

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ALASKA

CATHOLIC BISHOP OF NORTHERN ) Case No. F08-00110-DMD  
ALASKA, an Alaska religious corporation )  
sole, ) (Chapter 11)  
 )  
Debtor. )  
 )

Filed on  
2/17/2010

**ORDER APPROVING THIRD AMENDED AND RESTATED DISCLOSURE STATEMENT SUBMITTED BY THE CATHOLIC BISHOP OF NORTHERN ALASKA AND CONFIRMING THIRD AMENDED AND RESTATED JOINT PLAN OF REORGANIZATION DATED DECEMBER 16, 2009, PROPOSED BY THE CATHOLIC BISHOP OF NORTHERN ALASKA AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

This matter came before the Court pursuant to the "Third Amended and Restated Joint Plan of Reorganization dated December 16, 2009", a copy of which is attached hereto as Exhibit "1" (the "Plan"), proposed by debtor and debtor in possession, the Catholic Bishop of Northern Alaska, an Alaska religious corporation sole ("CBNA" or "Debtor"), together with the Official Committee of Unsecured Creditors (the "Committee" and together with CBNA, the "Proponents"), in the above-captioned Chapter 11 reorganization case (the "Reorganization Case") and the "Third Amended and Restated Disclosure Statement dated December 16, 2009", filed by the Debtor (the "Disclosure Statement"). Unless otherwise expressly stated in this confirmation order (the "Confirmation Order"), all capitalized defined terms used herein shall have the same meanings as defined in the Plan.

The Court approved the Disclosure Statement on an interim basis by Order dated December 17, 2009, pursuant to which order the Court also set forth the procedures for soliciting votes for and against the Plan and which also provided notice of various deadlines and the Confirmation Hearing (the "Disclosure Statement Order") [Docket No. 604]. The Court conducted the final hearing on approval of the Disclosure Statement and held the Confirmation Hearing on January 25, 2010 (the "Confirmation Hearing"). Two objections to confirmation of

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the Plan were filed by: (i) the Society of Jesus Oregon Province ("SJOP") and (ii) certain Jesuit perpetrators of sexual abuse ("Perpetrators" and collectively, the "Objectors"). In connection with an agreement recited on the record at the Confirmation Hearing between CBNA and SJOP, the Objectors withdrew their objections.

In conjunction with the Confirmation Hearing, the Court considered (i) the pleadings with respect to confirmation of the Plan and final approval of the Disclosure Statement filed by the Objectors, CBNA, the Committee and any other party; (ii) the statements and argument of counsel for CBNA, the Committee, the Parishes, certain Tort Claimants, SJOP and the Perpetrators; (iii) the Plan; (iv) the Disclosure Statement; (v) Exhibits A through U admitted into evidence at the Confirmation Hearing in support of confirmation (the "Confirmation Exhibits"); (vi) the offer of proof submitted without objection by counsel for CBNA regarding the testimony of Bishop Donald Kettler, Deacon George Bowder and Chris Linscott, financial advisor to the Debtor; (vii) the testimony of Deacon George Bowder; (viii) the testimony of Michael Murphy, the Future Claims Representative; (ix) the "Notice Of Nonmaterial Modification To The Third Amended And Restated Joint Plan Of Reorganization And Notice Of Errata Regarding Brief In Support Of Confirmation Of Third Amended And Restated Joint Plan Of Reorganization And Response To Objections Thereto" dated January 22, 2010 [Docket No. 655] (the "Plan Modification") as further modified by the agreement recited on the record at the Confirmation Hearing between CBNA and SJOP; and (ix) the entire record of the Reorganization Case.

After due deliberation and pursuant to the foregoing, and sufficient cause appearing therefore;

IT IS HEREBY FOUND AND CONCLUDED as follows:

**JURISDICTION AND VENUE**

1. The Court has jurisdiction over this matter and the Reorganization Case pursuant to 28 U.S.C. § 1334.

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2. Final approval of the Disclosure Statement and confirmation of the Plan are core proceedings pursuant to 28 U.S.C. § 157(b)(2)(L), and the Court has jurisdiction to enter a final order with respect thereto.

3. The Debtor and the Committee are proper joint proponents of the Plan pursuant to 11 U.S.C. § 1121(a).

4. The Court has jurisdiction pursuant to 28 U.S.C. § 1334(a) and (b), 11 U.S.C. § 105 and Fed. R. Bankr. P. 9019 to approve the exculpation, release and injunction provisions of Article 21 of the Plan (collectively, the "Exculpation, Releases and Injunctions") and to issue the injunctions provided for in Section 21.5 of the Plan.

5. Each of the conditions precedent to entry of the Confirmation Order has been satisfied in accordance with the provisions of the Disclosure Statement and the Plan or properly waived in accordance with the Disclosure Statement and the Plan.

**MODIFICATION OF THE DISCLOSURE STATEMENT AND THE PLAN**

6. CBNA and the Committee announced on the record that Exhibit "B" to the Plan and Exhibit "3" to the Disclosure Statement, which were introduced as Exhibit "A" at the Confirmation Hearing, will be modified and combined into one exhibit in the form attached hereto as Exhibit "2" and the modification of the above-stated exhibits is hereby approved as a nonmaterial modification to the Disclosure Statement.

7. SJOP is a debtor in a Chapter 11 case pending in the United States Bankruptcy Court for the District of Oregon as Case No. 09-30938-elp11 (the "SJOP Bankruptcy Case").

8. Pursuant to the Plan Modification, CBNA proposed a modified treatment of Class 7 which are the Jesuit Unsecured Claims. At the Confirmation Hearing, as part of the settlement between SJOP and CBNA, SJOP and CBNA agreed and the Committee concurred, subject to entry of a final order approving the settlement by the Court in the SJOP Bankruptcy Case, as follows:

- a. SJOP and CBNA, on behalf of themselves and their successors and assigns, each waive and release their respective indemnification and

contribution claims that SJOP filed in the Reorganization Case and CBNA filed in the SJOP Bankruptcy Case;

b. SJOP and CBNA will retain their respective allocation claims against the other (the "Allocation Claims") and retain the right to argue for an allocation of fault as between CBNA and SJOP (the "SJOP Allocation Claim"); provided, however, neither SJOP nor CBNA shall receive any payment from the other on account of Allocation Claims nor shall such claims give rise to any liability of CBNA to SJOP or SJOP to CBNA;

c. Except as otherwise provided in this Confirmation Order, in all events the SJOP claims against CBNA, including, but not limited to any indemnification, contribution or allocation Claims of SJOP against CBNA will be subject to the discharge and injunctive provisions of Article 21 of the Plan;

d. Except to the extent modified by an order of the Oregon Bankruptcy Court approving the settlement between SJOP and CBNA in the SJOP Bankruptcy Case, the Plan is hereby modified to incorporate the terms of the Order entered on January 8, 2010, in the SJOP Bankruptcy Case, a copy of which is attached to this Confirmation Order as Exhibit "3" attached hereto, and made a part hereof by this reference;

e. For the avoidance of any doubt, nothing contained in the Plan, this Confirmation Order or the Plan Documents shall affect the rights, if any, of SJOP, against third parties, including any Settling Insurers or Non-Settling Insurers.

f. SJOP shall be allowed a Class 7 Unsecured Claim in the amount of \$150,000 to be paid in accordance with the Plan Modification as more specifically set forth in Exhibit "4" attached hereto and made a part hereof by this reference; and

g. The Plan attached hereto as Exhibit "1" is hereby modified to include the terms of the settlement between CBNA and SJOP as set forth in this Paragraph 8 and Exhibit "4" of this Confirmation Order (the "SJOP Settlement and Plan Modification").

9. The SJOP Settlement and Plan Modification are made in accordance with Article 23 of the Plan, 11 U.S.C. § 1127(a), and Fed. R. Bankr. P., Rule 3019. Because the SJOP Settlement and Plan Modification are either: (i) contemplated by, and/or clarify the Plan; (ii) constitute a consensual resolution of the affected creditor's treatment under the Plan; and/or (iii) do not materially or adversely change the treatment of the Claim of any Creditor who has accepted the Plan (other than those creditors that have agreed to the modifications), no additional solicitation is necessary with respect to the Plan.

10. CBNA, the Committee, Travelers Casualty and Surety Company, formerly known as Aetna Casualty and Surety Company, The Catholic Mutual Relief Society of America and The Catholic Relief Insurance Company of America agreed to a modification to the Plan as set forth below in Paragraph E. of this Confirmation Order.

**STANDARDS FOR CONFIRMATION UNDER 11 U.S.C. § 1129**

11. The evidentiary record of the Confirmation Hearing and the Confirmation Exhibits support the findings of fact and conclusions of law set forth in the following paragraphs.

12. 11 U.S.C. § 1129(a)(1). The Plan complies with each applicable provision of the Bankruptcy Code, including the requirements of 11 U.S.C. §§ 1122 and 1123.

13. 11 U.S.C. § 1129(a)(2). The Debtor and the Committee have complied with all applicable provisions of the Bankruptcy Code with respect to the Plan and solicitation of acceptances or rejections thereof. In particular, the Plan complies with the requirements of 11 U.S.C. §§ 1125 and 1126 as follows:

a. In compliance with the Disclosure Statement Order, the Debtor caused copies of the Disclosure Statement, the Plan, the Disclosure

Statement Order, the Ballot and any solicitation materials from the Debtor and the Committee to be transmitted to the holders of all Claims entitled to vote to accept or reject the Plan and to others entitled to receive notice and copies of the foregoing documents pursuant to the (i) Certificate of Service of Third Amended and Restated Disclosure Statement and Plan and related documents to Confidential Mailing List, on December 23, 2009 [Docket No. 616]; (ii) Certificate of Service of Third Amended and Restated Disclosure Statement and Plan and related documents to Master Mailing List, on December 23, 2009 [Docket No. 615]; and (iii) Certificate of Service of Third Amended and Restated Disclosure Statement and Plan and related documents pursuant to 3017(a), on December 23, 2009 [Docket No. 614].

b. The Disclosure Statement Order provided due and proper notice of the Confirmation Hearing and all relevant dates, deadlines, procedures and other information relating to the Plan and/or the solicitation of votes thereon.

c. All persons entitled to receive notice of the Disclosure Statement, the Plan and the Confirmation Hearing received proper, timely and adequate notice in accordance with the Disclosure Statement Order and applicable provisions of the Bankruptcy Code and the Bankruptcy Rules and have had an opportunity to appear and be heard with respect thereto.

d. The Debtor and the Committee solicited votes with respect to the Plan in good faith and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order, including, without limitation, the inclusion of letters from the Debtor and the Committee recommending acceptance of the Plan in the solicitation packages. Accordingly, the Debtor and the Committee are entitled to the

protections afforded by 11 U.S.C. § 1125 and the exculpation provisions set forth in Section 21.4 of the Plan.

e. Claims in Classes 1, 5 and 11 are unimpaired under the Plan, and such Classes are deemed to have accepted the Plan pursuant to 11 U.S.C. § 1126(f).

f. Claims in Class 13 are impaired, are to receive no distribution under the Plan and, therefore, are deemed to have rejected the Plan.

g. There are no Claims in Classes 2, 3 and 14, and those Classes are deemed deleted from the Plan.

h. Without regard to the Claims in Classes 2, 3 and 14, there were seven (7) impaired Classes entitled to vote, Classes 4, 6, 7, 8, 9, 10 and 12. No holders of Claims in Classes 4, 6, 9, 10 and 12 voted on the Plan. The holders of Claims in Classes 8 and Class 10 voted to accept the Plan. The holders of Claims in Class 8 voted unanimously to accept the Plan, and the holders of Claims in Class 10 accepted the Plan by ninety-nine percent (99%) in amount and number of those who voted. The holder of Claims in Class 7 voted to reject the Plan; however, SJOP, the sole member of Class 7, withdrew its objection to the Plan based upon the SJOP Settlement and Plan Modification announced on the record and incorporated into this Confirmation Order, subject to approval of the SJOP Settlement and Plan Modification by the Oregon Bankruptcy Court in the SJOP Bankruptcy Case.

i. The Ballot Report, admitted as Exhibit "B" at the Confirmation Hearing, with respect to voting on the Plan, sets forth the tabulation of votes as required by the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order.

14. 11 U.S.C. § 1129(a)(3). The Plan has been proposed in good faith and not by any means forbidden by law. The Reorganization Case was filed because CBNA sought a mechanism for compensation and treatment of hundreds of Tort Claims. The Plan was negotiated in good faith. The Plan is the result of extensive good faith, arms' length negotiations among the Debtor, the Committee and the attorneys for a substantial number of the Tort Claimants, as evidenced by the fact that the Plan was a joint plan with the Committee and the overwhelming acceptance of the Plan by the Tort Claimants. In addition, the Plan's indemnification, Exculpation, Releases and Injunction provisions have been negotiated in good faith and are consistent with 11 U.S.C. §§ 105, 1123(b)(6), 1129 and 1142. The Plan achieves a result consistent with the objectives and purposes of the Bankruptcy Code

15. 11U.S.C. § 1129(a)(4). No payment for services or costs and expenses in or in connection with the Reorganization Case, or in connection with the Plan and incident to the Reorganization Case, has been or will be made by CBNA other than payments that have been or will be authorized by order of the Court. All payments for fees and costs of the Chapter 11 Professionals for services rendered before the Effective Date will be subject to approval by the Court with the procedures for such approval to be determined either by agreement of the Chapter 11 Professionals and the Office of the United States Trustee or by order of the Court in the event an agreement is not reached.

16. 11 U.S.C. § 1129(a)(5). CBNA has disclosed (i) the identity of the sole director of the Debtor and (ii) the identity of any insiders who will be employed or retained by the Reorganized Debtor. The compensation of the sole director, Bishop Donald Kettler, has been disclosed. The Debtor and the Committee have disclosed the identity of the Settlement Trustee, Robert Berger and the terms of his compensation, and the Special Arbitrator, William Bettinelli and the terms of his compensation.

17. 11 U.S.C. § 1129(a)(6). There are no governmental regulatory commissions with jurisdiction, after confirmation of the Plan, over the rates of the Debtor.



18. 11 U.S.C. § 1129(a)(7). Based upon the proffer of the testimony Chris Linscott, the financial advisor to CBNA and Exhibit "E" admitted at the Confirmation Hearing, each holder of an impaired Claim in each impaired Class of Claims that has not accepted the Plan will, on account of such Claim, receive or retain property under the Plan having a value, as of the Effective Date, that is not less than the amount that such holder would so receive or retain if CBNA could be liquidated under Chapter 7 of the Bankruptcy Code. CBNA has demonstrated that the Plan is in the best interests of its Creditors.

19. 11 U.S.C. § 1129(a)(8). The Plan has not been accepted by all impaired Classes of Claims. Notwithstanding such nonacceptance, the Plan is confirmable because, as more fully set forth below, the Plan satisfies 11 U.S.C. § 1129(b)(1) with respect to such non-accepting Classes of Claims.

20. 11 U.S.C. § 1129(a)(9). The Plan provides treatment for Administrative Claims, Priority Tax Claims and Priority Claims that is consistent with the requirements of 11 U.S.C. § 1129(a)(9).

21. 11 U.S.C. § 1129(a)(10). The Plan has been accepted by two Classes of impaired Claims that are entitled to vote on the Plan as described in Paragraph 13(h) above, without including any acceptance of the Plan by any insider.

22. 11 U.S.C. § 1129(a)(11). The Plan is feasible within the meaning of 11 U.S.C. § 1129(a)(11). The proffered testimony of Deacon Bowder and the actual testimony of Deacon Bowder together with Confirmation Exhibits "C" and "D," establish that the Debtor's business plan, projections and financial information regarding the Reorganized Debtor as of the Effective Date are reasonable, made in good faith, and confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor.

23. 11 U.S.C. § 1129(a)(12). The Plan provides that Administrative Claims for fees payable pursuant to 28 U.S.C. § 1930 will be paid on or before the Effective Date (to the extent any are due as of the Effective Date). After the Effective Date, all fees payable pursuant to 28

U.S.C. § 1930 will be paid by the Reorganized Debtor in accordance with the terms of the Plan and applicable portions of the Bankruptcy Code.

24. 11 U.S.C. § 1129(a)(13). The provisions of 11 U.S.C. § 1129(a)(13), to the extent applicable, have been complied with.

25. 11 U.S.C. § 1129(a)(16). The amendments proposed by the Debtor and set forth in the Plan to the Endowment are a proper exercise of the fiduciary duty of Bishop Kettler as the trustee of the Endowment (the "Endowment Amendments"). The Endowment Amendments are a necessary and integral part of the Plan and are necessary in order for the Debtor to perform under the Plan and cause the Effective Date to occur as testified to by Deacon Bowder at the Confirmation Hearing. The sale of the property to the Endowment as described in the Plan is in accordance with the applicable provisions of nonbankruptcy law that govern nonprofit corporations. Due and proper notice of the Plan and the Confirmation Hearing was given to the Attorney General for the State of Alaska.

26. 11 U.S.C. § 1129(b). The Plan does not "discriminate unfairly" because each dissenting Class is treated substantially equally to similarly situated Classes. With respect to the Classes of Unsecured Claims, to the extent that 11 U.S.C. § 1129(b)(B)(ii) applies, it has been satisfied. There are no interests in the Debtor because of the Debtor's status as a religious corporation organized under Alaska law.

27. To the extent not specifically addressed above and, to the extent applicable, all other provisions of 11 U.S.C. § 1129 have been complied with by the Debtor.

#### **THE FUTURE CLAIMS RESERVE**

28. The Future Claims Representative has exercised his reasoned judgment agreeing to the establishment of the Future Claims Reserve as described in that certain "Stipulation Between Catholic Bishop of Northern Alaska and Official Committee of Unsecured Creditors and the Future Claims Representative, regarding Future Claims Reserve Court" on January 21, 2010 [Docket No. 650] (the "Future Claims Stipulation").

29. Adequate and credible evidence was presented to support the determination of the funding of the Future Claims Reserve and the terms of the Future Claims Stipulation.

30. The Future Claims Representative has exercised his prudent and reasoned judgment in representing the interests of the Future Tort Claimants, if any, and determining that any Future Tort Claimants who might come forward after confirmation of the Plan shall have their Future Tort Claims determined and paid in accordance with the terms of the Plan, including the election of whether to have any such Future Claims determined by the Special Arbitrator or to have any such Future Claim determined pursuant to the terms of the Plan providing for litigation of the Future Claims.

31. The Plan and the Future Claims Stipulation provide for fair and equitable means of liquidating and compensating any Future Claims.

#### **EXECUTORY CONTRACTS AND PROPERTY TRANSFERS**

32. The Debtor's determination regarding assumption of Executory Contracts are based on and within the sound business judgment of the Debtor and are in the best interests of the Debtor, the Estate, Creditors and other parties in interest in the Reorganization Case.

33. All of the transfers and sales of the property in order to perform under the Plan, including the sale of the Pilgrim Springs property, are done pursuant to the Plan.

#### **SETTLEMENTS, INJUNCTIONS AND RELEASES**

34. The Court has approved settlements with Alaska National Insurance Company ("ANIC"), Continental Insurance Company ("CIC"), the parishes within the territory of the Diocese (collectively, the "Parish Churches"), the Catholic Trust of Northern Alaska ("CTNA") and the Monroe Foundation ("Monroe") pursuant to Fed. R. Bankr. P. 9019(a) (collectively, the "Settlements").

35. All findings and conclusions contained in the orders approving the Settlements are included herein by this reference, the same as if such findings and conclusions were set forth herein in full.

36. As established at the Confirmation Hearing either by proffered or actual testimony, the Settlements are integral to and necessary in order for the Debtor to meet its obligations under the Plan and have the funds available to fund the Fund which, in turn, will fund, in part, the Settlement Trust. Each of ANIC, CIC, the Parish Churches, CTNA and Monroe are providing substantial consideration to the Debtor, which value will allow for distributions that would not otherwise be available but for the contributions made by such non-Debtor parties. As such, ANIC qualifies as a Settling Insurer under the Plan and each of CIC, the Parish Churches, CTNA and Monroe qualify as Participating Third Parties under the Plan.

37. The Exculpation, Releases and Injunctions are, individually and collectively, integral to, and necessary for the successful implementation of the Plan, essential to the Debtor's reorganization, essential to the resolution with the Committee that resulted in the Plan being overwhelmingly accepted by the Class 10 Tort Claimants and supported by reasonable consideration.

#### **LITIGATION RESERVE**

38. One Class 10 Claimant elected to have his/her Tort Claim litigated pursuant to the Litigation Protocol provided for in the Plan.

39. At the Confirmation Hearing, counsel for the Debtor and counsel for the Committee advised that there would not be a Litigation Trust but, in accordance with the terms of the Plan, a Litigation Reserve will be established to be held and administered by the Settlement Trustee.

40. The Committee and CBNA have agreed on a Litigation Reserve of \$35,000.

41. Based upon the proffer of counsel for the Debtor and counsel for the Committee, the Class 10 Claimant electing to have his/her Tort Claim litigated, the amount of the Litigation Reserve is reasonable and no further notice of the Litigation Reserve need be given to any party.

Accordingly, IT IS HEREBY ORDERED as follows:

A. The foregoing findings and conclusions are hereby incorporated into and are a part of this Confirmation Order of the Court.

B. The Third Amended and Restated Disclosure Statement, including Exhibit "1" attached hereto, is approved on an final basis.

C. All objections to confirmation of the Plan that have not been withdrawn, waived, or settled are overruled on the merits.

D. The Plan attached hereto as Exhibit "1" and each of its provisions together with the modifications, amendments, separate agreements, compromises and settlements announced on the record at the Confirmation Hearing and as contained in this Confirmation Order, including, but not limited to, the modification attached hereto as Exhibit "4" (whether or not specifically approved herein) are confirmed in each and every respect, pursuant to 11 U.S.C. § 1129; provided, however, that if there is any conflict between the terms of the Plan and the terms of this Confirmation Order, the terms of this Confirmation Order shall control.

E. The Plan is hereby modified as follows:

1. Nothing in the Operational Documents shall constitute an adjudication or be construed to resolve or adjudicate in any way the Debtor's, Reorganized Debtor's, Settlement Trust's, Settlement Trustee's or Tort Claimant's claims or rights (either as assignee of any insurance policy, coverage certificate or proceeds payable to the Debtor and/or Settlement Trustee, in its own right or otherwise) against the Non-Settling Insurers. No provision of the Operational Documents shall, in any way, operate, or be construed to release or impair, or have the effect of impairing or releasing, the Non-Settling Insurers' legal, equitable, contractual rights or Insurance Coverage Rights relating to the Insurance Policies issued or allegedly issued by any Non-Settling Insurers (including the right to assert that the Operational Documents constitute a breach by Successors of the provisions of the Insurance Policies and the Successors reserve the right to dispute such claims).

2. As to any Non-Settling Insurer, the Operational Documents shall have no

*res judicata* or collateral estoppel effect, nor shall they constitute a trial or hearing on the merits or an adjudication or judgment as to any Tort Claim, Contribution Claim, Insurance Action, Insurance Coverage Claim, or assertion of Insurance Coverage Rights. No order, determination, conclusion or finding made in the Confirmation Order, or any appeal therefrom, shall be used, offered, cited or argued in or as to the Insurance Adversary or any Insurance Action or Contribution Action against a Non-Settling Insurer, except to show the terms of the Plan, its confirmation, and that the letter and intent of the Plan is to preserve the Insurance Coverage Rights, and insurance neutrality, in the manner set forth herein.

