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.



John P. Gustafson
United States Bankruptcy Judge

Dated: August 10 2026

THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO

In Re:	*	Case No. 26-31566 Judge John Gustafson
Luginbill Construction, LLC	*	
Debtor	*	Chapter 11 Proceeding (Subchapter V)
*	*	*

INTERIM ORDER ON DEBTOR'S MOTION PURSUANT TO §363 OF THE BANKRUPTCY CODE FOR ENTRY OF AN INTERIM ORDER (I) AUTHORIZING THE USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDERS PURSUANT TO 11 U.S.C. § 361 AND (III) APPROVING PROPOSED BUDGET

This matter came before the Court on the "Motion" of the Debtor, Luginbill Construction, LLC, ("Debtor"), requesting that this Court enter an interim order pursuant to §§ 105, 361, 362, and 363 of title 11 of the United States Code, and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure, authorizing and approving the

Debtor's use of cash collateral as defined under 11 USC 363(a) in the ordinary course of the business of the Debtor, granting adequate protection to secured lenders pursuant to 11 U.S.C. § 361, and approving of the Debtor's proposed budget.

Based upon the arguments and representations made at the Hearing, as well as in the Motion, the Court hereby finds and determines that the requested relief is in the best interests of the Debtor, its estate, creditors, and all parties in interest, and that the Debtor has provided due and proper notice of the Motion, and after due deliberation and consideration and sufficient cause appearing, therefor

IT IS HEREBY FOUND AND DETERMINED THAT

1. Jurisdiction. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. Petition Date. On July 2, 2026, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code (the "Petition Date").

3. Jurisdiction and Venue. Since the filing of this case, the Debtor has, pursuant to Bankruptcy Code §§ 1107(a) and 1108, been operating its business and managing its affairs as debtors in possession. As of the date hereof, no trustee, examiner, or statutory committee has been appointed in this case.

4. Parties with Interest in Cash Collateral. At the commencement of this case, and as more fully set forth in the Motion, the following entities may hold an interest in the Debtor's property, including an interest in cash collateral as that term is defined under 11 U.S.C. § 363:

The Peoples Bank Company ("Peoples:);
The Farmers & Merchants State Bank ("Farmers");
U.S. Small Business Administration ("SBA");

Vox Funding (“Vox”);
PEAC Solutions ("PEAC”).

Necessity of Relief Requested: In the event the Debtor were not permitted to use cash collateral, the Debtor would be unable to properly operate in the ordinary course of business or to maintain its property. As such, the continued operation of the Debtor’s business would not be possible and would likely result in immediate and irreparable to the Debtor, its estate and creditors, and the possibility for a successful outcome in this Chapter 11 Case would be gravely jeopardized. The relief requested in the Motion is, therefore, necessary, essential, and appropriate for the continued operation of the Debtor’s business, and to facilitate the management and preservation of the Debtor’s property. Entry of this Interim Order is in the best interests of the Debtor, its estate and creditors and other parties in interest.

5. Notice: Notice of the Motion was provided to (1) the Office of the United States Trustee, (2) the parties having an interest in the Cash Collateral, (3) and the Debtor's twenty (20) largest unsecured creditors and (4) those parties in interest having filed a request for notice pursuant to Bankruptcy Rule 2002 and 9007.

6. Interim Hearing. A further interim hearing will be set by the Court for the proposed use of cash collateral on an interim basis.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT

A. Motion Granted.

The Motion is granted with respect to the Peoples, Farmers, the SBA, Vox and PEAC, and the Debtor is hereby authorized to use on an interim basis the Cash

Collateral of said creditors, subject to the terms and conditions set forth in this Interim Order.

B. Authorization to Use Cash Collateral.

The Debtor is hereby authorized to use the Cash Collateral of Peoples, Farmers, the SBA, Vox and PEAC to pay all ordinary and necessary expenses consistent with Debtor's "Budget" as attached as Exhibit "A" to the Motion, except that the Debtor is also authorized: (i) to exceed any line item on the Budget by an amount up to twenty percent (20%) of each such line item; or (ii) to exceed any line item by more than twenty (20%) percent so long as the total of all amounts in excess of all line items for the Budget do not exceed fifteen percent (15%) in the aggregate of the total Budget. Provided that the adequate protection payment, as provided for herein are paid, the Debtor shall, in addition to the expenses set forth in its Budget, be further entitled to pay from its Budget, the following expenses and costs:

(a) Professional fees and expenses upon application to and allowance by the Court;

(b) any further adequate protection payments ordered by the Court;

(c) after notice and the opportunity for hearing, any further expenses and/or costs allowed pursuant to court order; and

(d) payment towards the Chapter 11 Trustee's fees of $500.00 per month subject to final allowance by the Court.

C. Adequate Protection Payments to Peoples

Peoples shall, as and for the Debtor's use of Peoples' collateral, including its cash collateral, be entitled to receive contractually due payments due to Peoples in accordance with the Peoples' Loan and the related Loan.

D. Replacement Lien for Peoples

Notwithstanding the provisions of § 552(a) of the Bankruptcy Code, and in addition to any security interests preserved by § 552(b) of the Bankruptcy Code, and to the extent the stay of 11 U.S.C. § 362, or the Debtor's use, sale, or lease of the Peoples' Collateral results in a decrease in the value of Peoples' interest in its Collateral, Peoples is hereby granted a postpetition perfected security interest under section 361(2) of the Bankruptcy Code to the same extent and with the same priority as Peoples held on a prepetition basis in the Debtor's property. ("Peoples' Replacement Lien"). The Peoples' Replacement Lien shall be deemed to be perfected immediately upon the entry of the Court of this Interim Order without the need for filing any further documentation. In addition, Peoples is authorized, and the stay of 11 U.S.C. § 362 is hereby lifted so as to allow Peoples to file any documentation it deems appropriate and necessary to perfect this interest. Notwithstanding, the protection afforded to Peoples under this paragraph, Peoples' interest in the Debtor's Property shall be subject to any action brought by any party-in-interest, including the Debtor, pursuant to Chapter 5 of the United States Bankruptcy Code.

