

The court incorporates by reference in this paragraph and adopts as the findings and orders of this court the document set forth below. This document has been entered electronically in the record of the United States Bankruptcy Court for the Northern District of Ohio.



Dated: September 2 2026

A blue ink signature of Mary Ann Whipple, written in a cursive style.

Mary Ann Whipple
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
WESTERN DIVISION

IN RE:	)	Case No. 26-31894
	)	
LOURDES UNIVERSITY and	)	CHAPTER 11
LOURDES PROPERTIES, LLC, ¹ ,	)	
Jointly Administered Debtors-in-Possession)	)	Judge Mary Ann Whipple

**FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363, 364 AND 503 (I)
AUTHORIZING DEBTORS TO OBTAIN POSTPETITION FINANCING; (II)
AUTHORIZING USE OF CASH COLLATERAL; AND (III) GRANTING LIENS AND
SUPERPRIORITY CLAIMS TO POSTPETITION LENDER**

Upon the motion (the “Motion”) dated August 10, 2026, of Lourdes University (“Lourdes University”) and Lourdes Properties, LLC (“Lourdes Properties” and, together with Lourdes University, the “Debtors”) each as a debtor and debtor in possession in the above-captioned cases (each a “Case”), pursuant to Sections 105, 361, 362, 363, 364, and 503 of Title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 9013-1 of the Local Rules of

¹ The Debtors in these chapter 11 cases along with the last four digits of each Debtors’ federal tax identification number are: Lourdes University (6547); and Lourdes Properties, LLC (8998). The location of the Debtors’ principal place of business is 6832 Convent Blvd., Sylvania, Ohio 43560.

Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Northern District of Ohio (the “Local Rules”), seeking, among other things, entry of an interim order (the “Interim Order”) and a final order (the “Final Order”):

(a) authorizing the Debtors, as borrowers, to obtain postpetition financing (the “DIP Facility”) from the Sisters of St. Francis of Sylvania, Ohio (“SOSF” and in its capacity as lender under the DIP Facility, the “DIP Lender”) as lender pursuant to that certain Term Sheet for DIP Facility dated as of August 10, 2026, attached hereto as Exhibit 1, as amended, modified, restated, or supplemented in accordance with the terms thereof or hereof (the “DIP Term Sheet”)² and the Budget attached hereto as Exhibit 2 (as may be amended pursuant to the DIP Term Sheet, the “Budget”³; collectively with the DIP Term Sheet and any other documents executed in connection with the DIP Facility, the “DIP Documents”);

(b) authorizing the Debtors to use proceeds of the DIP Facility solely as expressly permitted in the DIP Documents, including to fund the Debtors’ administration and operations, and to conduct and pursue a sale and liquidation process;

(c) granting automatically perfected security interests in and liens on all of the DIP Collateral to the DIP Lender, and granting superpriority administrative expense status to the DIP Obligations on the terms and subject to the relative priorities set forth in the DIP Documents;

(d) granting adequate protection to the SOSF Pre-Petition Lender (defined below) Bank of New York Mellon (the “Bond Trustee”) for the holders of Toledo-Lucas County Port Authority Development Revenue Bonds (Northwest Ohio Bond Fund) Series 2020B (the

² Capitalized terms used but not defined herein shall have the meaning stated in the DIP Term Sheet.

³The Budget annexed to this Order has been approved by the DIP Lender.

“Bondholders”) and Signature Bank, N.A. (“Signature”; and collectively with the Bond Trustee, the “Pre-Petition Institutional Lenders”) ⁴;

(e) authorizing the Debtors to pay the principal, interest, fees, costs and expenses and other amounts payable under the DIP Documents as such amounts become due and payable;

(f) vacating and modifying the automatic stay imposed by Section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of this Interim Order and the other DIP Documents;

(g) scheduling a final hearing (the “Final Hearing”) to consider entry of the Final Order, and in connection therewith, approving the form and manner of notice of the Final Hearing; and

(h) granting the Debtors such other and further relief as is just and proper; and the Court having considered the Motion, the exhibits attached thereto, the First Day Declaration of John T. Hillyer in Support of the First Day Pleadings (the “First Day Declaration”); and a hearing to consider entry of this Interim Order having been held before the Court on August 14, 2026 (the “Interim Hearing”); and an Interim Order having been entered by the Bankruptcy Court on August 14, 2026; and upon all of the pleadings filed with the Court, all evidence presented in support of this Final Order, the arguments of counsel stated on the record of the Final Hearing, and all of the proceedings held before the Court; and after due deliberation and consideration, and good and sufficient cause appearing therefor,

⁴ On August 26, 2026, Signature sold and assigned to the SOSF (a) the loan from Signature to Lourdes University and Lourdes Properties evidenced by that certain Draw/Term Note dated November 25, 2015 made by Lourdes University and Lourdes Properties in favor of Signature, in the original principal amount of \$5,000,000.00, as amended (the “2015 Loan”); and, (b) the loan from Signature to Lourdes University, evidenced by that certain Revolving Demand Note dated June 15, 2016 made by Lourdes University in favor of Signature, in the original principal amount of \$1,000,000, as amended (together with the 2015 Loan, the “Assigned Signature Loans”). As relates to the Assigned Signature Loans, all references herein to the Pre-Petition Institutional Lender (including rights granted hereunder to adequate protection) shall be deemed, to be include the SOSF..

IT IS HEREBY FOUND, DETERMINED, ORDERED, AND ADJUDGED, that:⁵

1. **Motion Granted.** The Motion is GRANTED on the terms and conditions set forth herein.

2. **Commencement of the Cases.** On August 10, 2026 (the “Petition Date”), the Debtors commenced the Cases by filing voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in either Case.

3. **Jurisdiction and Venue.** This Court has jurisdiction over the Cases, the Motion, and the parties and property affected hereby 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 the Cases and the Motion in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. **Committee Formation.** As of the date hereof, the Office of the United States Trustee for the Northern District of Ohio (the “U.S. Trustee”) has not appointed an official committee of unsecured creditors in the Cases (a “Committee”).

5. **Notice.** Notice of the relief sought by the Motion and of the Final Hearing was served via facsimile, electronic mail, and/or overnight delivery on the following parties: (i) the U.S. Trustee; (ii) counsel to the Bond Trustee; (iii) counsel to Signature; (iv) the United States Securities and Exchange Commission; (v) the Internal Revenue Service; (vi) the Office of the United States Attorney for the Northern District of Ohio; (vii) those entities or individuals listed

⁵ The findings and conclusions set forth herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

on the Debtors' lists of 20 largest unsecured creditors; and (viii) all known parties asserting a lien against or security interest in either Debtor's assets.

6. **Debtors' Stipulations.** Subject to paragraph 21 of this Final Order, the Debtors admit, stipulate and agree that:

(a) Debtor Lourdes University executed a note (the "SOSF Pre-Petition Line of Credit Note") dated June 14, 2026 in the principal amount of \$1,250,000 (as modified by that certain Allonge to Note dated July 29, 2026 pursuant to which, among other things, the principal amount was increased to \$2,600,000) in favor of the Sisters of St. Francis of Sylvania, Ohio (in its capacity as a pre-petition lender to the Debtors, the "SOSF Pre-Petition Lender"), which SOSF Pre-Petition Line of Credit Note was guaranteed by Debtor Lourdes Properties (the "SOSF Pre-Petition Line of Credit Note Guaranty").

(b) The obligations of Debtor Lourdes University under the SOSF Pre-Petition Line of Credit Note and Debtor Lourdes Properties under the SOSF Pre-Petition Line of Credit Note Guaranty are secured by (i) in the case of Debtor Lourdes University, a mortgage dated June 14, 2026, as amended by that certain First Amendment to Mortgage and Security Agreement dated July 29, 2026 (the "SOSF Pre-Petition Lourdes University Line of Credit Mortgage") encumbering real property identified in Schedule 1, attached hereto, together with other property identified therein (collectively, the "SOSF Pre-Petition Lourdes University Collateral"), and (ii) in the case of Debtor Lourdes Properties, a mortgage dated June 14, 2026 as amended by that certain First Amendment to Mortgage and Security Agreement dated July 29, 2026 (the "SOSF Pre-Petition Lourdes Properties Line of Credit Mortgage") and, collectively with the SOSF Pre-Petition Lourdes University Line of Credit Mortgage, the "SOSF Pre-Petition Line of Credit Mortgages") encumbering real property identified in Schedule 2, attached hereto, together with other property

identified therein (collectively, the “SOSF Pre-Petition Lourdes Properties Collateral” and together with the SOSF Pre-Petition Lourdes University Collateral, the “SOSF Pre-Petition Collateral”).

(c) Debtor Lourdes University executed a note (the “SOSF Pre-Petition \$650,000 Note”) dated June 14, 2026 in favor of the SOSF Pre-Petition Lender evidencing a term loan in the principal amount of \$650,000, which SOSF Pre-Petition \$650,000 Note was guaranteed by Debtor Lourdes Properties (the “SOSF Pre-Petition \$650,000 Note Guaranty”).

(d) The obligations of Debtor Lourdes University under the SOSF Pre-Petition \$650,000 Note and Debtor Lourdes Properties under the SOSF Pre-Petition \$650,000 Note Guaranty are secured by (i) in the case of Debtor Lourdes University, a mortgage (the “SOSF Pre-Petition Lourdes University \$650,000 Mortgage”) dated June 14, 2026 encumbering the SOSF Pre-Petition Lourdes University Collateral, and (ii) in the case of Debtor Lourdes Properties, a mortgage (the “SOSF Pre-Petition Lourdes Properties \$650,000 Mortgage” and, collectively with the SOSF Pre-Petition Lourdes University \$650,000 Mortgage, the “SOSF Pre-Petition \$650,000 Mortgages”) dated June 14, 2026 encumbering the SOSF Pre-Petition Lourdes Properties Collateral.

(e) The SOSF Pre-Petition Line of Credit Note, the SOSF Pre-Petition Line of Credit Guaranty, the SOSF Pre-Petition Line of Credit Mortgages, the SOSF Pre-Petition \$650,000 Note, the SOSF Pre-Petition \$650,000 Note Guaranty and the SOSF Pre-Petition \$650,000 Mortgages (collectively, the “SOSF Pre-Petition Loan Documents”) are valid and binding agreements and obligations of the Debtors to the extent each is a party thereto.

