

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF VERMONT**

In re:

Roman Catholic Diocese of Burlington,
Vermont,¹

Case No.: 24-10205-HZC
Chapter 11 Case

Debtor.

**MOTION FOR ENTRY OF AN ORDER UNDER 11 U.S.C. § 363(f) AUTHORIZING
THE SALE OF THE LORETTO HOME FREE AND CLEAR OF ALL LIENS, CLAIMS,
AND INTERESTS**

The Roman Catholic Diocese of Burlington, Vermont (the “Diocese”) requests that this Court enter an order under 11 U.S.C. § 363(f) authorizing the sale of real property located at 59 Meadow Street, Rutland, Vermont 05701, free and clear of all liens, claims, and interests (the “Motion”). The proposed sale represents the highest and best offer for the property after the Diocese’s marketing efforts with the assistance of its real estate broker and the proceeds of the sale will assist the Diocese in funding the administration of this bankruptcy case and ultimately paying creditors.

The Diocese conferred with the Office of the United States Trustee and counsel for the Official Committee of Unsecured Creditors (the “Committee”) prior to the filing of this Motion.

JURISDICTION, VENUE, AND STATUTORY BASIS FOR RELIEF

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and Rule 5005 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). This is a

¹ In accordance with Fed. R. Bankr. P. 2002(n) and 1005 and 11 U.S.C. § 342(c), as applicable, the Diocese’s address is 55 Joy Drive, South Burlington, Vermont 05403, and its Employer Identification Number (EIN) is 03-0180730.

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. The petition commencing this Chapter 11 case was filed on September 30, 2024 (the “Petition Date”). The case is currently pending before this Court.

3. This Motion arises under 11 U.S.C. § 363(f) and Bankruptcy Rule 6004. This Motion is filed under Bankruptcy Rules 6004, 9013, and 9014 and Local Rules 6004-1 and 9013-1 to -6. Notice of this Motion is provided pursuant to Bankruptcy Rule 2002 and Local Rules 9013-4.

GENERAL BACKGROUND

I. THE DIOCESE COMMENCED THIS BANKRUPTCY CASE.

1. On the Petition Date, the Diocese filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Diocese continues to operate its business as debtor in possession pursuant to 11 U.S.C. §§ 1107(a) and 1108. Further background information regarding the Diocese may be found in the *Affidavit of Bishop John J. McDermott in Support of Initial Pleadings and Pursuant to Local Rule 1007-1*. (ECF No. 13.)

II. THE LORETTO HOME.

2. The Diocese is the fee simple owner of certain real property and improvements thereon located at 59 Meadow Street, Rutland, Vermont 05701 (SPAN 540-170-20041), commonly referred to as the “Loretto Home.”

3. The Loretto Home is a 20,000 square foot building located on 1.33 acres, which formerly operated as a senior living facility. The Loretto Home does not currently operate.

4. The Loretto Home has the following legal description:

Being a parcel of land of 11 7/8 acres, more or less, with the buildings thereon located on the westerly side of Meadow Street just northerly of the Loretto Home,

and being a portion of the lands and premises acquired by Sisters of St. Joseph Society by deed of George T. Chaffee, et al. dated May 27, 1904 and recorded in Rutland City Land Records in Book 19 at page 204, and bounded and described as follows:

Beginning at a point in the westerly line of Meadow Street, in the center of the common driveway between the Loretto Home and the Moor House, so-called, located on the premises hereby conveyed, said point of beginning being located 46 feet 2 inches from the southerly southeast corner of said Moor House and 45 feet 9 inches from the northerly southeast corner of said Moor House; thence North 82° West in the center line of said driveway 145.25 feet to a point; thence South 8° West a distance of 10 feet to a point; thence North 82° West, 990 feet, more or less, to the southeast bank of East Creek; thence generally North 45° East along the southeast bank of East Creek about 915 feet to the south line of lands now or formerly of Kelley; thence South 81° 30' East, 265 feet, more or less, to the northwest corner of lands now or formerly of Burns; thence southerly along said lands of said Burns 78 feet to the southwest corner thereof; thence South 81 ° 30' East in the south line of said Burns lands, 288 feet to the west line of Meadow Street; thence South 5° 10' West in the west line of Meadow Street, 642 feet, more or less, to the point of beginning.

The foregoing lands and premises are subject to an easement to Central Vermont Public Service Corporation dated November 27, 1950 and recorded in Rutland City Land Records in Book 87 at page 427 and to such rights as the City of Rutland may have under a certain lease dated April 21, 1950 and recorded in Rutland City Land Records in Book 87 at page 212.

Being all and the same land and premises as was conveyed to the within grantor by Warranty Deed of Sisters of St. Joseph Society being dated July 17, 1964 and of record at Volume 127, Pages 106-108 of the City of Rutland Land Records.

Reference is hereby made in and to said instruments and the references therein in further aid of this description.²

5. To the best of the Diocese's knowledge, the Loretto Home is not subject to any liens, claims, or interests.

6. However, the above legal description describes an easement to Central Vermont

² This legal description was derived from the original warranty deed in the early 2000s. To the extent it has been updated, the Diocese will supplement this Motion and the proposed order as necessary.

Public Service Corporation³ and a lease to the City of Rutland. Out of an abundance of caution, the Diocese served each party with a copy of this Motion. The Diocese continues to confirm the extent of any liens, claims, or interests on or in the Loretto Home and will supplement this Motion to the extent necessary prior to any hearing.

III. THE DIOCESE MARKETS THE LORETTO HOME.

7. Prior to the Petition Date, the Diocese engaged Pomerleau Real Estate (“Pomerleau”) to assist in marketing and selling the Loretto Home.

8. Pomerleau’s prepetition marketing and sale efforts are described in the *Declaration of Kendra Kenny in Support of Diocese’s Application for Order Under 11 U.S.C. § 327(a), Fed. R. Bankr. P. 2014(a), and Local Rule 2014-1 Authorizing Employment of Pomerleau Real Estate as Real Estate Broker*. (ECF No. 278, at 7–10.) Such efforts include, but are not limited to:

- a. listing the property on Pomerleau’s website, the MLS, Costar, Loopnet, and Crexi;
- b. creating a specific marketing package;
- c. running numerous email campaigns through Constant Contact and Pomerleau’s own in-house email blast system that reaches over 5,000 clients, contacts, and investors both locally and nationally; and
- d. running multiple print advertisements in Seven Days Magazine and other local publications.

9. Pomerleau originally listed the Loretto Home in April 2024 for a sale price of \$2,250,000. The sale price was subsequently reduced to \$1,950,000 to attract additional interest in the property.