E. Adequate Protection Payments to Farmers

Farmers shall, as and for the Debtor's use of Farmers' collateral, including its cash collateral, be entitled to receive contractually due payments due to Farmers in accordance with the Farmers' Loan and the related Loan.

F. Replacement Lien for Farmers

Notwithstanding the provisions of § 552(a) of the Bankruptcy Code, and in addition to any security interests preserved by § 552(b) of the Bankruptcy Code, and to the extent the stay of 11 U.S.C. § 362, or the Debtor's use, sale, or lease of Farmers' Collateral results in a decrease in the value of Farmers' interest in its Collateral, Farmers is hereby granted a postpetition perfected security interest under section 361(2) of the Bankruptcy Code to the same extent and with the same priority as Farmers held on a prepetition basis in the Debtor's property. ("Farmers' Replacement Lien"). The Farmers' Replacement Lien shall be deemed to be perfected immediately upon the entry of the Court of this Interim Order without the need for filing any further documentation. In addition, Farmers is authorized, and the stay of 11 U.S.C. § 362 is hereby lifted so as to allow Farmers to file any documentation it deems appropriate and necessary to perfect this interest. Notwithstanding, the protection afforded to Farmers under this paragraph, Farmers' interest in the Debtor's Property shall be subject to any action brought by any party-in-interest, including the Debtor, pursuant to Chapter 5 of the United States Bankruptcy Code.

G. Adequate Protection Payments as to the SBA, Vox and PEAC

The Debtor shall not make any payments to the SBA, Vox and PEAC as and for the Debtor's use of said creditors' cash collateral.

H. Replacement Lien for the SBA, Vox and PEAC

Notwithstanding the provisions of § 552(a) of the Bankruptcy Code, and in addition to any security interests preserved by § 552(b) of the Bankruptcy Code, and to the extent the stay of 11 U.S.C. § 362, or the Debtor's use, sale, or lease of

the Collateral of SBA, Vox and PEAC results in a decrease in the value of said creditors interest in its Collateral, the SBA, Vox and are hereby granted postpetition perfected security interest under section 361(2) of the Bankruptcy Code to the same extent and with the same priority as said creditors held on a prepetition basis in the Debtor's property. ("Replacement Liens"). The Replacement Liens of the SBA, Vox and PEAC shall be deemed to be perfected immediately upon the entry of the Court of this Interim Order without the need for filing any further documentation. In addition, said creditors are authorized, and the stay of 11 U.S.C. § 362 is hereby lifted so as to allow said creditors to file any documentation it deems appropriate and necessary to perfect their interests. Notwithstanding, the protection afforded to the SBA, Vox and PEAC under this paragraph, said creditors shall be subject to any action brought by any party-in-interest, including the Debtor, pursuant to Chapter 5 of the United States Bankruptcy Code.

I. Additional Terms

Priority of Adequate Protection Liens. The People' Replacement Lien, the Farmers' Replacement Lien and the Replacement Liens for the SBA, Vox and PEAC shall have the same relative priority as the Pre-petition Liens held by said creditors in the Debtor's Property as of the Petition Date.

Insurance. The Debtor shall maintain insurance on all its Property in an amount which is customarily appropriate for the nature of the Property.

Taxes and Accounting. The Debtor will pay appropriate taxes and account for all cash use.

J. Duration

The Debtor, subject to the terms herein, is authorized to use Cash Collateral from the Petition Date to the occurrence of any of the following events: (a) the confirmation, conversion or dismissal of this Chapter 11 case; (b) Debtor's unauthorized use of the Cash Collateral; (c) the Debtor ceasing operation of its business as a Debtor-In-Possession under the Bankruptcy Code; (d) the date of entry of a Court Order terminating this Order for cause; (e) entry of an order granting to Peoples, Farmers, the SBA, Vox and/or PEAC relief from the automatic stay; (f) a specific order of the Court terminating this Order and/or the entry of a court order superseding this Order, including a final order entered by the Court.

K. Notice of Default.

In the event any interested party asserts that a default has occurred under this Interim Order, notice thereof shall be provided to all parties in this case which have requested notice, including the Debtor, and thereafter the Debtor, any committee appointed in this case, and the United States Trustee, as the case may be, shall be afforded three (3) business days after receiving such notice of default to cure such default or to request a hearing before the Court contesting such default.

L Binding Effect

This Order shall be binding upon Peoples, Farmers, the SBA, Vox and PEAC. Nothing, however, in this Order shall be construed so as to prejudice or prevent the Debtor, a trustee appointed with respect to the Debtor, any future committee, the United States Trustee or any party-in-interest from challenging the validity, perfection or amount of the secured claimed of any creditor subject to this Order

and all rights of said parties under Chapter 5 of the Bankruptcy Code are fully preserved notwithstanding anything in this Order to the contrary.

M. Section 507(b) Reservation

Nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to any of the Secured Parties hereunder is insufficient to compensate for any Diminution in Value of their interests in the Prepetition Collateral during the Case.

N. Further Hearing

This Court shall hold a further interim hearing on the Debtor's use of cash collateral and adequate protection on October 1, 2026, at 2:00 p.m., in Courtroom Number 2, PNC Bank Building, 405 Madison Avenue Toledo, Ohio 43604.

IT IS SO ORDERED

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