:

- A. is made in writing;
- B. is submitted by a Qualifying Bidder;
- C. is submitted on or prior to the Bid Deadline;

- D. confirms the Qualifying Bidder's completion of all due diligence required by such Qualifying Bidder in connection with the proposed transaction;
- E. specifies which tract(s) of the College Property and/or Bypass Properties the Qualifying Bidder proposes to purchase; provided however, that a Qualifying Bidder may present Qualifying Bids with respect to more than one tract;
- F. provides that the purchase price shall be paid in full in cash upon the closing;
- G. provides that such bid shall be irrevocable until the earlier of (i) such bid being determined by the Receiver not to be a Qualifying Bid or (ii) another Qualifying Bidder's bid being approved by the Court;
- H. does not contain any financing contingencies and provides: (i) sufficient information to the Receiver to allow the Receiver, acting in its sole discretion, to determine that the Qualifying Bidder (and any related guarantor) has the financial wherewithal and any required authorizations to close the sale transaction, (ii) evidence that such Qualifying Bidder (and any related guarantor) has the ability to provide adequate assurance of future performance to counterparties to the Assigned Contracts, and (iii) evidence of authorization and approval from such Qualifying Bidder's board of directors (or comparable governing body) demonstrating the authority of the Qualifying Bidder to make a binding and irrevocable bid;
- I. includes a binding, definitive and fully executed asset purchase agreement in form and substance substantially similar to the Auction APA (including schedules and exhibits, the "Qualifying Bidder Purchase Agreement") marked to reflect changes to the Auction APA, which agreement shall not contain any provisions entitling such Qualifying Bidder to a Breakup Fee or Expense Reimbursement;
- J. provides for a purchase price of no less than:
 - a. \$1,300,000.00, if the Qualifying Bidder submits a bid solely with respect to Tract 1, Tract 2, Tract 3 and Tract 4 of the College Property, as depicted on the attached plat;
 - b. \$3,000.00 per acre, if the bidder submits a bid solely with respect to the Tract 1, Tract 2 and/or Tract 3 of the Bypass Properties, as depicted on the attached plat;
 - c. \$1,420,000.00, if the Qualifying Bidder submits a bid with respect to all of the aforementioned tracts.
- K. provides a good faith cash deposit (the "Good Faith Deposit") in the amount of 10% of the amount of the Qualifying Bid to be paid on or prior to the Bid Deadline. The Good Faith Deposit shall be in the form of a wire transfer to the account of an escrow agent selected by the Receiver (the "Escrow Agent"), pursuant to instructions to be provided upon request;

- L. identifies with particularity each and every executory contract or unexpired lease the assumption and assignment of which is a condition to closing; and
- M. requires any sale to be completed on substantially the same timing as set forth in these Auction Procedures.

V. Procedures With Respect to Bypass Properties Only.

To the extent a bidder desires to bid for any or all of the Bypass Properties only, the following rules and procedures shall apply:

- A. A bidder shall notify the Receiver's Broker, David Hardy of CBRE (david.hardy@cbre.com) by email or phone (502 412 7644) at least 48 hours prior to the Auction of its intention to appear and bid for the Bypass Properties at the Auction;
- B. Bidders for the Bypass Properties are hereby notified that the Receiver may auction the Bypass Properties and College Property both together and separately. Thus, a separate bid for the Bypass Properties only (or any Tract thereof), even if it is the highest such bid, may not be deemed a winning bid to the extent that a bid for both the Bypass Properties and College Property together yields more value to the receivership estate, in the discretion of the Receiver;
- C. The sale of the Bypass Properties shall be on an as-is, where-is basis, with no warranties or contingencies. To the extent a bid for the Bypass Properties only is deemed a winning bid after Auction, the winning bidder will be required to: (i) execute a purchase agreement with respect to the subject Bypass Properties, which agreement shall be subject to no closing conditions other than Court approval, delivery of a Receiver's Deed, and payment of the purchase price established by the Auction; (ii) make a non-refundable 10% cash deposit; (iii) close the sale of the subject Bypass Properties within 5 days of receiving Court approval. A copy of the aforementioned purchase agreement is available by contacting David Hardy of CBRE; and
- D. The minimum bid with respect to the Bypass Properties is \$3,000.00 per acre. The auctioneer may announce minimum bidding increments and any other reasonable conditions or rules at the Auction with respect to bids for the Bypass Properties only.