³ It appears Central Vermont Public Service Corporation has since merged with Green Mountain Power Corporation.

10. After commencing this bankruptcy case, the Diocese sought to employ Pomerleau to continue marketing the Loretto Home. (*See generally id.*) The Court approved Pomerleau's employment on May 6, 2025. (*See* ECF No. 297.) After approval of its employment, Pomerleau continued to publicly market the Loretto Home to potential buyers.

11. Based on the interest in the property, and in consultation with the Committee, Pomerleau further reduced the sale price of the Loretto Home to \$1,300,000 on or around May 15, 2025.

IV. THE DIOCESE NEGOTIATES THE SALE OF THE LORETTO HOME.

12. Through Pomerleau's continued marketing efforts, the Diocese received some offers for the property. Out of these offers, the Diocese and Pomerleau identified the offer from the Housing Trust of Rutland County, Inc. D/B/A Cornerstone Housing Partners, a Vermont not for profit corporation ("Cornerstone"), as the highest and best offer for the Loretto Home.⁴ Cornerstone submitted its bid to the Diocese on June 26, 2025.

13. After the Diocese and Pomerleau identified Cornerstone's offer to purchase the Loretto Home as the highest and best offer and, based on the experience of Pomerleau, they determined that the Diocese was not likely to receive a better offer. The Diocese and Cornerstone then negotiated the terms of an Option Agreement in good faith and at arm's length to finalize the sale of the Loretto Home.

14. The Diocese also consulted with the Committee regarding the attempts to market the Loretto Home and the proposed sale of the Loretto Home to Cornerstone. The Diocese understands that the Committee does not oppose the proposed transaction with Cornerstone.

⁴ The other offers received were for purchase prices of \$875,000 (in financing) and \$250,000 (in cash). The Diocese has informed these potential buyers that the Diocese will keep the respective offers in mind in the event the current proposed sale does not close.

15. On August 26, 2025, the Diocese and Cornerstone entered into the Option Agreement. A true and correct copy of the Option Agreement is attached hereto as **Exhibit A**. The Option Agreement includes the following terms, amongst others:

- a. In consideration of payment of \$1.00, the Diocese grants Cornerstone an exclusive option to purchase the Loretto Home for 120 days following execution of the Option Agreement;
- b. Following exercise of the exclusive option, Cornerstone shall pay the Diocese at the closing a purchase price of \$1,000,000;
- c. Cornerstone may conduct due diligence during the exclusive option period and through closing;
- d. Closing of the sale shall occur within 60 days of Cornerstone exercising the option; and
- e. All terms and conditions under the Option Agreement are subject to the Court's approval.

16. While exercise of the exclusive option is dependent, in part, on Cornerstone obtaining financing, Cornerstone has a commitment from the Vermont Agency of Human Services in the amount of \$3,900,000 to purchase and rehabilitate the Loretto Home for use as a shelter and transitional housing for families. The funding will be administered through the Vermont Housing and Conservation Board.

17. To the Diocese's knowledge, Cornerstone does not hold any known interest clearly adverse to the Diocese, its bankruptcy estate, or its creditors.

18. To the Diocese's knowledge, Cornerstone does not constitute an "insider" as that term is defined under the Bankruptcy Code.

19. The Diocese intends for the sale to Cornerstone to be a private sale.

20. To the extent the Diocese receives additional offers to purchase the Loretto Home between the filing of this Motion and any hearing, the Diocese will continue to review such offers in consultation with Pomerleau and the Committee.

V. USE OF SALE PROCEEDS.

21. Pursuant to the Court's *Order Under 11 U.S.C. § 327(a), Fed. R. Bankr. P. 2014(a), and Local Rule 2014-1 Authorizing Employment of Pomerleau Real Estate as Real Estate Broker for the Diocese* (ECF No. 297, ¶ 3), the Diocese discloses that Pomerleau is entitled to a commission rate of 6% of the gross sale price of the Loretto Home. In this instance, Pomerleau is entitled to a total commission of \$60,000.

22. Through this Motion, the Diocese requests that the Court approve the \$60,000 commission payment to Pomerleau on a final basis.

23. In addition to paying commission to Pomerleau, the Diocese anticipates paying certain closing costs.

24. After payment of such closing costs, the net proceeds from the sale will be remitted to the Diocese. The Diocese anticipates using the proceeds to fund the administration of this bankruptcy case and to ultimately pay creditors.

RELIEF REQUESTED

25. The Diocese, in an exercise of its business judgment, believes the sale of the Loretto Home to Cornerstone is in the best interest of the bankruptcy estate because it properly monetizes the Loretto Home for the highest and best price received to date.

26. By this Motion, the Diocese requests an order authorizing the sale of the Loretto Home outside the ordinary course of business pursuant to 11 U.S.C. § 363(b)(1). The Diocese

additionally requests that the order provide for the sale to be free and clear of liens, claims, and interests under 11 U.S.C. § 363(f), to the extent applicable.

BASIS FOR RELIEF

I. THE SALE IS IN THE BEST INTEREST OF THE BANKRUPTCY ESTATE AND ITS CREDITORS.

27. Section 363(b)(1) of the Bankruptcy Code provides that the debtor in possession, “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate” 11 U.S.C. § 363(b)(1); *see also Obuchowski v. United Bank & Tr. Co. (In re Treadway)*, No. 88-00003, 1989 WL 90535, at *4 (Bankr. D. Vt. July 19, 1989). There are many types of sales permitted by 11 U.S.C. § 363(b)(1) because “the manner of sale is within the discretion of the [debtor in possession].” *In re Canyon P’ship*, 55 B.R. 520, 524 (Bankr. S.D. Cal. 1985). Indeed, bankruptcy courts have “broad flexibility in tailoring its orders to meet a wide variety of circumstances,” including in approving the sale of property outside of the ordinary course of business. *GLM DFW, Inc. v. Windstream Holdings, Inc. (In re Windstream Holdings Inc.)*, 614 B.R. 441, 456 (S.D.N.Y. 2020). Sales may be accomplished by public or by private sale. Fed. R. Bankr. P. 6004(f)(1). Courts will permit the debtor in possession to seek approval of a sale that has already been negotiated. *See, e.g., In re Gen. Motors Corp.*, 407 B.R. 463 (Bankr. S.D.N.Y. 1985).