3. The Operational Documents shall not be construed to approve or sanction a waiver by the Successors of any defense, counterclaim, cross-claim or other remedy or right, whether legal or equitable, as and against any Tort Claimant or Tort Claim.

4. As to any Non-Settling Insurer, the Operational Documents shall have no *res judicata* or collateral estoppel effect, and shall not constitute a trial or hearing on the merits, or an adjudication or judgment:

- a) that any Non-Settling Insurer participated in the negotiation of the Plan;
- b) that any Non-Settling Insurer is liable for, or otherwise obligated to pay, with respect to any Tort Claim;
- c) that the Successors (including the Special Arbitrator or Settlement Trustee) or any other Person or Entity have satisfied any term or condition for payment from any Non-Settling Insurer, or whether any obligation of any Non-Settling Insurer has been triggered;
- d) that the Successors (including the Special Arbitrator and

Settlement Trustee) or any other Person or Entity have suffered an insured loss;

e) that the procedures established by the Operational Documents, including the Binding Arbitration Process, for evaluating, allowing and paying the Tort Claims, and any resulting values, are (x) appropriate or reasonable, (y) consistent with any procedures to evaluate or settle Tort Claims before the Petition Date or (z) reasonable or consistent with any procedures used to evaluate or settle Tort Claims;

f) that the settlement, or the value assigned to any individual Tort Claim pursuant to the procedures established by the Operational Documents, is reasonable and/or otherwise appropriate; or

g) that the conduct of any Person or Entity in connection with the negotiation, development and/or implementation of either the Operational Documents, or the procedures established thereto, is consistent with any requirement of any Insurance Policy or otherwise reasonable or appropriate.

5. It is the express intent of the parties hereto that all claims, rights and defenses of the Debtor, Reorganized Debtor, Settlement Trustee, Settlement Trust and/or Successors and any Non-Settling Insurer with respect to the presumptive, preclusive, *res judicata* or collateral estoppel effect of the determinations of the Special Arbitrator and Arbitration Awards are hereby reserved and preserved for the Insurance Adversary or such other Insurance Action before a Court of competent jurisdiction.

6. Notwithstanding Section 21.5 or any other provision of the Plan, a Non-Settling Insurer may assert a Contribution Claim, to the extent one exists, as a

defense or counterclaim against the Reorganized Debtor or Settlement Trustee (or other Person or Entity seeking Insurance Coverage), and the Reorganized Debtor or Settlement Trustee (or any other Person or Entity seeking Insurance Coverage) may assert the legal or equitable rights, if any, (including but not limited to a Contribution Claim) of the Settling Insurer in any such claim or action. In the event that a Non-Settling Insurer obtains a judicial determination or binding arbitration award that its Contribution Claims are valid, the liability (if any) of such Non-Settling Insurer to the Reorganized Debtor, Settlement Trustee or any other Person or Entity shall be reduced by the amount of such Contribution Claims and no Settling Insurer shall be liable for any such Contribution Claims.

7. For purposes of this Paragraph E, the terms set forth below shall be defined as follows:

- a) "Insurer Coverage Rights" means all rights and remedies, including without limitation defenses at law or in equity, which any Non-Settling Insurer may have (a) with respect to any Insurance Policy or (b) with respect to any claim seeking Insurance Coverage.
- b) "Operational Documents" means the Plan, Plan Documents, and the Confirmation Order.
- c) "Successors" means the Debtor, Reorganized Debtor, Settlement Trust, and Settlement Trustee.

8. The Plan is hereby amended as follows: all references to "Great Divide Candidate Insurer" shall be replaced with "Non-Settling Insurer".

F. The assumptions and rejections of the Executory Contracts are hereby approved and confirmed.

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G. The form and content of the Settlement Trust Agreement, which shall be substantially in the form of Exhibit "5" to this Confirmation Order and incorporated herein by this reference, is hereby approved.

H. Robert Berger is hereby appointed the Settlement Trustee, and the compensation provided for in the Plan for the Settlement Trustee is hereby approved.

I. The Settlement Trust (including the Litigation Reserve) is to be funded by a transfer and assignment of the Cash that comprises the Fund as of the Effective Date. As of the Effective Date, the Settlement Trust shall be vested with the Fund, free and clear of all Claims, liens, security interests, assignments, encumbrances, charges, and other interests of Creditors, except the Tort Claims which are Allowed by the Special Arbitrator. Any additions to the Fund which are transferred to the Settlement Trustee after the Effective Date shall also be transferred and shall vest, free and clear of all Claims, liens, security interests, assignments, encumbrances, charges, and other interests of Creditors, except the Claims of Tort Claimants and Future Tort Claimants which are Allowed by the Special Arbitrator or pursuant to the terms of the Plan. The vesting of the property in the Settlement Trust does not and shall not subject the Settlement Trust, the Settlement Trustee or CBNA to any liability by reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law, including, without limitation, any laws affecting successor or transferee liability.

J. The sale and transfer of the property to the Endowment shall be free and clear of all liens, claims, interests and encumbrances and is hereby approved.

K. Pursuant to 11 U.S.C. § 1146(c), the issuance, transfer or exchange of any security, or the making, delivery, filing or recording of any instrument of transfer under the Plan, including, but not limited to, the transfer of the property to the Endowment and the sale and transfer of the Pilgrim Springs property, shall not be taxed under any law imposing a recording tax, stamp tax, transfer tax or similar tax. All filing or recording officers, wherever located and by whomever appointed, are hereby directed to accept for filing or recording, and to file or record upon presentation thereof, all instruments of transfer without payment of any recording tax, stamp tax,

transfer tax or similar tax imposed by federal, state or local law. The Court specifically retains jurisdiction to enforce the foregoing direction by whatever means within the Court's jurisdiction and power.

L. The Future Claims Stipulation is hereby approved, and the Future Claims Reserve shall be funded in accordance with the terms of the Future Claims Stipulation.

M. All Future Tort Claimants, whether or not they file a Proof Claim, are bound by the provisions of the Plan including but not limited to Articles 13, 18 and 21 of the Plan.

N. Without limiting the generality of the Plan and the Confirmation Order, all Settling Tort Claimants are bound by the settlement and other provisions of Articles 13, 18 and 21 of the Plan and the Settlement Trust.

O. Without limiting the generality of the Plan and the Confirmation Order, all Litigation Tort Claimants are bound by the provisions of Articles 13, 18 and 21 of the Plan, the Litigation Reserve and this Confirmation Order.

P. The Settlements between the Debtor on the one hand and the Parish Churches, Monroe and the CTNA on the other hand, which, pursuant to Article 22 of the Plan is incorporated into the Plan were approved by separate orders. Pursuant to this settlement any and all actions against Parish Churches' property, Monroe and CTNA, including but not limited to *Official Committee of Unsecured Creditors v. Catholic Trust of Northern Alaska, et. al.*, Adversary No. 09-90025-DMD and *Official Committee of Unsecured Creditors v. Catholic Bishop of Northern Alaska, et. al.*, Adversary No. 09-90026-DMD, are hereby dismissed with prejudice.

Q. The amendments to the Endowment Documents described in Article 25 of the Plan are approved.

R. The sale of assets to the Endowment described in Section 17.2 of the Plan is hereby authorized and approved free and clear of any liens, claims, interests or other encumbrances; further, the Debtor is authorized to prepare and to enter into such documents as may be required in order to effectuate the asset sale.

S. The sale of the Pilgrim Springs Property pursuant to Section 17.3 of the Plan at an auction to be conducted at a hearing on March 5, 2010 is authorized and the Endowment is further authorized to submit the opening bid of \$1,850,000. In all events, the sale of the Pilgrim Springs Property is pursuant to the Plan and Court approved sale procedures.

T. The additional sales, transfers and assignments of property in Article 17 of the Plan are hereby authorized and approved.

U. Subject to Paragraph E above, the Debtor is authorized to assign its claims against the Non-Settling Insurers pursuant to Section 17.9 of the Plan.

V. Subject to Paragraph E(6), above, the Exculpation, Releases and Injunctions provisions of the Article 21 of the Plan are hereby approved and shall become effective on the Effective Date of the Plan or as otherwise ordered by the Court.

W. The SJOP Settlement and Plan Modification are hereby approved.

X. Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date, the Debtor shall be discharged from and its liability shall be extinguished completely in respect of any Claim, including, without limitation, Tort Claims, and Future Tort Claims and any debt, whether reduced to judgment or not, liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, fixed or not, matured or unmatured, disputed or undisputed, legal or equitable, known or unknown, that arose from any agreement of the Debtor entered into or obligation of the Debtor incurred before the Confirmation Date, or from any conduct of the Debtor prior to the Confirmation Date, or that otherwise arose before the Confirmation Date, including, without limitation, all interest, if any, on any such Claims and debts, whether such interest accrued before or after the date of commencement of the Reorganization Case, and including, without limitation, all Claims and debts based upon or arising out of Tort Claims or Future Tort Claims and from any liability of the kind specified in Bankruptcy Code §§ 502(g), 502(h), and 502(i), whether or not a Proof of Claim is filed or is deemed filed under Bankruptcy Code § 501, such Claim is Allowed under Bankruptcy Code § 502, or the holder of such Claim has accepted the Plan.

Y. Except as otherwise expressly provided in the Plan or in the Confirmation Order, in consideration of: (a) the promises and obligations of the Participating Third Parties under the Plan, including those who may become Participating Third Parties pursuant to Order of the Court if such action occurs after entry of the Confirmation Order or after the Effective Date; and (b) the undertakings of the Settling Insurers pursuant to their respective settlements with the Debtor, including Alaska National Insurance Company, on the Effective Date or on such date as an Insurer becomes a Settling Insurer pursuant to Order of the Court if such action occurs after the entry of the Confirmation Order or after the Effective Date, all Persons who have held, hold, or may hold Tort Claims or Future Tort Claims, whether known or unknown, shall be forever barred from pursuing such Tort Claims (including Future Tort Claims), whether such Claims are based upon tort or contract or otherwise, that they heretofore, now or hereafter possess or may possess against the Settling Parties, in each case based upon or in any manner arising from or related to any acts or omissions of CBNA or any of the other Settling Parties, related to any sexual misconduct or other acts committed by any clergy, employees, volunteers or other Persons associated with CBNA and, further, including, without limitation: (i) Tort Claims, or Future Tort Claims; (ii) Claims for personal injuries, including emotional distress; (iii) those of any Person against whom any Claim, demand, proceeding, suit or cause of action based upon or in any manner arising from or relating to any of the matters enumerated or described herein, has been or may be asserted (including, without limitation, rights of indemnity, whether contractual or otherwise, contribution Claims and subrogation Claims); (iv) those for damages, including punitive damages; (v) those for attorneys' fees and other expenses, fees or costs; (vi) those for any possible economic loss or loss of consortium; (vii) those for damages to reputation; and (viii) those for any equitable remedy.

Z. Except as otherwise expressly provided in the Plan or in the Confirmation Order, the Plan Documents or any agreements between any of the Settling Parties, as between all Settling Parties, the provisions of Section 21.3 of the Plan and the Confirmation Order shall be and hereby are a mutual release of all Claims which any Settling Party may have against another Settling Party with respect to any Claims arising out of or related to CBNA or the Plan.

AA. Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date the Reorganized Debtor shall be vested with all of the property of the Estate free and clear of all Claims, Liens, encumbrances, charges and other interests of Creditors, and shall thereafter hold, use, dispose or otherwise deal with such property, operate its business and carry on its ministry and mission free of any restrictions imposed by the Bankruptcy Code or by the Court. All Avoidance Actions that are not otherwise dismissed pursuant to this Confirmation Order, are hereby preserved for the benefit of the Reorganized Debtor.

BB. Subject to Paragraph E(6), above, and except as otherwise expressly provided in the Plan, for the consideration described in the Plan or any agreement by which a Person becomes a Participating Third Party, a Settling Insurer or a Settling Party, or if such Person is a Released Party on the Effective Date, all Persons who have held, hold, or may hold Channeled Claims or Claims against CBNA, any Participating Third Party, any Settling Insurer, any Settling Party or any Released Party, whether known or unknown, and their respective agents, attorneys, and all others acting for or on their behalf, shall be permanently enjoined on and after the Effective Date from: (a) commencing or continuing in any manner, any action or any other proceeding of any kind with respect to any Claim, including, but not limited to, any Tort Claim, or Future Tort Claim against the Released Parties, the Settling Parties, CBNA, the Reorganized Debtor, the Settlement Trust, the Litigation Trust, the Trustee, the Special Arbitrator and their respective predecessors, successors, officials, shareholders, subsidiaries, divisions, affiliates, representatives, attorneys, merged or acquired companies or operations or assigns (collectively, the "Parties") or the property of the Parties; (b) seeking the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree, or order against the Parties or the property of the Parties, with respect to any discharged Claim or Channeled Claim; (c) creating, perfecting, or enforcing any encumbrance of any kind against the Parties or the property of the Parties with respect to any discharged Claim or Channeled Claim; (d) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due to the Parties with respect to any discharged Claim or Channeled Claim; and (e) taking any act, in any manner and in any place whatsoever, that does not

conform to or comply with provisions of the Plan, the Settlement Trust Agreement, the Litigation Trust Agreement or the Confirmation Order. The provisions of the Plan and this Paragraph BB. shall apply to any Participating Third Party, Settling Insurer or Settling Party, whether they are such on the date of entry of the Confirmation Order, the Effective Date, or become such pursuant to order of the Court approving each as a Participating Third Party, Settling Insurer or Settling Party.

CC. Subject to the reservations of rights set forth in Paragraph E, above, the Court shall retain jurisdiction for certain purposes, as provided in Article 24 of the Plan. The Court's retention of jurisdiction shall not, and does not, affect the finality of the Confirmation Order.

DD. With respect to the Executory Contracts to which CBNA is a party, all such Executory Contracts that have not been expressly assumed or rejected as of the date of the Confirmation Order are hereby rejected; and all claims arising from the rejection of such Executory Contracts must be filed within thirty (30) days of the entry of the Confirmation Order.

EE. Prior to occurrence of the Effective Date, CBNA, the Bishop, the Committee, the Future Claims Representatives, and their employees, attorneys, agents, and representatives are authorized and empowered to take all actions necessary or appropriate to consummate the transactions contemplated by the Plan and the Plan Documents and to perform thereunder. The Bishop and any other authorized officer of CBNA is authorized and empowered to execute and deliver the Plan Documents in substantially the form submitted, subject to such amendments as may be agreed to by the parties thereto or approved by the Court, provided such amendments shall be consistent with the Plan.

FF. Upon the Effective Date, CBNA, as the Reorganized Debtor, is authorized and empowered to conduct its missions, operations, and ministry, and to dispose of its property without further approval of the Court, except as otherwise provided in the Plan or the Plan Documents.

GG. Not later than thirty (30) days after the Effective Date, the Reorganized Debtor shall file with the Court, a certificate confirming that the Effective Date has occurred, with notice thereof to be given as required by Fed. R. Bankr. P. 2002(f).

Dated this 17th day of February, 2010.

BY THE COURT

/s/ Donald MacDonald IV  
Donald MacDonald IV  
U.S. Bankruptcy Judge

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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ALASKA

CATHOLIC BISHOP OF NORTHERN ) Case No. 08-00110-DMD  
ALASKA, an Alaska religious corporation )  
sole, ) (Chapter 11)  
)  
Debtor. )  
)  
)  
)  
)

**DEBTOR'S AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS'  
THIRD AMENDED AND RESTATED JOINT PLAN OF REORGANIZATION FOR  
THE CATHOLIC BISHOP OF NORTHERN ALASKA**

December 16, 2009  
Fairbanks, Alaska

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## ARTICLE 1

### INTRODUCTION

The Catholic Bishop of Northern Alaska, an Alaska religious corporation sole, the Debtor and debtor-in-possession in the above-captioned Chapter 11 reorganization case, and the Official Committee of Unsecured Creditors, propose the following Third Amended and Restated Joint Plan of Reorganization pursuant to the provisions of Chapter 11 of the Bankruptcy Code. For purposes hereof, any term used in an initially capitalized form in the Plan will have the defined meaning ascribed to it in either Bankruptcy Code § 101 or Article 2 hereof unless the context otherwise requires.

ALL CREDITORS ARE ENCOURAGED TO CONSULT THE DISCLOSURE STATEMENT BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. AMONG OTHER INFORMATION, THE DISCLOSURE STATEMENT CONTAINS DISCUSSIONS OF THE DEBTOR, THE HISTORICAL BACKGROUND OF THE REORGANIZATION CASE AND THE PREPETITION PERIOD, THE PROJECTIONS GERMANE TO THE PLAN AND THE POST-CONFIRMATION OPERATIONS OF THE DEBTOR AND THE REORGANIZED DEBTOR, AND A SUMMARY AND ANALYSIS OF THE PLAN. NO SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT AND RELATED MATERIALS TRANSMITTED THEREWITH, HAVE BEEN AUTHORIZED BY THE BANKRUPTCY COURT OR BY THE BANKRUPTCY CODE FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN.

The Court has scheduled the Confirmation Hearing on January 25 and 26, 2010.

## ARTICLE 2

### DEFINITIONS

2.1 Scope Of Definitions. For purposes of the Plan, and except as expressly provided otherwise herein or unless the context otherwise requires, all of the defined terms stated in Article 2 will have the meanings hereinafter stated. For purposes of the Plan and such defined terms, the singular and plural uses of such defined terms and the conjunctive and disjunctive uses

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thereof will be fungible and interchangeable (unless the context otherwise requires); and the defined terms will include masculine, feminine, and neuter genders. The words "hereof," "hereto," "herein," and "hereunder" and words of similar import, when used in the Plan, will refer to the Plan as a whole. The defined terms stated in Article 2 also are substantive terms of the Plan, and Article 2 will be deemed incorporated throughout the rest of the Plan to convey the substantive provisions included in the defined terms. Any term used in the Plan that is not defined herein but that is used in the Bankruptcy Code or the Bankruptcy Rules will have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules. Unless otherwise specified, all section, article, and exhibit references in the Plan are to the respective section in, article of, or exhibit to the Plan, as the same may be amended, waived, or modified from time to time. The headings and captions of the Plan (including the headings of the defined terms), are for convenience of reference only and will not limit or otherwise affect the provisions hereof. Accordingly, the defined terms are as follows:

2.2 Administrative Claim means (a) every cost or expense of administration of the Reorganization Case which is allowable pursuant to Bankruptcy Code § 503, including any actual and necessary postpetition expenses of preserving the Estate; (b) any actual and necessary postpetition expenses of operating CBNA; (c) all Professional Charges approved by the Bankruptcy Court pursuant to interim and final allowances in accordance with Bankruptcy Code §§ 330, 331, and 503(b); (d) every Property Tax Administrative Claim; and (e) all fees and charges assessed against the Estate under Chapter 123 of Title 28, United States Code.

2.3 Administrative Claims Bar Date means the deadline for holders of Administrative Claims to file motions to allow administrative claims and the deadline for the Debtor's Professionals, the Committee's Professionals, the Future Claims Representative and the Future Claims Representative Professionals to file final fee applications and will occur forty-five (45) days after the Confirmation Date, unless any such requirement for filing final fee applications is waived pursuant to Court order.

2.4 Allowed means with respect to any Claim or Administrative Claim allowance for purposes of distribution pursuant to Bankruptcy Code §§ 502 or 503. A Claim or Administrative Claim may become an Allowed Claim by operation of law if it was scheduled in a liquidated amount and not disputed, or if a Proof of Claim was timely filed and was not objected to prior to the Claim Objection Deadline. A Claim or Administrative Claim may also become an Allowed Claim pursuant to the terms of the Plan or by a Final Order entered on an objection to a Proof of Claim or on an application for administrative expense; estimated Claims that are Allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court, will not be considered Allowed Claims hereunder. No Disputed Claim will become an Allowed Claim unless and until all such matters are resolved or adjudicated fully and finally and a Final Order has been entered.

2.5 Annuities means the gifts made to CBNA by various donors for charitable gift annuities, in exchange for which such donors are receiving certain fixed payments during their lives or the life of another person, the payments for which were fixed at the date of the gift based on actuarial tables of the donor's life expectancy and uniform gift annuity rates.

2.6 Annuity Secured Claims means the right of the holders of the Annuities to receive the monthly payments provided for in the agreement between CBNA and such annuitant.

2.7 Arbitration Award means the decision of the Special Arbitrator in the binding arbitration procedure described in Article 18 below, setting forth the amount of each Allowed Settling Tort Claim.

2.8 Assets means each and every item of property and interest of the Debtor therein, as of the Effective Date, for which CBNA owns the legal and equitable title, which is part of the temporal goods of the Diocese as a juridic person, and which is property of the Estate under Bankruptcy Code § 541, whether tangible or intangible, legal or equitable, liquidated or unliquidated, and includes without limitation: (a) all Cash; (b) all Retained Claims; (c) any and all amounts owed to the Debtor, including accounts receivable and contract rights, whether due prior or subsequent to the Petition Date; (d) any other right, claim, cause of action, or defense,

whether arising by statute or common law, and whether arising under the laws of the United States, other countries, or applicable state or local law, including, but not limited to, all Insurance Actions; (e) all of the Debtor's books, records, and privileges; (f) all contracts, agreements, licenses, and leases; and (g) any other property of the Debtor.

2.9 Avoidance Actions means all actions pursuant to Bankruptcy Code §§ 544, 547, 548, 549 and 550 and any other actions provided for under applicable law, that allow a debtor, a trustee or a debtor in possession to, among other things, avoid certain transfers.

2.10 Ballot means the ballot accompanying the Plan and Disclosure Statement which will be sent to all Creditors entitled to vote on the Plan, on which such Creditors will indicate their vote to accept or reject the Plan, and pursuant to which any Tort Claimant will make the election to opt out of treatment of his or her Tort Claim as a Settling Tort Claim and into treatment as a Litigation Tort Claim or a Convenience Tort Claim. There will be separate ballots for Tort Claimants and for other Creditors. The Ballots, to the extent necessary, will be approved by the Bankruptcy Court.

2.11 Bankruptcy Code means Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq., including any amendments thereto, which is in effect during the Reorganization Case.

2.12 Bankruptcy Court or Court. These terms are completely synonymous and interchangeable and will refer to and mean the United States Bankruptcy Court for the District of Alaska, or such other court which exercises jurisdiction over part or all of the Reorganization Case, to the extent that the reference of part or all of the Reorganization Case is withdrawn.

2.13 Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure promulgated under Title 28, United States Code, § 2075, including any amendments thereto, as they may be amended from time to time during the Reorganization Case.

2.14 Bar Date means December 2, 2008, the date established by the Court in the Bar Date Order as the date by which a Claim must be evidenced by the filing of a Proof of Claim with the Bankruptcy Court, but excludes the Administrative Claims Bar Date.

2.15 Bar Date Order means the "Order Granting Debtor's Motion for an Order Fixing Time For Filing Proofs Of Claim; Approving Claim Forms; and Approving Manner and Form of Notice", entered May 30, 2008 [Docket #180] which, among other things, set the Bar Date and approved the Proof of Claim form to be used by Tort Claimants.

2.16 Binding Arbitration Process means the process through which the Claims of Settling Tort Claimants will be liquidated as described in Section 18.1 of the Plan.

2.17 Bishop means the Reverend Donald J. Kettler, or such other individual who may in the future become the acting Diocesan Bishop of CBNA during the term of the Plan.