VI. Notice Regarding Road Access and Water Line Usage

Currently, The Dominican Sisters of Peace appear to own the land upon which certain of the existing roadways and pavements are constructed and which may be necessary for ingress, egress and access to some or all of the structures on the campus. Also, The Dominican Sisters of Peace maintain the water supply and a portion of the system that is located outside of the college campus buildings, that services the interior sprinkler systems for the Saint Catharine campus

buildings. **All interested parties are advised that, in connection with submitting a bid and to the extent they desire road access and water line usage, they must separately negotiate with The Dominican Sisters of Peace for (i) access and usage rights from certain of the public roadways and certain of the interior driveways and passways adjacent to certain buildings and parking areas owned by Saint Catharine on the Saint Catharine campus; and (ii) access and usage rights to the water source, pumping system, and water lines that, as of the date hereof, currently service the interior sprinkler and fire suppression systems in the buildings on the Saint Catharine campus.**

VII. Auction Process

- A. Between the date of the filing of the Auction Motion and the Bid Deadline, CBRE, Keen, and the Receiver shall market Saint Catharine's property to potential bidders, including through notification to parties who have previously expressed interest in such property.
- B. If the Receiver receives at least two Qualifying Bids with respect to any tract described on the attached plat or any combination of such tracts, the Receiver will conduct an auction (the "Auction"). **The Auction shall take place at Saint Catharine College (Emily W. Hundley Library) 2735 Bardstown Road, St. Catharine, Kentucky 40061 on November 30, 2018 commencing at 10:00 a.m. (prevailing Eastern time).**
- C. If the Receiver receives one or fewer Qualifying Bids with respect to any tract described on the attached plat, then the Receiver may, at its option, take any or all of the following actions with respect to such tract: (1) accept a sole Qualifying Bid and proceed to closing with such Qualifying Bidder; (2) postpone the Auction; or (3) cancel the Auction.
- D. If the Receiver receives at least two Qualifying Bids on or prior to the Bid Deadline with respect to any tract described on the attached plat or any combination of such tracts, then the Receiver, subject to the consent of Huntington, shall select a Qualifying Bid to serve as the initial bid at the Auction (the "Baseline Bid") with respect to such tract(s).
- E. If the Receiver receives two or more bids for an individual tract described in IV. J. or a combination thereof, and either no bids for all of the tracts are received or the Receiver, in his sole discretion, determines that the value to Saint Catharine's estate would be increased by selling the tracts individually instead of as a whole, then the Receiver may auction such tracts separately.
- F. The Receiver will have the right to publish detailed procedures consistent with these Auction Procedures for the conduct at the Auction any time prior to the start of the Auction. In the event of an Auction, below is the auction process to be employed by the Receiver with respect to the proposed sale of the tracts identified in IV. J.

- G. Any Qualifying Bidder (and its representatives) who has submitted a Qualifying Bid shall be eligible to attend and participate at the Auction in addition to the Receiver and its advisors, Huntington and its advisors, and any other party in interest approved by the Court pursuant to the Auction Procedures Order.
- H. Each Qualifying Bidder shall be required to confirm in writing that it has not engaged in any collusion with respect to the bidding or the proposed auction process.
- I. Each Qualifying Bidder must appear in person or through a duly authorized representative, or else not be entitled to participate therein. At or prior to the commencement of the Auction, the Receiver will notify all Qualifying Bidders of the highest Qualifying Bid.
- J. Each Qualifying Bidder will have the right to make additional modifications to the Qualifying Bidder Purchase Agreement at the Auction consistent with the terms of these Auction Procedures. Each Qualifying Bidder shall have the right to improve its respective bid at the Auction and shall be entitled to make a revised higher or better offer at any time during the Auction until the Auction is closed.
- K. With respect to all Qualifying Bids, the initial minimum overbid shall be the highest Qualifying Bid plus \$10,000 (the “Initial Overbid”). Thereafter, a Qualifying Bidder may increase its Qualifying Bid in any manner that it deems fit; provided, however, that each subsequent bid above the Initial Overbid (each, a “Subsequent Overbid”) must have a purchase price that exceeds the purchase price of the previous highest bid by at least \$10,000 of additional consideration.
- L. The Initial Overbid and each Subsequent Overbid must continue to meet each of the criteria of a Qualifying Bid (other than the requirement that such bid be submitted by the Bid Deadline).
- M. Huntington may submit a credit bid on one or all of the tracts identified in IV. J. for the Transferred Assets at any time prior to the selection of the High Bidder, and such bid shall be deemed a Qualifying Bid submitted prior to the Bid Deadline.
- N. All bids shall be placed on the record, which shall either be transcribed or videotaped, and each Qualifying Bidder shall be informed of the terms of the previous bid.
- O. The Auction will continue with each Qualifying Bidder having an opportunity to submit additional Subsequent Overbids, after being advised of the terms of the then highest bid and the identity of the party making such next highest bid.
- P. The Auction will conclude when the Receiver determines, subject to Court approval, that it has received the highest and best offer from a Qualifying Bidder (the “High Bid”) and the next highest and best Qualifying Bid submitted at the Auction (the “Second Highest Bid”), either with respect to each tract or with

respect to all of the tracts as a whole. The Qualifying Bidder submitting the High Bid shall become the “High Bidder” and the Qualifying Bidder submitting the Second Highest Bid shall become the “Second Highest Bidder”. In making this decision, the Receiver shall consider, without limitation, the amount of the purchase price, the form of consideration being offered, the tract or tracts being purchased, the Qualifying Bidder’s ability to close a transaction and the timing thereof, the type and nature of the Qualifying Bidder Purchase Agreement, its requirements as to the assumption and assignment of executory contracts, licenses, and unexpired leases to be assumed and assigned, and the net benefit to Saint Catharine’s estate.