28. The common thread among the different types of sales under 11 U.S.C. § 363(b)(1) is that courts generally approve the transactions so long as the debtor can demonstrate “some articulated business justification, other than appeasement of major creditors, for using, selling or leasing property out of the ordinary course of business.” *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983); *In re Celsius Network LLC*, 647 B.R. 631, 660 (Bankr. S.D.N.Y. 2023), *leave to appeal denied*, No. 23-CV-523 (JPO), 2023 WL

2648169 (S.D.N.Y. Mar. 27, 2023). Courts give deference to a debtor’s application of its sound business judgment in the use, sale, or lease of property. *In re Filene’s Basement, LLC*, No. 11-13511 (KJC), 2014 WL 1713416, at *12–13 (Bankr. D. Del. Apr. 29, 2014); *In re Moore*, 110 B.R. 924, 928 (Bankr. C.D. Cal. 1990); *In re Canyon P’ship*, 55 B.R. at 524–25; *In re Curlew Valley Assocs.*, 14 B.R. 506, 513–14 (Bankr. D. Utah 1981).

29. In light of the plain language of 11 U.S.C. § 363(b)(1), which only requires “notice and hearing” before a sale and does not set out factors to consider, the Second Circuit in *Lionel* observed that:

A bankruptcy judge must not be shackled with unnecessarily rigid rules when exercising the undoubtedly broad administrative power granted [to the Court] under the Code. As Justice Holmes once said in a different context, “Some play must be allowed for the joints of the machine”

In re Lionel Corp., 722 F.2d at 1069 (quoting *Mo., Kan. & Tex. Ry. Co. v. May*, 194 U.S. 267 (1904)); see also *In re Windstream Holdings Inc.*, 614 B.R. at 456.

30. Here, the proposed sale of the Loretto Home should be authorized based on the factors set forth above. The Diocese determined, with the assistance of Pomerleau and after careful evaluation of the real estate market and interest in the Loretto Home, that the proposed sale to Cornerstone is in the best interest of the estate. Generally, “the best way to determine the market value of property is to expose the property to the marketplace.” *In re Mama’s Original Foods, Inc.*, 234 B.R. 500, 504 (Bankr. C.D. Cal. 1999) (citing *Bank of Am. NT & SA v. 203 North LaSalle St. P’ship*, 526 U.S. 434, 119 S. Ct. 1411, 1423 (1999)). The Diocese, through Pomerleau, extensively marketed the Loretto Home and found no higher or better offer than the \$1,000,000 offered by Cornerstone. The sale provides the best opportunity for the Diocese to monetize the Loretto Home for the benefit of its estate and creditors. The purchase price represents a reasonable

and adequate price for the Loretto Home based on the Diocese's and Pomerleau's market analysis. The proposed sale is therefore supported by sound business judgment and should be approved.

II. THE DIOCESE CAN SELL THE REAL PROPERTY FREE AND CLEAR OF LIENS, CLAIMS, AND INTERESTS.

31. The Diocese seeks to sell the Loretto Home free and clear of all liens, claims, and interests, to the extent necessary. Section 363(f) of the Bankruptcy Code provides:

The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if—

- (i) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (ii) such entity consents;
- (iii) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of such interest;
- (iv) such interest is in bona fide dispute; or
- (v) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f). Any one of the five conditions, including the consent of the lienholders, provides authority to sell free and clear of liens. *In Matter of Motors Liquidation Co.*, 829 F.3d 135, 154 (2d Cir. 2016).

32. To the best of the Diocese's knowledge, no creditors assert a lien, claim, or interest on or in the Loretto Home. To the extent Central Vermont Public Service Corporation and the City of Rutland have an interest in the Loretto Home, the Diocese served them with a copy of the Motion and intends to obtain their consent prior to any hearing in the event there is an objection, formal or informal.

33. Therefore, the Diocese respectfully requests that the Court enter an order approving the sale of the Loretto Home free and clear of all liens, claims, and interests to the greatest extent possible under the Bankruptcy Code.

III. THE PROPOSED SALE IS IN GOOD FAITH.

34. “[W]hen a bankruptcy court authorizes a sale of assets pursuant to 11 U.S.C. § 363(b)(1), it is required to make a finding with respect to the ‘good faith’ of the purchaser.” *In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143, 149–50 (3d Cir. 1986). The purpose of such a finding is to facilitate a safe-harbor determination under 11 U.S.C. § 363(m), which protects purchasers of a debtor’s property when the purchase is made in “good faith.” Section 363(m) provides:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

Id. This provision serves the important purposes of encouraging good-faith transactions and of preserving the finality of the bankruptcy court’s order unless stayed pending appeal. *Abbotts Dairies*, 788 F.2d at 147.

35. Here, Cornerstone does not hold an interest clearly adverse to the Diocese, its bankruptcy estate, or its creditors. Cornerstone also made a good faith offer to purchase the Loretto Home. The Diocese marketed the Loretto Home extensively and negotiated the purchase price. The resulting Option Agreement represents an arms-length transaction. Consequently, the Diocese is entitled to a determination that Cornerstone acted in good faith, which is necessary both as an element of approving the sale and to invoke the protection of good faith purchasers under 11 U.S.C. § 363(m).

NOTICE AND SERVICE

36. Notice of this Motion and all related papers were served on the following parties on the date and manner set forth in the certificate of service related to this Motion: (a) the Office of the United States Trustee; (b) the Diocese's secured creditors or, if applicable, to counsel representing them; (c) the Committee and Committee Counsel; (d) applicable federal and state taxing authorities; and (e) to the extent not included in the foregoing, the applicable state and federal regulatory agencies.

CONCLUSION

37. The Diocese respectfully requests that this Court enter an order authorizing the Diocese to sell the Loretto Home free and clear of all liens, claims, and interests and granting such other and further relief as the Court deems just and equitable.

Dated: August 26, 2025

/s/ Steven R. Kinsella

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**ATTORNEYS FOR THE ROMAN CATHOLIC
DIOCESE OF BURLINGTON, VERMONT**

EXHIBIT A

OPTION AGREEMENT

THIS OPTION AGREEMENT (this “Agreement”) is entered into as of the 26th day of August, 2025 (the “Effective Date”), by and between Roman Catholic Diocese of Burlington, Vermont, a Vermont nonprofit corporation with a mailing address of 55 Joy Drive, South Burlington, VT 05403 (“Grantor”), and Housing Trust of Rutland County D/B/A Cornerstone Housing Partners, a Vermont not for profit corporation, with a mailing address of 27 Wales Street, Rutland, VT 05701 (together with its successors and assigns, “Grantee”). Grantor and Grantee may each hereinafter be referred to as a “Party” or together the “Parties.”