(f) The liens (the “SOSF Pre-Petition Liens”) granted to the SOSF Pre-Petition Lender under the SOSF Pre-Petition Line of Credit Mortgages and the SOSF Pre-

Petition \$650,000 Mortgages constitute valid, binding, enforceable, and perfected security interests and “Liens,” as that term is defined in Bankruptcy Code Section 101(37), on the SOSF Pre-Petition Collateral, which are not subject to avoidance, recharacterization, recovery, reduction, disallowance, impairment, or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

(g) As of August 9, 2026, the Debtors were indebted to the SOSF Pre-Petition Lender on account of principal and accrued interest (i) under the SOSF Pre-Petition Line of Credit Note in the aggregate amount of \$2,070,457.43 (the “SOSF Pre-Petition Line of Credit Indebtedness”), consisting of principal in the amount of \$2,063,917.00 and interest in the amount of \$ 6,540.43, and (ii) under the SOSF Pre-Petition \$650,000 Note in the aggregate amount of \$ \$657,906.85 (the “SOSF Pre-Petition \$650,000 Note Indebtedness and collectively with the SOSF Pre-Petition Line of Credit Indebtedness, the “SOSF Pre-Petition Obligations”) consisting of principal in the amount of \$650,000 and interest in the amount of \$ 7,906.85..

(h) The SOSF Pre-Petition Obligations constitute the legal, valid, and binding obligation of the Debtors, enforceable without objection, offset, defense, or counterclaim of any kind or nature. Neither of the Debtors have asserted, nor shall they assert any claim, counterclaim, setoff, or defense of any kind, nature, or description that would in any way affect the validity, enforceability, and non-avoidability of any of the SOSF Pre-Petition Obligations. The SOSF Pre-Petition Obligations and any amounts previously paid to the SOSF Pre-Petition Lender on account thereof or with respect thereto are not subject to avoidance, reduction, disallowance, impairment, recharacterization, or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

(i) Without the requirement or need to file any proof of claim with respect thereto, the SOSF Pre-Petition Obligations shall constitute allowed, fully secured pre-petition claims for all purposes in the Cases and any subsequent proceedings under the Bankruptcy Code, including, without limitation, any chapter 7 proceeding if either Case is converted to a case under chapter 7 of the Bankruptcy Code or in any proceedings related to any of the foregoing (the “Successor Case”).

7. **Findings Regarding the Need for Use of Cash Collateral and the DIP Facility.**

(a) The SOSF Pre-Petition Lender and the Pre-Petition Institutional Lenders each may assert an interest in Cash Collateral (defined below) and an entitlement to adequate protection on account of the Debtors’ use of Cash Collateral.

(b) An immediate and critical need exists for the Debtors to obtain postpetition financing to continue the operation of their businesses and the winddown thereof. The ability of the Debtors to successfully winddown requires immediate access to cash derived from the revenues albeit dwindling (“Cash Collateral”), the absence of which would immediately and irreparably harm the Debtors, their estates, and their creditors. The Cash Collateral constitutes property of the Debtors’ estates. In addition to the use of Cash Collateral, the Debtors require the additional funds being provided through the DIP Loan in order to continue the orderly winddown of their businesses and administer and preserve the value of the estates for the benefit of creditors. If the Debtors are not able to use Cash Collateral and the proceeds of the DIP Loan as provided herein, they will be unable to fund payroll and other operating expenses that are necessary to do so.

(c) The Debtors are unable to obtain the required funds (i) in the forms of (1) unsecured credit or debt allowable under Section 503(b)(1) of the Bankruptcy Code, (2) an

administrative expense pursuant to Section 364(a) or (b) of the Bankruptcy Code, (3) unsecured debt having the priority afforded by Section 364(c)(1) of the Bankruptcy Code, or (4) debt secured only as described in Section 364(c)(2) or (3) of the Bankruptcy Code, or (ii) on terms more favorable than those embodied in the DIP Term Sheet and the other DIP Documents. The DIP Lender is prepared to enter into the DIP Facility solely on the terms set forth in the DIP Term Sheet, the proposed form of Final Order filed on September 1, 2026, and the other DIP Documents.

(d) The Court may authorize the priming of the SOSF Pre-Petition Liens by the DIP Liens (as defined below) under section 364(d)(1)(B) of the Bankruptcy Code based on the consent of the SOSF Pre-Petition Lender to priming for the sole purpose of this Final Order.

(e) The terms of the DIP Facility are fair, just, and reasonable under the circumstances, reflect the Debtors' exercise of its prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration. The terms of the DIP Facility have been negotiated in good faith and at arm's length by and between the Debtors and the DIP Lender. Any credit extended or other indebtedness or liabilities arising under, in respect of, or in connection with the DIP Facility, the DIP Term Sheet, the Interim Order, this Final t Order, or any other DIP Document, shall be deemed to have been extended in "good faith" by the DIP Lender as that term is used in Section 364(e) of the Bankruptcy Code, and in express reliance upon the protections afforded by Section 364(e) of the Bankruptcy Code, and the DIP Lender's claims, the DIP Superpriority Claims (as defined below), the DIP Liens (as defined below), and other protections granted pursuant to the Interim Order, this Final Order, and the other DIP Documents, shall be entitled to the full protection of Section 364(e) of the Bankruptcy Code in the event that this Final Order or any portion hereof is vacated, reversed, amended, or modified, on appeal or otherwise.

(f) The relief requested in the Motion is necessary, essential, and appropriate for the management and preservation of the Debtors' assets and property and for the Debtors' winddown and is in the best interests of the Debtors, their estates and creditors. Absent the relief granted herein, the Debtors' estates will be immediately and irreparably harmed. Accordingly, good, adequate, and sufficient cause has been shown to justify the relief granted herein and the immediate entry and effectiveness of this Final Order pursuant to Bankruptcy Rules 4001(c).

8. **Authorization of the DIP Facility.**

(a) The DIP Term Sheet and the Budget are approved in their entirety and incorporated into this Final Order. The Debtors are hereby authorized to execute and enter into, deliver, and perform all obligations under, the DIP Documents.

(b) The Debtors are hereby immediately authorized to borrow up to \$3,300,000⁶ under the DIP Facility, which funds shall be used solely as expressly provided in the DIP Term Sheet. The Debtors are authorized to pay and perform all DIP Obligations.

(c) So long as the Maturity Date has not occurred, the Debtors shall be authorized to use the proceeds of the DIP Loans in accordance with the Budget (subject to the Permitted Variance) and the other applicable DIP Documents.

(d) In furtherance of the foregoing and without further approval of this Court, the Debtors are hereby authorized to perform all acts, to make, execute and deliver all instruments and documents, and to pay all related fees, that may be required or necessary for the Debtors' performance of their obligations under the DIP Facility, including, without limitation:

⁶ The term "DIP Facility" as defined in the DIP Term Sheet is hereby modified to replace "\$2,800,000" with \$3,300,000.

(i) the execution, delivery, and performance of the respective DIP Documents;

(ii) the non-refundable payment of principal and interest and such costs and expenses as may be due in accordance with the respective DIP Documents; and

(iii) the performance of all other acts required under, or in connection with, the DIP Documents.

(e) All of the DIP Liens and the Adequate Protection Liens (each as defined below) shall be effective and perfected as of the date of entry of this Final Order without the necessity of the execution, recording, or filing of security agreements, pledge agreements, financing statements, or other agreements or instruments.; provided that the DIP Liens and Adequate Protection Liens shall not attach to the proceeds of Avoidance Actions.

(f) The DIP Term Sheet and the DIP Obligations constitute valid, binding, and non-avoidable obligations of the Debtors enforceable against the Debtors and their successors and assigns in accordance with the terms of this Final Order and the DIP Documents and shall survive the dismissal of either Case or the conversion of either Case to a Successor Case.

(g) No obligation, payment, transfer, or grant of security under this Final Order or the DIP Documents shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable law, or subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, or any other challenges under the Bankruptcy Code (including Section 553) or any other applicable foreign or domestic law or regulation by any person or entity.

(h) The DIP Loans shall (i) be evidenced by the books and records of the DIP Lender and, although not required, upon the request of the DIP Lender, a note executed and delivered to the DIP Lender by the Debtors in accordance with the terms of the DIP Documents, (ii) bear interest and incur fees at the rates set forth in the DIP Term Sheet, (iii) be secured in the manner specified below and under the applicable DIP Documents, (iv) be payable in accordance with the applicable DIP Documents, and (v) otherwise be governed by the terms set forth in this Final Order and the DIP Documents.

9. The automatic stay provisions of Section 362 of the Bankruptcy Code and any other restriction imposed by an order of the Court or applicable law are hereby modified and vacated without further notice, application, or order of the Court to the extent necessary to permit the DIP Lender to perform any act authorized or permitted under or by virtue of this Final Order or any of the other DIP Documents, including, without limitation, (i) to implement the DIP Facility authorized by this Final Order and pursuant to the terms of the DIP Documents, (ii) to take any act to create, validate, evidence, attach, or perfect any lien, security interest, right, or claim in the DIP Collateral, and (iii) to assess, charge, collect, advance, deduct, and receive payments with respect to the respective DIP Obligations, including, without limitation, all principal, interest, fees, costs, and expenses permitted under the DIP Documents, and to apply such payments to the DIP Obligations pursuant to this Final Order and the other DIP Documents.

10. **Authorization for Use of Cash Collateral.** The Debtors are hereby authorized to use Cash Collateral to pay the ordinary and reasonable expenses of operating their businesses,

administering the Cases, and winding down the Debtors in accordance with the terms of this Final Order and the Budget.

11. **Use of DIP Facility Proceeds.** The Debtors are hereby authorized to borrow under the DIP Facility solely to fund their operations, for the administration of their estates, and to conduct and pursue a sale and liquidation process in accordance with and subject to the Budget and the other DIP Documents.

12. **Conditions Precedent.** The DIP Lender shall have no obligation to make any DIP Loans or any other financial accommodation under the respective DIP Documents unless the conditions precedent to make such extensions of credit under the respective DIP Documents have been satisfied in full or waived by the DIP Lender. Further, the DIP Lender shall have no obligation to make any DIP Loans to the extent the Debtors have unrestricted cash on hand net of outstanding checks sufficient to pay expenses associated with the applicable requested extensions of credit without reducing such unrestricted cash on hand below fifty thousand dollars (\$50,000.00). Until such time as the Debtor's Main Operating Account is opened as a DIP Account, the Debtors shall not be permitted to draw down money on the DIP Facility to the extent that the balance in the Main Operating Account would exceed \$250,000.

13. **DIP Superpriority Claims.** Pursuant to Section 364(c)(1) of the Bankruptcy Code, the DIP Obligations constitute (without the need to file a proof of claim) superpriority claims (the "DIP Superpriority Claims") against the Debtors to the extent provided in the DIP

Term Sheet. The DIP Superpriority Claims shall continue in any Successor Case for either Debtor under any chapter of the Bankruptcy Code.