2.18 Business Day means every day except Saturdays, Sundays, federal holidays, Catholic holidays recognized and observed by CBNA, and Alaska holidays observed by the Bankruptcy Court.

2.19 Canon Law means the Code of Canon Law applicable to the Roman Catholic Church.

2.20 Cash means cash, cash equivalents, bank deposits, and negotiable instruments payable on demand.

2.21 CBNA Real Property means the real property owned by CBNA, which is identified in the attached Exhibit "A".

2.22 Channeled Claims means the Tort Claims of Tort Claimants and Future Tort Claimants against the Settling Parties or the Released Parties which are channeled to and satisfied pursuant to the Plan out of the Settlement Trust.

2.23 Chapter 11 Professionals means the Debtor's Professionals, the Committee's Professionals and the Future Claims Representative Professionals wherever they are referred to collectively in the Plan.

2.24 Claim Allowance Agreement means an agreement between CBNA and a Tort Claimant, which is entered into prior to the Effective Date and approved by the Bankruptcy Court as reasonable under Bankruptcy Rule 9019, whereby CBNA and such Tort Claimant agree to Allow a Tort Claim at a certain amount.

2.25 Claim Objection Deadline means the date by which any objections to Claims other than Tort Claim or Future Tort Claims, if not previously Allowed, must be filed which, unless any earlier time is fixed by order of the Bankruptcy Court, and, as to which, subject to amendment rights and the relation back of amendments under applicable federal or state procedural rules, any objection to the allowance of any Claim and the assertion of any defense, setoff, counterclaim, recoupment, or other adverse claim of any kind of the Debtor or the Reorganized Debtor, must be filed on or before the first Business Day which is one hundred eighty (180) days after the Effective Date.

2.26 Claim Payment Date means the date which is ten (10) Business Days after a Claim becomes an Allowed Claim by a Final Order if such Claim is not an Allowed Claim on the Effective Date.

2.27 Class means each of the classifications of Claims described in Article 4 of the Plan.

2.28 Co-Defendants means the entities and individuals who are co-defendants with CBNA in the various state court actions or against whom Tort Claims might be asserted by a Tort Claimant.

2.29 Committee means the Official Committee of Unsecured Creditors appointed by the United States Trustee on March 31, 2008.

2.30 Committee's Professionals means:

The law firm of Pachulski, Stang, Ziehl & Jones, LLP;

The law firm of Manly & Stewart;

The law firm of David Bundy, P.C.;

The financial consulting firm of J. H. Cohn, LLP;

The consulting firm of Morrow & Hensel; and

Any and all other similar professionals which the Committee retains to assist in the conduct of the Reorganization Case or to provide professional services for a specified purpose, all in accordance with Bankruptcy Code §§ 327(a) and 327(e).

2.31 Confirmation Date means the date on which the Bankruptcy Court enters the Confirmation Order on the Court's docket.

2.32 Confirmation Hearing means the hearing held by the Bankruptcy Court regarding confirmation of the Plan, as such may be continued from time to time.

2.33 Confirmation Order means the order of the Bankruptcy Court confirming the Plan pursuant to Bankruptcy Code §1129 and which will, among other things:

(a) provide that the settlement provisions and other provisions in the Plan and the Settlement Trust are binding on all Settling Tort Claimants;

(b) provide that all Future Tort Claimants, whether or not they file a Proof of Claim or a Future Tort Claim Proof of Claim, are bound by the provisions of the Plan;

(c) approve and provide for the implementation of the Plan Documents;

(d) approve and incorporate the Settlement Trust Agreement as part of the Plan;

(e) approve, pursuant to the Plan, CBNA's settlement with the Parish Churches, Monroe Foundation and the CTNA as set forth in the Parish Settlement Agreement and the Monroe Foundation Settlement Agreement;

(f) provide that from and after the Effective Date, no action may be commenced or continued against CBNA;

(g) approve the Asset sale to the Endowment upon the terms and conditions set forth in the agreement between the Endowment and CBNA and as set forth in the Plan and the Disclosure Statement;

(h) approve the sale of the Pilgrim Springs Property to the high bidder at the Pilgrim Springs Auction pursuant to the order approving the Pilgrim Springs sale procedures;

(i) provide that any and all actions against Parish Churches' property, including but not limited to *Official Committee of Unsecured Creditors v. Catholic Trust of Northern Alaska, et. al.*, Adversary No. 09-90025-DMD and *Official Committee of Unsecured Creditors v. Catholic Bishop of Northern Alaska, et. al.*, Adversary No. 09-90026-DMD, are dismissed with prejudice;

(j) effect the release and discharge of certain Claims and the injunction against prosecution of the released Claims or Channeled Claims by any Creditors or parties in interest against Released Parties, Settling Parties, CBNA and any others described in Article 21 of the Plan, and provide for the channeling injunction with respect to Claims against Released Parties, Claims against Settling Parties and Claims against others as set forth in Sections 21.3 and 21.5 of the Plan;

(k) approve the amendments to the Endowment provided for in Article 25 of the Plan; and

(l) contain such other terms and provisions as are acceptable to CBNA and the Committee in their sole discretion.

2.34 Continental means that certain corporation organized and existing under the laws of South Carolina, with its principal place of business in Chicago, Illinois, known as Continental Insurance Company and any and all of its affiliates including CNA Financial Corporation, which is an authorized insurer in the State of Alaska, and which CBNA alleges issued primary liability insurance policies in the period between 1974 and 1979, which was the subject of Adversary No. 08-90033 before the Bankruptcy Court.

2.35 Continental Claims means any and all Claims held by Continental against the Debtor, including, but not limited to, any and all Claims for reimbursement of defense costs, damages, attorneys' fees or costs, directly or indirectly relating to the Bankruptcy Court's order granting summary judgment to Continental in Adversary No. 08-90033 and Claim No. 25 filed by Continental.

2.36 Contingent means, with reference to a Claim, a Claim that has not accrued or is not otherwise payable and the accrual of which or the obligation to make payment on which, is dependent upon a future event that may or may not occur.

2.37 Contribution Actions means any actions commenced or which may be commenced against any Person against whom CBNA asserts a Contribution Claim.

2.38 Contribution Claims means any rights or claims of CBNA for indemnification, contribution or fault allocation against any Person who is or may be liable to CBNA or any Person on account of any Claims which are or may be asserted against CBNA.

2.39 Convenience Tort Claim means a Tort Claim that will be Allowed and paid \$2,500 Cash as full and final compensation and satisfaction of the Tort Claim of the Settling Tort Claimant and will be subject to each and every release and injunctive provision of the Plan.

2.40 Convenience Tort Claimant means a holder of a Tort Claim who has elected to have his or her Tort Claim treated as a Convenience Tort Claim as full and final compensation for his or her Tort Claim, which will be discharged and subject to each and every release and injunctive provision of the Plan. A Tort Claimant may elect treatment as a Convenience Tort Claimant either by affirmative election on his or her Ballot or be deemed to elect treatment as a Convenience Tort Claimant by failing to timely take certain actions under the Litigation Protocol or the Binding Arbitration Process.

2.41 CTNA means the Catholic Trust of Northern Alaska.

2.42 Custom Questionnaire means the questionnaire for use by the Special Arbitrator in the Binding Arbitration Process that may be requested by a Great Divide Candidate Insurer no later than thirty (30) days after service of a completed Uniform Questionnaire.

2.43 Debtor or CBNA means the Catholic Bishop of Northern Alaska, an Alaska religious corporation sole, in all of its civil law capacities, including, but not limited to: (a) the Estate of CBNA and (b) CBNA as the representative of the Estate. The terms Debtor and CBNA which are completely synonymous and interchangeable.

2.44 Debtor's Professionals means:

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The law firm of Quarles & Brady, LLP;

The law firm of Dorsey & Whitney, LLP;

The law firm of Cook, Schuhmann & Groseclose, Inc.;

The accounting and financial consulting firm of Keegan, Linscott & Kenon, P.C.;

The aircraft brokerage Northern Aircraft, Inc.;

The real estate firm of Robert Fox Realty, L.L.C.;

The geothermal consultant Gerald W. Hutterer of the firm of Geothermal Management Company, Inc.; and

any and all other similar professionals which the Debtor or the Reorganized Debtor retains to assist in the conduct of the Reorganization Case or to provide professional services for a specified purpose, all in accordance with Bankruptcy Code §§ 327(a) and 327(e).

2.45 Diocese means the canonical entity encompassing the territory of the Diocese of Fairbanks subject to the jurisdiction of the Bishop and through which the Bishop carries out his canonical duties in accordance with Canon Law.

2.46 Diocesan Bishop means, as provided in the Endowment Documents and pursuant to Canon Law, a title of the person within the Roman Catholic Church who is appointed by the Vatican See and designated as the Bishop who is to govern the Diocese and care for its people, with the cooperation and assistance of other Catholics, clerics and laity. The term "Diocesan Bishop" does not mean or include the Bishop acting in his civil capacity as the sole director of CBNA.

2.47 Disallowed means, when referring to a Claim, a Claim or any portion of a Claim which has been disallowed or expunged by a Final Order.

2.48 Disclosure Statement means the Third Amended and Restated Disclosure Statement presented by CBNA with respect to the Plan, including, but not limited to, any restatements, amendments, modifications, and additional disclosures (if any) provided by CBNA to comply with Bankruptcy Code § 1127 or orders of the Bankruptcy Court, and which was conditionally approved by the Bankruptcy Court on December \_\_, 2009.

2.49 Disputed Claim means every Claim, or portion thereof, which is subject to any defense, setoff, counterclaim, recoupment, or other adverse claim of any kind of the Debtor or the Reorganized Debtor, or to which an objection (formal or informal) has been made and which has not yet been Disallowed or which has not become an Allowed Claim, in either case, pursuant to a Final Order.

2.50 Disputed Claims Reserve means the reserve to be established on the Effective Date (and, thereafter, to be maintained as necessary) to hold in one or more segregated accounts, Cash or other Assets equal to the aggregate amounts thereof, that would have been distributed on an applicable Claim Payment Date on account of a Disputed Claim. In establishing the Disputed Claims Reserve on the Effective Date, all Disputed Claims may be estimated by the Reorganized Debtor at an amount equal to (a) such lesser amount that is agreed to by the holder of such Claim, (b) the amount claimed if the Court has not made an estimation of such Claim or the holder of such Claim has not agreed to a lesser amount, or (c) the amount, if any, determined by the Court by Final Order pursuant to Bankruptcy Code § 502(c), as an estimate for distribution purposes. In any event, the Estimated Amount will be the maximum amount of the Claim for distribution purposes under the Plan. The Disputed Claims Reserve may be adjusted from time to time after the Effective Date by the Reorganized Debtor, after taking into account the anticipated recovery fraction which has been or is anticipated to be paid to the holders of Allowed Claims, after giving effect to the amount of the Disputed Claims as determined pursuant to this provision. The Disputed Claims Reserve will not apply to the Settlement Trust and/or the Litigation Trust (or the Litigation Reserve), each of which will be governed by the terms of the Settlement Trust Agreement, the Litigation Trust Agreement or the terms of the Litigation Reserve.

2.51 District Court means the United States District Court, District of Alaska.

2.52 Effective Date means the first Business Day which is twenty (20) days after entry of a final Confirmation Order in form and substance satisfactory to the Committee and the

Debtor in their sole discretion, unless the Confirmation Order is stayed or enjoined by the Bankruptcy Court, the District Court or another appellate court.

2.53 Endowment means the collection of endowment funds held in charitable trusts by CBNA and called The DONATE Fund that was established in 1980 to enable individuals, families, and others to support the future needs of the Diocese, the Parishes, schools, Monroe Foundation, agencies and programs within the Diocese, the investment return from which is used to support the specific programs for which the applicable Endowment was created.

2.54 Endowment Documents means all documents creating, governing or pertaining to the Endowment.

2.55 Estate means the bankruptcy estate of CBNA created under Bankruptcy Code § 541.

2.56 Estimated Amount means the maximum amount at which the Court or the District Court, pursuant to Bankruptcy Code § 502(c), at the request of CBNA or any other party with standing, estimates any Claim or Class of Claims against the Debtor that is contingent, unliquidated or disputed, but excluding any Tort Claim, or any Future Tort Claim for the purpose of: (a) allowance (for estimation purposes only); (b) distribution; (c) confirming the Plan pursuant to Bankruptcy Code § 1129; (d) voting to accept or reject the Plan pursuant to Bankruptcy Code § 1126 and Bankruptcy Rule 3018(a); or (e) any other proper purpose. The Debtor and the Committee will seek an order of the Bankruptcy Court providing that Tort Claims will be estimated at \$1.00 per Claim *solely* for purposes of voting on the Plan. Such estimation of a Claim, including a Tort Claim, for purposes of voting on the Plan will not establish the valuation of the Claim, including a Tort Claim, or Class of Claims for distribution purposes.

2.57 Excluded Property means any real and personal property that is excluded from the Plan because:

- (a) it is not property of the Estate pursuant to Bankruptcy Code § 541;
- (b) it is critical to the continued ministry and mission of the Diocese

and CBNA; or

(c) it is excluded under the Religious Freedom Restoration Act.

Notwithstanding the foregoing, and except for property which is not property of the Estate, CBNA, in its sole discretion, may, but will not be required to, elect to utilize some of the property which is either critical to the ministry and mission of the Diocese and CBNA or excluded under the Religious Freedom Restoration Act, in order to implement the Plan.

2.58 Executory Contract means every unexpired lease and other contract which is subject to being assumed or rejected by the Debtor under Bankruptcy Code § 365, pursuant to the Plan or pursuant to separate motion.

2.59 Final Order means any judgment or order of the Bankruptcy Court or any other court of competent jurisdiction as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired, and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing will then be pending, or as to which any right to appeal, petition for certiorari, reargue or rehear will have been waived in writing, in form and substance satisfactory to the Debtor or, in the case of the Confirmation Order, satisfactory to the Debtor and the Committee, or, on and after the Effective Date, in form and substance satisfactory to the Reorganized Debtor and as to the Litigation Trust, if any, and as to the Settlement Trust, the Settlement Trustee, or in the event that an appeal, writ of certiorari, reargument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court or other court of competent jurisdiction will have been determined by the highest court to which such order was appealed, or certiorari, reargument or rehearing will have been denied, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing will have expired provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure, may be filed with respect to such order or judgment, will not cause such order or judgment not to be a Final Order.

2.60 Fund means the fund to be established by CBNA which will be used to fund: (i) Allowed Administrative Claims; (ii) the Insurance Actions; (iii) the Settlement Trust; and (iv) if

necessary, the Litigation Trust or the Litigation Reserve. The Fund will consist of all of the following:

(a) On the Effective Date or on the date provided for in the Plan, the net proceeds from the sale of the CBNA Real Property, including the proceeds from the sale of Assets to the Endowment, but not less than \$9.8 million Cash as of the Effective Date;

(b) The net proceeds of the Pilgrim Springs Auction, including any amounts in excess of the Endowments opening bid of \$1.850 million;

(c) Payments from the Participating Third Parties;

(d) Proceeds from the Special Appeal;

(e) Proceeds from the Parish Settlement and Monroe Foundation Settlement;

(f) Payments from the Settling Insurers;

(g) Any net recoveries from Contributions Claims.

2.61 Future Claims Representative means Michael Murphy, the person appointed by the Bankruptcy Court to act as the Future Claims Representative pursuant to "Order Approving Joint Nomination of Future Claims Representative" entered January 15, 2009 [Docket No. 341] and "Order Approving Future Claims Representative's Application For Order Authorizing And Approving The Employment of Alix Partners, LLC" entered March 27, 2009 [Docket No. 416]. The Future Claims Representative represents the interests of the Future Tort Claimants and has employed his affiliate, Alix Partners, LLC, as his advisor.

2.62 Future Claims Representative's Professionals means the financial consulting and advisory firm of Alix Partners, LLC; and any and all other professionals which the Future Claims Representative retains or employs to assist or advise in the conduct of the Reorganization Case or to provide professional services for a specified purpose, including attorneys or law firms, if retained by the Future Claims Representative, all in accordance with Bankruptcy Code §§ 327(a) and 327(e).

2.63 Future Claims Reserve means the reserve to be established on the Effective Date or such later date when funds from the Fund become available pursuant to Section 13.2 of the Plan (and, thereafter, to be maintained as necessary) by the Settlement Trustee to hold, in one or more segregated accounts, Cash or other Assets in an amount to be approved by the Court in the Confirmation Order. The Future Claims Reserve will not be funded from the first \$9.8 Million transferred from the Fund to the Settlement Trustee. The Future Claims Reserve will be funded from the first monies received by the Settlement Trustee (borne by the Settlement Trust and the Litigation Trust, if any, on a pro rata basis) and will not exceed ten percent (10%) of the total amounts transferred to the Settlement Trustee. Any Future Tort Claims that are Allowed will be paid out of the Future Claims Reserve regardless of whether the Future Tort Claimant elects the Future Tort Claim Settlement Process or the Future Tort Claim Litigation Process.

2.64 Future Tort Claim Litigation Process means the procedure for liquidating and Allowing or Disallowing a Future Tort Claim of a Future Tort Claimant who has opted to litigate his or her Future Tort Claim in accordance with the procedures described in Section 13.6(d) of the Plan.

2.65 Future Tort Claim Proof of Claim means the proof of claim in the form to be developed and furnished by the Special Arbitrator to a Future Tort Claimant pursuant to Section 13.6 of the Plan and which includes a release of any and all claims against the Debtor, the Reorganized Debtor, the Settlement Trustee and any Participating Third Party or Settling Party in the form developed by the Special Arbitrator.

2.66 Future Tort Claim Settlement Process means the procedure for liquidating and Allowing or Disallowing a Future Tort Claim of a Future Tort Claimant whose Future Tort Claim is liquidated and Allowed or Disallowed pursuant to Section 13.6(c) of the Plan.

2.67 Future Tort Claimant means an individual who has, or contends he or she has, a Future Tort Claim.

2.68 Future Tort Claims means all Tort Claims that:

(a) are neither timely filed nor deemed to be timely filed (e.g., due to excusable neglect); and

(b) held by a claimant who turns 18 on or after November 2, 2008 (the date which is thirty (30) days prior to the generally applicable Claims Bar Date in the Reorganization Case of December 2, 2008); or

(c) held by a claimant for whom the applicable Alaska tort claim statute of limitations, for any reason, has not expired or has been tolled as of November 2, 2008, as determined under applicable Alaska or federal law, but without regard to federal bankruptcy law; and

(d) for which a Proof of Claim is submitted in accordance with the procedures set forth in the Plan.

A Future Tort Claimant will have his or her Future Tort Claim determined by the Special Arbitrator in accordance with procedures set forth in Section. 13 of the Plan, unless the Future Tort Claimant timely elects to have his or her Future Tort Claim liquidated in accordance with the procedures set forth in Section 13 of the Plan. Notwithstanding the foregoing, the Future Tort Claim will be paid only from the Future Claims Reserve.

2.69 General Unsecured Convenience Claim means a General Unsecured Claim in an amount of \$500 or less, inclusive of interest accrued thereon, after the Petition Date through the latter to occur on the Effective Date or the Claim Payment Date; provided, that, if the holder of an Unsecured Claim in an amount greater than \$500 makes an election to reduce such Claim to \$500, such Claim will be treated as a General Unsecured Convenience Claim for all purposes. Such election will be made on the Ballot, completed and returned within the time fixed by order of the Court. Making this election will be deemed to be a waiver by such electing holder of any right to participate in Class 8, as to any and all Claims held by such holder.

2.70 General Unsecured Claim means every Unsecured Claim against CBNA (including, but not limited to, every such Claim arising from the rejection of an Executory Contract and every Claim which is the undersecured portion of any Secured Claim), which is not

an Administrative Claim, a Priority Unsecured Claim, a Priority Tax Claim, a General Unsecured Convenience Claim, a Jesuit Unsecured Claim, an Other Tort and Employee Claim, an Insurance and Benefit Claim, a Pilgrim Springs Claim, a Tort Claim, a Future Tort Claim or a Penalty Claim, and which is classified and treated as the Plan provides for Class 8 Claims.

2.71 Great Divide Candidate Insurers means The Catholic Mutual Relief Society of America, and Travelers Casualty and Surety Company, formerly known as Aetna Casualty and Surety Company, and any other Insurance Company that breaches its obligation to defend and/or indemnify the Debtor under its Insurance Policies with the Debtor and/or that fails to unconditionally confirm liability coverage to CBNA under the liability insurance coverage issued by that insurer to CBNA, but rather reserves rights to deny liability coverage to CBNA.

2.72 Great Falls means the Roman Catholic Bishop of Great Falls, Montana, the lender of the Great Falls DIP Loan.

2.73 Great Falls DIP Loan means the secured debtor-in-possession loan in the original principal amount of \$1,000,000 approved on an interim basis pursuant to "Amended Order Granting Emergency Motion for Interim DIP Financing" entered November 26, 2008 [Docket No. 299] and on a final basis pursuant to "Final Order Approving Debtor-In-Possession Financing Pursuant to Stipulation" entered December 12, 2008 [Docket No. 317] and which is evidenced by, among other things, the Great Falls Promissory Note.

2.74 Great Falls Promissory Note means that certain Promissory Note dated December 17, 2008 in the original principal sum of \$1,000,000 evidencing, in part, the Great Falls DIP Loan.

2.75 Great Falls Secured Claim means the Secured Claim of Great Falls with respect to the Great Falls DIP Loan.

2.76 Insurance Actions means all Claims, causes of action and enforceable rights of the Debtor against any Insurance Company, including, but not limited to, those arising from or related to:

- (a) the Insurance Adversary;



(b) any such Insurance Company's failure to provide Insurance Coverage under any Insurance Policy; or

(c) the refusal of any Insurance Company to compromise and settle any Claim pursuant to any such Insurance Policy.

2.77 Insurance Adversary means the adversary proceeding commenced in the Bankruptcy Court by CBNA, Adversary Proceeding No. 08-90019, the reference of which was withdrawn to the District Court as Case No. 4:08-cv-00038 but referred to the Bankruptcy Court for certain pretrial proceedings and wherein Continental Insurance Company, The Catholic Mutual Relief Society of America, The Catholic Relief Insurance Company of America, Alaska National Insurance Company, and Travelers Casualty and Surety Company, formerly known as Aetna Casualty and Surety Company, are the defendants which, among other things, is to determine the scope of Insurance Coverage.

2.78 Insurance and Benefit Claims means any Unsecured Claim arising from or related to obligations, contributions or benefits which are the obligation of CBNA pursuant to any pension or other benefit plan sponsored by CBNA or for which CBNA is otherwise obligated, in effect as of the Petition Date.

2.79 Insurance Company means any insurance company and/or any other entity providing Insurance Coverage to the Debtor for liability arising from or related to Tort Claims or Future Tort Claims, including but not limited to, The Catholic Mutual Relief Society of America, The Catholic Relief Insurance Company of America, Alaska National Insurance Company, and Travelers Casualty and Surety Company, formerly known as Aetna Casualty and Surety Company.

2.80 Insurance Coverage means the defense, indemnity and other insurance coverages, not reduced to settlement proceeds, available to the Debtor or any Participating Third Party with respect to Tort Claims, Future Tort Claims, or any Other Tort and Employee Claims or any other Claims under any Insurance Policy and which includes the Jesuit Safeco Insurance Policy Claims.