WHEREAS, Grantor is the fee simple owner of certain real property and improvements thereon located at 59 Meadow Street in the City of Rutland, Vermont (the “Property”), as more particularly described and/or depicted on Exhibit A attached hereto and incorporated herein;

WHEREAS, Grantee is a not-for-profit affordable housing developer, and is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code;

WHEREAS, Grantor wishes to grant an exclusive option to Grantee, and Grantee wishes to acquire an exclusive option from Grantor, to purchase the Property, together with any and all rights and appurtenances thereto, all on the terms and subject to the conditions set forth herein; and

WHEREAS, On September 30, 2024, Grantor filed a case before the United States Bankruptcy Court for the District of Vermont (the “Bankruptcy Court”), Case No. 24-10205-HZC (the “Bankruptcy Case”), under chapter 11 of title 11 of the United States Code (“Bankruptcy Code”).

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. Purchase Option. In consideration of a payment of one dollar (\$1.00) made by Grantee to Grantor, Grantor hereby grants to Grantee, and Grantee hereby accepts from Grantor, an exclusive option to purchase the Property, together with all privileges, rights, easements, and appurtenances thereto, on the terms and subject to the conditions described herein (the “Option”).

2. Term of Option. The term of the Option shall commence on the Effective Date and shall expire on the one hundred twentieth (120th) day following the Effective Date (the “Expiration Date”). Grantee may, at its election, extend the Expiration Date for an additional one-month period by delivering to Grantor a written notice of extension prior to the then-applicable Expiration Date. If Grantee does not exercise the Option prior to the Expiration Date (as may be extended in accordance with the terms hereof), the Option and Grantee’s rights hereunder shall automatically terminate, and the parties’ rights and obligations under this Agreement shall cease, except any rights or obligations which expressly survive the termination of this Agreement.

3. Purchase Price. Upon Grantee’s timely exercise of the Option, Grantor shall be obligated to sell the Property to Grantee for a purchase price (the “Purchase Price”) equal to one

million dollars (\$1,000,000.00), subject to the terms and conditions set forth herein. The Purchase Price, adjusted by apportionments set forth herein, shall be paid at Closing (as defined below), by bank cashier's or certified check payable to Grantor, or by wire transfer pursuant to written instructions given by Grantor to Grantee no less than three (3) business days prior to the Closing.

4. Bankruptcy Court Approval. Notwithstanding anything contained herein to the contrary, the Option, the exercise of the Option, the Closing, and all other terms and conditions of this Agreement shall be contingent on and subject to approval of this Agreement by the Bankruptcy Court. Grantor shall file the appropriate pleadings with the Bankruptcy Court seeking approval of this Agreement and the transaction contemplated by this Agreement pursuant to Sections 363 and 365 of the Bankruptcy Code. If such approval is not granted by the Bankruptcy Court, this Agreement shall be null and void and Grantor and Grantee shall have no obligations under this Agreement.

5. Exercise of Option; Closing. At any time prior to the Expiration Date, Grantee may exercise the Option by delivery of written notice of exercise to Grantor. In the event that Grantee exercises the Option, transfer of title and delivery of possession of the Property shall occur at a closing (the "Closing"). The Closing shall be held following satisfaction or waiver of all conditions to Closing described herein, on a date reasonably agreed to by Grantor and Grantee, but not to exceed sixty (60) days following Grantee's delivery of written notice of exercise to Grantor. In connection with such Closing:

a. Grantor shall bear the cost of preparing the warranty deed and Vermont property transfer tax return and recording any discharges, releases, or other documents necessary to remove any liens or encumbrances on the Property. Grantee shall pay the cost of recording the warranty deed and Vermont property transfer tax.

b. Real property taxes, municipal taxes, fees and assessments, or similar items shall be apportioned and prorated at the Closing between Grantor and Grantee with Grantor being responsible for such costs until the day before the Closing and Grantee being responsible for such costs on and after the day of the Closing.

c. Grantee shall pay any Vermont Property Transfer Tax due in connection with the sale of the Property, and Grantor shall pay any Vermont Land Gains Tax due on account of the sale of the Property. Unless Grantor provides a certificate complying with the provisions of 32 V.S.A. § 10007 or proof that the proposed transaction is exempt from Vermont Land Gains Tax, Grantee may withhold from the payment of the Purchase Price and shall pay the Vermont Department of Taxes an amount equal to ten percent (10%) of the Purchase Price. Notwithstanding the foregoing, Grantor represents and warrants that it has owned the Property for more than six (6) years and that the Property has not been subdivided during the period of its ownership. Based on such representation and warranty, the Parties agree that the proposed transaction is exempt from Vermont Land Gains Tax.

d. Grantor shall provide a certificate and affidavit complying with the provisions of 26 U.S.C. § 1445 and the regulations adopted thereunder to Grantee at the Closing.

e. Unless Grantor provides a certificate and affidavit complying with the provisions of 32 V.S.A. § 5847, Grantee shall deduct from the Purchase Price and shall pay to the Vermont Department of Taxes, for the account of Grantor, an amount equal to two and one-half percent (2½%) of the Purchase Price as required by 32 V.S.A. § 5847. Notwithstanding the foregoing, the Parties agree that because Grantor is a Vermont corporation, the transaction is exempt from withholding under 32 V.S.A. § 5847.

6. Intentionally Omitted.

7. Cooperation. From the Effective Date through the Expiration Date or, if the Option is exercised, through the day of Closing (the “Closing Date”), Grantor shall cooperate with efforts deemed necessary by Grantee to facilitate, or in connection with, Grantee’s planning and development of the Property. Without limiting the foregoing, Grantor shall execute such documents as Grantee may reasonably request, including, but not limited to, the following:

- a. grant or loan applications;
- b. documents necessary to obtain federal, state, and local permitting; and
- c. any documents reasonably necessary to enable Grantee to obtain investigations, funds or approvals required for the purchase of the Property.

Grantor shall, upon Grantee’s reasonable request, promptly execute, consent to and deliver all documents, instruments, applications, filings or materials, and take such other actions, deemed necessary or desirable to facilitate the purchase and sale of the Property and Grantee’s intended uses thereof. Notwithstanding anything to the contrary in this Section, Grantor shall not be required to incur any out-of-pocket cost or expense to comply with this Section.

8. Appraisal. If the Option is exercised, Grantee’s obligation to close shall remain subject to Grantee obtaining a fair market value appraisal acceptable to its funders, establishing the value at a minimum of the Purchase Price. If this appraisal contingency is not satisfied prior to Closing, Grantee may elect to terminate this Agreement, in which case the Parties’ obligations hereunder shall cease, except any rights or obligations which expressly survive the termination of this Agreement.