14. **DIP Liens and Priority.**

(a) As security for the full and timely payment of the DIP Obligations, the DIP Lender has been granted, pursuant to Sections 364(c)(2), 364(c)(3), and 364(d)(1) of the Bankruptcy Code, valid, enforceable, non-avoidable, and fully perfected security interests in and liens upon all DIP Collateral which shall have the priorities stated in the DIP Term Sheet (the “DIP Liens”).

(b) The DIP Liens were effective upon entry of the Interim Order and remain effective pursuant to this Final Order, provided that the DIP Liens shall not attach to the proceeds of Avoidance Actions.

(c) In no event shall (i) any lien or security interest that is avoided and preserved for the benefit of either Debtor’s estate under Section 551 of the Bankruptcy Code be senior to the DIP Liens, or (ii) any person or entity who pays (or through the extension of credit to either Debtor, causes to be paid) any of the DIP Obligations, be subrogated, in whole or in part, to any rights, remedies, claims, privileges or DIP Liens granted in favor of the DIP Lender by the terms of the Interim Order and this Final Order, the Final Order (subject to entry by the Court thereof), or any of the respective DIP Documents, until all of the DIP Obligations are paid in full in cash in accordance with this Final Order, the Final Order (subject to entry by the Court thereof), or any of the respective DIP Documents.

(d) The DIP Liens shall continue in any Successor Case for either Debtor under any chapter of the Bankruptcy Code, and all DIP Liens shall maintain their priority as provided in the Interim Order and this Final Order. If an order dismissing either Case, pursuant to Section

1112 of the Bankruptcy Code or otherwise, is at any time entered, such order shall provide that the DIP Liens and the DIP Superpriority Claims shall continue in full force and effect, shall remain binding on all parties in interest in the applicable Case, and shall maintain their priorities as provided in the Interim Order and this Final Order, until all DIP Obligations have been paid and satisfied indefeasibly in full and in cash. Notwithstanding the dismissal of any Case, this Court shall retain jurisdiction with respect to enforcing the DIP Liens and the DIP Superpriority Claims.

15. **Carve Out.** Notwithstanding anything in the Interim Order or this Final Order, any other DIP Documents, or any other order of this Court to the contrary, the SOSF Pre-Petition Liens, the DIP Superpriority Claims, the DIP Liens, the Adequate Protection Liens and the Adequate Protection Superpriority Claims (as defined below), shall be subject to payment of the Carve Out on the terms stated in the DIP Term Sheet.⁷

16. **Termination of DIP Facility.** The DIP Facility shall immediately terminate upon the Maturity Date. All DIP Obligations shall be payable by the Debtors in full in cash on the Maturity Date.

17. **Adequate Protection.**

(a) As adequate protection for the diminution after the Petition Date in value of the interests of the Pre-Petition Institutional Lenders and the SOSF Pre-Petition Lender in Cash Collateral as of the Petition Date:

(i) Adequate Protection Liens. Solely to the extent of any such diminution of value, the Pre-Petition Institutional Lenders and the SOSF Pre-Petition Lender shall have pursuant to Sections 361, 362(d), 363(c), 363(e), and 364(d) of the Bankruptcy Code,

⁷ For the avoidance of doubt, the DIP Term Sheet defines Carve Out to include all fees which may be due and owing to the Clerk of the Court and all U.S. Trustee fees.

replacement security interests in and Liens upon all of the accounts and other cash generating property acquired by the Debtors after the Petition Date (the “Adequate Protection Liens”), having the same extent, validity and priority as the security interests and liens of the Pre-Petition Institutional Lenders and the SOSF Pre-Petition Lender had in accounts and other cash generating property of the Debtors as of the Petition Date, provided, however, such Adequate Protection Liens shall be junior in priority to the DIP Liens and to the Carve Out.

(ii) Adequate Protection Superpriority Claims. Solely to the extent of any such diminution of value, the Pre-Petition Institutional Lenders and the SOSF Pre-Petition Lender shall have an allowed superpriority administrative expense claim (the “Adequate Protection Superpriority Claim”) in the Cases, as provided for in Section 507(b) of the Bankruptcy Code, which shall be equal in priority in all respects to the DIP Superpriority Claims and junior to the Carve Out.

18. **Perfection of Liens.** The Interim Order and this Final Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the DIP Liens and the Adequate Protection Liens without the necessity of executing, filing, or recording any mortgage, security agreement, pledge agreement, financing statement, or other instrument or document, or the taking of any other act that otherwise may be required under state or federal law, rule, or regulation of any jurisdiction to validate or perfect the DIP Liens or the Adequate Protection Liens or to entitle the DIP Lender, the Pre-Petition Institutional Lenders or the SOSF Pre-Petition Lender to the priorities granted herein. The foregoing notwithstanding, the DIP Lender is hereby authorized to execute, file, and/or record mortgages, security agreements, pledge agreements, financing statements, and/or other instruments or documents to evidence the DIP Liens, and the Debtors are hereby authorized and directed to promptly execute, file, and/or record any such mortgages,

security agreements, pledge agreements, financing statements, or other instruments or documents as the DIP Lender may request. A copy of the Interim Order or this Final Order may, in the discretion of the DIP Lender, be filed with or recorded in any filing or recording office in addition to or in lieu of such mortgages, security agreements, pledge agreements, financing statements, or other instruments or documents, and each and every federal, state, and local governmental agency, department, or office is hereby directed to accept a copy of the Interim Order and this Final Order and any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Interim Order and this Final Order and the other DIP Documents, for filing and recording, and to deem the Interim Order and this Final Order to be in proper form for filing and recording. Further, the DIP Lender is hereby authorized (but not required) to file or record financing statements and other filing or recording documents or instruments with respect to the DIP Collateral and the DIP Liens without either Debtor's signature in such form and in such offices as the DIP Lender determines is appropriate to perfect the security interests of the DIP Lender under the DIP Documents and the Interim Order and this Final Order; and the DIP Lender is authorized to use collateral descriptions such as "all personal property" or "all assets", in each case "whether now owned or hereafter acquired", words of similar import or any other description the DIP Lender, in its sole discretion, so chooses in any such financing statements.

19. **Section 506(c)**. Except to the extent of the Carve Out, no costs or expenses of administration which have been or may be incurred in either Case or any Successor Case at any time shall be charged against or recovered from or against the DIP Lender, the SOSF Pre-Petition

Lender, the DIP Collateral, or the SOSF Pre-Petition Collateral pursuant to Sections 105 or 506(c) of the Bankruptcy Code or otherwise.

20. **Fees.** All fees paid and payable, and costs and expenses reimbursed or reimbursable by the Debtors to the DIP Lender under the DIP Documents are hereby approved. The Debtors shall promptly pay all such fees, costs, and expenses payable under the DIP Documents in accordance with the DIP Documents, up to the amount set forth in the Budget without the necessity of any notice or further application with the Court for approval or payment of such fees, costs, or expenses. Professionals for the DIP Lender shall not be required to file fee applications, provided that invoices (subject in all respects to applicable privilege and work product doctrines) shall be provided to counsel for the Debtors, the Committee and the U.S. Trustee, which parties shall have fourteen (14) days to object to such invoices in the absence of which such invoices may be paid by the DIP Lender to itself as an advance under the DIP Facility.

21. **Effect of Stipulations on Third Parties.** The stipulations and admissions contained in this Final Order and the DIP Term Sheet with respect to the validity, perfection or amount of SOSF Pre-Petition Liens and SOSF Pre-Petition Obligations and the waiver of claims against the SOSF Pre-Petition Lender shall be binding on the Debtors' estates and all parties in interest, including, without limitation, any Committee and trustee appointed in either Case or any Successor Case, unless any Committee or another party in interest (other than the Debtors), in each case after having obtained standing and requisite authority, has timely commenced a contested matter or adversary proceeding, (as appropriate based on the nature of the dispute) challenging the amount, validity or enforceability of the SOSF Pre-Petition Obligations or the perfection or priority of the SOSF Pre-Petition Liens, or otherwise asserting any objections, claims, or causes of action on behalf of the Debtors' estate against the SOSF Pre-Petition Lender relating to the SOSF Pre-

Petition Obligations or the SOSF Pre-Petition Liens (such adversary proceeding or contested matter, a “Challenge”), on or before (a) the earlier of (i) the sixtieth (60th) calendar day after the date of appointment of such Committee⁸ by the U.S. Trustee, or (ii) seventy-five (75) calendar days after the Petition Date, provided, however, the deadlines stated above shall be tolled by the filing of a motion in this Court seeking standing to commence such action with a copy of the proposed adversary complaint or motion attached until the fifth (5th) day following disposition of such standing motion by this Court. If no such Challenge is timely commenced then, without further order of this Court, (x) the SOSF Pre-Petition Obligations and the SOSF Pre-Petition Liens shall, be deemed to be finally allowed for all purposes in the Cases and any Successor Case and shall not be subject to challenge or objection by any party in interest as to validity, priority, amount, or otherwise, and (y) the Debtors and their estates shall be deemed to have relinquished, released, and waived any and all claims or causes of action against the SOSF Pre-Petition Lender with respect to the SOSF Pre-Petition Obligations. If a Challenge is timely commenced, the stipulations and admissions contained in this Final Order shall be binding on the Debtors’ estate and all parties in interest except to the extent such stipulations and admissions are specifically challenged in such Challenge, as and when originally filed (ignoring any relation back principles); provided, that if

⁸ Notwithstanding the DIP Term Sheet, the Committee may use up to \$20,000 of its fees in the Budget to investigate the amount, validity and enforceability of the SOSF Pre-Petition Obligations or the perfection or priority of the SOSF Pre-Petition Liens

and to the extent a Challenge is withdrawn, denied, or overruled, the stipulations specifically challenged in such Challenge also shall be binding on the Debtors' estates and all parties in interest.

22. **Indemnity.** The DIP Lender and each other Indemnified Party (as defined in the DIP Term Sheet) shall be and hereby are indemnified and held harmless by the Debtors to the extent provided in the DIP Term Sheet.

23. **Releases.** Subject to any timely Challenge, in consideration of (i) the DIP Lender's agreement to provide the DIP Facility, and (ii) the SOSF Pre-Petition Lender's consent to priming of the SOSF Pre-Petition Liens by the DIP Liens, the Debtors are hereby deemed to have released the Releasees (as defined in the DIP Term Sheet) to the extent provided for in the DIP Term Sheet.