2.81 Insurance Policy means any liability insurance or sexual misconduct policy naming the Debtor or any Participating Third Party as an insured, in effect on or before the Confirmation Date upon which any Claim has been or may be made, with respect to any Tort Claim or Future Tort Claim.

2.82 Jesuits means the Society of Jesus, Oregon Province, which is a religious order of men within the Roman Catholic Church and which is a debtor in a Chapter 11 case pending in the United States Bankruptcy Court for the District of Oregon, Case No. 09-30938.

2.83 Jesuit Fault Allocation Claims means every Claim the Debtor has against the Jesuits, including, but not limited to, all Contribution Claims.

2.84 Jesuit Safeco Insurance Policies Claims means any and all Claims of CBNA or any other Settling Party against Safeco Insurance Company for any defense, indemnity and other insurance coverages, available to the Debtor or any Participating Third Party with respect to any Tort Claims or Future Tort Claims, as a result of any insurance policies issued to the Jesuits.

2.85 Jesuit Unsecured Claims means the General Unsecured Claims asserted by the Jesuits against CBNA and designated as Claim Nos. 16, 17 and 20 in the Claims Docket of the Reorganization Case.

2.86 Litigation Protocol means the litigation procedures described in Section 13.5 of the Plan and in the Litigation Trust Agreement.

2.87 Litigation Reserve means the reserve that may be established pursuant to agreement between the Debtor and the Committee prior to the Confirmation Hearing, if any Tort Claimant opts out of treatment as a Settling Tort Claimant pursuant to the Plan and the Ballot. The Litigation Reserve will take the place of the Litigation Trust and will be held and administered by the Settlement Trustee as part of the Settlement Trust. In the event a Litigation Reserve is established, the Litigation Reserve will function and be administered in the same manner as the Litigation Trust. The allocation of the funding between the Litigation Trust (or the Litigation Reserve) and the Settlement Trust will be approved as part of the confirmation process. Either the Debtor and the Committee will agree on the allocation and such agreement

will be approved by the Bankruptcy Court and incorporated into the Confirmation Order or, if the Committee and the Debtor cannot agree on the allocation, the Bankruptcy Court will decide the allocation as part of the confirmation process and such allocation as determined by the Bankruptcy Court.

2.88 Litigation Tort Claim means the Tort Claims of Tort Claimants who opt out of the Settlement Trust and elect to litigate their Tort Claims pursuant to Section 13.5 of the Plan.

2.89 Litigation Tort Claimant means a Tort Claimant who has expressly elected on his or her Ballot to have his or her Tort Claim determined and liquidated under the Litigation Protocol and, if Allowed, to accept pro rata payment from the Litigation Trust as the sole source of payment, compensation and satisfaction for his or her Tort Claim.

2.90 Litigation Trust means the trust which may be established pursuant to the Litigation Trust Agreement if no Litigation Reserve is established, and which will:

- (a) receive, hold and invest funds from the Fund allocated to the Litigation Trust pursuant to the terms of the Plan;
- (b) issue payments and disburse funds as provided in the Litigation Trust Agreement and the Plan;
- (c) participate in the litigation as the defendant (through the Settlement Trustee) with respect to any Litigation Tort Claimants;
- (d) participate in the litigation as the defendant (through the Settlement Trustee) with respect to any Future Tort Claims if the Future Claimant elects to opt out of the Settlement Trust in accordance with the Plan and the Plan Documents;
- (e) establishes the Trust Administrative Expense Reserve; and
- (f) pay the costs of such litigation from the Trust Administrative Expense Reserve.

The Litigation Trust will qualify to be a "Qualified Settlement Fund" pursuant to applicable provisions of the Internal Revenue Code.

2.91 Litigation Trust Agreement means the agreement creating the Litigation Trust if one is established in accordance with Article 13 of the Plan, which, if established will be funded by that portion of the Fund allocated to the Litigation Trust, and from which the Claims of Litigation Tort Claimants (or the Claims of any Future Tort Claimants, if applicable) will be paid and satisfied and which will be administered by the Settlement Trustee. If a Litigation Trust is established because one or more Tort Claimants opts out of the Settlement Trust as provided in the Plan, the Ballot and any order of the Bankruptcy Court, then the Litigation Trust Agreement will be filed with the Court no later than five (5) calendar days prior to the Confirmation Hearing and become a part of the Plan; provided, however, that nothing contained in the Plan or the Disclosure Statement will preclude the Debtor and the Committee from agreeing that the Litigation Reserve can be established within the Settlement Trust. If the Debtor and the Committee agree that the Litigation Reserve is to be established within the Settlement Trust, the Settlement Trust Agreement will be modified to so provide, and the modifications will be filed with the Court no later than five (5) calendar days prior to the Confirmation Hearing and become a part of the Plan and the Settlement Trust. In all events, the trustee of the Litigation Trust will be the Settlement Trustee.

2.92 Monroe Foundation means that certain Alaska non-profit corporation which raises money to benefit the Catholic Schools of Fairbanks and whose primary offices are located at 615 Monroe St., Fairbanks, Alaska 99701.

2.93 Monroe Foundation Settlement means the settlement between the Debtor and the Monroe Foundation, as more particularly described in the Monroe Foundation Settlement Agreement.

2.94 Monroe Foundation Settlement Agreement means that certain settlement agreement between the Debtor and the Monroe Foundation which is incorporated into and will be made a part of the Plan pursuant to Article 22 of the Plan. The Monroe Foundation Settlement Agreement will be filed with the Court at least twenty (20) days prior to the Confirmation Hearing.

2.95 Other Secured Claims means all Secured Claims against the Debtor which are not Secured Tax Claims or which are not separately classified under the Plan.

2.96 Other Tort and Employee Claims means any and all Claims, demands, suits, causes of action, proceedings or any other rights or asserted right to payment heretofore, now or hereafter asserted against the Debtor, whether or not reduced to judgment, for property damage, liability or workers compensation for which CBNA is or may be liable (directly or indirectly), whether arising from tort, contract or workers compensation for which there is Insurance Coverage, including but not limited to, any Claim for which CBNA has a self-insured retention, but excluding Tort Claims, Future Tort Claims and any Claims of employees entitled to priority pursuant to Bankruptcy Code § 507. Other Tort and Employee Claims are Unsecured Claims.

2.97 Parish means any one of the forty-six (46) Roman Catholic ecclesiastical entities designated by the Diocesan Bishop as established stable communities of the Christian faithful that have been entrusted to a proper pastor.

2.98 Parish Church means each of those forty-six (46) civil law unincorporated associations located within the territory of the Diocese that function as the civil law embodiment of the canonical juridic persons known as a Parish including, but not limited to, and without limitation, all missions, churches, schools and other institutions within a Parish Church or which form a part of the operations of any of the Parish Churches. Notwithstanding the Committee's joinder in the Plan as a co-proponent, the Committee's joinder in the Plan does not constitute an admission by the Committee that the Parish Churches are unincorporated associations.

2.99 Parish Real Property means all real property owned by a Parish:

(a) for which CBNA holds bare legal title in trust for the benefit of the Parish;

(b) in which CBNA has no beneficial, equitable or other proprietary interest;

(c) in which the Parish, for whose benefit such real property is held, has all equitable, proprietary and beneficial interest; and

(d) which is part of the temporal goods of the Parish as a juridic person under Canon Law and any applicable equivalent civil law entity.

2.100 Parish Settlement means the settlement among the Debtor on the one hand, and the Parish Churches and affiliated entities on the other hand, as set forth in the Parish Settlement Agreement.

2.101 Parish Settlement Agreement means that certain settlement agreement among the Debtor on the one hand, and the Parish Churches and affiliated entities on the other hand, which will be incorporated into and made a part of the Plan pursuant in Article 22. The Parish Settlement Agreement will be filed with the Court at least twenty (20) days prior to the Confirmation Hearing.

2.102 Participating Third Parties means any Co-Defendant or any other Person, including, but not limited to the Parish Churches, the Monroe Foundation, the CTNA and Continental, who contribute funds to the Estate (or the Fund) to be used to pay Allowed Tort Claims or Allowed Future Tort Claims, in exchange for and in consideration of, among other things, the channeling injunction to be provided for in Section 21.5 of the Plan. Any agreement whereby a Person or Co-Defendant becomes a Participating Third Party, will be subject to approval by the Bankruptcy Court; provided, however, that the Society of Jesus and its related parties, the Jesuits and its related parties, and the individuals identified in Exhibit "B" or any priests or others against whom CBNA or the Settlement Trustee has determined or may, in the future, determine, that there are credible allegations of sexual abuse asserted against such Person(s) will not be eligible to be Participating Third Parties under the Plan.

2.103 Parties means any Released Parties, any Settling Parties, CBNA, the Diocese, the Reorganized Debtor, the Settlement Trustee, the Settlement Trust, the Litigation Trust (if any), the Special Arbitrator and their respective civil law and Canon Law predecessors, successors, officials, shareholders, subsidiaries, officers, directors, divisions, affiliates, representatives, agents, employees, attorneys, merged or acquired companies or operations or assigns, but **EXCLUDING** the Society of Jesus and any of its affiliates or related parties, the Jesuits and any

of its affiliates or related parties; further **EXCLUDING** any individuals identified in Exhibit "B" to the Plan or any priests or others against whom CBNA or the Settlement Trustee has determined or may, in the future, determine, that there are credible allegations of sexual abuse asserted against such Person(s); and further **EXCLUDING** any affiliates of CBNA or the Diocese who are not organized and functioning within the territory of the Diocese. By way of clarification, the term affiliates as used in this definition is not limited to the definition of "affiliate" as defined in the Bankruptcy Code nor would the term "affiliates" as used in this definition include any other diocese or archdioceses unless such diocese or archdiocese is the subject of an agreement whereby such diocese or archdiocese becomes a Participating Third Party.

2.104 Penalty Claims means any Claims for any fine, penalty, forfeiture, multiple damages, punitive damages, or exemplary damages, including, but not limited to, any such Claims not meant to compensate the claimant for actual pecuniary loss.

2.105 Petition Date means March 1, 2008, which is the filing date of the voluntary Chapter 11 petition commencing the Reorganization Case.

2.106 Pilgrim Springs Auction means the auction sale of the Pilgrim Springs Property to be conducted pursuant to the Plan, but after the Confirmation Hearing, whereby the Pilgrim Springs Property will be sold free and clear of all liens, claims, interests and encumbrances, including the Pilgrim Springs Claims, but subject to the UAF License, to the bidder submitting the highest and best bid.

2.107 Pilgrim Springs Claims means: (i) all Claims of whatever nature asserted by Pilgrim Springs, Ltd. in Proof of Claim No. 21, filed in the Reorganization Case, including any amendments or modifications thereto and any other Claims or causes of action that Pilgrim Springs, Ltd. might or could assert against CBNA; and (ii) all Claims of whatever nature asserted by Louis H. and Nancy E. Green in the Proof of Claim No. 23 filed in the Reorganization Case, including any amendments or modifications thereto and any other Claims or causes of action that Louis H. and Nancy E. Green might or could assert against CBNA.

2.108 Pilgrim Springs Property means the three hundred twenty (320) acre enclave of real property and improvements owned in fee simple by CBNA and located in western Alaska, about 75 km (~46 miles) north of Nome and where CBNA is currently investigating the exploration, characterization, and development of the geothermal resources underlying the Pilgrim Springs Property or such other use as may be appropriate for the Pilgrim Springs Property.

2.109 Pilgrim Springs Setoff Claims means all Claims, demands, damages, causes of action, cross-claims, counterclaims, rights of setoff and rights of recoupment against Pilgrim Springs, Ltd. and Louis H. and Nancy E. Green, arising out of, related to or pertaining to the Pilgrim Springs Property.

2.110 Plan means the "Third Amended and Restated Joint Plan of Reorganization For Catholic Bishop Of Northern Alaska" dated December 16, 2009 and every restatement, amendment, or modification thereof, if any, filed by the Debtor and the Committee.

2.111 Plan Documents means the Settlement Trust Agreement, the Litigation Trust Agreement if one is proposed, and all other documents and exhibits as the same may be amended, modified, supplemented, or restated from time to time, that aid in effectuating the Plan, which documents and exhibits will be filed by the Debtor with the Court on or before a date that is ten (10) days prior to the Confirmation Hearing or such other date as determined by the Court, the Plan or agreed to by the Debtor and the Committee.

2.112 Post-Effective Date Secured Tax Claims means every whole or prorated portion of a Secured Tax Claim which arises on or after the Effective Date, and which will be paid in the ordinary course of business of the Reorganized Debtor.

2.113 Preliminary Distribution means the Pro Rata distribution to be made by the Settlement Trustee of the Cash in the Settlement Trust less the Administrative Trust Reserve and any other reserves allowed pursuant to the Plan or the Settlement Trust Agreement. The date for determination of the amount of the Preliminary Distribution will be the date that the Special Arbitrator has finally determined every Settling Tort Claimant's share of the Settlement Trust.



The Pro Rata share of each Settling Tort Claimant's share of the Preliminary Distribution will be based upon the formula set forth in Section 13.4 of the Plan.

2.114 Prepetition Date Secured Tax Claims means every whole or prorated portion of a Secured Tax Claim which arises before and up to the Petition Date, and which will be classified and paid under the Plan, as the Plan provides for Class 2 Claims.

2.115 Priority Employee Unsecured Claim means every Unsecured Claim of an employee of CBNA for vacation or sick leave pay, which is otherwise entitled to priority pursuant to Bankruptcy Code § 507(a)(4)(A).

2.116 Priority Tax Claim means every Unsecured Claim or portion thereof, which is entitled to priority pursuant to Bankruptcy Code § 507(a)(8).

2.117 Priority Unsecured Claim means every Unsecured Claim or portion thereof, which is not an Administrative Claim, a Priority Tax Claim or a Priority Employee Unsecured Claim and which is entitled to priority under any applicable provision of Bankruptcy Code § 507.

2.118 Pro Rata means proportionate, and when applied to a Claim, means the ratio of the consideration distributed on account of an Allowed Claim in a Class, to the amount of consideration distributed on account of all Allowed Claims in such Class.

2.119 Professional Charges means the Allowed interim and final professional fees and expenses charged by the Debtor's Professionals, the Committee's Professionals, the Future Claims Representative, and the Future Claims Representative's Professionals.

2.120 Proof of Claim means the form used by a Creditor on which the specifics of a Claim are set forth as required by the Bankruptcy Code and the Bankruptcy Rules, and which is filed in accordance with the procedures contained in the Bar Date Order.

2.121 Property Tax Administrative Claim means every Claim of any state or local governmental unit which is an Administrative Claim for unpaid real property taxes, unpaid personal property taxes, or unpaid sales taxes or leasing taxes, and every prorated portion thereof arising on and after the Petition Date until the Effective Date. Allowed Property Tax Administrative Claims will be classified and paid as Administrative Claims.

2.122 Property Tax Claims means collectively: (a) every Property Tax Administrative Claim; (b) every Prepetition Date Secured Tax Claim; and (c) every Post-Effective Date Secured Tax Claim.

2.123 Property Tax Claims Proration means the proration of Property Tax Claims as of the Effective Date, so that: (a) Post-Effective Date Secured Tax Claims will be paid by the Reorganized Debtor in the ordinary course of its business; (b) Prepetition Date Secured Tax Claims will be paid by the Debtor or the Reorganized Debtor as provided for Class 2 Claims under the Plan; and (c) Property Tax Administrative Claims will be paid by the Debtor or the Reorganized Debtor as provided for Administrative Claims under the Plan.

2.124 Qualified Counsel means an attorney representing a Person asserting an Allowed Settling Tort Claim who has entered into an enforceable written retainer or fee agreement with such holder on or before the Effective Date, and has provided the Settlement Trustee with a copy of the agreement and a declaration under penalty of perjury that no fees or costs are to be repaid to the client or any insider or affiliate of the client; provided that such attorney agrees that the attorney's receipt of Qualified Counsel Fees is credited against the fees owed by the Allowed Settlement Tort Claimant.

2.125 Qualified Counsel Fees means the amount to be subtracted from the Settlement Trust in an amount equal to the actual fees and reimbursable expenses payable to Qualified Counsel pursuant to written retainer or fee agreements between Qualified Counsel and a Tort Claimant. Before any distribution(s) to any Settling Tort Claimant with an Allowed Tort Claim, the Settlement Trustee will subtract all Qualified Counsel Fees.

2.126 Released Parties means the Diocese, the Committee, the Future Claims Representative, and all of their respective present or former civil law and Canon Law members, officials, representatives, managers, officers, directors, employees, consultants, advisors, attorneys, or agents acting in such capacity, and the Debtor's Professionals, Committee's Professionals and Future Claims Representative's Professionals but **EXCLUDING** the Society of Jesus, the Society of Jesus Oregon Province and its affiliates or any related parties to the

Society of Jesus or the Jesuits and further **EXCLUDING** individuals listed in Exhibit "B" or any priests or others against whom CBNA or the Settlement Trustee has determined or may, in the future, determine, that there are credible allegations of sexual abuse asserted against such Person(s).

2.127 Reorganization Case means the case under Chapter 11 of the Bankruptcy Code, which was commenced by the filing of a voluntary Chapter 11 petition by CBNA on the Petition Date.

2.128 Reorganized Debtor means CBNA, from and after the Effective Date. Unless otherwise expressly stated or the context otherwise requires, references to "the Debtor and the Reorganized Debtor" and references to "the Debtor or the Reorganized Debtor" throughout various provisions of the Plan, are an effort to anticipate whether an event may occur before or after the Effective Date. In this regard, and generally for purposes of the Plan, any written agreement made by the Debtor as part of the Plan before the Effective Date (unless provided otherwise), will survive the Confirmation Date and the Effective Date and will bind both the Reorganized Debtor and every other party to such agreement (including, but not limited to, the provisions of the Plan as confirmed).

2.129 Retained Claims means the Claims, demands, causes of action, cross-claims and counterclaims, including, but not limited to, all Avoidance Actions that are not otherwise settled pursuant to the Plan or agreements approved by the Bankruptcy Court on or prior to the Effective Date, all Contribution Actions, the Jesuit Fault Allocation Claims, the Jesuit Safeco Insurance Policies Claims, the Claims against North Mail, the Claims against all Insurance Companies not assigned to the Settlement Trust, including, but not limited to, any Claims against Insurance Companies who issued insurance policies to the Jesuits and pursuant to which the Debtor or the Reorganized Debtor may assert coverage Claims, and the Pilgrim Springs Setoff Claims.

2.130 Secured Claim means every Claim or portion thereof, which is asserted by the Creditor holding such Claim to be secured by a lien, security interest, or assignment, encumbering property in which the Debtor has an interest and including any right to setoff

asserted by a Creditor that is treated as a Secured Claim under the Bankruptcy Code, but only to the extent of the validity, perfection, and enforceability of the claimed lien, security interest, or assignment, and the value of the interest of the Creditor holding such Claim against such property of the Debtor.

2.131 Secured Tax Claim means every Claim of any federal, state, or local governmental unit, which is asserted by such governmental unit holding such Claim, which is secured by property of the Estate by operation of applicable non-bankruptcy laws, including, but not limited to, every such Claim for unpaid real property taxes, unpaid personal property taxes, or unpaid sales taxes or leasing taxes, and further including, but not limited to, both the Prepetition Date Secured Tax Claims and the Post-Effective Date Secured Tax Claims, but only to the extent of the validity, perfection, and enforceability of the claimed lien, security interest, or assignment, and the value of the interest of the governmental unit holding such Claim against the Debtor and only to the extent that such Secured Tax Claim does not relate to Parish Real Property. Any Claims for unpaid real property taxes, unpaid personal property taxes, or unpaid sales taxes or leasing taxes pertaining to a Parish or Parish Real Property, will be paid by the Parish owning such Parish Real Property or other property pertaining to such tax.

2.132 Settlement Amount means the amount of an Allowed Settlement Tort Claim, to be determined through either a Claim Allowance Agreement or the Settlement Amount Determination Process and memorialized in an Arbitration Award.

2.133 Settlement Trust means the trust established pursuant to the Settlement Trust Agreement, from which the Allowed Claims of Settling Tort Claimants will be paid and satisfied, and which will be used for:

- (a) receiving, holding and investing funds from the Fund allocated to the Settlement Trust pursuant to the terms of the Plan;
- (b) receiving and holding Allowed Settling Tort Claims;
- (c) receiving and holding the Debtor's claims against Great Divide

Candidate Insurers;

(d) issuing payments and disbursing funds as provided in the Settlement Trust Agreement and the Plan;

(e) establishing the Future Claims Reserve (unless the Future Tort Claimant opts out of the Settlement Trust);

(f) establishing the Trust Administrative Expense Reserve for the Settlement Trust;

(g) issuing payments and disbursing funds as provided in the Settlement Trust Agreement or the Plan, on account of the Claims of Settling Tort Claimants;

(h) paying the administrative costs as provided in the Settlement Trust Agreement including the costs, fees and expenses of the Settlement Trustee and the Special Arbitrator from the Trust Administrative Expense Reserve for the Settlement Trust Reserve; and

(i) holding the assigned Allowed Settling Tort Claims and the deemed assignment of any Settling Tort Claimants' Claims against the Great Divide Candidate Insurers; and

(j) holding the Debtor's Claims against the Great Divide Candidate Insurers.

The Settlement Trust will qualify to be a "Qualified Settlement Fund" pursuant to applicable provisions of the Internal Revenue Code.

2.134 Settlement Trust Agreement means the agreement creating the Settlement Trust to be established in accordance with Section 13.1 of the Plan.

2.135 Settlement Trustee means Robert L. Berger, the trustee under the Settlement Trust Agreement, appointed by the Court in the Confirmation Order. The Settlement Trustee will also be the Litigation Trustee if a Litigation Trust is established pursuant to the Plan or any modifications to the Plan, prior to the Confirmation Date; provided, however, that the Settlement Trustee may also act as for and on behalf of the Litigation Trust if one is established.

2.136 Settling Insurers means those Insurance Companies that have reached settlements with CBNA prior to the Effective Date, and any Insurance Company that may reach a settlement with CBNA (or the Settlement Trustee if the Insurance Actions are assigned) with respect to any Insurance Actions after the Effective Date. Any Settling Insurer, in exchange for the Settling Insurer's contribution to the Fund as agreed upon among the Settling Insurer, CBNA and the Committee and approved by the Bankruptcy Court, will obtain the benefit of an injunction provided for in Section 21.5 of the Plan and will be a Settling Party. The terms of any settlement with a Settling Insurer, if not previously approved by the Bankruptcy Court pursuant to Bankruptcy Rule 9019 or such other provisions of the Bankruptcy Code or Bankruptcy Rules as may be set forth in any such settlement, will be approved at the Confirmation Hearing and pursuant to the Confirmation Order. Any agreement to become a Settling Insurer entered into between the filing of the Plan and the Effective date must be with both the Debtor and the Committee. If an Insurer reaches an agreement with the Settlement Trustee in order to become a Settling Insurer after the Effective Date, it will be approved by the Bankruptcy Court pursuant to its retained jurisdiction. A Settling Insurer will obtain the benefit of the injunction to be issued pursuant to Section 21.5 of the Plan regardless of whether an Insurer becomes a Settling Insurer before or after the Effective Date. As of the date of the Plan, Alaska National Insurance Company is the only Settling Insurer.

2.137 Settling Parties means Participating Third Parties and Settling Insurers and their civil law and Canon Law respective predecessors, successors, officials, employees, officers, custodians, shareholders, subsidiaries, divisions, affiliates, representatives, attorneys, merged or acquired companies or operations or assigns of the Settling Insurers and the Participating Third Parties.