9. Financing. If the Option is exercised, Grantee’s obligation to close under this Agreement shall remain subject to a financing contingency that Grantee obtain financing for the acquisition and redevelopment of the Property from funding sources, and on terms and conditions, satisfactory to Grantee. Grantee agrees to act diligently and in good faith to obtain such funding. If this financing contingency is not satisfied prior to Closing, Grantee may elect to terminate this Agreement, in which case the Parties’ obligations hereunder shall cease, except any rights or obligations which expressly survive the termination of this Agreement.

10. Title and Permits.

a. Title Review. To the best of Grantor's knowledge, Grantor represents and warrants that Grantor holds good and marketable and insurable title to the Property and that the Property is in compliance with all permits and permit conditions relating to the Grantor's ownership and operation of the Property. Grantor covenants that, if the Option is exercised, Grantor shall convey to Grantee at Closing good and marketable and insurable title to the Property by warranty deed at Closing, with reference to the Vermont Marketable Title Act (27 V.S.A. sections 601, et seq.), subject to only such liens or encumbrances as are acceptable to Grantee in Grantee's sole discretion. If the title is encumbered, other than by such liens or encumbrances as are acceptable to Grantee, then Grantor shall promptly perfect or arrange to perfect the marketability of title on or before the Closing. In the event of any defect affecting marketability of title which Grantor is unable to cure on or before the Closing, Grantee may elect to extend the Closing Date to allow Grantor additional time to make title marketable or terminate this Agreement, in which case the Parties' obligations hereunder shall cease.

b. Title Insurance. Grantee may, at its sole cost and expense, elect to purchase an ALTA owner's policy of title insurance. If Grantee so elects, Grantor shall take commercially reasonable efforts to furnish documents or evidence will be required by the title company in order to issue coverage satisfactory to Grantee, including affidavits and other documentation needed to delete the standard exceptions and monetary liens or encumbrances from such owner's policy.

c. Permits. If the Option is exercised, Grantee's obligation to close shall remain subject to Grantee having obtained all federal, state and local permits and approvals reasonably deemed necessary by Grantee in connection with its proposed use of the Property (the "Permits"), with any appeal periods having expired without an appeal being filed. Grantor shall assist and cooperate with Grantee in obtaining all Permits and shall, upon reasonable request by Grantee, promptly execute, consent to and deliver all documents, instruments, applications, filings or materials in its possession and control deemed necessary or desirable to facilitate, or in connection with, Grantee's planning and development of the Property; provided that the Grantor shall not be required to incur any out-of-pocket costs or expenses in performing such obligations. Without limiting the foregoing, the term "Permits" shall include all historical reviews, determinations and approvals by the State Historic Preservation Office deemed reasonably necessary or expedient by Grantee.

11. Due Diligence.

a. Investigations & Inspections Generally. Throughout the Option period and, if the Option is exercised, continuing until the Closing, Grantee, through its employees, agents, and contractors, shall have the right to enter upon the Property to conduct investigations and inspections of the permitting, physical condition, and the environmental condition of the Property, and conduct such other reviews, tests, investigations and inspections of the Property as Grantee may deem advisable, at all reasonable times and

upon reasonable prior notice to Grantor (which may be electronic or written), provided that such activities shall not materially interfere with or impair Grantor's use of the Property. Upon completion of such investigations or inspections, Grantee, at its own expense, shall promptly restore the Property to substantially the same condition as it was in prior to Grantee's investigation or inspection. Grantee agrees to indemnify, defend, and hold harmless Grantor, its employees, agents, and representatives from and against any and all claims, liabilities, losses, damages, costs, or expenses (including reasonable attorneys' fees) arising out of or related to any injury or damage occurring during the Grantee's investigation or inspection of the property. This indemnification obligation shall apply to any acts or omissions by Grantee, its employees, agents, or contractors during the investigation or inspection process. This provision shall survive the termination of this Agreement.

b. Physical and Environmental Conditions. Without limiting the foregoing, throughout the Option period and, if the Option is exercised, continuing until the Closing, Grantee may, at Grantee's expense, perform any and all tests or inspections necessary to verify that the Property is free from any such hazardous waste, toxic waste, radioactive or other hazardous or potentially harmful materials. In the event that Grantee discovers that the Property contains any such substances or materials, Grantee may perform additional testing to establish the extent of the contamination, and Grantee may, at its option, at any time before Closing, terminate this Agreement, in which case the Parties' obligations hereunder shall cease, except any rights or obligations which expressly survive the termination of this Agreement. Grantee, or its employees, agents, or contractors, shall be permitted to report any such environmental contamination or hazardous materials to any governmental authorities to the extent required to do so under applicable law. Grantor shall cooperate with Grantee in Grantee's testing and inspection of conditions at the Property pursuant to this Section and shall promptly provide all available information, documents and materials reasonably requested by Grantee or Grantee's consultants reasonably needed or appropriate for Grantee's testing and investigation of conditions at the Property pursuant to this Section.

c. Unacceptable Conditions. In the event that Grantee determines, in its sole discretion, based upon its investigations and inspections of the Property, that the condition of the Property is unacceptable, Grantee shall notify Grantor in writing. Thereafter, Grantor shall use commercially reasonable efforts to assure the removal and/or remedy of any such unacceptable conditions by Closing provided that Grantor shall not be required to spend in excess of ten thousand dollars (\$10,000.00) for such removal and/or remedy. In the event Grantor is unable to remove any such unacceptable conditions by the Expiration Date or, if the Option has been exercised by the Closing, Grantee may elect to extend the Closing Date to allow Grantor additional time to remove or remedy any unacceptable conditions or terminate this Agreement, in which case the Parties' obligations hereunder shall cease, except any rights or obligations which expressly survive the termination of this Agreement.

d. Boundary Line Survey. Throughout the Option period and, if the Option is exercised, continuing until the Closing, Grantee, through its employees, agents, and

contractors, shall have the right to obtain a boundary line survey of the proposed boundary lines for the Property by a Vermont-licensed surveyor, confirming the boundary lines for the Property to be conveyed hereby. Grantor shall assist and cooperate with Grantee in facilitating the survey and shall, upon reasonable request by Grantee, promptly execute, consent to and deliver all documents, instruments, applications, filings or materials deemed necessary or desirable to facilitate the survey; provided that the Grantor shall not be required to incur any out-of-pocket costs or expenses in performing such obligations.

