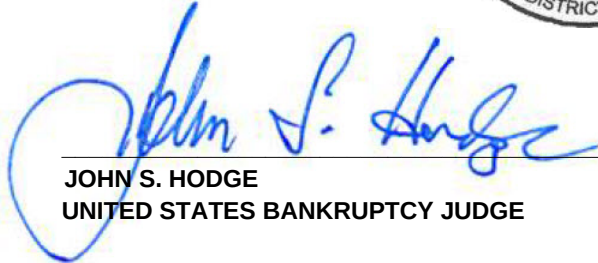


SO ORDERED.

DONE and SIGNED January 21, 2026.




JOHN S. HODGE
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
MONROE DIVISION

IN RE:

DIOCESE OF ALEXANDRIA

CASE NO. 25-31257

DEBTOR¹

CHAPTER 11

**FINAL ORDER AUTHORIZING POSTPETITION
USE OF CASH COLLATERAL AND GRANTING ADEQUATE
PROTECTION TO SOUTHERN HERITAGE BANK**

Considering the *Debtor's Expedited Motion for Interim and Final Orders Authorizing Postpetition Use of Cash Collateral and Granting Adequate Protection to Southern Heritage Bank* [Dkt. No. 127] (the "Motion")² filed by the Diocese of Alexandria, as debtor and debtor in possession (the "Debtor"); and the Court having conducted a final hearing on the Motion (the "Final Hearing"); and it appearing that notice of the Motion and Final Hearing was good and sufficient under the circumstances; and an order granting the relief requested in the Motion on an

¹ The Debtor's address is 4400 Coliseum Blvd, Alexandria, LA 71303. The last four digits of the Debtor's taxpayer identification number are 1102.

² Capitalized terms used in this Final Order shall have the meanings ascribed to them in the Motion.

interim basis having been entered on December 10, 2025; and the Court having reviewed the motion and the record in this Chapter 11 Case and determined that granting the relief requested in the Motion on a final basis is in the best interests of the Debtor, its estate, its creditors, and all parties in interest; and after due deliberation and for good cause shown;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. Petition Date. On October 31, 2025 (the “Petition Date”), the Debtor commenced its case (“Chapter 11 Case”) by filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code;

B. Debtor-in-Possession. The Debtor continues to operate its business and manage its properties as debtor and debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, and no trustee or examiner has been appointed;

C. Notice. In light of the circumstances, the Debtor gave due and sufficient notice of the Motion and Final Hearing pursuant to the Bankruptcy Rules;

D. Jurisdiction and Venue. This Court has core jurisdiction over the Debtor’s Chapter 11 Case, the Motion, and the parties and property affected by this Final Order pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409;

E. Statutory Committee Formation. The U.S. Trustee appointed a Committee on November 21, 2025.

F. Debtor’s Stipulations. The Debtor has admitted, represented and stipulated, without prejudice to the rights of third parties or the Committee as set forth in this Final Order, the following (collectively, the “Stipulations”):

- i. *Pre-Petition Loan Documents and Obligations*. As of the Petition Date, Debtor was a party to that certain Promissory Note dated April 15, 2025 (as amended,

restated, supplemented, or modified, the “Promissory Note”) payable to SHB in the original principal amount of \$1,650,000. On the same date, the Debtor also executed and delivered to SHB a Security Agreement (the “Security Agreement”, together with the Promissory Note, the “Loan Documents”). Pursuant to the Security Agreement, the Debtor granted SHB a security interest in CD and any interest accrued thereon, with a face amount of \$1,850,000, issued by SHB on April 11, 2025 (the “Cash Collateral”). The Debtor earns interest on the CD, which is automatically deposited into its Money Market Account at SHB, account number ending 2033.

G. The Stipulations are and shall be binding upon the Debtor and any of the Debtor’s successors including, without limitation, any chapter 11 trustee, responsible person, examiner, or other estate representative. The Stipulations shall also be binding on each other party-in-interest in this Chapter 11 Case and all of its successors-in-interest and assigns, including without limitation, the Committee.

H. Cash Collateral. Cash Collateral shall mean: (i) the Certificate of Deposit (the “CD”) issued on April 11, 2025, with a face amount of \$1,850,000, held in account number ending in 0411; and (ii) any interest accrued on the CD and deposited into the Money Market Account held at Southern Heritage Bank (“SHB” or “Lender”), account number ending 2033.