24. **Limitation of Liability.** In determining to extend credit under the DIP Facility, or in exercising any rights or remedies pursuant to the Interim Order and this Final Order and the other DIP Documents, the DIP Lender shall not be deemed to be in control of the Debtors' operations or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of either Debtor (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601, et seq., as amended, or any similar federal or state statute).

25. **Debtors' Waivers.** At all times during the Case, and whether or not an Event of Default has occurred, the Debtors irrevocably waive any right either may have (a) to seek authority to grant liens on the DIP Collateral, or any portion thereof to any other entities, pursuant to Section 364 of the Bankruptcy Code or otherwise unless the DIP Obligations are first repaid in full in cash and the DIP Facility is terminated, or (b) to seek authority to obtain postpetition loans or other financial accommodations pursuant to Section 364(c) or 364(d) of the Bankruptcy Code, other

than from the DIP Lender unless the Debtors use the proceeds of such postpetition loans or other financial accommodations to pay in full in cash all DIP Obligations.

26. **Disposition of Collateral.** The Debtors shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the DIP Collateral in any way inconsistent with the terms and conditions of the DIP Documents without the prior written consent of the DIP Lender and an order of this Court, except for sales in the ordinary course of the Debtors' business.

27. **Survival of Order.** The provisions of this Final Order and any actions taken pursuant hereto (a) shall survive the entry of any order: (i) confirming any chapter 11 plan in either Case, (ii) converting either Case to a Successor Case, or (iii) dismissing either Case, and (b) shall continue in full force and effect notwithstanding the entry of any such order, and the claims, liens, and security interests granted pursuant to the Interim Order or this Final Order shall maintain their priority as provided by the Interim Order and this Final Order. The DIP Obligations shall not be discharged by the entry of any order confirming any chapter 11 plan in either Case that does not provide for payment in full of the DIP Obligations.

28. **Reservation of Rights.** The terms, conditions, and provisions of this Final Order are in addition to and without prejudice to the rights of the DIP Lender and the SOSF Pre-Petition Lender to pursue any and all rights and remedies under the Bankruptcy Code, the DIP Documents, or any other applicable agreement or law, including, without limitation, rights (a) to seek relief from the automatic stay, (b) to seek an injunction, (c) to oppose any request for use of Cash Collateral that is inconsistent with this Final Order or for the granting of any interest in the DIP Collateral or SOSF Pre-Petition Collateral, or of priority in favor of any other party, (d) to object

to any sale of assets, or (e) to object to applications for allowance or payment of compensation of professionals or other parties seeking compensation or reimbursement from the Debtors' estates.

29. **No Consent to Charging/ No Marshalling/Equities of Case Waiver.** No action, inaction, or acquiescence by the DIP Lender or the SOSF Pre-Petition Lender shall be deemed to be or shall be considered as evidence of any alleged consent by the DIP Lender or SOSF Pre-Petition Lender to a charge against the DIP Collateral or the SOSF Pre-Petition Collateral pursuant to Sections 506(c), 552(b), or 105(a) of the Bankruptcy Code. Neither the DIP Lender nor the SOSF Pre-Petition Lender shall be subject in any way whatsoever to the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral or the SOSF Pre-Petition Collateral. The DIP Liens shall not be subject to Sections 510, 549, 550, or 551 of the Bankruptcy Code and, subject to entry of the Final Order, the "equities of the case" exception of Section 552(b) of the Bankruptcy Code shall not apply to the SOSF Pre-Petition Lender with respect to the SOSF Pre-Petition Collateral and neither the Debtors nor any other party shall be entitled to assert the equities of the case exception.

30. **Binding Effect; Successors and Assigns.** The provisions of this Final Order shall be binding upon and inure to the benefit of the DIP Lender, the SOSF Pre-Petition Lender, the Debtors, and their respective successors and assigns (including any trustee or fiduciary hereafter appointed or elected as a legal representative of either Debtor, its estate, or with respect to the property of its estate) whether in these Cases, in any Successor Case, or upon dismissal of either Case or Successor Case; provided, however, that the DIP Lender shall have no obligation to extend

any financing to, or permit the use of DIP Collateral by, any chapter 7 or chapter 11 trustee or similar representative person appointed for the Debtors' estates.

31. **Proofs of Claim.** Notwithstanding anything to the contrary contained in any prior or subsequent order of this Court:

(a) The DIP Lender shall not be required to file proofs of claim in either Case or any Successor Case in order to maintain the DIP Liens or its claims with respect to the DIP Obligations, all of which shall be due and payable in accordance with this Final Order, and the other DIP Documents, without the necessity of filing any such proof of claim; the evidence accompanying the Motion, and presented at the Final Hearing, are deemed sufficient to and do constitute proofs of claim in respect of the DIP Obligations and the DIP Liens.

(b) The SOSF Pre-Petition Lender shall not be required to file any proof of claim with respect to any of the SOSF Pre-Petition Liens or SOSF Pre-Petition Obligations, and the failure to file any such proof of claim shall not affect the validity or enforceability of any of the SOSF Pre-Petition Liens or the SOSF Pre-Petition Obligations or prejudice or otherwise adversely affect the rights, remedies, powers, or privileges of the SOSF Pre-Petition Lender under the SOSF Pre-Petition Loan Documents; provided, further, that, for the avoidance of doubt, the filing of any proof of claim by the SOSF Pre-Petition Lender shall not in any way prejudice or otherwise adversely affect such parties' rights, remedies, powers, or privileges under the SOSF Pre-Petition Loan Documents, the Interim Order and this Final Order.

32. **Order Effective Immediately.** Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 7062, 9024, or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil

Procedure, this Final Order shall be immediately effective and enforceable upon its entry, and there shall be no stay of execution or effectiveness of this Final Order.

33. **Final Order Governs.** In the event of any inconsistency or conflict between any of the terms and provisions of this Final Order and the Interim Order or the DIP Documents, the terms and provisions of this Final Order shall govern. For purposes of this Interim Order, the sale of any property of either Debtor outside the ordinary course of business without the DIP Lender's consent shall not trigger the Maturity Date.

34. **Credit Bidding.** Following entry of the Final Order, the DIP Lender shall have the unqualified right to credit bid up to the full amount of the applicable outstanding secured DIP Obligations, including any accrued interest, in any sale of the DIP Collateral (or any part thereof) without the need for further Court order authorizing the same, and whether such sale is effectuated through Section 363 or 1129 of the Bankruptcy Code, by a chapter 7 trustee under Section 725 of the Bankruptcy Code, or otherwise.

35. **No Third Party Rights.** Except as explicitly provided for herein, this Final Order does not create any rights for the benefit of any party, creditor, equity holder, or other entity other than the DIP Lender, the SOSF Pre-Petition Lender, the Pre-Petition Institutional Lenders and the Debtors, and their respective successors and assigns.

36. **Headings.** Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Final Order.

37. **Retention of Jurisdiction.** This Court retains jurisdiction to interpret, implement, and enforce the provisions of this Final Order and the other DIP Documents.

38. **Subsequent Reversal or Modification.** This Final Order is entered pursuant to, inter alia, Section 364 of the Bankruptcy Code and Bankruptcy Rules 4001(c), granting the DIP

Lender and the SOSF Pre-Petition Lender all protections afforded by Section 364(e) of the Bankruptcy Code. If any or all of the provisions of this Final Order are hereafter reversed, modified, vacated, or stayed, that action will not affect (a) the validity of any obligation, indebtedness, or liability incurred hereunder by the Debtors to the DIP Lender prior to the date of receipt by the DIP Lender of written notice of the effective date of such action, (b) the payment of any fees required under this Final Order or the other DIP Documents, or (c) the validity and enforceability of any lien, claim, obligation, or priority authorized or created under the Interim Order or this Final Order or pursuant to the other DIP Documents or the SOSF Pre-Petition Loan Documents as of such date. Notwithstanding any such reversal, stay, modification, or vacatur, any postpetition indebtedness, obligation, or liability incurred by the Debtors to the DIP Lender or the SOSF Pre-Petition Lender prior to written notice being delivered to DIP Lender or the SOSF Pre-Petition Lender of the effective date of such action, shall be governed in all respects by the original provisions of the Interim Order and this Final Order, and the DIP Lender and the SOSF Pre-Petition Lender, as applicable shall be entitled to all the rights, remedies, privileges, and benefits granted herein and in the DIP Documents with respect to all such indebtedness, obligations, or liabilities

EXHIBIT 1
DIP TERM SHEET

**TERM SHEET
FOR DIP FINANCING
LOURDES UNIVERSITY
LOURDES PROPERTIES, LLC**
Debtors and Debtors-in-Possession
August 10, 2026

Borrowers: Lourdes University and Lourdes Properties, LLC (each a “**Debtor**”), as debtors and debtors-in-possession under Chapter 11 of the United States Bankruptcy Code (the “**Bankruptcy Code**”) in cases (each a “**Case**”) pending before the United States Bankruptcy Court for the Northern District of Ohio, Western Division (the “**Bankruptcy Court**”).

Pre-Petition Lender: Sisters of St. Francis of Sylvania Ohio

Pre-Petition Loans: (a) The loans from the Pre-Petition Lender to one or both of the Borrowers (the “**Junior Pre-Petition Loan**”) evidenced by that certain Promissory Note dated June 14, 2026 in the principal amount of \$650,000 and secured by that certain Mortgage and Security Agreement dated June 14, 2026 (the “**\$650,000 Mortgage**”), and (b) the loans (the **Senior Pre-Petition Loans**) and, together with the Junior Pre-Petition Loans, the “**Pre-Petition Loans**”) evidenced by that certain amended and restated Promissory Note dated June 14, 2026 in the principal amount of \$1,250,000 (as modified by that certain Allonge to Note dated July 29, 2026 pursuant to which, among other things, the principal amount was increased to \$2,600,000) and secured by that certain Mortgage and Security Agreement dated June 14, 2026, as amended by that certain First Amendment to Mortgage and Security Agreement dated July 29, 2026 (collectively with the \$650,000 Mortgage, the “**Pre-Petition Mortgages**”). For avoidance of doubt, the Junior Pre-Petition Loan is contractually subordinate to the Senior Pre-Petition Loans. Amounts due under the Pre-Petition Loans are referred to herein as the “**Pre-Petition Obligations**”) and the documents evidencing and securing the Pre-Petition Loans are referred to herein as the “**Pre-Petition Loan Documents**”).

DIP Lender: Sisters of St. Francis of Sylvania Ohio

Petition Date: August 10, 2026.