e. Inspection of Underground Storage Tank. Throughout the Option period and, if the Option is exercised, continuing until the Closing, Grantee, through its employees, agents, and contractors, shall have the right to obtain an inspection from a qualified individual and in compliance with the Vermont Underground Storage Tank Rules, confirming to the Grantee's satisfaction that the underground storage tank at the Property remains in good condition and working order and in compliance with the Department of Environmental Conservation's requirements for underground storage tanks. Grantor shall assist and cooperate with Grantee in facilitating the inspection and shall, upon reasonable request by Grantee, promptly execute, consent to and deliver all documents, instruments, applications, filings or materials within its possession and control deemed necessary or desirable to facilitate the inspection; provided that the Grantor shall not be required to incur any out-of-pocket costs or expenses in performing such obligations.

f. Public Safety Inspection. Throughout the Option period and, if the Option is exercised, continuing until the Closing, Grantee, through its employees, agents, and contractors, shall have the right to obtain a public safety inspection from the Vermont Department of Public Safety prior to the Closing. Grantor shall assist and cooperate with Grantee in facilitating the inspection and shall, upon reasonable request by Grantee, promptly execute, consent to and deliver all documents, instruments, applications, filings or materials deemed necessary or desirable to facilitate the inspection; provided that the Grantor shall not be required to incur any out-of-pocket costs or expenses in performing such obligations.

12. Grantor's Covenants. Grantor covenants and agrees that from the Effective Date through the Expiration Date and, if the Option is exercised continuing through the Closing Date, Grantor:

a. will maintain the Property in its current condition and repair, ordinary wear and tear excepted, and will comply in all material respects with all laws applicable to the Property;

b. shall not remove or affirmatively permit the removal of any vegetation, soil or minerals from the Property or disturb or suffer the disturbance of the existing contours and/or other natural features of the land and/or the reservoirs contained therein in any way whatsoever, except with the prior written consent of Grantee;

c. shall not cause or affirmatively permit any dumping or depositing of any materials on the Property, including, without limitation, garbage, construction debris or solid or liquid wastes of any kind;

d. shall not further encumber the title or cause the title to be further encumbered without the prior written consent of Grantee, and if the title is so encumbered then Grantor shall use reasonable efforts to cure any such encumbrance to Grantee's satisfaction on or before Closing;

e. shall not enter into any agreements or extensions of agreements relating to the Property that would have a material effect on its operation after the Closing without the prior written consent of Grantee;

f. shall maintain reasonably appropriate casualty insurance covering the Property; and

g. shall notify Grantee of any material adverse event, circumstance, act or omission that causes any representation or warranty made by Grantor herein to be false or that causes Grantor to fail to comply with any term, provision or covenant hereof.

13. Grantor's Representations and Warranties. Grantor represents and warrants that:

a. Grantor is a Vermont nonprofit corporation duly organized and in good standing under the laws of its state of organization and has the full power and authority to enter into, execute, deliver, and consummate the transaction contemplated by this Agreement and any instruments and agreements contemplated herein. Grantor has taken all action required by law to authorize the execution, delivery, and consummation of the transaction contemplated hereby;

b. To the best of Grantor's knowledge, no one with access to the Property, or any portion thereof, has stored, disposed of, released or caused the release of any hazardous waste, toxic waste, or radioactive or other harmful material on the Property or any portion thereof the removal of which is required or the maintenance of which is prohibited or penalized by any applicable Federal, state or local statutes, laws, ordinance, rules or regulations;

c. Aside from the Bankruptcy Case, there is no suit, action, arbitration, or legal, administrative, or other proceeding or injury pending or to the best of Grantor's knowledge, threatened against the Property or any portion thereof or pending or threatened against Grantor which could affect Grantor's title to the Property or any portion thereof, affect the value of the Property, or any portion thereof, or subject an owner of the Property, or any portion thereof to liability;

d. Grantor is currently, and at Closing shall be, the sole Party in possession of the Property. There are no actual or impending leases, liens, licenses, options, rights of first

refusal or other agreements or obligations, oral or written, which affect the Property or any portion thereof;

e. To the best of Grantor's knowledge, the Property and Grantor are in compliance with all applicable laws, statutes, orders, rules, regulations, permits and requirements promulgated by governmental or other authorities relating to the Property. Grantor has not received any written notice of any sort of alleged violation of any such statute, order, rule, regulation, permit or requirement, and there exists no uncured notices which have been served by any governmental agency notifying Grantor of any violations of law, ordinance, rule or regulation which would affect the Property or any portion thereof;

f. There are no taxes or betterment assessments other than ordinary real estate taxes pending or payable against the Property, and there are no contingencies existing under which any assessment for real estate taxes may be retroactively filed against the Property; and

g. The Property is not located within a special flood hazard area.

Each of the above representations is material and is relied upon by Grantee. Except insofar as Grantor has advised Grantee in writing to the contrary, each of the above representations shall be deemed to have been made as of the Closing and shall survive the Closing for a period of one (1) year. At the Closing, if Grantee so requests, Grantor shall deliver to Grantee a certificate in a form satisfactory to Grantee's counsel stating that each of the above representations is true and correct as of the Closing. If any of the foregoing warranties and representations are not true, complete and correct as of Closing, Grantee may terminate this Agreement, in which case the Parties' obligations hereunder shall cease.

14. Damage or Condemnation. If the Property shall be damaged or diminished from any cause (including condemnation or eminent domain proceedings), which damage Grantor shall not have repaired or replaced prior to the Closing Date (Grantor having the option, but not the obligation to perform such remedy), Grantee may terminate this Agreement, in which case the Parties' obligations hereunder shall cease, or Grantee may elect to accept the Property in its damaged or diminished condition, provided that all proceeds of insurance or condemnation awards paid or payable to Grantor by reason of such damage, destruction or condemnation, shall be paid to and made payable to and assigned to Grantee at the Closing, or the Purchase Price shall be reduced by an amount mutually agreeable to Grantor and Grantee at the Closing.

15. Execution of Agreement. Each Party executing this Agreement represents and warrants that the person executing the Agreement on its behalf is duly and validly authorized to do so and that such Party has the full right and authority to enter into this Agreement and perform all of its obligations hereunder.

16. Defaults and Remedies.

a. In the event of any alleged default or perceived failure to perform any obligation under this Agreement, the non-defaulting Party shall give the alleged defaulting

Party written notice thereof, which notice shall include a description of the alleged default and allowance of a reasonable time within which the alleged defaulting Party shall cure the alleged default, not to exceed thirty (30) days. If the alleged default is not fully remedied within that time, the Party having received the notice shall be deemed in “Default” of this Agreement.

b. In the event that Grantor shall be in Default hereunder, Grantee, in addition to any rights and remedies available at law or in equity, may elect to either: (i) terminate this Agreement, or (ii) specifically enforce Grantor’s obligations hereunder.

c. In the event that Grantee shall be in Default hereunder, Grantor may elect to terminate this Agreement, in which case the Parties’ obligations hereunder shall cease, except any rights or obligations which expressly survive the termination of this Agreement

17. Attorneys’ Fees. The prevailing Party in any mediation, arbitration, or litigation undertaken in connection with any Default under this Agreement shall be entitled to be paid its reasonable costs and attorneys’ fees incurred in connection therewith by the losing Party.