2.138 Settling Tort Claimant means any holder of a Settling Tort Claim.

2.139 Settling Tort Claim means any and all Tort Claims that are subclassified as Settling Tort Claims under Section 13.1 of the Plan.

2.140 Special Appeal means the special appeal to the Alaskan Shepherd donors for restricted donations solicited annually for two (2) years with the first such appeal occurring on the first (1<sup>st</sup>) anniversary of the Effective Date and the second such appeal occurring on the second (2<sup>nd</sup>) anniversary of the Effective Date. The first \$150,000 of net contributions received from donors and restricted to the special appeal, after deducting the cost of solicitation and processing, will be used to fund counseling for Tort Claimants. Any net contributions after the first \$150,000, will be paid to the Settlement Trust to be held and distributed pursuant to the terms of the Settlement Trust and the Plan.

2.141 Special Arbitrator means the Honorable William L. Bettinelli (retired) to be appointed by the Court in the Confirmation Order to conduct the Binding Arbitration Process that will liquidate Allowed Settlement Tort Claims and will determine each Settling Tort Claimant's proportionate share of the Settlement Trust and, if applicable, each Future Tort Claimant's proportionate share of the Future Claims Reserve.

2.142 Tort Claim means any and all Claims for damages, including punitive damages, for attorneys' fees and other expenses, fees or costs and for any equitable remedy asserted against the Debtor, any Released Parties, any Settling Parties, the Settlement Trustee, the Settlement Trust, or the Litigation Trust related to bodily injuries or personal injuries, including emotional distress, mental distress, mental anguish, shock or humiliation caused by or related to: (a) acts of sexual abuse committed by any cleric, employee, volunteer or other person associated with the Debtor, the Diocese, any Parish or any affiliated entity within the territory of the Diocese; (b) the failure of the Debtor or the Diocese to properly hire, install and/or supervise any cleric, any volunteer, or any other employee of or person associated with the Debtor, the Diocese, a Parish or any affiliated entity within the territory of the Diocese; (c) the processing, adjustment, defense, settlement, payment, negotiation or handling of any Claims, demands, suits, proceedings or causes of action based upon or relating in any way to the Claims made as a result of any abuse or other Tort Claim asserted by a Tort Claimant; or (d) the failure to warn, disclose or provide information concerning the sexual abuse or other misconduct of clergy, other

employees or volunteers or persons associated with the Debtor, the Diocese, the Parishes or any affiliated entities within the territory of the Diocese. Subject to the limitations contained in the Plan and except for purposes of treatment and payment under the Plan, Tort Claims include Future Tort Claims when they are asserted by Future Tort Claimants.

2.143 Tort Claimant means a Person who asserts a Tort Claim.

2.144 Trust Administrative Expense Reserve means the reserve to be established on the Effective Date and maintained thereafter by the Settlement Trustee (as to the Settlement Trust and Litigation Trust, respectively), to pay the costs of administering the Settlement Trust and the Litigation Trust including, but not limited to, the applicable Settlement Trustee's fees, and legal and accounting fees, the fees, costs and expenses of the Special Arbitrator, the fees, costs and expenses of CBNA in the Insurance Actions after November 1, 2009; provided, however, that the fees, costs and expenses of CBNA in the Insurance Actions will not exceed \$60,000 between November 1, 2009 and November 19, 2009, and further, provided, however that the fees, costs and expenses of CBNA in the Insurance Actions will only be paid from the Trust Administrative Expense Reserve if summary judgment is granted on either of the two motions at Docket Nos. 99 and 103 in the Adversary Proceeding No.08-90019, or if CBNA and the Committee, or the Settlement Trustee (after the Effective Date) settles with one or more of the Great Divide Candidate Insurers.

2.145 UAF License means that certain two year License granted to the University of Alaska Fairbanks to enter upon the Pilgrim Springs Property to conduct geothermal research pursuant to that certain \$4.6 million Department of Energy grant.

2.146 Uniform Questionnaire means the questionnaire to be drafted by the Special Arbitrator, containing a fixed set of questions that will be distributed to each and every Settling Tort Claimant on or before the Effective Date. The content of the questionnaire will be in his or her sole discretion. In determining the questions, the Special Arbitrator may, but is not required to, consider the suggestions of the Debtor, the Reorganized Debtor, the Great Divide Candidate



Insurers, the Tort Claimants and the Committee. The Special Arbitrator will utilize the responses to the Uniform Questionnaires to assist him or her in evaluating the Settling Tort Claims.

2.147 Unsecured Claim means every Claim, or portion thereof, which is not a Secured Claim, regardless of the priority of such Claim.

### ARTICLE 3

#### UNCLASSIFIED CLAIMS

3.1 Administrative Claims. The holder of an Allowed Administrative Claim will receive, in full satisfaction of such Claim: (a) a single Cash payment in the Allowed amount of the Claim on the Effective Date (or the applicable Claim Payment Date); or (b) as otherwise agreed in writing by the holder of the Allowed Claim or ordered by the Bankruptcy Court. Every Allowed Administrative Claim for an expense of operation of the Debtor incurred in the ordinary course of such operations will be paid fully and in Cash in the ordinary course of business (including any payment terms applicable to any such expense).

3.2 Priority Unsecured Claims. The holder of every Allowed Priority Unsecured Claim will be paid, in full satisfaction of such Claim: (a) a single Cash payment in the Allowed amount of the Claim on the Effective Date (or the applicable Claim Payment Date); or (b) as otherwise agreed in writing by the holder of the Allowed Claim or ordered by the Bankruptcy Court.

3.3 Priority Tax Claims. The holder of every Allowed Priority Tax Claim, will be paid, in full satisfaction of such Claim pursuant to the provisions of Bankruptcy Code § 1129(a)(9)(C): (a) in deferred Cash payments over a period of five (5) years from the Petition Date, to be paid in equal quarterly installments of principal and interest; (b) the first payment to be made on the first Business Day after the day which is ninety (90) days after the later of the Effective Date or the Claim Payment Date; and (c) each payment thereafter to be paid on the first Business Day of each succeeding quarter until paid in full; provided, however, that the entire unpaid amount of the Allowed Priority Tax Claim, together with any interest accrued thereon,

will be paid in full on the date which is five (5) years after the Petition Date; or (d) as otherwise agreed in writing by the holder of the Allowed Claim or ordered by the Bankruptcy Court.

3.4 Elimination of Claim. To the extent there are no amounts owing on the Effective Date for any Priority Unsecured Claims and/or any Priority Tax Claims, such treatment as set forth above will be deemed automatically eliminated from the Plan.

#### ARTICLE 4

##### CLASSIFICATION OF CLAIMS

4.1 Classification. All Claims are classified under the Plan as hereafter stated in this Article 4; provided, however, that, a Claim will be deemed classified in a particular Class only to the extent that the Claim qualifies within the description of that Class and will be deemed classified in a different Class to the extent that any remainder of the Claim qualifies within the description of such different Class. As of the Confirmation Hearing, any Class of Claims which does not contain any Creditor's Claims will be deemed deleted automatically from the Plan, and any Class of Claims which does not contain an Allowed Claim (or a Claim temporarily or provisionally Allowed by the Bankruptcy Court for voting purposes) will be deemed automatically deleted from the Plan with respect to voting on confirmation of the Plan.

4.2 Classes. For purposes of the Plan, Claims against the Debtor are hereby classified in the following Classes in accordance with Bankruptcy Code § 1122(a) as follows:

Class 1 – Priority Employee Unsecured Claims

Class 2 – Prepetition Date Secured Tax Claims

Class 3 – Other Secured Claims

Class 4 – Great Falls Secured Claim

Class 5 – Annuity Secured Claims

Class 6 – General Unsecured Convenience Claims

Class 7 – Jesuit Unsecured Claims

Class 8 – General Unsecured Claims

Class 9 – Other Tort and Employee Claims

Class 10 – Tort Claims and Future Tort Claims

Class 11 – Insurance and Benefit Claims

Class 12 – Continental Claims

Class 13 – Pilgrim Springs Claims

Class 14 – Penalty Claims

## ARTICLE 5

### **TREATMENT OF CLASSES OF CLAIMS WHICH ARE NOT IMPAIRED UNDER THE PLAN**

5.1 Priority Employee Unsecured Claims – Class 1. No holder of an Allowed Priority Employee Unsecured Claim will receive any Cash on account of such Claim. All Allowed Priority Employee Unsecured Claims will be satisfied, in full, in accordance with the policies and procedures regarding vacation and sick leave pay in effect at CBNA at the time such Priority Employee Unsecured Claim becomes matured and liquidated; provided, however, that CBNA reserves the right to review the policies and procedures regarding vacation and sick leave pay and to propose modifications to those policies and procedures to become a part of the Plan or after the Effective Date. To the extent CBNA proposes any changes to such policies and procedures that become part of the Plan and would be retroactive, CBNA will modify the Plan to include such changes and give notice to the holders of any Priority Employee Unsecured Claims at least ten (10) days before the Confirmation Hearing. In that event, the holders of the Priority Employee Unsecured Claims will be impaired and the Plan will be modified to so state.

5.2 Annuity Secured Claims – Class 5. The legal, equitable and contractual rights of holders of Allowed Annuity Secured Claims in Class 5 will either: (a) not be altered by the Plan; or (b) at the option of the Debtor, be treated in any other manner that will result in such Allowed Annuity Secured Claims being deemed unimpaired under Bankruptcy Code § 1124, including, but not limited to, the retention by the holder of an Allowed Other Secured Claim of the lien on his/her/its collateral to the extent of his/her/its Allowed Annuity Secured Claim.

5.3 Insurance and Benefit Claims – Class 11. The holders of Allowed Insurance and Benefit Claims will retain their Claims, if any, against the Reorganized Debtor and the Plan will either: (a) leave unaltered the legal, equitable and contractual rights to which such Claims entitle the holders thereof; or (b) at the option of the Debtor, treat such Allowed Insurance and Benefit Claims in any other manner that will result in such Allowed Insurance and Benefit Claims being deemed unimpaired under Bankruptcy Code § 1124. All such Insurance and Benefit Claims will be determined in accordance with the provisions of any benefit plans, policies and procedures of CBNA and the documents evidencing the plans pursuant to which such Insurance and Benefit Claims arise and applicable law.

## ARTICLE 6

### **TREATMENT OF CLASS 2 CLAIMS (PREPETITION DATE SECURED TAX CLAIMS)**

6.1 Distribution. All Class 2 Claims, as and when they are Allowed Claims, will be treated as fully Secured Claims and will be paid fully and in Cash as follows:

(a) In order to compute the Prepetition Date Secured Tax Claims, which are the Class 2 Claims, the Property Tax Claims Proration will be conducted as of the Effective Date, if necessary. The Prepetition Date Secured Tax Claims, which are Allowed Claims, will bear interest from and after the Effective Date until they are paid in full, at the rate of two percent (2%) per annum or such other rate as ordered by the Bankruptcy Court.

(b) The Allowed Class 2 Claims, including interest thereon from and after the Effective Date, will be paid in two equal installments. The first installment will be paid on the first Business Day which is thirty (30) days after the Effective Date or the Claim Payment Date. The second installment will be paid on the first Business Day of the sixth (6th) month after the Effective Date or the applicable Claim Payment Date.

(c) No penalties will be paid on any of the Allowed Class 2 Claims.

6.2 Disputed Claims. Notwithstanding the pendency of any appeal to any state or local taxing authorities of a determination of property taxes or assessments on the Petition Date, nothing contained herein will prohibit the Debtor from exercising its rights pursuant to Bankruptcy Code § 505 and having the Class 2 Claim(s) determined by the Bankruptcy Court to the extent that any Class 2 Claims are Disputed Claims.

6.3 Retention of Liens. Each Creditor holding a Class 2 Allowed Claim will retain its lien(s) on its collateral to the extent of its Class 2 Allowed Secured Claim.

6.4 Other Claims. The Reorganized Debtor will pay the Post-Effective Date Secured Tax Claims in the ordinary course of its business operations after the Effective Date. All Property Tax Administrative Claims will be paid as Administrative Claims pursuant to the Plan.

## ARTICLE 7

### TREATMENT OF CLASS 3 CLAIMS (OTHER SECURED CLAIMS)

7.1 Distribution. All Class 3 Claims, as and when they are Allowed Claims, will be treated as fully Secured Claims and will be paid fully and in Cash as follows:

(a) The Other Secured Claims which are Allowed Claims will bear interest from and after the Effective Date until they are paid in full at the rate of two percent (2%) per annum or such other rate as ordered by the Bankruptcy Court.

(b) The Allowed Class 3 Claims, including interest thereon from and after the Effective Date, will be paid in two equal installments. The first installment will be paid on the first Business Day which is thirty (30) days after the Effective Date or the Claim Payment Date. The second installment will be paid on the first Business Day of the sixth (6th) month after the Effective Date or the applicable Claim Payment Date.

(c) No penalties will be paid on any of the Allowed Class 3 Claims.

7.2 Retention of Liens. Each Creditor holding a Class 3 Allowed Claim will retain its lien(s) on its collateral to the extent of its Class 3 Allowed Secured Claim.

## ARTICLE 8

### **TREATMENT OF CLASS 4 CLAIMS (GREAT FALLS SECURED CLAIM)**

8.1 Distribution. The Great Falls Secured Claim will be paid fully and in Cash in accordance with the provisions of the agreements between Great Falls and CBNA with respect to the Great Falls DIP Loan, provided, however, that CBNA will have the option to extend the term of the Great Falls DIP Loan for an additional five (5) years as follows:

(a) No later than May 31, 2019, CBNA will give written notice to Great Falls of its intent to exercise the option provided for under the Plan to extend the term of the Great Falls Promissory Note for an additional five (5) years, for a new remaining term of fifteen (15) years and a total term of twenty-five (25) years (as opposed to the current term of twenty (20) years) accompanied by an extension fee of \$7,500.00.

(b) If CBNA exercises the option to extend the term of the Great Falls DIP Loan as provided herein, the monthly payments due pursuant to the Great Falls Promissory Note will be reamortized beginning with the payment due in the second (2nd) month succeeding the month in which the notice to extend was given and receipt of the extension fee by Great Falls.

(c) All other terms and conditions of the Great Falls DIP Loan, except as specifically modified by the Plan, will remain the same and in full force and effect, including, but not limited to, the interest rate provided for under the Great Falls Promissory Note.

8.2 Impairment. The Class 4 Great Falls Secured Claims are impaired under the Plan.

## ARTICLE 9

**TREATMENT OF CLASS 6 CLAIMS**  
**(GENERAL UNSECURED CONVENIENCE CLAIMS)**

9.1 Distribution. Every Creditor holding an Allowed Class 6 Claim will be paid in two equal installments. The first installment will be paid on the first Business Day which is thirty (30) days after the Effective Date or the Claim Payment Date. The second installment will be paid on the first Business Day of the sixth (6th) month after the Effective Date or the applicable Claim Payment Date.

9.2 Interest. There will be no interest payable on the General Unsecured Convenience Claims.

9.3 Impairment. The Class 6 Claims are impaired pursuant to the Plan.

**ARTICLE 10**

**TREATMENT OF CLASS 7 CLAIMS**  
**(JESUIT UNSECURED CLAIMS)**

10.1 Distribution. If and when Allowed, the Debtor or the Reorganized Debtor will setoff against the Jesuit Unsecured Claims against any recoveries in favor of the Debtor or the Reorganized Debtor for Claims against the Jesuits, on account of the Jesuit Fault Allocation Claims. The Jesuits will not receive or retain anything on account of the Plan except and only to the extent that the amount of the Jesuit Fault Allocation Claims do not exceed any Allowed Jesuit Unsecured Claims. If there are any remaining unsatisfied Allowed Jesuit Unsecured Claims after such setoff, the Allowed Jesuit Unsecured Claims will be paid the lesser of the amount owed after setoff or ten thousand dollars (\$10,000) within (60) days after a Final Order is entered allowing any Jesuit Unsecured Claims and determining the amount of any setoff.

10.2 Setoff Prior to Assignment or Distribution. The setoff of any Allowed Jesuit Unsecured Claims will occur prior to the distribution of any recoveries to the Fund on account of the Jesuit Fault Allocation Claims, in accordance with the terms of the Plan. The Committee and CBNA will agree on whether the Settlement Trustee or CBNA will pursue the Jesuit Fault

Allocation Claims and provide notice of such agreement prior to the commencement of the Confirmation Hearing.

10.3 Interest. There will be no interest payable on the Allowed Jesuit Unsecured Claims.

10.4 Impairment. The Class 7 Jesuit Unsecured Claims are impaired under the Plan.

## ARTICLE 11

### **TREATMENT OF CLASS 8 CLAIMS (GENERAL UNSECURED CLAIMS)**

11.1 Distribution. Each holder of a Class 8 General Unsecured Claim, as and when such General Unsecured Claim is or becomes an Allowed Claim, will be paid fully and in Cash in three (3) annual installments, including interest, with the first (1st) installment to be paid on the first Business Day that is six (6) months after the Effective Date (or the Claim Payment Date), the second (2<sup>nd</sup>) annual installment to be paid on the first Business Day that is twelve (12) months after the first payment and the third (3<sup>rd</sup>) annual installment to be paid on the first Business Day that is twelve (12) months after the second payment.

11.2 Interest. Each Allowed General Unsecured Claim will bear interest from and after the Effective Date at the rate of two percent (2%) per annum or such other rate as set by the Bankruptcy Court in the Confirmation Order.

11.3 Impairment. The Class 8 General Unsecured Claims are impaired under the Plan.

## ARTICLE 12

### **TREATMENT OF CLASS 9 CLAIMS (OTHER TORT AND EMPLOYEE CLAIMS)**

12.1 Distribution. Each holder of a Class 9 Other Tort and Employee Claim, as and when such Claim becomes an Allowed Claim, will be paid solely from any Insurance Coverage applicable to such Other Tort and Employee Claim. To the extent that such Claims may not be satisfied in full by the foregoing, then such Other Tort and Employee Claims, to the extent not so satisfied, will be Disallowed.



12.2 Impairment. The Class 9 Other Tort and Employee Claims are impaired under the Plan.

### ARTICLE 13

#### **TREATMENT OF CLASS 10 CLAIMS (TORT CLAIMS AND FUTURE TORT CLAIMS)**

13.1 Subclasses of Tort Claims. Tort Claims will be divided into three subclasses for purposes of allowance, liquidation, and payment: (1) Convenience Tort Claims, (2) Settling Tort Claims, or (3) Litigation Tort Claims. The Plan provides alternative mechanisms for allowing, liquidating and paying Tort Claims depending on their sub-classification. Tort Claims will be presumed to be treated as Settling Tort Claims unless a Tort Claimant: (a) holds a Tort Claim that the Debtor Objected to prior to the December 4, 2009 hearing on the Disclosure Statement; or (b) affirmatively elects or is deemed to have elected treatment of his or her Tort Claim as either a Litigation Tort Claim or a Convenience Tort Claim.

13.2 Settlement Trust, Litigation Trust, and Future Claims Reserve Sole Source of Recovery for Tort Claims; Allocation of Funding. The Settlement Trust will be the sole source of recovery for Settling Tort Claimants on account of their Tort Claims. The Litigation Trust or the Litigation Reserve will be the sole source of recovery for Litigation Tort Claimants on account of their Tort Claims. The Future Claims Reserve will be the sole source of recovery for Future Tort Claimants on account of their Tort Claims. Upon confirmation of the Plan and the occurrence of the Effective Date, all Tort Claims against the Debtor and the Reorganized Debtor will be discharged and no Tort Claimant will have any further Claim against the Debtor or the Reorganized Debtor. Pursuant to the Channeling Injunction in Article 21 of the Plan and which will be a part of the Confirmation Order, all Tort Claims held by Tort Claimants and Future Tort Claimants against the Debtor, the Reorganized Debtor, Released Parties, Settling Insurers, Settling Parties, and Participating Third Parties will be permanently enjoined and channeled into the Settlement Trust, the Litigation Trust, the Litigation Reserve or to the Future Claims Reserve as the sole source of recovery. The Bankruptcy Court will determine the allocation of the

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funding between the Litigation Trust (or the Litigation Reserve) and the Settlement Trust as part of the confirmation process and such allocation will be incorporated into the Confirmation Order; provided, however, that the Debtor and the Committee may agree on the allocation and submit such agreement to the Bankruptcy Court for approval and, if approved, the allocation agreed upon will be incorporated into the Confirmation Order.

13.3 Treatment of Convenience Tort Claims.

(a) Allowance and Liquidation. Each Convenience Tort Claim will be deemed Allowed in an amount of \$2,500.

(b) Payment. In full release and satisfaction of his or her Tort Claim, each Convenience Tort Claimant will be paid \$2,500 Cash within thirty (30) days of the occurrence of the Effective Date or the Claim Allowance Date.

13.4 Treatment of Settling Tort Claims.

(a) Allowance and Assignment to Settlement Trustee. Settling Tort Claims will be deemed Allowed, and each Settling Tort Claimant will be deemed to have assigned his or her Allowed Settling Tort Claim to the Settlement Trustee regardless of whether such Tort Claimant votes on the Plan or votes to reject the Plan. As a result of such assignment, the Settlement Trustee will succeed to all rights of the Settling Tort Claimants against the Debtor and any Great Divide Candidate Insurer. The Allowed Settling Tort Claim will have the same effect as a judgment against CBNA; provided, however, that any recoveries to the Settlement Trustee or any Settling Tort Claimant with an Allowed Settling Tort Claim against the Debtor or the Reorganized Debtor will be limited to and by the Fund, the terms of the Plan and the discharge received by the Debtor pursuant to the Plan and applicable provisions of the Bankruptcy Code. By way of clarification, notwithstanding the foregoing, neither the Settlement Trustee nor the Settling Tort Claimant will have any right to seek recoveries directly against CBNA and are limited to recoveries provided for in the Plan. In addition, on the

Effective Date, the Debtor will assign all of its rights against any Great Divide Candidate Insurer. The Settlement Trustee will then succeed to all of the rights of the Debtor and the Settling Tort Claimant for purposes of pursuing the claims against the Great Divide Candidate Insurers.

(b) Liquidation. Unless the amount of the Settling Tort Claim is determined prior to the Effective Date pursuant to a Claim Allowance Agreement, the amount of each Settling Tort Claim will be liquidated by the Special Arbitrator pursuant to the Binding Arbitration Process. In liquidating a Settling Tort Claim, the Special Arbitrator will consider and base allowance of a Settling Tort Claim on the risks to CBNA and the Settling Tort Claimant in light of the facts bearing on the liability and damage aspects of the Settling Tort Claim. In addition, in determining the amount of the Arbitration Award, the Special Arbitrator must consider all of the circumstances affecting the Debtor's potential liability and available defenses regarding the Tort Claim of a Settling Tort Claimant, including but not limited to:

- (i) the substance and credibility of the Tort Claim,
- (ii) the Debtor's legal responsibility for the actions of the perpetrator under Alaska law,
- (iii) the severity of the abuse suffered,
- (iv) the impact of the abuse on the Tort Claimant including any bodily injury, shock, fright, mental injury, disability, mental anguish, humiliation, sickness or disease sustained by the Tort Claimant, and
- (v) the risks to CBNA and the Settling Tort Claimant had the Settling Tort Claim otherwise been the subject of a trial, including the existence of affirmative defenses such as the statute of limitations; provided, however, that the statute of limitation defense may be waived by the Settlement Trustee as part of the process subject to the Settlement

Trustee's right to seek a determination from the Court at the Confirmation Hearing or after as to whether such a waiver of the statute of limitations defense and/or any other provision of the Plan objected to by the Insurance Company violates the provision of any Insurance Policy and/or any duty of an insured under an Insurance Policy issued by the objecting Insurance Company. If the Settlement Trustee seeks a determination by the Bankruptcy Court as to the merits of any such waiver(s) and no objection regarding the statute of limitations and/or any other provision of the Plan or otherwise is filed with regard to any Insurance Company's obligation to provide a defense to CBNA or its assignee and/or to provide liability insurance to CBNA or its assignee, then the waiver and all other provisions of the Plan will be automatically and conclusively deemed not to violate any Insurance Policy provision and/or any duty owed by CBNA or its assignee under any and all Insurance Policies. As to all other Claims, including the Claims of Litigation Tort Claimants, CBNA reserves all rights with respect thereto.