DIP Facility: The DIP Lender will make loans (the “**DIP Loans**”) to the Debtors under a debtor in possession term loan, multi-draw financing facility in a principal amount not to exceed \$2,800,000 in the aggregate (the “**DIP Facility**”), in accordance with the terms and conditions set forth in this Term Sheet, the Interim DIP Order (as defined below), the Final DIP Order (as defined below), and the Budget (as defined below). Draws under the DIP Facility will be available until the Maturity Date (as defined below). Upon the entry of the Interim DIP Order, the Debtors shall be permitted to

borrow under the DIP Facility in an amount not to exceed \$500,000 (the “**Interim Advance Cap**”) in the aggregate, subject to the terms and conditions set forth in this Term Sheet and the Interim DIP Order and in accordance with the Budget.

DIP Obligations:

As used in this Term Sheet and any ancillary documents that DIP Lender may require in its discretion, including any instruments and documents as may be executed and delivered in connection with or relating to the DIP Facility, the Interim DIP Order and the Final DIP Order and any other document made or delivered pursuant hereto or thereto (collectively, with the Term Sheet, the “**DIP Documents**”), the term “**DIP Obligations**” means (a) the due and punctual payment by the Debtors of (i) the unpaid principal amount of and interest on (including interest accruing after the maturity of the DIP Loan and interest accruing after the commencement of the Cases) the DIP Loan, as and when due, whether at maturity, by acceleration or otherwise, and (ii) all fees, costs and expenses incurred by the DIP Lender related to the Cases, including, but not limited to, in connection with negotiation and drafting of DIP Documents, the Interim DIP Order and the Final DIP Order, monitoring of the Cases, including the motion seeking approval of this Term Sheet and the DIP Loan and the enforcement of the DIP Lender’s rights related to the DIP Loan, (iii) the Debtors’ obligations to the DIP Lender under indemnities, whether primary, secondary, direct, indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or otherwise, of either Debtor to the DIP Lender arising under the DIP Documents, the Interim DIP Order and/or the Final DIP Order, and (b) the due and punctual performance of all covenants, duties and agreements of the Debtors to the DIP Lender under or pursuant to the DIP Documents, the Interim DIP Order and the Final DIP Order. The Debtors shall be jointly and severally liable for all DIP Obligations.

Use of Proceeds:

All advances under the DIP Facility shall be used by the Debtors solely to fund their operations and to conduct and pursue the sale and liquidation of their properties, in accordance with a budget approved in writing by the DIP Lender (the “**Budget**”), as such Budget may be modified or extended with the DIP Lender’s written consent. Further, no portion of the amounts advanced under the DIP Facility may be used to fund investigation or litigation of any claims against the DIP Lender or the Pre-Petition Lender provided, however, the Committee (defined below), if any, may use up to \$10,000.00 (the “**Committee Investigation Budget**”) of the amount provided for in the Budget for fees and expenses of the Committee to fund an investigation of the extent, validity and perfection of the liens and security interests granted to the Pre-Petition Lender to secure the Pre-Petition Loans (the “**Pre-Petition Liens**”) and the amount of the Pre-Petition Loans (the “**Committee Investigation**”). Compliance with the Budget will first be measured following the first two weeks of the Case and, thereafter, will be tested every week of the Cases.

For the avoidance of doubt, the Debtors may amend the Budget with the written consent of the DIP Lender; provided, that the total amount of funding provided pursuant to the Budget shall not exceed the total amount

of the DIP Facility authorized by the Interim DIP Order and the Final DIP Order, as applicable; and (B) at any given time, the Debtors' actual cash disbursements may, on a line item and cumulative basis, vary from the Budget by 10% (the "**Permitted Variance**"). For avoidance of doubt, unused amounts budgeted for a particular week shall roll forward to the subsequent week. As further set forth below, after the first two weeks of the Cases, the Debtors shall provide the DIP Lender with weekly and cumulative variance reporting on a line item basis, which reporting shall (1) detail the variance, if any, of actual cash disbursements from the Budget and (2) provide an explanation of any per line item variance greater than 10% (the "**Variance Report**").

DIP Closing Date: The later of the date of entry of the Interim DIP Order or the first business day thereafter on which the Conditions Precedent (as defined below) are either satisfied or are waived by the DIP Lender.

Interest Rate: Interest shall accrue on the principal portion of the DIP at the rate of 6% (the "**Interest Rate**") and shall be payable on the Maturity Date.

Default Interest Rate: Upon the occurrence and during the continuation of any Event of Default (as defined below), interest on the principal portion of the DIP Loan shall be payable at the Interest Rate, plus 2%. (the "**Default Interest Rate**").

Maturity Date: The DIP Obligations that are payable in cash shall be paid in full in cash on the date that is the earliest of (i) December 31, 2026 (as such date may be extended by mutual written agreement of the DIP Lender and the Debtors); (ii) the occurrence of an Event of Default (as defined below); and (iii) the sale of any property of either Debtor outside the ordinary course of business unless such sale is consented to by the DIP Lender.

Voluntary Prepayments: The Debtors may prepay the DIP Facility in whole or in part at any time without premium or penalty. No amounts prepaid may be reborrowed.

Mandatory Prepayments: The proceeds from any and all asset sales (other than sales in the ordinary course of business) shall be applied in the following order: (i) to pay all claims secured by liens senior in priority to the DIP Liens (as defined below), (ii) to pay the fees and expenses of the DIP Lender, (iii) to pay interest with respect to the outstanding principal amount of the DIP Loans, (iv) to pay the principal amount of DIP Loans, (v) to pay the fees and expenses of the Pre-Petition Lender with respect to the Pre-Petition Loans, (vi) to pay interest with respect to the outstanding principal amount of the Senior Prepetition Loans, (vii) to pay the principal amount of the Senior Pre-Petition Loans, (viii) to pay any interest with respect to the outstanding principal amount of the Junior Prepetition Loan, (ix) to pay the principal amount of the Junior Pre-Petition Loans, and then, (x) to the Debtors' estates.

DIP Borrowing Requests All requests for DIP Loans shall be initiated by the Borrower sending an email borrowing request to the DIP Lender c/o Jennifer Belt at JBelt@sistersosf.org.. Provided, (a) as of the date of receipt of such

request, either the Initial Approved Budget or a replacement budget adopted with the written consent of the DIP Lender is in force, (b) the applicable request would not, if fully funded, cause the total of DIP Loans to exceed the amount authorized under the Interim DIP Order, if such request is received prior to entry of the Final DIP Order, or the amount authorized under the Final DIP Order, if the Final DIP Order has been entered, and (c) all conditions precedent to advances stated in subsections (i)-(v) and (viii) of the Conditions Precedent section, below, have been and remain satisfied, such request for advance shall be deemed approved by the DIP Lender unless, within three (3) business days of receipt of such request (the “**Approval Period**”), the DIP Lender advises the Debtors that the request has not been approved. Approved requests for advances shall be funded by the DIP Lender prior to the second (2nd) business day following expiration of the applicable Approval Period. In the event the DIP Lender does not approve all, or any portion of, a requested DIP Loan, the Debtors may, upon motion and notice to the DIP Lender, seek an order of the Bankruptcy Court compelling the DIP Lender to fund such DIP Loans, and the DIP Lender reserves all rights to oppose entry of such order. However, the DIP Lender shall fund any portion of a funding request meeting the requirements stated in subsection (a), (b) and (c) of this paragraph that is not disputed by DIP Lender.

DIP Collateral:

All the DIP Obligations, shall be:

(i) entitled to superpriority claim status in the Cases under Section 364(c)(1) of the Bankruptcy Code with priority over all administrative expense claims, secured claims and unsecured claims now existing or hereafter arising under the Bankruptcy Code, including, without limitation, (x) the pre-petition claims and adequate protection claims of the Pre-Petition Lender and (y) those specified in Bankruptcy Code Sections 105, 326, 328, 330, 331, 364(c), 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1114 or any other provision of the Bankruptcy Code or otherwise. The superpriority claims of the DIP Lender may be repaid from any cash of the Debtors, including without limitation, cash collateral and any proceeds from Avoidance Actions (as defined below); and

(ii) secured, pursuant to Section 364(c)(2) of the Bankruptcy Code, by a first priority, perfected security interest in and lien upon all of the each Debtor’s right, title and interest in property of such Debtor’s estate as of the Petition Date that, as of the Petition Date, was unencumbered encumbered by liens, that were valid, enforceable and nonavoidable (the “**Unencumbered Petition Date Debtor Collateral**”); and

(iii) secured, pursuant to Section 364(c)(3) of the Bankruptcy Code, by a valid, enforceable fully perfected security interest in and lien upon all of each Debtor’s rights, title and interest in property of such Debtor’s estate as of the Petition Date that, as of the Petition Date, was encumbered by liens, that were valid, enforceable and nonavoidable (collectively, “**Permitted Priority Liens**”) with priority (a) senior to the liens securing

the Pre-Petition Obligations, and (b) junior to all other Permitted Priority Liens (the “**Encumbered Petition Date Debtor Collateral**”);

(iv) secured by a valid, enforceable fully perfected first priority security interest in and lien upon all of each Debtor’s right, title and interest in property acquired on or after the Petition Date (including, without limitation, estate causes of action under Chapter 5 of the Bankruptcy Code, together with the proceeds thereof and property received thereby (the “**Avoidance Actions**”), whether now existing or hereafter acquired or arising (the “**Post-Petition Debtor Collateral**” and collectively with the Unencumbered Petition Date Debtor Collateral and the Encumbered Petition Date Debtor Collateral, the “**DIP Collateral**”),,).

For avoidance of doubt, pursuant to Section 364(d) of the Bankruptcy Code, the security interests and liens granted to the DIP Lender in DIP Collateral shall have priority over any and all liens and security interests securing the Pre-Petition Obligations. The liens granted to secure the DIP Facility are herein referred to as the “**DIP Liens**”).

The DIP Liens shall be deemed perfected without any further action by the DIP Lender, including the filing of mortgages, the filing of Uniform Commercial Code financing statements or the taking possession of any DIP Collateral.