- Q. The Receiver and each High Bidder will enter into a definitive agreement (which will be subject to Court approval) promptly following completion of the Auction. The Receiver shall present the High Bid to the Court for approval at the Auction Sale Hearing.
- R. Upon failure to consummate the proposed sale because of a breach on the part of any High Bidder after an order entered by the Court at the Auction Sale Hearing, the Receiver shall be permitted to select a Second Highest Bidder to be the High Bidder and to consummate such transaction with such bidder without further Order of the Court.
- S. All Qualifying Bids shall remain open and irrevocable until the Auction Sale Hearing; provided, however, that the High Bid and the Second Highest Bid shall be deemed to remain open and irrevocable until the closing of the transaction that is the subject of such bid.
- T. No later than three (3) business days following completion of the Auction, the Receiver will file with the Court a supplement (the “Supplement”) that will inform the Court of the results of the Auction and the High Bid(s). The Supplement will identify, among other things, (a) the High Bidder(s) as the proposed purchaser, (b) the consideration to be paid by such High Bidder(s) for the tract(s) being purchased, and (c) any executory contracts and unexpired leases to be assumed and assigned to the High Bidder(s) in connection with the sale. In addition, the Receiver will attach to the Supplement, as exhibits, (x) any revised proposed order approving the Auction Sale, (y) copies of the asset purchase agreement entered into by the Receiver and the High Bidder(s), and (z) any additional information relevant to the High Bidder’s bid.
- U. The Receiver reserves the right, in its business judgment, to make one or more adjournments to the Auction to, among other things: (i) facilitate discussions between the Receiver, on the one hand, and the Qualifying Bidders, on the other hand; (ii) allow Qualifying Bidders to consider how they wish to proceed; and (iii) give Qualifying Bidders the opportunity to provide the Receiver with such additional evidence as the Receiver in its business judgment may require.

VIII. Auction Sale Hearing

The “Auction Sale Hearing” shall take place in the courtroom of the Honorable David J. Hale in the United States District Court for the Western District of Kentucky, Louisville Division on _____, 2018 at _____ a.m. (prevailing Eastern time). With the consent of the High Bidder(s), the Auction Sale Hearing may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the Auction Sale Hearing or otherwise. At such Auction Sale Hearing, the Receiver shall present the High Bid(s) to the Court for approval.

IX. Failure to Consummate Purchase

Following the Auction Sale Hearing, if the High Bidder(s) fails to consummate the Sale, and such failure is the result of a breach by the High Bidder(s), such High Bidder’s Good Faith Deposit shall be forfeited to the Receiver and, except to the extent provided in such Qualifying Bidder’s Purchase Agreement, the Receiver specifically reserves the right to seek all available damages from such person or entity.

X. Return of Deposit

The Good Faith Deposit of the High Bidder(s) shall be applied to the High Bidder’s obligations under the High Bid(s) upon closing of the transactions contemplated thereby.

The Good Faith Deposits of the High Bidder(s) and the Second Highest Bidder(s) at the Auction shall be retained by the Receiver and held in escrow and all Qualifying Bids will remain open, notwithstanding Court approval of a sale pursuant to the terms of a High Bid(s) by a Qualifying Bidder, until the earlier of (1) the closing of the sale of the tract(s) and assumption of the Assumed Liabilities, or (2) the date that is thirty (30) days after entry of an Auction Sale Order approving a sale to the High Bidder(s) (the “Return Date”). On the Return Date, if the Receiver has not closed a sale to such bidder, the Receiver shall return the Good Faith Deposit of the Second Highest Bidder(s). The Receiver shall return the Good Faith Deposits of all Qualifying Bidders other than the High Bidder(s) and the Second Highest Bidder(s) within one (1) business day after the conclusion of the Auction Sale Hearing.

The Receiver reserves all of its rights regarding any return of deposits, and the failure by the Receiver to timely return any deposit(s) shall not serve as a claim for breach of any bid(s) or create any default in favor of any bidder(s).

XI. Reservation of Rights

The Receiver may, with the consent of Huntington, modify these Bidding Procedures at any time, other than the requirements for a Qualifying Bidder and Qualifying Bid, as set forth in the Bidding Procedures, to impose additional customary terms and conditions on the proposed sale of the tract(s) and assumption of the Assumed Liabilities if, in its reasonable judgment, such modifications would be in the best interest of Saint Catharine’s estate and promote an open and fair sale process.

CBRE Listing



Property Being Retained



Former Habitat Property
0.82 ± Acres

College Property
Tract 1
34.96 ± Acres

College Property
Tract 3
6.92 ± Acres

College Property
Tract 2
6.30 ± Acres

College Property
Tract 4
2.20 ± Acres

Property Being Retained
33.49 ± Acres

Bypass Property
Tract 1
4.97 ± Acres

Bypass Property
Tract 2
12.33 ± Acres

Bypass Property
Tract 3
22.63 ± Acres

US-150 Bypass

St Catharine College Dr



Dominican View Dr

Lakeview Manor

Bardstown Rd