(vi) The Special Arbitrator may also consider any other factors the Bankruptcy Court may determine as part of the confirmation process or in connection with approval of any Claim Allowance Agreements.

As a result of the Binding Arbitration Process, the Special Arbitrator will issue an Arbitration Award setting forth the liquidated amount of each Allowed Settling Tort Claim.

(c) Payment. Each Settling Tort Claimant will be paid a share of the Settlement Trust as determined by the Special Arbitrator.

(i) Determination of Share of Settlement Trust. Each of the Settling Tort Claims will be individually evaluated by the Special Arbitrator on the evaluation factors attached hereto as Exhibit "B". Points

will be allocated to each Settling Tort Claimant in relation to each evaluation category. Each Settling Tort Claimant will be paid a pro rata share of the Settlement Trust based upon the ratio of the points received by that Settling Tort Claimant to the total points awarded to all Settling Tort Claimants. Thus, by way of example, if Claimant A is awarded 20 points and the total points awarded all Claimants is 4,000 points, Claimant A will be awarded  $20/4000$  of the Settlement Trust. The Special Arbitrator will determine each Settling Tort Claimant's share of the Settlement Trust within thirty (30) days of the Effective Date based solely upon the Proofs of Claim, the Uniform Questionnaire and the terms of the Plan.. Each Settling Tort Claimant will return a completed Uniform Questionnaire to the Special Arbitrator within thirty (30) days of service. If a Settling Tort Claimant fails to timely return his or her completed Uniform Questionnaire, then his or her Tort Claim will be treated and paid as a Convenience Tort Claim.

(ii) Distributions. Before any distribution(s) to any Allowed Settling Tort Claimants, the Settlement Trustee will subtract the Qualified Counsel Fees from the Settlement Trust. The Settlement Trustee will disburse the Qualified Counsel Fees to Qualified Counsel as fees in accordance with the retainer agreements between the Qualified Counsel and the holder of the Allowed Tort Claim, provided that no Qualified Counsel will receive a distribution in excess of the amounts owed under such retainer or fee agreements. Each holder of an Allowed Settlement Tort Claim will be paid in Cash by the Settlement Trust after deduction of Qualified Counsel Fees, if any. The Settlement Trustee will make a Preliminary Distribution to Settling Tort Claimants within sixty (60) days

after every Settling Tort Claimant's share of the Settlement Trust has been finally determined..

13.5 Treatment of Litigation Tort Claimants.

(a) Allowance and Liquidation; Litigation Protocol. The following will be the protocol for Allowance and liquidation of Litigation Tort Claims: Unless a complaint alleging a Litigation Tort Claim was filed before the Petition Date and is presently pending in the Alaska Superior Court—which will be Disallowed or Allowed and liquidated pursuant to a final judgment by the Alaska Superior Court—each Litigation Tort Claim will be Disallowed or Allowed and liquidated pursuant to a final judgment of the District Court. Within sixty (60) days of the Effective Date each Litigation Tort Claimant must: file a complaint in the District Court against the Settlement Trustee asserting his or her Tort Claim against the Debtor and serve such complaint upon the Settlement Trustee; or, if a complaint was pending on the Petition Date in the Alaska Superior Court, file a motion in the Alaska Superior Court to put the case back onto its active trial docket, and serve such motion on the Settlement Trustee. If a Litigation Tort Claimant does not timely file such a complaint or motion, then his or her Tort Claim will be treated as a Convenience Tort Claim, which treatment will be irrevocable and in complete satisfaction, payment and release of the Litigation Tort Claim. The Settlement Trustee will succeed to all of the Debtor's rights, defenses, affirmative defenses including statute of limitations, counterclaims, setoffs and recoupments with respect to Litigation Tort Claims and will substitute in any litigation in the Alaska Superior Court as the Defendant in place of the Debtor and any Participating Third Parties who are defendants in such actions pending in the Alaska Superior Court. The Settlement Trustee will have complete control of litigation and settlements of Litigation Tort Claims and Future Tort

Claims, the holders of which elect to proceed with allowance under the Future Tort Claim Litigation Process.

(b) Payment. Each holder of an Allowed Litigation Tort Claim will be paid in Cash by the Litigation Trust such holder's pro rata share of the Litigation Trust net of the Settlement Trustee's fees, costs, and attorneys fees and costs defending all Litigation Tort Claims, within thirty (30) days after of the later of the date on which all Litigation Tort Claims have been Allowed or Disallowed by Final Order.

13.6 Treatment of Future Tort Claims.

(a) Future Tort Claims Representative's Tort Claim. The Future Tort Claims Representative's Tort Claim will be deemed satisfied when the Settlement Trust is funded.

(b) Allowance and Distribution of Future Tort Claims.

(i) Distribution. Each holder of an Allowed Future Tort Claim which is filed on or before the seventh (7th) anniversary of the Effective Date will be paid in full in Cash by the Settlement Trustee from the Future Claims Reserve within thirty (30) days after the later of the date on which such Future Tort Claim is Allowed or the date on which the Future Claims Reserve is initially funded as provided for in the Plan; provided however that, any Future Tort Claimant that elects the Future Tort Claim Litigation Process will receive no more than eight percent (8%) of the Future Claims Reserve at the time the Future Tort Claim is filed, net of the costs of the Settlement Trustee to defend the Future Tort Claim as and when such Future Tort Claim becomes an Allowed Future Tort Claim pursuant to the Future Tort Claim Litigation Process.

(ii) Allowance. The holder of a Future Tort Claim may elect to proceed with allowance under the Future Tort Claim Settlement Process or

the Future Tort Claim Litigation Process by (i) filing with the Special Arbitrator a Future Tort Claim Proof of Claim to be requested from and furnished by the Special Arbitrator upon request of a Future Tort Claimant who elects the Future Tort Claim Settlement Process, or (ii) filing a complaint in the District Court naming the Settlement Trustee as Defendant, which filing of such a complaint constitutes an election by a Future Tort Claimant of the Future Tort Claim Litigation Process. Each Future Tort Proof of Claim by a holder of a Future Tort Claimant electing the Future Tort Claim Settlement Process must include the release of claims in the form provided in the Future Tort Claim Proof of Claim. A Future Tort Claim Allowed under this Section is referred to as an Allowed Future Tort Claim.

(c) Future Tort Claim Settlement Process.

(i) Allowance. If a holder of an Future Tort Claim elects to proceed with allowance under the Future Tort Claims Settlement Process, such Future Tort Claim will be Allowed (a) if the Special Arbitrator determines that the holder of such Future Tort Claim has proved by a preponderance of the evidence (i) that such holder was abused, and (ii) that the applicable statute of limitations under applicable non-bankruptcy law had not begun to run on or before March 1, 2008; and (b) if the Special Arbitrator does not find that there is clear, cogent and convincing evidence that the applicable statute of limitations under applicable non-bankruptcy law had run (i) after March 1, 2008, and (ii) before the date the holder of such Future Tort Claim filed the Future Tort Claim Proof of Claim. The Special Arbitrator will determine the amount of such Future Tort Claim by assigning such Future Tort Claim a dollar value pursuant to the matrix for distributions for Settling Tort Claimants. The Special



Arbitrator may consider the credibility of the Future Tort Claimant and the facts alleged in support of the Future Tort Claim and, in the Special Arbitrator's sole discretion, reduce or deny the Future Tort Claim. The dollar value assigned to a Future Tort Claimant electing the Settlement Process will be confidential.

(ii) Amendment. At any time prior to final allowance or disallowance of a Future Tort Claim under the Future Tort Claim Settlement Process, the holder of such Future Tort Claim may settle the Future Tort Claim with the Special Arbitrator.

(d) Future Tort Claim Litigation Process.

(i) Allowance. If a holder of a Future Tort Claim elects to proceed with allowance under the Future Tort Claim Litigation Process, such Future Tort Claim will be determined either by a trial of such Future Tort Claim conducted by the District Court, or a settlement between the holder of such Future Tort Claim and the Settlement Trustee. Such Future Tort Claim is subject to all defenses available under applicable law, including but not limited to, the applicable statute of limitations and the defenses enumerated in the Plan with respect to any Tort Claims and which are available to Debtor.

(ii) Amendment of Election. At any time prior to the earliest of the date on which the Settlement Trustee has filed a dispositive motion with respect to, or trial has commenced on, a Future Tort Claim that is being determined under the Future Tort Claim Litigation Process, the holder of such Future Tort Claim may amend his or her election to instead elect treatment under the Future Tort Claim Settlement Process, by delivering a written notice of such election to the Special Arbitrator and the Settlement Trustee. Any such amended election will be irrevocable.

Any such amended election will be deemed to be a consent to a reduction of the amount of any distribution with respect to such holder's Allowed Future Tort Claim, by the amount of all pre litigation and litigation Professional Fees and expenses incurred with respect to such Future Tort Claims, and all other Settlement Trust costs and expenses attributable to such Future Tort Claim, which accrued through the date of such amended election.

(e) Future Tort Claims Filed after Seventh (7th) Plan Anniversary Barred. All Future Tort Claims filed after the seventh (7th) anniversary of the Effective Date will have no right to payment or any other right under the Plan, and all such Claims will be discharged under Article 21 of the Plan.

(f) Effect of Disallowance. If a Future Tort Claim is Disallowed, the holder of such Claim will have no further rights against the Debtor, the Reorganized Debtor, Settling Parties, Participating Third Parties or a Settling Insurer, the Settlement Trust or the Litigation Trust.

13.7 General. All distributions to the holders of Allowed Tort Claims and Allowed Future Tort Claims will be in full release, discharge and satisfaction of such Allowed Tort Claims and Future Tort Claims. A Tort Claimant or a Future Tort Claimant whose Tort Claim is Disallowed pursuant to the claim determination procedures set forth in the Plan, or a Litigation Tort Claimant or a Future Tort Claimant who has elected the Future Claim Litigation Process and whose Tort Claim or Future Tort Claim is denied and Disallowed, will receive no distribution under the Plan and will have no further Claims against CBNA, the Reorganized Debtor, the Settlement Trustee, any Settling Party or any Released Party.

13.8 Treatment of Attorneys' Fees of Tort Claimants and Future Tort Claimants.

Subject to Section 13.4(c)(ii) the fees and expenses of attorneys representing any of the Settling Tort Claimants, Litigation Tort Claimants or Future Tort Claimants who receive payment from the Settlement Trust, the Litigation Trust or the Future Claims Reserve, will be borne by such

claimants based on applicable state law and individual arrangements made between such claimants and their respective attorneys. In no event will CBNA, the Reorganized Debtor, the Settlement Trustee, the Settlement Trust, the Settlement Trustee, the Litigation Trust (if applicable) or the Litigation Reserve (if applicable) have any liability for any fees and expenses of attorneys representing any of the Settling Tort Claimants, any of the Litigation Tort Claimants or any of the Future Tort Claimants and any such Claims for any such fees and expenses, if any, will be Disallowed.

13.9 Treatment of Punitive Damages. Claims for punitive or exemplary damages in connection with Tort Claims or Future Tort Claims or asserted by any other claimants, will be treated as Penalty Claims and be Disallowed.

13.10 Impairment. The Class 10 Claims are impaired under the Plan.

#### ARTICLE 14

##### TREATMENT OF CLASS 12 CLAIMS (CONTINENTAL CLAIMS)

14.1 Distribution. In full satisfaction of the Continental Claims, as and when Allowed, the Reorganized Debtor will pay holders of the Continental Claims \$75,000 Cash, on the Effective Date.

14.2 Discharge. Any and all other amounts owed on the Continental Claims in addition to the \$75,000 paid pursuant to Section 14.1 of the Plan, will be discharged pursuant to Bankruptcy Code §§ 1141 and 524, and the Reorganized Debtor will not be required to pay any such amounts.

14.3 Impairment. The Class 12 Continental Claims are impaired under the Plan.

#### ARTICLE 15

##### TREATMENT OF CLASS 13 CLAIMS (PILGRIM SPRINGS CLAIMS)

15.1 Distribution. The Pilgrim Springs Claims are subject to the Pilgrim Springs Setoff Claims which exceed the Pilgrim Springs Claims. The Pilgrim Springs Claims will be

Disallowed and the holders of the Pilgrim Springs Claims will receive no distribution on account of any Pilgrim Springs Claims and such holders will not receive anything under the Plan.

15.2 Impairment. The Class 13 Pilgrim Springs Claims are impaired under the Plan.

#### ARTICLE 16

#### TREATMENT OF CLASS 14 CLAIMS (PENALTY CLAIMS)

16.1 Distribution. No Penalty Claims will be Allowed and there will be no distribution to the holders of any Penalty Claims.

16.2 Impairment. The Class 14 Penalty Claims are impaired under the Plan.

#### ARTICLE 17

#### MEANS OF IMPLEMENTATION OF THE PLAN

17.1 Funding the Fund. On or before the Effective Date, CBNA will transfer to the Fund, Cash in an amount of not less than \$9,800,000.

17.2 Asset Sale to the Endowment. CBNA will sell the following CBNA Real Property to the Endowment in exchange for \$7.907 million in Cash:

Catholic Schools of Fairbanks	\$3,500,000.00
Chancery property	\$1,200,000.00
Kobuk Center/ priest residence	\$1,120,000.00
Warehouse maintenance center	\$225,000.00
KNOM property , Nome , AK	\$430,000.00
FCA Barnett St Building	\$600,000.00
Betty Street Residence	\$205,000.00
Hanger	\$346,000.00
Kateri Center, Galena	\$175,000.00
Cessna 207	\$75,000.00
Lot next to warehouse	\$31,000.00
Total	\$7,907,000.00

The sale to the Endowment will be pursuant to the Plan, and will not be a Bankruptcy Code § 363 sale. Certain CBNA Real Property is Excluded Property. Certain CBNA Real Property has been marketed during the pendency of the Reorganization Case but no acceptable

offers have been obtained. The sale to the Endowment will close on or before the Effective Date. The proceeds of the asset sale to the Endowment will be used to fund CBNA's funding obligations on the Effective Date.

17.3 Pilgrim Springs Auction. The Pilgrim Springs Auction will occur at a hearing conducted within forty-five (45) days of the Confirmation Hearing. The opening bid at the Pilgrim Springs Auction will be made by the Endowment for \$1,850,000, which bid will also serve as a back up bid to any and all higher and better bids. The sale of the Pilgrim Springs Property to the bidder with the highest and best bid at the Pilgrim Springs Auction must close within forty-five (45) days of the Pilgrim Springs Auction, and will be free and clear of all claims, liens or encumbrances except for the UAF License under Bankruptcy Code §§ 363 and 1123. Up to \$1,850,000 of the proceeds of the Pilgrim Springs Auction will be used to fund CBNA's funding obligations on the Effective Date, including payment of Administrative Expenses, but, in all events, all proceeds above \$1,850,000 will be paid to the Settlement Trust.

17.4 Harding Lake Sale. On or before the Effective Date, CBNA will sell the Chapel at Harding Lake to the Harding Lake community for fifteen thousand dollars (\$15,000) and such sale will be pursuant to the Plan and not a public sale pursuant to Bankruptcy Code §363.

17.5 Assignment of Certain Claims to Settlement Trustee. On the Effective Date, CBNA will assign to the Settlement Trustee its Claims against the Sisters of Saint Ann and the Jesuit Safeco Insurance Policies Claims.

17.6 Formation of Settlement Trust and Litigation Trust. On or before the Effective Date (but after entry of the Confirmation Order and after the Confirmation Order becomes a Final Order), the Reorganized Debtor will cause the following to occur: (a) the execution and delivery of the Settlement Trust Agreement and the Litigation Trust Agreement (if necessary), which will establish the Settlement Trust and the Litigation Trust; (b) delivery to the Settlement Trustee and the Settlement Trustee of any amounts in the Fund allocated as ordered by the Bankruptcy Court as part of the Confirmation Order; (c) delivery of such commitments and assignments from the Reorganized Debtor to give effect to the right of the Special Arbitrator and

the Settlement Trustee to receive any portion of the Fund to be funded after the Effective Date; and (d) delivery of such commitments, documents, agreements and assignments that are necessary to convey the Debtor's insurance coverage claims against Great Divide Candidate Insurers to the Settlement Trustee under *Great Divide Insurance Co. v. Carpenter*, 79 P.3d 599 (Alaska 2003) and other legal authority.

17.7 Special Arbitrator and Settlement Trustee Assume Responsibility. On the Effective Date, the Special Arbitrator will assume full responsibility for resolving the Tort Claims of all Settling Tort Claimants and the Settlement Trustee will assume full responsibility for resolving all Tort Claims of Litigation Tort Claimants. Further, on the Effective Date, the Settlement Trustee will be substituted into any Insurance Actions against Great Divide Candidate Insurers as the Real Party in Interest. The Special Arbitrator and the Settlement Trustee will assume full responsibility for: (i) establishing the respective Trust Administrative Expense Reserve with respect to the Settlement Trust and the Litigation Trust (if applicable) or the Litigation Reserve (if applicable); (ii) making payments to the holders of Allowed Tort Claims and Allowed Future Tort Claims that become Allowed under the conditions set forth in the Settlement Trust Agreement, the Litigation Trust Agreement (or the Litigation Reserve), the Future Claims Reserve and the Plan; (iii) collecting, investing and distributing funds for the benefit of the holders of Allowed Tort Claims and Allowed Future Tort Claims; and (iv) fulfilling all other obligations under the Settlement Trust Agreement and the Litigation Trust Agreement.

17.8 Funding on the Effective Date. All payments under the Plan which are due on the Effective Date from CBNA, will be funded from the Fund with respect to payment of Allowed Tort Claims; provided, however, that, prior to transfer of the Assets designated for the Fund, CBNA will pay or reserve all Professional Charges that remain unpaid as of the Effective Date and reserve the estimated amount for Professional Charges incurred through the date that final applications are required to be filed pursuant to Section 17.19 of the Plan or pursuant to final bills received by CBNA from the Chapter 11 Professionals if the requirement of final

applications is waived by the Court, but in no event will the Fund be paid less than \$9,800,000 Cash on the Effective Date. The Settlement Trustee will create the Future Claims Reserve and the Litigation Claims Reserve pursuant to the allocation to be approved by the Bankruptcy Court, in the Confirmation Order.

17.9 Assignment of Claims Against Great Divide Candidate Insurers. On the Effective Date, CBNA will assign its claims against Great Divide Candidate Insurers to the Settlement Trustee including, but not limited to, any and all Insurance Actions. If CBNA is requested by the Settlement Trustee to assist in prosecution of the Insurance Actions in any manner, then any attorneys' fees, costs and expenses incurred by CBNA in assisting in prosecution of the Insurance Actions will be paid from the Settlement Trust.

17.10 Funding After the Effective Date. The funds necessary to ensure continuing performance under the Plan after the Effective Date will be (or may be) obtained from:

- (a) any and all remaining Assets retained by the Reorganized Debtor after the Effective Date;
- (b) the net proceeds of the Pilgrim Springs Auction greater than \$1,850,000 to be paid to the Settlement Trustee;
- (c) the proceeds from the Special Appeal subject to the conditions set forth in Section 2.139 of the Plan;
- (d) Cash generated from the post-Effective Date operations of the Reorganized Debtor; and,
- (e) any reserves established by the Debtor or the Reorganized Debtor;

provided, however, that no part of the Fund may be used to pay Creditors other than Tort Claimants and Future Tort Claimants under the Plan, and only those Assets to be paid or contributed to the Fund, pursuant to the Plan, will be used to pay the Allowed Claims of Tort Claimants and Future Tort Claimants. In no event will the amount paid to the Fund be less than \$9,800,000 Cash.

17.11 Payments to the Fund After the Effective Date. After the Effective Date, payments will be made to the Fund by the Reorganized Debtor from net proceeds in excess of \$150,000 from each Special Appeal.

17.12 Non-Monetary Commitment to Healing and Reconciliation. In order to further promote healing and reconciliation, and in order to continue its efforts to prevent sexual abuse from occurring in the Diocese in the future, CBNA agrees that beginning within thirty (30) days after the Effective Date (unless a different date is provided below):

(a) CBNA will file with the Bankruptcy Court the names of the individuals attached on Exhibit "C" identifying them as the priests, religious, lay employees and volunteers accused of sexual abuse in filed proofs of claim. The Debtor will not seek to seal such filing and will oppose any effort by any third party to seal such filing.

(b) For a period of ten (10) years after the Effective Date, the Reorganized Debtor will post on the home page of its website and the Website of the Diocese, a prominent link on the home page to the names listed on Exhibit "C" and any other known perpetrators (admitted, proven or credibly accused), including deceased perpetrators and those previously listed.

(c) Within eighteen (18) months after the Effective Date, Bishop Kettler will personally go to every Parish in which any individuals were abused and where those persons identified in Paragraph (a) above served. The Bishop will read a statement of apology from the pulpit and encourage parishioners to support victims. He will also identify all perpetrators that have served in the Diocese and urge all abuse survivors to report abuse to law enforcement, the diocesan Victim's Assistance Coordinator, health care professionals and/or any survivor group or organization that the person wishing to make a report of abuse determines is appropriate to receive the report of abuse. He will assure survivors and parishioners that no one will go to hell as a result of coming forward



regarding the abuse they suffered and that survivors did not commit any sin in coming forward. The Bishop's visits to the rural Parishes will, to the extent feasible, be publicized by the following means: (i) posted on the Parish Church bulletin board; (ii) posted by the Parish administrator or the Parish contact in the post office, the washeteria, the community center and the store of each village to the extent allowed by each of such place; (iii) announced by VHF radio by the Parish contact person as requested by the Bishop; and (iv) announced on KNOM two weeks in advance. At least thirty (30) days in advance of the Bishop's visit to a Parish, the Bishop will send a written invitation to all known abuse survivors in that Parish inviting them to attend his visit. Consistent with the Bishop's current practice, the Bishop will continue his "listening" sessions and healing ceremonies during the Parish visits.

(d) A general letter of apology will be displayed on the Diocese's website for a period of ten (10) years from the Effective Date. In addition, this letter of apology will be published in Parish bulletins (where Parish bulletins are used) once a month for three (3) months after the Effective Date. The letter of apology will be read by the Bishop onto a public service announcement to be played on KNOM at least once a month for three (3) months after the Effective Date.