I. Good Cause and Business Justification. The Debtor has demonstrated good cause for entry of this Final Order. The Debtor has an immediate need to utilize the Cash Collateral, particularly the interest payments generated by the CD, to satisfy post-petition interest accruing on its primary secured debt. The Debtor’s ability to apply these interest payments to its secured debt

obligations, and, if necessary, to fund essential operations, is critical to preserving the value of the estate and maximizing the likelihood of a successful reorganization.

J. Fair and Reasonable Terms. Based on the Motion and the record presented to the Court at the Final Hearing, the terms of the use of the Cash Collateral herein are fair and reasonable and reflect the Debtor's exercise of prudent business judgment consistent with its fiduciary duties.

K. Immediate and Irreparable Harm. Good and sufficient cause has been shown for immediate entry of this Final Order pursuant to Bankruptcy Rule 4001(b)(2). Absent granting the relief set forth in this Final Order, the Debtor and its estate will be immediately and irreparably harmed. Authorizing of the use of the Cash Collateral in accordance with this Final Order is therefore in the best interest of the Debtor's estate.

Based upon the foregoing, and after due consideration and good cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtor is hereby authorized, pursuant to section 363 of the Bankruptcy Code, to use the Cash Collateral, specifically the interest payments accrued on the CD, for the purpose of satisfying accruing interest owed to SHB on the unpaid principal balance under the Loan Documents.
3. To the extent that adequate protection payments to SHB are not impaired, the Debtor is authorized to utilize any remaining interest payments from the CD to address necessary operational expenses as they arise during the Chapter 11 Case.
4. Subject to the terms of this Final Order, Debtor is hereby authorized to use Cash Collateral from the date hereof through the earliest of: (i) the effective date of a confirmed plan of reorganization in the chapter 11 case, (ii) the dismissal of the chapter 11 case, (iii) any material

provision of the Final Order having ceased to be valid or binding for any reason, (iv) the Debtor having attempted to modify the Final Order without the prior written consent of SHB, and (v) five (5) business days following receipt by the Debtor of a notice (a “Notice of Default”) from SHB of Debtor’s breach of (a) any term of the Final Order or (b) any covenant in the Loan Documents relating to the servicing, preservation or maintenance of the Cash Collateral so long as SHB does not take any action in violation of the Final Order that would prevent Debtor from satisfying such covenant or undertaking; provided, however, Debtor shall have the opportunity to cure any alleged breach or default within the five (5) business days following receipt of a Notice of Default from the SHB and, if such breach or default is cured by Debtor, Debtor’s ability to use the Cash Collateral shall not terminate. Further, the Debtor reserves the right to seek authority from this Court for Debtor to use cash collateral on a nonconsensual basis, and SHB reserves the right to object to, contest, or otherwise respond to any such request.

5. SHB is entitled, pursuant to sections 361, 362(d) and 363(e) of the Bankruptcy Code, to adequate protection of its respective interest in Debtor’s property and is granted:

- a. a continuing security interest in, and lien on, all collateral of the Debtor of the same type and nature, and with the same validity, enforceability, and priority as existed as of the Petition Date, including the CD and any interest therefrom; and
- b. regular interest payments on the unpaid principal balance under the Loan Documents at a rate of 6.00%, on a schedule consistent with the pre-petition payment frequency. The Debtor shall utilize Cash Collateral to satisfy these adequate protection payments.

6. The provisions of this Final Order, including all findings herein, shall be binding upon all parties in interest in this Chapter 11 Case including, without limitation, SHB, the Committee, and the Debtor, and their respective successors and assigns and shall inure to the benefit of SHB and the Debtor, and their respective successors and assigns.

7. The Debtor reserves all rights to seek other or additional use of Cash Collateral on such further or different terms and conditions as may be approved by the Court and SHB reserves all rights with respect to any such request. This Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the rights of SHB to request additional forms of adequate protection at any time or the rights of Debtor or any other party to contest such request.

8. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 or 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 of effectiveness of this Final Order as provided in such rules.

9. Nothing in this Final Order shall be construed as an admission as to the validity of any claim or a waiver of the Debtor's rights to dispute any claim.

10. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Final Order.

11. Notice of this Final Order shall be provided to the Core Service List as defined in the Court's *Final Order Approving Debtor's Expedited Motion for an Order Authorizing and Approving Special Noticing and Confidentiality Procedures* [Dkt. No. 216].

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Respectfully submitted:

GOLD, WEEMS, BRUSER, SUES & RUNDELL

By: /s/ Bradley L. Drell

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**ATTORNEYS FOR THE DEBTOR AND DEBTOR IN
POSSESSION, DIOCESE OF ALEXANDRIA**

Notice Recipients

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Case: 25-31257

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