**Conditions
Precedent**

Advances under the DIP Facility shall be subject to satisfaction or waiver by the DIP Lender of the following conditions precedent:

- (i) The Cases shall have been commenced in the Bankruptcy Court for the Northern District of Ohio (the “**Bankruptcy Court**”) and all of the “first day” motions and related pleadings shall have been reviewed in advance by the DIP Lender and filed and orders granting the following “first day” motions (a) Motion to Approve Payment of Employee Wages and Continuation of Severance Program, (b) Motion to Approve Utility Provider Adequate Protection, and (c) Motion to Maintain Insurance Policies, shall have been entered by the Bankruptcy Court, in each case, in form and substance reasonably satisfactory to the DIP Lender;
- (ii) There shall be in full force and effect an order allowing the Debtors to use cash collateral unless the Debtors and the DIP Lender shall have agreed that no party has an interest in either Debtor’s cash collateral.
- (iii) The DIP Lender shall have received (a) a cash forecast for the period from the Petition Date through the end of the thirteenth (13th) full week following the Petition Date setting forth projected cash flows and disbursements, to be in form, scope and substance acceptable to the DIP Lender (the “**Initial Approved Budget**”), which shall be the Budget unless and

until replaced by another budget approved in writing by the DIP Lender;

- (iv) As to DIP Loans up to the Interim Advance Cap, an interim debtor-in-possession financing order (the “**Interim DIP Order**”), in form and substance acceptable to the DIP Lender, incorporating the terms hereof and containing such other provisions as the DIP Lender may require, shall have been entered by the Bankruptcy Court (upon motion in form and substance reasonably satisfactory to the DIP Lender) by not later than seven (7) Business Days after the Petition Date (as such period may be extended by mutual written agreement of the DIP Lender and the Debtors) and the Interim DIP Order shall not have been reversed, stayed, modified, amended, vacated or appealed without the prior written consent of the DIP Lender.
- (v) As to DIP Loans in excess of the Interim Advance Cap, a final debtor-in-possession financing order (the “**Final DIP Order**” and, together with the Interim DIP Order, collectively, the “**DIP Orders**”) in form and substance acceptable to the DIP Lender, incorporating the terms hereof and containing such other provisions as the DIP Lender may require, shall have been entered no later than sixty (60) days after the Petition Date (as such period may be extended by mutual written agreement of the DIP Lender and the Debtors) which has not been reversed, stayed, modified, amended, vacated or appealed;
- (vi) The Debtors shall be in compliance in all respects with the DIP Orders;
- (vii) all material Debtor consents and approvals necessary in connection with the DIP Facility, the financing thereunder and the related transactions shall have been obtained;
- (viii) no Default (as defined below) or Event of Default shall exist;
- (ix) all Debtor representations and warranties contained herein, shall be true and correct in all material respects;
- (x) the DIP Lender shall have received such other information and/or deliverables as the DIP Lender may reasonably require.

Carve Out:

The liens on and security interests in the DIP Collateral and the super-priority administrative expense claims shall be subordinate to the “**Carve Out**.” For purposes hereof, the “Carve Out” means: (i) all unpaid fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code, (ii) after the occurrence and during the continuance of an Event of Default (as defined below) and following delivery by the DIP

Lender to the professionals retained by the Debtors and the Committee of a written notice (the “**Carve Out Trigger Notice**”), all allowed and unpaid professional fees and out-of-pocket disbursements incurred by the Debtors and one statutory committee appointed in the Cases (the “**Committee**”) on and after delivery of the Carve Out Trigger Notice, that remain unpaid subsequent to the payment, pro rata with other nonpriority administrative creditors, of such fees and expenses from available funds remaining in either Debtor’s estate for such creditors, in an aggregate amount not exceeding \$50,000, and (iii) all allowed and unpaid professional fees and disbursements (regardless of when such fees and disbursements become allowed by order of the Court) incurred or accrued by the Debtors and the Committee at any time prior to the delivery of a Carve Out Trigger Notice in an aggregate amount not exceeding the budgeted amounts for such unpaid professional fees and disbursements as reflected in the Budget, in each of the foregoing clauses (ii) and (iii), to the extent allowed by the Court; provided, however, that nothing herein shall be construed to impair the ability of any party to object to any of the fees, expenses, reimbursement or compensation described in clauses (ii) and (iii), and provided further that payment of the Carve-Out shall not reduce the amounts payable to the DIP Lender under the DIP Documents and to the Pre-Petition Lender under the Pre-Petition Loans.

**Adequate
Protection:**

As more fully set forth in the Interim DIP Order and Final DIP Order, the Pre-Petition Lender shall be granted adequate protection in an amount equal to the diminution in value of the Debtors’ property securing the Pre-Petition Obligations (the “**Pre-Petition Collateral**”) in the form of super-priority claims and replacement liens on all DIP Collateral which replacement liens shall be equal in priority to the DIP Liens.

**Representations and
Warranties:**

Debtors hereby represents and warrants that:

1. Each is duly organized, validly existing, in good standing and qualified to do business in the state of its organization.
2. Each Debtor has full power and authority, subject to any necessary approvals of the Bankruptcy Court, to operate its business, to liquidate its property, to execute, deliver and perform this Term Sheet and associated documents and to incur obligations under this Term Sheet, the Interim DIP Order and the Final DIP Order.

**Affirmative
Covenants:**

1. Each Debtor covenants and agrees with the DIP Lender that, unless the DIP Lender otherwise consents in writing, so long as any amount remains outstanding under the DIP Facility or the Pre-Petition Loans, it shall use the advances made under the DIP Facility only for the purposes identified in the Budget and, in no event, whether such amounts remain outstanding or not, shall either Debtor use such funds to commence any action

against the DIP Lender, the Pre-Petition Lender or their affiliates, employees, directors, officers or principals.

2. As more fully set forth in the Interim DIP Order and Final DIP Order, each Debtor further covenants and agrees that neither the DIP Obligations nor the Pre-Petition Obligations shall be subject to setoff or recoupment or any such rights under Bankruptcy Code section 553 or otherwise with respect to any claim either Debtor may have against the DIP Lender or the Pre-Petition Lender.
3. Each Debtor further covenants and agrees that it shall:
 - (a) deliver to the DIP Lender (i) certifications upon submission of each borrowing request with respect to compliance with the Budget and any other information reasonably requested by the DIP Lender, (ii) every two (2) weeks (commencing after the first two weeks of the Cases) and no later than the fourth (4th) business day of each such week (the “**Reporting Date**”), the Variance Report, (iii) every two (2) weeks a revised rolling-13 week cash flow projection no later than the fourth (4th) business day of each such week provided, however, such revised projection shall not be a Budget unless approved in writing by the DIP Lender, (iv) as soon as possible and in any event within three (3) business days after an officer or trustee of either Debtor obtains actual knowledge, or after due inquiry, would have obtained such knowledge by acting in good faith and in a prudent manner in the performance of his or her duties, of the occurrence of any condition, occurrence or event which, after notice or lapse of time or both, would constitute an Event of Default (a “**Default**”), a statement of an officer or director of such Debtor setting forth details of such Default and the action which such Debtor has taken and proposes to take with respect thereto, and (v) as soon as possible and in any event within three (3) business days after an officer or trustee of either Debtor obtains actual knowledge, or after due inquiry, would have obtained such knowledge by acting in good faith and in a prudent manner in the performance of his or her duties, of the occurrence of any material adverse development with respect to any loss, damage, investigation, claim, litigation, action, proceeding or controversy involving such Debtor, notice thereof and as soon as practicable thereafter, to the extent the DIP Lender requests, copies of all documentation relating thereto;

- (b) permit the DIP Lender and its representatives and designees to visit and inspect the properties, books and records of such Debtor upon reasonable notice at the Debtors' expense;
- (c) subject to the Budget, pay all taxes, assessments, contributions and other governmental charges imposed upon such Debtor or any of its properties or assets as they become due and payable, to the extent payment and/or enforcement thereof is not stayed as a result of the Cases;
- (d) maintain in good working order all material properties owned by such Debtor, as and to the extent in good working order as of the Petition Date;
- (e) maintain insurance with respect to the business and property of such Debtor against loss of the kind and in the amounts maintained by such Debtor as of the Petition Date;
- (f) comply in all material respects with the requirements of all applicable laws;
- (g) promptly upon request execute and deliver such documents and do such other acts as the DIP Lender may reasonably request in connection with the DIP Facility, (including but not limited to execution of any additional security documents that may be required by the DIP Lender to secure the DIP Liens);
- (h) maintain compliance with the Budget (subject to any Permitted Variance) and all other provisions of the DIP Documents;
- (i) perform all obligations of the Debtors under the DIP Facility, the other DIP Documents and the Interim DIP Order and the Final DIP Order, as applicable; and
- (j) at all times prior to the Maturity Date, maintain the ownership structure of the Debtors.

Negative Covenants:

Eash Debtor hereby covenants and agrees that it shall not:

- (a) except to the extent existing as of the Petition Date, incur any liens other than liens permitted in writing by the DIP Lender;
- (b) except to the extent existing as of the Petition Date, make any investments in any person or make any loan to any

person (other than as permitted in writing by the DIP Lender);

- (c) engage in any business other than the business engaged in by such Debtor on the Petition Date except with the written consent of the DIP Lender;
- (d) acquire assets, merge, consolidate or dissolve without the consent of the DIP Lender/Pre-Petition Lender;
- (e) terminate or agree to any modification to any organizational documents of such Debtor except with the written consent of the DIP Lender;
- (f) engage in any transactions with insiders without the consent of the DIP Lender and the Pre-Petition Lender except for (i) payments of compensation and benefits incurred in the ordinary course of business, provided for in the Budget, and (ii) payments permitted under a court approved employee incentive program, a court approved employee retention program and/or a court approved severance program provided for in the Budget;
- (g) use proceeds of the DIP Collateral or Pre-Petition Collateral to, investigate or challenge the validity, perfection, priority, extent, or enforceability of Pre-Petition Liens except for such use to fund the Committee Investigation in an amount not to exceed the Committee Investigation Budget;
- (h) amend the Interim DIP Order, the Final DIP Order or the Budget without the DIP Lender/Pre-Petition Lender's consent;
- (i) agree to entry of any order precluding or modifying the DIP Lender's or the Pre-Petition Lender's rights to "credit bid" for such Debtor's assets;
- (j) other than the Carve-Out as permitted by this Term Sheet, consent to the granting of adequate protection payments or liens, super-priority administrative expense claims or liens having priority senior or pari passu with those granted to the DIP Lender or Pre-Petition Lender.

Events of Default: "**Events of Default**" shall include the occurrence of any of the following:

1. The failure by either Debtor to perform or comply with any term, condition, covenant or obligation (including a payment obligation) contained in this Term Sheet, the DIP Facility, the other DIP Documents, the Interim DIP Order or Final DIP Order.