(e) The statement of apology described above in paragraph (c) and the letter of apology described in paragraph (d) above will, among other things:

(i) assure the faithful that all the sacraments conducted by perpetrators are not invalid by virtue of the fact that they were conducted by a perpetrator of abuse;

(ii) include an acknowledgement and apology for the abuses which occurred at Holy Cross Boarding School, the Nulato Catholic Mission School (a/k/a Our Lady of the Snows), and St. Mary's High

School (a/k/a St. Mary's Catholic Mission), and also for the cultural disregard/disrespect resulting from the forced assimilation of Native people.

(f) No later than sixty (60) days after allowance of any Tort Claim Bishop Kettler will send individual letters of apology to such Tort Claimant and, if requested by such Tort Claimant, to his or her immediate family. The letters of apology will state that the survivor was not at fault for the abuse. Furthermore, the letters will state that no sins were committed by those who have come forward on account of their having coming forward. The letters of apology will be personally signed by the Bishop.

(g) CBNA will continue to comply in all respects with the following: (i) the Charter for the Protection of Children and Young People initially adopted by the United States Conference of Catholic Bishops in 2002 and revised in 2005 and as it may be amended from time to time; (ii) the Diocese of Fairbanks' Faithful Healing, Preventing and Responding To Ministry-Related Child Sexual Abuse policy adopted on August 1, 2003, as revised subsequently and as it may be amended from time to time; and (iii) the Diocese of Fairbanks' Policy on Abuse of Vulnerable Adults adopted November 16, 2005, as it may be amended from time to time. Among other things, the Debtor will continue to require individuals working for the Debtor or ministering within the Diocese to sign sworn statements attesting that they have not sexually abused any minor at any time. Further the Debtor will continue to aggressively assert its policy requiring individuals working for the Debtor or ministering within the Diocese to report any information indicating the existence of sexual abuse to law enforcement.

(h) Four (4) times per year for five (5) years after the Effective Date and one time per year for twenty (20) years after the Effective Date, Reorganized Debtor will publish a prominent statement in media available within the Diocese,

including, where applicable, Parish bulletins, Parish bulletin boards, Diocesan newsletters circulated within the Diocese (including but not limited to Ministering), KNOM, and the homepage of the Reorganized Debtor's website, urging persons sexually abused by priests or religious workers to contact law enforcement, and the diocesan Victim's Assistance Coordinator, doctor or other health care professional or other trusted person and/or any survivor group or organization to make a report of abuse. In addition, the Debtor will provide information of health care professionals for mental health support or counseling.

(i) The Reorganized Debtor will institute a policy requiring that its representatives (including, but not limited to, Bishop Kettler and the Debtor's spokespersons), not refer either verbally or in print to sexual abuse claimants as "alleged" claimants, "alleged" victims or "alleged" survivors, and urging its representative to refer to claimants as survivors of clergy sexual abuse.

(j) The Reorganized Debtor will file status reports regarding its compliance with these non-monetary undertakings with the Bankruptcy Court and serve the Settlement Trustee. Reports will be filed semi-annually for the first two years after the Effective Date and annually for the next three years after the Effective Date. The Settlement Trustee will have standing to enforce these non-monetary undertakings. Nothing about these continuing reporting/enforcement requirements will prevent the issuance of a final decree or closing the Reorganization Case.

17.13 Procedure for Determination of Claims Other Than Tort Claims or Future Tort Claims. The following procedures will be used for purposes of allowance and disallowance of Creditors' Claims that are not Tort Claims or Future Tort Claims:

(a) Objections to Claims. Notwithstanding the occurrence of the Effective Date, and except as to any Claim that has been Allowed prior to the Effective Date, all objections to Claims must be filed by the Claim Objection

Deadline; provided, however, that any Disputed Claims held by Settling Tort Claimants or Future Tort Claimants will be determined by the Special Arbitrator in accordance with the Settlement Trust Agreement and the Plan and any Disputed Claims held by Litigation Tort Claimants (or Future Tort Claimants who opt for the Future Tort Claims Litigation Process) will be determined pursuant to the Litigation Trust Agreement, if any, and the Litigation Protocol; further, provided, however, that nothing contained in the Plan will affect the right of the Debtor to seek estimation of any Claims, including, Tort Claims and Future Tort Claims on any grounds permitted by the Bankruptcy Code at any time.

(b) Disputed Claims. No payments or other distributions will be made to the holders of Claims unless and until such Claims are Allowed Claims pursuant to a Final Order or in accordance with Article 13. If a Claim is not an Allowed Claim by the Effective Date, or when payment is otherwise due under the Plan, payment on the Allowed Claim (plus interest, if any, as provided herein) will commence on the Claim Payment Date.

(c) Treatment of Contingent Claims. Until such time as a Contingent Claim or a Contingent portion of an Allowed Claim becomes fixed or absolute or is Disallowed, such Claim will be treated as a Disputed Claim for all purposes related to distributions under the Plan. The holder of a Contingent Claim will only be entitled to a distribution under the Plan when and if such Contingent Claim becomes an Allowed Claim, subject, however, to the provisions of Bankruptcy Code § 502(e), and, provided that if such Contingent Claim is for reimbursement, indemnification or contribution at the time of allowance or disallowance, it will be Disallowed pursuant to Bankruptcy Code § 502(e)(1)(B).

17.14 Payments Effective Upon Tender. Whenever the Plan requires payment to be made, such payment will be deemed made and effective upon tender thereof by the Debtor or the Reorganized Debtor to the Creditor to whom payment is due. If any Creditor refuses a tender,

the amount tendered and refused will be held by the Debtor or the Reorganized Debtor for the benefit of that Creditor pending final adjudication of the dispute. However, when and if the dispute is finally adjudicated and the Creditor receives the funds previously tendered and refused, the Creditor will be obliged to apply the funds in accordance with the Plan as of the date of the tender; and while the dispute is pending and after adjudication thereof, the Creditor will not have the right to claim interest or other charges or to exercise any other rights which would be enforceable by the Creditor, if the Debtor or the Reorganized Debtor failed to pay the tendered payment.

17.15 Preservation of Debtor's Claims, Demands, and Causes of Action. Except as otherwise provided in the Plan, all Claims, demands, and causes of action of any kind or nature whatsoever held by, through, or on behalf of the Debtor and/or the Estate against any other Person, including but not limited to, the Retained Claims arising before the Effective Date which have not been resolved or disposed of prior to the Effective Date, are hereby preserved in full for the benefit of the Reorganized Debtor, except for such Claims or causes of action, cross-claims, and counterclaims, including Retained Claims, which: (a) have been released hereunder or pursuant to a Final Order prior to the Effective Date; and (b) which have been or are being transferred to the Special Arbitrator or the Settlement Trustee. Those Claims or causes of action, cross-claims and counterclaims which are being transferred to the Special Arbitrator or the Settlement Trustee, are preserved under the Plan for their respective benefits. To the extent necessary, the Reorganized Debtor is hereby designated as the estate representative pursuant to, and in accordance with, Bankruptcy Code § 1123(b)(3)(B). Furthermore, in accordance with Bankruptcy Code § 1123(b)(3), after the Effective Date, the Reorganized Debtor will own and retain, and may prosecute, enforce, compromise, settle, release, or otherwise dispose of, any and all Claims, defenses, counterclaims, setoffs, and recoupments belonging to the Debtor or its Estate, including, but not limited to the Retained Claims, except to the extent any of the Contribution Actions or the Claims in the Insurance Actions have been assigned to the Settlement Trustee or the Settlement Trustee. The Debtor and the Reorganized Debtor will also

be entitled to assign their rights under the Plan. On the Effective Date, the Special Arbitrator and the Settlement Trustee are hereby designated as the estate representatives, pursuant to and in accordance with, Bankruptcy Code § 1123(b)(3) with respect to any and all Claims, defenses, counterclaims, setoffs, and recoupments belonging to the Debtor or its Estate with respect to the Claims of Settling Tort Claimants, Future Tort Claimants and Litigation Tort Claimants.

17.16 Special Provisions Governing Unimpaired Claims. Except as otherwise provided in the Plan, nothing will affect the Debtor's or the Reorganized Debtor's rights and defenses with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to, or setoffs or recoupments against, such unimpaired Claims.

17.17 Operative Documents. The Debtor will prepare any documents which the Debtor and the Reorganized Debtor deem are necessary or appropriate to execute the Plan or are provided for under the Plan, including, but not limited to, the Plan Documents. If there is any dispute regarding the reasonableness or propriety of any such documents after reasonable and good faith efforts by the Debtor to negotiate and obtain approval of the documents by the other affected Person(s), any such dispute will be presented to the Bankruptcy Court for determination, at or in conjunction with the Confirmation Hearing.

17.18 Return of Deposits. To the extent that the Debtor was required to and did pay deposits to any Creditors after the Petition Date, as a condition of or as security for continued service after the Petition Date, including, but not limited to, deposits paid to utility companies for adequate assurance pursuant to Bankruptcy Code § 366, then, upon satisfaction of the Claims of such Creditor(s) pursuant to the Plan or if such Creditor(s) did not have any Claims against the Debtor, any such deposits, together with any interest or other income earned thereon, if any, will be refunded to the Reorganized Debtor within fifteen (15) days of demand by the Reorganized Debtor for return of such deposit(s).

17.19 Administrative Claims Bar Date. All requests for payment of administrative costs and expenses incurred prior to the Effective Date pursuant to Bankruptcy Code §§ 507(a)(1) and 503(b) will be served and filed with the Bankruptcy Court no later than forty-five (45) days after

the Confirmation Date. Any such Claim which is not served and filed within this time period will be forever barred. After approval by the Bankruptcy Court of the final fee applications of the Chapter 11 Professionals and the Future Claims Representative and the Future Claims Representative's Professionals for Professional Charges incurred prior to the Confirmation Date, the Chapter 11 Professionals and the Future Claims Representative and the Future Claims Representative's Professionals will not be required to submit any further fee applications to the Bankruptcy Court in accordance with Bankruptcy Code § 330. Any charges for fees, costs and expenses incurred by the Future Claims Representative after the Effective Date will be paid out of the Future Claims Reserve.

17.20 Delivery of Distributions. Distributions will be made by the Debtor, the Reorganized Debtor, the Special Arbitrator or the Settlement Trustee as follows:

(a) At the addresses set forth in the Proofs of Claim (and if both a Claimant's address and a Claimant's counsel are listed on the Proof of Claim then to counsel's address) filed by holders of Claims or the last known addresses of such holders if no Proof of Claim is filed or if the Debtor, the Reorganized Debtor, the Settlement Trustee has not been notified of a change of address;

(b) At the addresses set forth in written notices of address change delivered to the Debtor, the Settlement Trustee or the Reorganized Debtor after the date of any related Proof of Claim; or

(c) At the addresses reflected in the Schedules of Assets and Liabilities filed in the Reorganization Case if no Proof of Claim has been filed, and the Debtor, the Settlement Trustee or the Reorganized Debtor has not received a written notice of change of address.

(d) If any distribution to a holder of an Allowed Claim (including an Allowed Tort Claim and an Allowed Future Tort Claim) is returned as undeliverable, no further distributions to such holder will be made unless and until the Debtor, the Settlement Trustee or the Reorganized Debtor is notified of

such holder's then-current address, at which time all missed distributions will be made to the holder without interest. All claims for undeliverable or uncashed distributions must be made on or before the first (1st) anniversary of the date applicable to such distribution, or with respect to the final distribution to a Creditor holding an Allowed Claim (including an Allowed Tort Claim and an Allowed Future Tort Claim), within ninety (90) days thereof. After such date, all such unclaimed property will revert to the Reorganized Debtor or the Settlement Trustee for further distribution in accordance with the Plan, and the Claim of any holder or successor to such holder with respect to such property, will be discharged and forever barred, notwithstanding any federal or state escheat law to the contrary.

## ARTICLE 18

### **ADMINISTRATION OF THE SETTLEMENT TRUST, SETTLING TORT CLAIMS AND FUTURE TORT CLAIMS**

18.1 Binding Arbitration Process. All Settling Tort Claimants whose claims have not been liquidated prior to the Effective Date pursuant to a Claim Allowance Agreement, will be liquidated pursuant to the following procedure; provided however that, holders of Settling Tort Claims which are being defended pursuant to a reservation of rights by a Great Divide Candidate Insurer must have his or her Tort Claim liquidated pursuant to a formal arbitration and the Special Arbitrator will conduct the formal arbitration for such Settling Tort Claimants utilizing the J.A.M.S. rules and procedures. The Reorganized Debtor will only be obligated to participate in such formal arbitration pursuant to the J.A.M.S. rules and procedures, if its defense costs will be paid by a Great Divide Candidate Insurer. Otherwise, the Debtor or the Reorganized Debtor will have no obligation to participate in the process or defend against any such Tort Claims of a Settling Tort Claimant who is subject to the foregoing procedure. The following procedure will apply to the Allowance of all Settling Tort Claims with the exception of the Tort Claims of



Settling Tort Claimants subject to the formal arbitration procedure pursuant to the terms of the Plan and this Article 18:

(a) Within sixty (60) days of the Effective Date, the Reorganized Debtor will provide the Special Arbitrator a memorandum on the Claims of each Settling Tort Claimant describing any evidence readily available in its possession regarding the Debtor's potential liability, available defenses and insurance coverage regarding the Settling Tort Claim including information known about the alleged perpetrator(s) (if any). Upon request by the Special Arbitrator, the Reorganized Debtor will provide copies of readily available documents supporting or opposing Claims or defenses.

(b) No later than thirty (30) days after service of a completed Uniform Questionnaire, a Great Divide Candidate Insurer may request, in writing, that up to fifteen (15) questions be included in a Custom Questionnaire issued by the Special Arbitrator. If so requested pursuant to this subparagraph, the Special Arbitrator will serve a Custom Questionnaire on the Settling Tort Claimant that includes the requested questions, provided that the questions are not harassing, duplicative or needlessly cumulative in nature. If no Custom Questionnaire is timely requested by a Great Divide Candidate Insurer, then the Special Arbitrator may rely on the Uniform Questionnaire previously provided by a Settling Tort Claimant for purposes of liquidating his or her Tort Claim.

(c) Within thirty (30) days after written request therefor from the Special Arbitrator, each holder of a Tort Claim whose Settlement Amount will be determined by the Special Arbitrator will: (i) complete under oath a Custom Questionnaire, if applicable; (ii) produce all records and documents requested by the Special Arbitrator; (iii) consent to and cooperate in any examinations requested by the Special Arbitrator and performed by health care professionals selected by the Special Arbitrator; and (iv) consent to and cooperate in a written

and/or oral examination under oath by the Special Arbitrator. The Special Arbitrator also may, but will not be required to, obtain evidence from the Debtor, the Reorganized Debtor or any other party, and will have all of the rights and powers to take discovery under Part VII of the Bankruptcy Rules. The Special Arbitrator's determination will be made expeditiously.

(d) The Special Arbitrator may, but will not be required to, interview any Settling Tort Claimant regarding his or her Settling Tort Claim under oath. Further, each Settling Tort Claimant may request an interview. Interviews may be conducted by telephone, but the Settling Tort Claimant can request that the interview be conducted in person. The Special Arbitrator will establish the time, place and duration of such in person interview and will exercise reasonable efforts to accommodate the availability of the Settling Tort Claimant. If an interview is to be conducted, the Special Arbitrator will give the Reorganized Debtor and the Great Divide Candidate Insurers at least thirty (30) days notice of the date and time of the interview. The Reorganized Debtor and the Great Divide Candidate Insurers may submit up to ten (10) questions for the Special Arbitrator to ask at the interview. The requested interview questions must be submitted to the Special Arbitrator no later than ten (10) days prior to the interview. The interview may be, but is not required to be, recorded by video, audio or stenographic means.

(e) In connection with his or her interview, the Settling Tort Claimant may provide the Special Arbitrator with additional evidence supporting his or her Settling Tort Claim.

(f) The Settling Tort Claimant, the Settlement Trustee, or any Great Divide Candidate Insurer each may submit a simultaneous confidential memorandum to the Special Arbitrator advocating their respective legal and factual positions affecting the Debtor's potential liability, available defenses, and the Settling Tort Claimant's damages. The memorandum which may be

submitted in accordance with the preceding sentence may recommend an amount for Allowance of the Settling Tort Claim. The Special Arbitrator will set a schedule for submission of the memoranda permitted by this subparagraph as to each Settling Tort Claim. Upon timely written request in connection with preparation of the memoranda, the Special Arbitrator will provide the Settling Tort Claimant, the Reorganized Debtor (if the Reorganized Debtor is participating in the process), the Settlement Trustee or Great Divide Candidate Insurer, a copy of a Settling Tort Claimant's completed Custom Questionnaire or recording or transcript of the interview.

(g) The Special Arbitrator will have the power to issue subpoenas, under Rule 9016 of the Bankruptcy Rules and Rule 45 of the Federal Rules of Civil Procedure in order to obtain information or compel witnesses to attend depositions or other arbitration proceedings. The Special Arbitrator may request that independent medical examinations be performed by healthcare professionals retained or appointed by the Special Arbitrator, in order to obtain information on any matters related to the Settling Tort Claimants, including the nature and extent of damages allegedly suffered as a result of the alleged acts and/or omissions giving rise to the Tort Claim. The Special Arbitrator may also request from the Settling Tort Claimant or the Reorganized Debtor any additional materials or names of possible witnesses that will aid the Special Arbitrator in evaluating a Settling Tort Claim. Nothing contained in the Plan will preclude a Settling Tort Claimant or the Reorganized Debtor from presenting any other evidence to the Special Arbitrator to allow the Special Arbitrator to evaluate the Settling Tort Claim.

(h) The Special Arbitrator will issue an Arbitration Award setting forth his determination of the amount of the Allowed Settling Tort Claim. The Arbitration Award may, but is not required to, include a memorandum describing

the reasons for the Arbitration Award. The Arbitration Award must be served on the Settlement Trustee, the Settling Tort Claimant and the Great Divide Candidate Insurers, and also such counsel as designated by these parties. Service may be accomplished by electronic mail.

(i) The Arbitration Award and allocation is final and may not be appealed under any circumstances. Notwithstanding the foregoing, a Settling Tort Claimant, or the Settlement Trustee may request that the Special Arbitrator reconsider his Arbitration Award and allocation. Such a request must be submitted to the Special Arbitrator in writing not less than twenty (20) days after service of the Arbitration Award. The party seeking reconsideration must serve notice of the reconsideration request on the Settling Tort Claimant, the Settlement Trustee and such counsel as designated by these parties. The Special Arbitrator will set a schedule for any additional interview, argument, or briefing as he deems appropriate under the circumstances. Notwithstanding any reconsideration by the Special Arbitrator, the decision of the Special Arbitrator will be final on or after any reconsideration and not subject to any appeal or judicial determination or review of any kind.

(j) The Special Arbitrator must comply with requests by the Settling Tort Claimant to keep information regarding the Settling Tort Claim confidential, in accordance with any confidentiality protocols established by the Bankruptcy Court during the course of the Reorganization Case, or as part of the confirmation process.

18.2 Procedure for Filing and Determination of Future Tort Claims. The following procedures will govern the filing of Future Tort Claims:

(a) Regardless of when a Future Tort Claim is asserted but in all events subject to the time periods set forth in Section 13.6 above, all Future Tort

Claimants will be required to file any Future Tort Claim on the Proof of Claim form for Tort Claims approved by the Bankruptcy Court in the Bar Date Order.

(b) If a Future Tort Claim is asserted after the Confirmation Date but before the Effective Date, such Future Tort Claim is to be filed with the Clerk of the Bankruptcy Court in accordance with the procedures set forth in the Bar Date Order.

(c) The Special Arbitrator may, in addition to the procedures set forth in Section 13.6 above, employ any of the procedures set forth in Section 18.1 above for purposes of liquidating and Allowing or Disallowing any Future Tort Claim.

18.3 Special Provisions Governing the Administrative Costs for the Binding Arbitration. The following provisions govern the costs of administering the binding arbitration procedure for determining the Arbitration Award for Settling Tort Claims and Future Tort Claims (unless a Future Tort Claimant elects the Future Tort Claim Litigation Process:

(a) The Special Arbitrator is entitled to compensation for his services and reimbursement of costs. The Special Arbitrator will issue his invoices to the Settlement Trustee. The Settlement Trustee, and only the Settlement Trustee, may review and question the Special Arbitrator's invoices. The Settlement Trustee will timely pay the Special Arbitrator's invoices.

(b) The Reorganized Debtor's only source of compensation for participating in the Binding Arbitration Process, including the payment of attorneys' fees, costs and expenses will be payment by a Great Divide Candidate Insurer, or, if requested to participate by the Special Arbitrator and the fees and costs, and expenses are not being paid by a Great Divide Candidate Insurer, the Reorganized Debtor may be paid from the Settlement Trust if the Settlement Trustee determines that it is in the best interests of the Settling Tort Claimant to have the Reorganized Debtor's participation. In the event that the attorneys' fees,

costs and expenses of the Reorganized Debtor are not going to be paid by a Great Divide Candidate Insurer or the Settlement Trust, then the Reorganized Debtor will have no obligation to participate in the liquidation, Allowance or Disallowance of any Tort Claims.

18.4 Wind Down of the Future Claims Reserve. No sooner than seven (7) years after the Effective Date, the Settlement Trustee, the Special Arbitrator or the Future Claims Representative may request that the Future Claims Reserve be wound down by filing a motion with the Bankruptcy Court. The proponent of the motion to wind down the Future Claims Reserve will provide no less than thirty (30) days notice and opportunity to be heard to the Settlement Trustee, the Special Arbitrator and the Future Claims Representative, or their successors. Any funds remaining in the Future Claims Reserve, after payment of all Allowed Future Tort Claims and costs and expenses of the Settlement Trust with respect to administration of Future Tort Claims, will be distributed as determined by the Settlement Trustee.

## ARTICLE 19

### TREATMENT OF EXECUTORY CONTRACTS

19.1 Assumption and Rejection of Executory Contracts. On the Confirmation Date, except as otherwise provided herein, all Executory Contracts of the Debtor, that have not been previously rejected or terminated, will be assumed in accordance with the provisions and requirements of Bankruptcy Code §§ 365 and 1123, other than those Executory Contracts that: (a) have already been assumed by order of the Bankruptcy Court; (b) are subject to a motion to reject Executory Contracts that is pending on the Confirmation Date; or (c) are subject to a motion to reject an Executory Contract pursuant to which the requested effective date of such rejection is after the Confirmation Date. Approval of any motions to assume Executory Contracts pending on the Confirmation Date will be approved by the Bankruptcy Court on or after the Confirmation Date by a Final Order. Each Executory Contract assumed pursuant to this Article 19 will revest in and be fully enforceable by the Reorganized Debtor in accordance with

its terms, except as such terms are modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption or applicable law.

19.2 Claims Based on Rejection of Executory Contracts. Every Claim asserted by a Creditor arising from the rejection of an Executory Contract pursuant to the Plan must be filed with the Bankruptcy Court no later than the first Business Day which is thirty (30) days after the Confirmation Date or the first Business Day that is thirty (30) days after entry of the Final Order of the Bankruptcy Court approving rejection, if such Final Order is entered after the Confirmation Date. Every such Claim which is timely filed, as and when it becomes an Allowed Claim, will be treated under Class 8 of the Plan. Every such Claim which is not timely filed by the deadline stated above will be forever barred, unenforceable, and discharged, and the Creditor holding the Claim will not receive or be entitled to any distribution under the Plan on account of such Claim.