18. Notices Provision. All notices to a Party pursuant to this Agreement must be in writing and shall be sent only by United States mail (first class, certified, return receipt requested); personal delivery; electronic mail; or an overnight courier service which keeps records of delivery. For purposes of giving notice hereunder the addresses of the parties are:

If to Grantee: Mary Cohen
Housing Trust of Rutland County d/b/a Cornerstone Housing Partners
27 Wales Street
Rutland, VT 05701
mcohen@cornerstonehousingpartners.org

With a copy to: Drew Kervick
SRH Law
91 College Street
Burlington, VT 05401
dkervick@srhlaw.com

If to Grantor: Bishop John J. McDermott
Roman Catholic Diocese of Burlington, Vermont
55 Joy Drive
South Burlington, VT 05403

With a copy to: Katherine A. Nixon
Fredrikson & Byron, P.A.
60 S Sixth St., Suite 1500
Minneapolis, MN 55402
knixon@fredlaw.com

A Party may change its address at any time by giving written notice of such change to the other Party in the manner provided herein.

19. Interpretation, Waiver, Severability. Each Party has reviewed this Agreement and has been given an opportunity to obtain the assistance of counsel. The captions of this Agreement are for convenience and reference only, and shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction or meaning of the provisions of this Agreement. A waiver of a breach of any of the provisions of this Agreement shall not be deemed to be a waiver of any succeeding breach of the same or any other provision of this Agreement. Any determination of invalidity or unenforceability of any particular clause or provision of this Agreement shall not affect the validity or enforceability of the remainder of this Agreement.

20. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Vermont without regard to principles of conflicts of law.

21. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon the Parties and their respective heirs, successors and assigns. This Agreement may not be assigned or otherwise transferred without the other Party's written consent, which consent shall not be unreasonably withheld, provided that Grantee shall be entitled to assign this Agreement to another legal entity that it owns or controls.

22. Entire Agreement. This Agreement constitutes the entire agreement between the parties and shall supersede all other agreements, whether written or oral, respecting the subject matter of this Agreement. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing and signed by an authorized representative of the Parties.

23. Execution and Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Delivery of this signed Agreement by email or electronic signatures to this Agreement through an authenticated platform such as DocuSign shall be deemed an original.

24. Recording. A memorandum of this Agreement, which shall not disclose any of the financial terms hereof, but shall disclose at a minimum the existence and duration of the Agreement granted hereunder, at Grantee's discretion, may be recorded in the City of Rutland Land records, at Grantee's expense and with Grantor's cooperation.

25. Brokers. The parties acknowledge Pomerleau Real Estate as representing the Grantor as a broker of record, and Chris Fucci Associates, Ltd., who has entered into a Cooperating Agency Agreement with Pomerleau Real Estate, whose cost shall be paid solely by the Grantor. The parties warrant and represent to each other that they have no knowledge of any other real estate broker or agent to whom a commission may be payable as a result of this transaction or any knowledge of any other finder's fees or commissions related thereto, and each party agrees to indemnify and hold harmless the other for all claims or demands of any real estate agent or broker claiming by, through, or under such party. The indemnification provisions described herein shall survive the termination of this Agreement or the Closing.

26. Modification. This Agreement may not be modified except in writing signed by each Party.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Option Agreement as of the date set forth above.

GRANTOR:

Roman Catholic Diocese of Burlington, Vermont
55 Joy Drive
South Burlington, VT 05403

By: + [Signature]
Name: The Most Reverend John Joseph McDermott
Title: Bishop of the Roman Catholic Diocese of Burlington, Vermont

STATE OF Vermont)
COUNTY OF Chittenden) ss.

Subscribed and sworn to before me by The Most Reverend John Joseph McDermott on
08/26, 2025.

[Signature]
Notary Public



GRANTEE:

Housing Trust of Rutland County D/B/A Cornerstone Housing Partners
27 Wales Street
Rutland, VT 05701

By: _____
Name: Mary Cohen
Title: Chief Executive Officer

STATE OF _____)
COUNTY OF _____) ss.

Subscribed and sworn to before me by Mary Cohen on _____, 2025.

Notary Public

IN WITNESS WHEREOF, the parties have executed this Option Agreement as of the date set forth above.

GRANTOR:

Roman Catholic Diocese of Burlington, Vermont
55 Joy Drive
South Burlington, VT 05403

By: _____
Name: The Most Reverend John Joseph McDermott
Title: Bishop of the Roman Catholic Diocese of Burlington, Vermont

STATE OF _____)
) ss.
COUNTY OF _____)

Subscribed and sworn to before me by The Most Reverend John Joseph McDermott on _____, 2025.

Notary Public

GRANTEE:

Housing Trust of Rutland County D/B/A Cornerstone Housing Partners
27 Wales Street
Rutland, VT 05701

By: Mary Cohen
Name: Mary Cohen
Title: Chief Executive Officer

STATE OF Vermont)
) ss.
COUNTY OF Rutland)

Subscribed and sworn to before me by Mary Cohen on Aug 26, 2025.

Romy J. Anglin
Notary Public LISC 157, 0004991
exp 1/31/2027

Exhibit A

Description and/or Depiction of the Property

That certain property located at 59 Meadow Street, Rutland, Vermont 05701, commonly referred to as the "Loretto Home," and having SPAN 540-170-20041 and the following legal description:

Being a parcel of land of 11 7/8 acres, more or less, with the buildings thereon located on the westerly side of Meadow Street just northerly of the Loretto Home, and being a portion of the lands and premises acquired by Sisters of St. Joseph Society by deed of George T. Chaffee, et al. dated May 27, 1904 and recorded in Rutland City Land Records in Book 19 at page 204, and bounded and described as follows:

Beginning at a point in the westerly line of Meadow Street, in the center of the common driveway between the Loretto Home and the Moor House, so-called, located on the premises hereby conveyed, said point of beginning being located 46 feet 2 inches from the southerly southeast corner of said Moor House and 45 feet 9 inches from the northerly southeast corner of said Moor House; thence North 82° West in the center line of said driveway 145.25 feet to a point; thence South 8° West a distance of 10 feet to a point; thence North 82° West, 990 feet, more or less, to the southeast bank of East Creek; thence generally North 45° East along the southeast bank of East Creek about 915 feet to the south line of lands now or formerly of Kelley; thence South 81° 30' East, 265 feet, more or less, to the northwest corner of lands now or formerly of Burns; thence southerly along said lands of said Burns 78 feet to the southwest corner thereof; thence South 81 ° 30' East in the south line of said Burns lands, 288 feet to the west line of Meadow Street; thence South 5° 10' West in the west line of Meadow Street, 642 feet, more or less, to the point of beginning.