2. The cessation of the DIP Facility to be in full force and effect or the DIP Facility being declared by the Bankruptcy Court to be null and void or the validity or enforceability of the DIP Facility being contested by either Debtor or either Debtor denies in writing that it has any further liability or obligation under the DIP Facility or the DIP Lender ceasing to have the benefit of the DIP Liens.
3. Except as permitted in the Interim DIP Order or Final DIP Order, the entry of any order of the Bankruptcy Court granting to any third party a claim or lien pari passu with or senior to that granted to the DIP Lender hereunder.
4. Until the DIP Obligations are repaid in full, either Debtor shall make any payment of principal or interest or otherwise on account of any indebtedness or payables other than the DIP Obligations or other than in accordance with the Budget approved by the DIP Lender, subject to the Permitted Variance.
5. The Debtors fail to make any payments due under the Interim DIP Order or Final DIP Order within three (3) business days of when due.
6. The entry of an order converting either Case to a case under chapter 7 of the Bankruptcy Code, or either Debtor filing a motion seeking such relief or not opposing a motion seeking such relief within ten (10) days of filing of such motion.
7. The entry of an order dismissing either Case, or either Debtor filing a motion seeking such relief or not opposing a motion seeking such relief within ten (10) days of filing of such motion.
8. The entry of any order in either Case or any successor case, which order constitutes the stay, modification, appeal or reversal of the Interim DIP Order or Final DIP Order or which otherwise affects the effectiveness of the Interim DIP Order or Final DIP Order.
9. The entry of an order in either Case appointing any examiner having expanded powers or a trustee to operate all or any part of either Debtor's business.
10. The entry of an order in either Case granting relief from the automatic stay so as to allow a third party or third parties to proceed against any material property, including the DIP Collateral, of either Debtor or to commence or continue any prepetition litigation against either Debtor involving potential liability not covered by insurance, in excess of \$50,000 in the aggregate.
11. Any judgment or order as to postpetition liability or debt for the payment of money in excess of \$150,000 shall be rendered against

either Debtor individually or in the aggregate, and the enforcement thereof shall not have been stayed.

12. Any non-monetary, judgment or order with respect to a postpetition event shall be rendered against either Debtor which does or would reasonably be expected to (i) cause a material adverse change in the financial condition, business, prospects, operations or assets of either Debtor or (ii) have a material adverse effect on the rights and remedies of the DIP Lender hereunder, and there shall be a period of ten (10) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect.
13. The Interim DIP Order or Final DIP Order being amended or modified without the consent of the DIP Lender.

Upon the occurrence and during the continuance of any Event of Default, the DIP Lender may:

- (1) declare the principal of and accrued interest on the outstanding borrowings, and any other DIP Obligations, to be immediately due and payable and
- (2) terminate, as applicable, any further commitments under the DIP Facility; and
- (3) charge the Default Interest Rate.

Section 506(c)
Waiver:

The Final DIP Order shall include a ruling that no expenses of administration of the Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from any DIP Collateral or Pre-Petition Collateral pursuant to Section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Lender and the Pre-Petition Lender, and no such consent shall be implied from any other action, inaction, or acquiescence by the DIP Lender or the Pre-Petition Lender.

Section 552(b):

Upon entry of the Final DIP Order, the Pre-Petition Lender shall be entitled to all of the rights and benefits of Section 552(b) of the Bankruptcy Code and neither Debtor nor any other party shall be entitled to an “equities of the case” exception to such rights and benefits.

Reservation of Rights:

Nothing herein or in the DIP Orders shall be deemed to waive, modify or otherwise impair the rights of the Pre-Petition Lender, and the Pre-Petition Lender expressly reserves all of its rights and remedies under the Pre-Petition Loan Documents and applicable law in connection with all defaults and “Events of Default” thereunder. Without limiting the foregoing, nothing herein shall have the effect of, or shall be construed as having the effect of, amending or waiving any covenant, term or provision of any Pre-Petition Loan Document, or any rights or remedies of the Pre-Petition Lender thereunder, including (without limitation) any right to require strict compliance with such covenant, term or provision despite any consent or agreement contained herein.

Challenge Period:

The DIP Orders shall establish a deadline that (i) in the case of a Committee, is the earlier of (a) sixty (60) days after the appointment of the Committee or (b) seventy-five (75) days after the Petition Date, and (ii) in the case of a creditor or other party in interest (other than a Committee), is sixty (60) days after the Petition Date, by which the Committee, creditor or party-in-interest is required to commence an adversary proceeding or contested matter (as applicable) against the Pre-Petition Lender for the purpose of challenging the validity, extent, priority, perfection and enforceability of the pre-petition secured debt under the Pre-Petition Loans, or the liens, claims and security interests in the collateral in favor of the Pre-Petition Lender on behalf of either Debtor’s estate. If such an adversary proceeding is not commenced within such period, then the Pre-Petition Lender shall automatically receive full releases from claims related to the Pre-Petition Loans, and the liens of the Pre-Petition Lender shall be valid, perfected, enforceable and unavoidable without any further action by the Pre-Petition Lender under the terms of the Final DIP Order. The deadlines for commencing such adversary proceeding shall be tolled by the filing of a motion seeking standing to commence such action with a copy of the proposed adversary complaint attached until the fifth (5th) day following disposition of such standing motion by the Bankruptcy Court.

Releases:

The Interim DIP Order shall contain and approve the admissions, stipulations, and agreements of the Debtors on behalf of and for themselves, with regard to, inter alia, the Pre-Petition Obligations, the Pre-Petition Loans and the liens securing the Pre-Petition Loans.

Upon the entry of the Final DIP Order, in consideration of (i) the DIP Lender’s agreement to the making of postpetition loans, advances and providing other credit and financial accommodations to either Debtor pursuant to the DIP Documents, and (ii) the Pre-Petition Lender’s agreement to the priming of the liens securing the Pre-Petition Loans by the DIP Liens, each Debtor, on behalf of and for itself (each a “**Releasor**”), shall forever release, discharge and acquit the DIP Lender and the Pre-Petition Lender and their respective participants, employees, officers, directors, principals, agents, attorneys and predecessors-in-interest (collectively, the “**Releasees**”) of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, of every kind, nature and description,

including, without limitation, any so-called “lender liability” claims or defenses, that such Releasor had, has or hereafter can or may have against Releasees as of the date hereof, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, in respect of the DIP Loans and the Pre-Petition Loans except to the extent arising from the Releasee’s gross negligence, willful misconduct or actual fraud as determined by a final non-appealable judgment of a court of competent jurisdiction.. Notwithstanding anything to the contrary herein, the Debtors’ releases (a) do not extend to the DIP Lender’s obligations to make the advances and otherwise comply with the terms of this Term Sheet, the Interim DIP Order and Final DIP Order, and (b) do not preclude the Committee or any other party from challenging the extent, validity and/or perfection of the liens and claims asserted by the Pre-Petition Lender subject to the requirements set forth above.

Indemnification:

Debtor shall agree to indemnify and hold harmless the DIP Lender and each of its affiliates and shareholders, members, partners or other stakeholders and each of the foregoing’s respective officers, directors, employees, agents, advisors and representatives (each, an “**Indemnified Party**”) from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel), that may be incurred by or asserted or awarded against any Indemnified Party (including, without limitation, in connection with any investigation, litigation or proceeding or the preparation of a defense in connection therewith), arising out of or in connection with or by reason of the transactions contemplated hereby, except to the extent arising from an Indemnified Party’s gross negligence, willful misconduct or actual fraud as determined by a final non-appealable judgment of a court of competent jurisdiction. In the case of an investigation, litigation or other proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by either Debtor, any of their respective directors, security holders or creditors, an Indemnified Party or any other person or an Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated.

Governing Law:

The laws of the State of Ohio (excluding the laws applicable to conflicts or choice of law), except as governed by the Bankruptcy Code.

Miscellaneous:

This Term Sheet sets forth all of the conditions, covenants, representations, warranties, events of default and other provisions related to the matters set forth herein. Subject to entry of the DIP Orders, this Term Sheet shall be binding on the Debtors, the DIP Lender and the Pre-Petition Lender. This Term Sheet may not be amended or modified other than by writing executed by the party against whom enforcement is sought.

IN WITNESS WHEREOF and intending to be legally bound hereby, the undersigned, by and through its duly authorized officer, agent or other signatory, has executed this Term Sheet on this, the date first set forth above.

LOURDES UNIVERSITY

By: Jonnie Hodges
Name: Jonnie Hodges
Title: Chair, Board of Trustees

LOURDES PROPERTIES LLC

By: Lourdes University, Sole Member

By: Jonnie Hodges
Name: Jonnie Hodges
Title: Chair, Board of Trustees

SISTERS OF ST. FRANCIS OF SYLVANIA, OHIO, as DIP Lender and Pre-Petition Lender

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF and intending to be legally bound hereby, the undersigned, by and through its duly authorized officer, agent or other signatory, has executed this Term Sheet on this, the date first set forth above.

LOURDES UNIVERSITY

By: _____
Name: _____
Title: _____

LOURDES PROPERTIES LLC

By: **Lourdes University, Sole Member**

By: _____
Name: _____
Title: _____

SISTERS OF ST. FRANCIS OF SYLVANIA, OHIO, as DIP Lender and Pre-Petition Lender

By: 
Name: Sister Sharon Derivan
Title: Congregational Minister

EXHIBIT 2
BUDGET

Post Petition Cash Flow- Monthly

August 10, 2026 through December 31, 2026

DRAFT FOR DISCUSSION PURPOSES ONLY - CONFIDENTIAL AND PRIVILEGED

Note: The Total¹ includes payments made from date of filing through projections ended 12.31.26