The foregoing lands and premises are subject to an easement to Central Vermont Public Service Corporation dated November 27, 1950 and recorded in Rutland City Land Records in Book 87 at page 427 and to such rights as the City of Rutland may have under a certain lease dated April 21, 1950 and recorded in Rutland City Land Records in Book 87 at page 212.

Being all and the same land and premises as was conveyed to the within grantor by Warranty Deed of Sisters of St. Joseph Society being dated July 17, 1964 and of record at Volume 127, Pages 106-108 of the City of Rutland Land Records.

Reference is hereby made in and to said instruments and the references therein in further aid of this description.

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF VERMONT**

In re:

Roman Catholic Diocese of Burlington,
Vermont,

Case No.: Case No.: 24-10205-HZC
Chapter 11 Case

Debtor.

**ORDER UNDER 11 U.S.C. § 363(f) AUTHORIZING THE SALE OF THE LORETTO
HOME FREE AND CLEAR OF ALL LIENS, CLAIMS, AND INTERESTS**

This matter came before the Court on the Motion for Entry of an Order Under 11 U.S.C. § 363(f) Authorizing the Sale of the Loretto Home Free and Clear of All Liens, Claims, and Interests (doc. # 448) (the “Motion”) filed by the Roman Catholic Diocese of Burlington, Vermont (the “Diocese”), the Affidavit of Bishop John J. McDermott (doc. # 13), and the statements of counsel and evidence adduced with respect to the Motion at the hearing on September 30, 2025 (the “Hearing”). The Court finds that: (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); (iv) due and proper notice of the Motion was provided pursuant to Local Rule 9013-4; (v) notice of the Motion and the Hearing was sufficient under the circumstances; and (vi) there is good cause to waive the 14-day stay imposed by Bankruptcy Rule 6004(h) to the extent it is applicable. After due consideration, the Court finds that the relief, as requested in the Motion is in the best interests of the Diocese, its estate, and its creditors. Therefore, for good cause shown, **IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** as set forth in this Order. All terms not specifically defined herein have the meaning provided in the Motion.

2. The Diocese is authorized to perform under the Option Agreement dated August 26, 2025, by and between the Diocese, on the one hand, and Housing Trust of Rutland County D/B/A Cornerstone Housing Partners, Inc., a Vermont not for profit corporation (“Cornerstone”), on the other hand, which is attached to the Motion as **Exhibit A**. The terms of the Option Agreement are fair and reasonable and in the best interest of the bankruptcy estate.

3. The Diocese is authorized to sell to Cornerstone the property located at 59 Meadow Street, Rutland, Vermont 05701, commonly referred to as the “Loretto Home,” and having SPAN 540-170-20041 and the following legal description:

Being a parcel of land of 11 7/8 acres, more or less, with the buildings thereon located on the westerly side of Meadow Street just northerly of the Loretto Home, and being a portion of the lands and premises acquired by Sisters of St. Joseph Society by deed of George T. Chaffee, et al. dated May 27, 1904 and recorded in Rutland City Land Records in Book 19 at page 204, and bounded and described as follows:

Beginning at a point in the westerly line of Meadow Street, in the center of the common driveway between the Loretto Home and the Moor House, so-called, located on the premises hereby conveyed, said point of beginning being located 46 feet 2 inches from the southerly southeast corner of said Moor House and 45 feet 9 inches from the northerly southeast corner of said Moor House; thence North 82° West in the center line of said driveway 145.25 feet to a point; thence South 8° West a distance of 10 feet to a point; thence North 82° West, 990 feet, more or less, to the southeast bank of East Creek; thence generally North 45° East along the southeast bank of East Creek about 915 feet to the south line of lands now or formerly of Kelley; thence South 81° 30' East, 265 feet, more or less, to the northwest corner of lands now or formerly of Burns; thence southerly along said lands of said Burns 78 feet to the southwest corner thereof; thence South 81 ° 30' East in the south line of said Burns lands, 288 feet to the west line of Meadow Street; thence South 5° 10' West in the west line of Meadow Street, 642 feet, more or less, to the point of beginning.

The foregoing lands and premises are subject to an easement to Central Vermont Public Service Corporation dated November 27, 1950 and recorded in Rutland City Land Records in Book 87 at page 427 and to such rights as the City of Rutland may have under a certain lease dated April 21, 1950 and recorded in Rutland City Land Records in Book 87 at page 212.

Being all and the same land and premises as was conveyed to the within grantor by Warranty Deed of Sisters of St. Joseph Society being dated July 17, 1964 and of record at Volume 127, Pages 106-108 of the City of Rutland Land Records.

Reference is hereby made in and to said instruments and the references therein in further aid of this description.

(the “Loretto Home”), subject to the terms of this Order.

4. The sale of the Loretto Home to Cornerstone shall constitute a legal, valid, binding, and effective transfer of the Loretto Home and shall vest Cornerstone with title to the Loretto Home, free and clear of all liens (as defined in 11 U.S.C. § 101(37)), claims (as defined in 11 U.S.C. § 101(5)), and other interests to the extent of 11 U.S.C. § 363(f).

5. The Diocese is authorized to take all other actions and execute and deliver additional documents or instruments as necessary to effectuate the sale of the Loretto Home contemplated in the Motion and the Option Agreement.

6. The Diocese is authorized to pay Pomerleau Real Estate a commission rate of 6% of the gross sale price (\$60,000) on a final basis.

7. The Diocese and Cornerstone have acted in good faith in connection with the Motion and proposed sale. The Diocese and Cornerstone are entitled to the protections provided in 11 U.S.C. § 363(m).

8. The Diocese is authorized to take any and all actions necessary to implement the provisions of this Order.

9. To the extent Bankruptcy Rule 6004(h) applies, this Order is deemed effective and immediately enforceable upon its entry.

10. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation and interpretation of this Order.

Burlington, Vermont

Heather Z. Cooper
United States Bankruptcy Judge