Category	Post Filing 8.10.26					
	8.10.26 to 8.31.26	September	October	November	December	Total ¹
Beginning Cash Balance	\$ 123,325	\$ (401,469)	\$ (1,410,988)	\$ (2,340,073)	\$ (2,660,445)	\$ 123,325
Cash Receipts						
Net Tuition, Fees & Other						
Student Tuition Receivable	\$ 5,000	\$ 7,500				\$ 12,500
Wickford rent(LP)		\$ 21,330	\$ 21,330	\$ 21,330	\$ 21,330	\$ 85,320
Upward Bound Grant						\$ -
Total Cash Receipts	\$ 5,000	\$ 28,830	\$ 21,330	\$ 21,330	\$ 21,330	\$ 97,820
Cash Available	\$ 128,325	\$ (372,639)	\$ (1,389,658)	\$ (2,318,743)	\$ (2,639,115)	\$ 221,145
Operating expenses						
Payroll & related						
Gross Payroll and ER taxes and 403B and HRA	\$ (251,997)	\$ (43,112)	\$ (105,453)	\$ (33,209)	\$ (33,209)	\$ (466,980)
Severance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health Insurance	\$ -	\$ (71,830)	\$ (13,974)	\$ (8,167)	\$ (8,167)	\$ (102,137)
Unemployment Insurance -Ohio Dept of Job and Family Services	\$ -	\$ -	\$ (30,000)	\$ -	\$ -	\$ (30,000)
	\$ (251,997)	\$ (114,942)	\$ (149,427)	\$ (41,376)	\$ (41,376)	\$ (599,117)
Retained Legal and Professional						
Cullen and Dykman	\$ (130,000)	\$ (200,000)	\$ (125,000)	\$ (75,000)	\$ (75,000)	\$ (605,000)
Hillyer Group	\$ (113,665)	\$ (148,225)	\$ (119,790)	\$ (109,410)	\$ (75,250)	\$ (566,340)
Marshall Methorn	\$ (25,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (25,000)	\$ (200,000)
	\$ (268,665)	\$ (398,225)	\$ (294,790)	\$ (234,410)	\$ (175,250)	\$ (1,371,340)
Insurance Costs						
Hylant	\$ -		\$ (34,504)			\$ (34,504)
Executive Risk & Miscellaneous coverages - Reimbursement of allocable portion of shared insurance to SOSF		\$ -			\$ (113,428)	\$ (113,428)
Insurance Premium Commissions - Reimbursement of allocable portion of shared insurance to SOSF		\$ (11,250)			\$ (11,250)	\$ (22,500)
Tail Insurance	\$ -	\$ -	\$ (218,780)	\$ -	\$ -	\$ (218,780)
	\$ -	\$ (11,250)	\$ (253,284)	\$ -	\$ (124,678)	\$ (389,212)
Overhead costs						
Anthology	\$ -	\$ (50,948)	\$ -	\$ -	\$ -	\$ (50,948)
Dynamic Campus Solutions	\$ -	\$ (271,000)	\$ -	\$ -	\$ -	\$ (271,000)
Other IT	\$ -	\$ (10,000)	\$ (10,000)	\$ (7,500)	\$ (5,000)	\$ (32,500)
Pcard	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paylocity	\$ -	\$ (2,500)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (8,500)
One -Time Waste removal - Nursing Lab	\$ -	\$ (40,000)	\$ -	\$ -	\$ -	\$ (40,000)
Contingency	\$ -	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (40,000)
	\$ -	\$ (384,448)	\$ (22,000)	\$ (19,500)	\$ (17,000)	\$ (442,948)
Utilities						
Utilities						
Toledo Edison Company (Adequate Assurance of Payment)	\$ (9,132)	\$ -	\$ -	\$ -	\$ -	\$ (9,132)
Other Utilities deposit		\$ (21,285)				\$ (21,285)
Utilities	\$ -	\$ (42,570)	\$ (42,570)	\$ (42,570)	\$ (62,570)	\$ (190,280)
	\$ (9,132)	\$ (63,855)	\$ (42,570)	\$ (42,570)	\$ (62,570)	\$ (220,697)
Legal and Professional in ordinary costs						
College Aid Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Forvis	\$ -	\$ (27,000)	\$ (27,000)	\$ -	\$ -	\$ (54,000)
College Aid Services	\$ -	\$ (8,000)	\$ (8,000)	\$ -	\$ -	\$ (16,000)
Geri A. Gregor, CPA PLLC	\$ -	\$ (3,706)	\$ -	\$ -	\$ -	\$ (3,706)
Higher Ed Consolidation Solutions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DIP Lender Attorney Fees	\$ -	\$ (26,923)	\$ (19,231)	\$ (3,846)	\$ -	\$ (50,000)
Appraisal fees	\$ -	\$ -	\$ (120,000)	\$ -	\$ -	\$ (120,000)
	\$ -	\$ (65,629)	\$ (174,231)	\$ (3,846)	\$ -	\$ (243,706)
Total Operating Disbursements	\$ (529,794)	\$ (1,038,349)	\$ (936,302)	\$ (341,702)	\$ (420,874)	\$ (3,267,020)
US Trustee fees	\$ -	\$ -	\$ (14,113)	\$ -	\$ (15,290)	\$ (29,403)
Cash Balance before Sale of Property and debt payoff	\$ (401,469)	\$ (1,410,988)	\$ (2,340,073)	\$ (2,660,445)	\$ (3,075,279)	\$ (3,075,279)
Net Cash	\$ (401,469)	\$ (1,410,988)	\$ (2,340,073)	\$ (2,660,445)	\$ (3,075,279)	\$ (3,075,279)
DIP Financing Interest						
Ending Cash Balance	\$ (401,469)	\$ (1,410,988)	\$ (2,340,073)	\$ (2,660,445)	\$ (3,075,279)	\$ (3,075,279)

Post Petition - 13 week Cash Flow Forecast

Week ended 9/5/26 through 11/28/26

DRAFT FOR DISCUSSION PURPOSES ONLY - CONFIDENTIAL AND PRIVATE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Category	9/5/26	9/12/26	9/19/26	9/26/26	10/3/26	10/10/26	10/17/26	10/24/26	10/31/26	11/7/26	11/14/26	11/21/26	11/28/26
Beginning Cash Balance	\$ (401,469)	\$ (451,969)	\$ (608,831)	\$ (835,460)	\$ (1,410,988)	\$ (1,476,744)	\$ (1,476,744)	\$ (1,716,649)	\$ (1,795,333)	\$ (2,340,073)	\$ (2,326,910)	\$ (2,343,515)	\$ (2,343,515)
Cash Receipts													
Student Tuition Receivable	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wickford Rent(LP)	\$ 21,330	\$ -	\$ -	\$ -	\$ 21,330	\$ -	\$ -	\$ -	\$ -	\$ 21,330	\$ -	\$ -	\$ -
Upward Bound Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Receipts	\$ 21,330	\$ 7,500	\$ -	\$ -	\$ 21,330	\$ -	\$ -	\$ -	\$ -	\$ 21,330	\$ -	\$ -	\$ -
Cash Available	\$ (380,139)	\$ (444,469)	\$ (608,831)	\$ (835,460)	\$ (1,389,658)	\$ (1,476,744)	\$ (1,476,744)	\$ (1,716,649)	\$ (1,795,333)	\$ (2,318,743)	\$ (2,326,910)	\$ (2,343,515)	\$ (2,343,515)
Operating Disbursements													
Adequate protection - Pymts Signature/BNY Mellon	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll and Related Expenses	\$ -	\$ (43,112)	\$ -	\$ -	\$ (43,112)	\$ -	\$ (31,171)	\$ -	\$ (31,171)	\$ (16,605)	\$ (16,605)	\$ (16,605)	\$ (181,774)
Health Insurance	\$ (71,830)	\$ -	\$ -	\$ -	\$ (13,974)	\$ -	\$ -	\$ -	\$ -	\$ (8,167)	\$ -	\$ -	\$ (93,971)
Unemployment Insurance	\$ -	\$ -	\$ -	\$ -	\$ (30,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,000)
Retained Legal and Professional Fees	\$ -	\$ -	\$ -	\$ (398,225)	\$ -	\$ -	\$ -	\$ -	\$ (294,790)	\$ -	\$ -	\$ -	\$ (927,425)
Insurance Costs	\$ -	\$ (11,250)	\$ -	\$ -	\$ -	\$ -	\$ (34,504)	\$ -	\$ (218,780)	\$ -	\$ -	\$ -	\$ (264,534)
Overhead costs	\$ -	\$ -	\$ -	\$ (103,448)	\$ -	\$ -	\$ -	\$ (12,000)	\$ -	\$ -	\$ -	\$ -	\$ (124,948)
Dynamic Campus Solutions	\$ -	\$ (110,000)	\$ (161,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (271,000)
Toledo Edison Company (Adequate Assurance of Payment)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	\$ -	\$ -	\$ -	\$ (63,855)	\$ -	\$ -	\$ -	\$ (42,570)	\$ -	\$ -	\$ -	\$ -	\$ (148,995)
Professional fees in ordinary course	\$ -	\$ -	\$ (65,629)	\$ -	\$ -	\$ -	\$ (174,231)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (243,706)
Contingency	\$ -	\$ -	\$ -	\$ (10,000)	\$ -	\$ -	\$ -	\$ (10,000)	\$ -	\$ -	\$ -	\$ -	\$ (30,000)
Total Operating Disbursements	\$ (71,830)	\$ (164,362)	\$ (226,629)	\$ (575,528)	\$ (87,066)	\$ -	\$ (239,906)	\$ (64,570)	\$ (544,741)	\$ (8,167)	\$ (16,605)	\$ (316,931)	\$ (2,316,353)
US Trustee fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (14,113)	\$ -	\$ -	\$ -	\$ -	\$ (14,113)
Cash Balance before Sale of Property and debt payoff	\$ (451,969)	\$ (608,831)	\$ (835,460)	\$ (1,410,988)	\$ (1,476,744)	\$ (1,476,744)	\$ (1,716,649)	\$ (1,795,333)	\$ (2,340,073)	\$ (2,326,910)	\$ (2,343,515)	\$ (2,343,515)	\$ (2,660,445)
Ending Cash Balance	\$ (451,969)	\$ (608,831)	\$ (835,460)	\$ (1,410,988)	\$ (1,476,744)	\$ (1,476,744)	\$ (1,716,649)	\$ (1,795,333)	\$ (2,340,073)	\$ (2,326,910)	\$ (2,343,515)	\$ (2,343,515)	\$ (2,660,445)

SCHEDULE 1

MORTGAGED REAL PROPERTY OF LOURDES UNIVERSITY

<u>Parcel ID#</u>	<u>Assessor #</u>	<u>Parcel Address</u>
8202674	45021063	6737 Convent Blvd, Sylvania, Ohio
8202694	45021073	6725 Convent Blvd. Sylvania, Ohio
8209494	45021025	6676 Brint Rd Sylvania, Ohio

SCHEDULE 2

MORTGAGED REAL PROPERTY OF LOURDES PROPERTIES LLC

<u>Parcel ID#</u>	<u>Assessor #</u>	<u>Parcel Address</u>
8202691	45021066	6721 Convent Blvd Sylvania, Ohio
8202693	45021074	6721 Convent Blvd Sylvania, Ohio
8202701	45021071	6731 Convent Blvd Sylvania, Ohio
8202704	45021060	6675 Convent Blvd Sylvania, Ohio
8202705	45021084	6666 High St Sylvania, Ohio
8204104	45021061	5161 Allen St -Rear Sylvania, Ohio
8206762	45020017	6632 Brint Rd Sylvania, Ohio
8206763	45020031	6628 Brint Rd Sylvania, Ohio
8209507	45021023	5059 N McCord Sylvania, Ohio
8209601	45021010	6648 High St Sylvania, Ohio