19.3 Indemnification of Members, Managers, Officers, and Employees. The obligation of the Debtor to indemnify any Person serving at any time on or prior to the Effective Date as one of its officers, employees, council members or volunteers by reason of such Person's service in such capacity, to the extent provided in any of the Debtor's constituent documents or by a written agreement with the Debtor or under the laws of the State of Alaska pertaining to the Debtor, will be deemed and treated as Executory Contracts that are assumed by the Reorganized Debtor, pursuant to the Plan and Bankruptcy Code § 365 as of the Effective Date. Indemnification obligations of the Debtor to indemnify any Person that are assumed will survive unimpaired and unaffected by entry of the Confirmation Order, irrespective of whether such indemnification is owed for an act or event occurring before or after the Petition Date unless such Person is a Participating Third Party or a Released Party. Notwithstanding the foregoing, under no circumstances will the Debtor or the Reorganized Debtor assume or be responsible for any alleged indemnification obligations of the Jesuits or any priests or others against whom CBNA has determined or may, in the future, determine, that there are credible allegations of sexual abuse asserted against such Person(s) or such Person has or may have engaged in some

other conduct that would excuse the Reorganized Debtor from providing any indemnification to such Person.

## ARTICLE 20

### CONDITIONS TO EFFECTIVE DATE

20.1 Conditions To Occurrence Of Effective Date. Each of the following are conditions to the Effective Date, which conditions must be satisfied or, in the alternative, waived by both the Debtor and the Committee in their sole discretion:

(a) The Confirmation Order has been entered by the Bankruptcy Court, and is not subject to any stay or injunction.

(b) The Confirmation Order is in form and substance satisfactory to the Debtor and the Committee in their sole discretion.

(c) The sale of Assets to the Endowment has closed.

(d) \$9,800,000 Cash has been deposited in the Fund and transferred to the Settlement Trust.

(e) Debtor's claims against the Great Divide Candidate Insurers have been assigned to the Settlement Trustee.

(f) All actions, documents, and agreements necessary to implement the Plan will have been effected or executed, including, but not limited to, the Plan Documents.

20.2 Debtor's Obligations to Cause Effective Date to Occur. Upon satisfaction of the conditions to the Effective Date and occurrence of the Effective Date, the Debtor will cause the following to occur:

(a) Payment, Cure and Reinstatement or Setoff of Allowed Claims Other Than Tort Claims. The Reorganized Debtor will pay or make provision for the prompt payment to holders of Allowed Claims to whom payments, pursuant to the Plan, are to be made on the Effective Date by the Debtor.



(b) Deliveries to Settlement Trust and Litigation Trust. Unless the Settlement Trust and the Litigation Trust (or the Litigation Reserve) have been earlier established, the Reorganized Debtor will cause the Settlement Trust and the Litigation Trust to be established. The Reorganized Debtor will deliver all amounts transferred to the Fund as of the Effective Date and any other assignments or pledges to the Settlement Trustee pursuant to the allocation ordered in the Confirmation Order.

20.3 Waiver of Conditions. The Debtor and the Committee, in their sole discretion, may waive any of the conditions to the occurrence of the Effective Date including waiver of the conditions regarding the effectiveness of the Confirmation Order in Section 20.1 above, any time, from and after the Confirmation Date. In that event, the Debtor will be entitled to render any or all of its performance under the Plan prior to what otherwise would be the Effective Date if the above-referenced conditions were not waived, including, but not limited to, the right to perform under any circumstances which would moot any appeal, review, or other challenge of any kind to the Confirmation Order, if the Confirmation Order is not stayed pending such appeal, review, or other challenge.

20.4 Effect of Non-occurrence of Conditions. If the consummation of the Plan does not occur, the Plan will be null and void in all respects and nothing contained in the Plan or the Disclosure Statement will: (a) constitute a waiver or release of any Claims by or against the Debtor; (b) prejudice in any manner the rights of the Debtor; (c) constitute an admission, acknowledgement, offer, or undertaking by the Debtor in any respect, including, but not limited to, in any proceeding or case against the Debtor; or (d) be admissible in any action, proceeding or case against the Debtor in any court or other forum.

20.5 Merger; Choice of Law. All obligations of the Debtor to all Creditors will be merged into the Plan, the Settlement Trust, the Litigation Trust, the Plan Documents and any other documents executed by the Reorganized Debtor in connection with confirmation of the Plan and the occurrence of the Effective Date and delivered to the respective affected Creditors.

All such obligations of the Reorganized Debtor will be evidenced by the Plan and such executed and delivered Plan Documents, the Settlement Trust and the Litigation Trust. Unless otherwise provided therein, such documents will be governed by and construed in accordance with Alaska law.

20.6 Other Obligations of the Reorganized Debtor. The Reorganized Debtor will:

(a) review all Claims filed against the Estate other than Tort Claims and Future Tort Claims and, if warranted, object to Claims within the time period provided in Section 16.8(a) of the Plan;

(b) determine whether and under what circumstances to pursue the Retained Claims and any other actions preserved for the benefit of the Reorganized Debtor and not otherwise assigned to the Fund; and

(c) perform all of its obligations under the Plan Documents, including, without limitation, those obligations provided in the Settlement Trust Agreement and the Litigation Trust Agreement.

## ARTICLE 21

### EFFECTS OF CONFIRMATION

21.1 Discharge. Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date, the Debtor and the Diocese will be discharged from and their liability will be extinguished completely in respect of any Claim and debt, whether reduced to judgment or not, liquidated or unliquidated, Contingent or noncontingent, asserted or unasserted, fixed or not, matured or unmatured, disputed or undisputed, legal or equitable, known or future, that arose from any agreement of the Debtor or the Diocese entered into or obligation of the Debtor or the Diocese incurred before the Confirmation Date, or from any conduct of the Debtor or the Diocese prior to the Confirmation Date, or that otherwise arose before the Confirmation Date, including, without limitation, all interest, if any, on any such Claims and debts, whether such interest accrued before or after the Petition Date; all Claims and debts based upon or arising out of Tort Claims, Future Tort Claims and from any liability of the

kind specified in Bankruptcy Code §§ 502(g), 502(h), and 502(i), whether or not a Proof of Claim is filed or is deemed filed under Bankruptcy Code § 501, such Claim is Allowed under Bankruptcy Code § 502, or the holder of such Claim has accepted the Plan; provided, however, that, any Tort Claims arising as a result of sexual abuse that is committed after the Petition Date will not be discharged.

21.2 Vesting. Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date, the Reorganized Debtor will be vested with all of the property of the Estate free and clear of all Claims, liens, encumbrances, charges and other interests of Creditors, and the Reorganized Debtor will, thereafter, hold, use, dispose or otherwise deal with such property, operate its business and conduct its ministry and mission free of any restrictions imposed by the Bankruptcy Code or by the Court. All Retained Claims are hereby preserved for the benefit of the Reorganized Debtor. Any Claims, causes of action or demands transferred to the Fund are preserved for the benefit of the Settlement Trustee under the Settlement Trust or under the Litigation Trust.

21.3 Channeled Claims. Except as otherwise expressly provided in the Plan and in this Article 21, in consideration of the promises and obligations of the Settling Parties under the Plan, including the establishment and funding of the Future Claims Reserve, the Settlement Trust and the Litigation Trust (or the Litigation Reserve, if applicable), all Persons who have held, hold, or may hold Tort Claims or Future Tort Claims, whether known or unknown, asserted or unasserted, will be forever barred from pursuing such Claims, whether such Claims are based upon tort or contract or otherwise, that they heretofore, now or hereafter possess or may possess against the Settling Parties, in each case based upon or in any manner whatsoever arising from or related to any acts or omissions of CBNA or the Diocese or any of the other Settling Parties related to any sexual misconduct or other acts and/or omissions by any clergy, employees, volunteers or other Persons associated with CBNA or the Diocese and, further, including, without limitation: (a) Tort Claims or Future Tort Claims; (b) Claims for bodily injuries and/or personal injuries, including emotional distress, mental distress, mental anguish and humiliation;

(c) those of any Person against whom any Claim, demand, proceeding, suit or cause of action based upon or in any manner arising from or relating to any of the matters enumerated or described herein that has been or may be asserted (including, without limitation, rights of indemnity, whether contractual or otherwise, Contribution Claims, Jesuit Fault Allocation Claims and subrogation Claims); (d) those for damages, including punitive damages; (e) those for attorneys' fees and other expenses, fees or costs; (f) those for any possible economic loss or loss of consortium; (g) those for damages to reputation; and (h) those for any equitable remedy. Except as otherwise expressly provided in the Plan and the Plan Documents, including the Settlement Trust and the Litigation Trust, the provisions of this Section 21.3 will further operate, as between all Settling Parties, as a mutual release of all Claims which any Settling Party may have against another Settling Party. The foregoing channeling provisions are an integral part of the Plan and are essential to its implementation.

21.4 Exculpation and Limitation of Liability. None of the Released Parties will have or incur any liability to, or be subject to any right of action by, any holder of a Claim or any other party in interest or any of their respective agents, employees, officers, directors, representatives, financial advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of the Reorganization Case, the pursuit of confirmation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for their willful misconduct; and in all respects such parties will be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan or in the context of the Reorganization Case.

21.5 Permanent Injunction Against Prosecution of Released and Channeled Claims. Except as otherwise expressly provided in the Plan, for the consideration described herein, or described in any agreement by which a Person becomes a Settling Party, or if such Person is a Released Party on the Effective Date, all Persons who have held, hold, or may hold Channeled Claims or Claims against CBNA, the Diocese, any Settling Party or any Released Party, whether known or unknown, and their respective civil law and Canon Law officers, directors, officials,

representatives, council members, employees, agents, attorneys, and all others acting for or on their behalf, will be permanently enjoined on and after the Effective Date from: (a) commencing or continuing in any manner, any action or any other proceeding of any kind with respect to any Claim, including, but not limited to, any Tort Claim or any Future Tort Claim against the Parties or the property of the Parties; (b) seeking the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree, or order against the Parties or the property of the Parties, with respect to any discharged Claim or Channeled Claim; (c) creating, perfecting, or enforcing any encumbrance of any kind against the Parties or the property of the Parties with respect to any discharged Claim or Channeled Claim; (d) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due to the Parties with respect to any discharged Claim or Channeled Claim; and (e) taking any act, in any manner and in any place whatsoever, that does not conform to or comply with provisions of the Plan or the Plan Documents, including, the Settlement Trust Agreement or the Litigation Trust Agreement. Notwithstanding this Section 21.5, each Litigation Tort Claimant (including any Future Tort Claimant who opts for the Future Tort Claim Litigation Process will be entitled to continue or commence an action against the Settlement Trustee (in his capacity as trustee only and not in his individual capacity) for the sole purpose of obtaining a judgment as permitted by the Litigation Trust Agreement, the Litigation Protocol, the Future Tort Claim Litigation Process and the Plan, thereby liquidating such Litigation Tort Claimant's (including such Future Tort Claimant's, if applicable) Claim so that he or she may be paid with other Allowed Tort Claimants in the ordinary course of the operations of the Litigation Trust or the Future Claims Reserve, consistent with the provisions of the Litigation Trust Agreement, the Litigation Protocol, the Future Claims Reserve, the Future Tort Claim Litigation Process and the Plan. The holder of any such judgment will be enjoined from executing against the Litigation Trust, the Litigation Reserve (if applicable) or the Future Claims Reserve, their assets or the assets of any of the Parties or the Settlement Trust. In the event any Person takes any action that is prohibited by, or is otherwise inconsistent with the provisions of Article 21 of the Plan, then, upon notice to the Court by an

affected Party, the action or proceeding in which the Claim of such Person is asserted will automatically be transferred to the Court (or, as applicable, the District Court) for enforcement of the provisions of Article 21 of the Plan. The foregoing injunctive provisions are an integral part of the Plan and are essential to its implementation.

## ARTICLE 22

### **SETTLEMENT WITH THE PARISH CHURCHES, THE MONROE FOUNDATION AND THE CATHOLIC TRUST OF NORTHERN ALASKA**

In order to facilitate implementation of the Plan, CBNA is entering into a settlement agreement with the Parish Churches, the Monroe Foundation, and the CTNA. Under the Parish Settlement Agreement, the Parishes will contribute \$650,000 Cash from their unrestricted deposits with the CTNA to the Fund. Under the Monroe Foundation Settlement Agreement, the Monroe Foundation will contribute \$150,000 Cash to the Fund. The monies from the Parish Settlement and the Monroe Foundation Settlement will be used to settle the various disputes as to Parish Church Real Property, Monroe Foundation assets, and the avoidance actions claim against the CTNA. Under the settlements, the Parish Churches, the Monroe Foundation and the CTNA will become Participating Third Parties and Settling Parties pursuant to Article 21 of the Plan.

## ARTICLE 23

### **MODIFICATION OF PLAN**

The Plan may be modified by the Debtor and the Committee or the Reorganized Debtor (as applicable) from time to time in accordance with, and pursuant to, Bankruptcy Code § 1127. The Plan may be modified by the Debtor and the Committee at any time before the Confirmation Date, provided that the Plan, as modified, meets the requirements of Bankruptcy Code §§ 1122 and 1123, and the Debtor and the Committee have complied with Bankruptcy Code § 1125. Each holder of a Claim that has accepted the Plan will be deemed to have accepted such Plan as modified if the proposed alteration, amendment or modification does not adversely change the treatment of the Claim of such holder. Each holder of a Claim that votes in favor of the Plan authorizes the Debtor to modify, at any time prior to the Effective Date and without the

requirement of further solicitation, the treatment provided to the Class of Claims such Claims are classified in, provided that the Bankruptcy Court determines that such modification is not material. To the extent that it is determined that the Litigation Reserve will be established within the Settlement Trust and no Litigation Trust will be utilized, the Plan will be deemed modified without any further action on behalf of the Debtor or the Committee.

## ARTICLE 24

### RETENTION OF JURISDICTION

Notwithstanding confirmation of the Plan and the occurrence of the Effective Date, the Bankruptcy Court will retain jurisdiction for the following purposes:

24.1 In General. The Bankruptcy Court will retain jurisdiction to determine the allowance and payment of any Claims upon any objections thereto (or other appropriate proceedings) by the Debtor, by the Reorganized Debtor, or by any other party in interest entitled to proceed in that manner. As part of such retained jurisdiction, the Bankruptcy Court will continue to determine the allowance of Administrative Claims and any request for payment thereof, including Administrative Claims for Professional Charges. The Bankruptcy Court will not retain or obtain jurisdiction to determine any internal disputes between or among the Debtor (or the Diocese), a Parish or any other related Person that, under applicable Canon Law, would be determined in a specialized religious court.

24.2 Tort Claims and Future Claims. Subject to the limitations set forth in Section 24.1 above, the Bankruptcy Court will retain jurisdiction to hear and determine and take such actions as are necessary or appropriate with respect to the allowance or disallowance of Tort Claims or Future Tort Claims so long as such retained jurisdiction is consistent with the terms of the Plan, the Settlement Trust or the Litigation Trust.

24.3 Plan Disputes and Enforcement. Subject to the limitations set forth in Section 24.1 above, the Bankruptcy Court will retain jurisdiction to determine any dispute which may arise regarding the interpretation of any provision of the Plan. The Bankruptcy Court will also retain jurisdiction to enforce any provisions of the Plan and any and all Plan Documents,

including, but not limited to, any actions to enforce the discharge, releases and injunctions provided for in Article 21 of the Plan. The Bankruptcy Court will also retain jurisdiction over any matter relating to the implementation, effectuation, and/or consummation of the Plan as expressly provided in any provision of the Plan.

24.4 Further Orders. Subject to the limitations set forth in Section 24.1 above, the Bankruptcy Court will retain jurisdiction to facilitate the performance of the Plan by entering, consistent with the provisions of the Plan, any further necessary or appropriate order regarding enforcement of the Plan, the Plan Documents and any provisions thereof, and to protect the Debtor, the Reorganized Debtor, the Settling Parties and the Released Parties from actions prohibited under the Plan. The Bankruptcy Court will retain jurisdiction to hear and determine any requests to modify the Future Claims Reserve as provided in Section 13.5(b) above. In addition, the Bankruptcy Court will retain jurisdiction to facilitate or implement the allowance, disallowance, treatment, or satisfaction of any Claim, or any portion thereof, pursuant to the Plan (other than Tort Claims or Future Tort Claims, except to the extent that any retained jurisdiction is consistent with the Plan, the Settlement Trust and the Litigation Trust) to which an objection has not been filed prior to the Effective Date.

24.5 Retained Claims. Subject to the limitations set forth in Section 24.1 above, the Bankruptcy Court will retain jurisdiction with respect to any Retained Claims.

24.6 Issuance of Process. Subject to the limitations set forth in Section 24.1 above, the Bankruptcy Court will retain jurisdiction to issue any process necessary or appropriate to facilitate the actions and powers of the Special Arbitrator, including, but not limited to, issuance of subpoenas to compel attendance of witnesses, Settling Tort Claimants and Future Tort Claimants who participate in the Future Tort Claim Settlement Process at depositions, hearings and mediation as determined by the Special Arbitrator, in accordance with the terms of the Plan.

24.7 Governmental Units or Regulatory Agencies. The Bankruptcy Court will retain jurisdiction to adjudicate any dispute or to hear and determine any action taken, proposed, or threatened by any state, federal, or local governmental regulatory agency or unit having or



asserting jurisdiction or power over the conduct of the business of the Debtor and/or the Reorganized Debtor.

24.8 Final Decree. The Bankruptcy Court will retain jurisdiction to enter an appropriate final decree in the Reorganization Case.

24.9 Appeals. In the event of an appeal of the Confirmation Order or any other kind of review or challenge to the Confirmation Order, and provided that no stay of the effectiveness of the Confirmation Order has been entered, the Bankruptcy Court will retain jurisdiction to implement and enforce the Confirmation Order and the Plan according to their terms, including, but not limited to, jurisdiction to enter such orders regarding the Plan or the performance thereof as may be necessary to effectuate the reorganization of the Debtor.

24.10 Executory Contracts. The Bankruptcy Court will retain jurisdiction to determine any and all motions regarding assumption or rejection of Executory Contracts and any and all Claims arising therefrom.

24.11 Claims. Subject to the limitations set forth in Section 24.1 above, the Bankruptcy Court will retain jurisdiction: (a) to hear and determine any Claim or cause of action by or against the Debtor, the Debtor's officers, officials, employees or representatives, the Chapter 11 Professionals, and the Reorganized Debtor (except with respect to any internal disputes between and among CBNA, the Diocese, a Parish or any other related Person that, under applicable Canon Law, would be determined in a specialized religious court); (b) to adjudicate any causes of action or other proceeding currently pending or otherwise referenced here or elsewhere in the Plan, including, but not limited to, the adjudication of the Retained Claims and any and all "core proceedings" under 28 U.S.C. §157(b) which may be pertinent to the Reorganization Case and which the Debtor or the Reorganized Debtor may deem appropriate to initiate and prosecute before the Bankruptcy Court in aid of the implementation of the Plan; (c) to approve any settlements between or among CBNA, the Committee, the Settlement Trustee and the party against whom CBNA, the Committee and/or the Settlement Trustee asserts a Retained Claim, and (d) to hear objections to Tort Claims prior to the Effective Date.

24.12 Modification of the Plan. The Bankruptcy Court will retain jurisdiction to modify the Plan pursuant to the provisions of the Plan.

24.13 Failure of Court to Exercise Jurisdiction. If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction or is otherwise without jurisdiction over any matter arising out of the Reorganization Case, including matters set forth in this Article 24, such lack of jurisdiction will not diminish, control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

## ARTICLE 25

### AMENDMENT TO ENDOWMENT

25.1 Amendment. Prior to the Effective Date but after the Confirmation Order becomes a Final Order, the Endowment Documents will be amended as follows:

(a) The UPMIFA Amendment. The Endowment Documents will be amended to provide that at least twice annually, on or about March 31 and October 31, the Diocesan Bishop, in consultation with the Diocesan Finance Office and after consulting with the Diocesan Finance Council, may determine such spending distributions from one or more of the Endowments as is prudent for the uses, benefits, purposes and perpetual duration for which an Endowment was established. In determining the spending distributions, the Diocesan Bishop is to act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. The relevant factors to be considered by the Diocesan Bishop in setting the spending distributions for a particular period will be determined by the Diocesan Bishop in consultation with the Diocesan Finance Office and the Diocesan Finance Council.

(b) The Investment Policy Amendment. The Endowment Documents will be amended to add the following provision to the Investment Guidelines as that term is defined in the Endowment Documents:

(i) Real estate: real estate includes developed or undeveloped land and buildings that are suitable for use as investment, mission, or school property.

(ii) Investment property will have appropriate income, capital appreciation, marketability and administrative costs characteristics.

(iii) Mission and School Property must have stable value and the property's use must be necessary for the long term mission of the Catholic Church in Northern Alaska.

(c) The asset allocations will be amended as follows:

	<u>Maximum</u>	<u>Minimum</u>	<u>Target</u>
Total Return Based Pooled Fund:			
Real Estate	70%	0%	40%
Equities	70%	25%	45%
Fixed Income	50%	5%	10%
Cash	20%	0%	5%

25.2 Limitation on Authority. Notwithstanding any modifications to the Endowment Documents pursuant to the Plan, the authority of the Diocesan Bishop to determine the spending distributions will be limited to an amount equal to no more than six and .25 percent (6.25%) of the fair market value of the applicable Endowment fund, calculated on the basis of market values determined at least quarterly and averaged over a period of the preceding three (3) years.

25.3 Incorporation into Confirmation Order. The Confirmation Order will set forth the modifications to be made to the Endowment Documents as provided for in this Article 25.

25.4 Implementation of Amendment. Prior to the Effective Date but after entry of the Confirmation Order and after the Confirmation Order becomes a Final Order, the Diocesan Bishop may amend the Endowment Documents to the extent necessary or appropriate to implement the modifications to the Endowment Documents provided for in the Plan.

## ARTICLE 26

### REORGANIZATION OF CBNA

26.1 Continued Corporate Existence and Operation of the Reorganized Debtor. The Debtor will, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity, with all powers of a religious corporation sole under the laws of the State of Alaska and without prejudice to any right to alter or terminate such existence under applicable state law but subject to applicable Canon Law. On and after the Effective Date, the Reorganized Debtor and the Diocese may operate their respective businesses and carry on the ministry and the mission of the Roman Catholic Church and may use, acquire, or dispose of property, and compromise or settle any Claims without supervision or approval of the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order.

26.2 Management of Reorganized Debtor. From and after the Effective Date, the Reorganized Debtor will continue to be managed in accordance with the principles of Canon Law and applicable state law, and the Bishop will be the sole director of the Reorganized Debtor.

26.3 Reorganization of Parishes. Prior to the Effective Date, but after the Confirmation Date and after consultation with the Parishes, the civil structure of the Parishes may be reorganized. The form of such parish reorganization, if any, will be disclosed prior to the Confirmation Hearing and, thereafter, incorporated into the Plan but only to the extent it involves any property in which CBNA has a legal interest. Notwithstanding the structure of such reorganization, if any, such reorganization will comply, in all respects, with Canon Law. Any disputes regarding the interpretation and governance of the legal structure and operation of a Parish will be referred for determination to the appropriate agency or tribunal provided for under Canon Law.

## ARTICLE 27

### GENERAL PROVISIONS

27.1 Extension Of Payment Dates. If any payment date falls due on any day which is not a Business Day, then such due date will be extended to the next Business Day.

27.2 Notices. Any notice required or permitted to be provided under the Plan will be in writing and served by regular first class mail, electronic mail, overnight delivery, or hand-delivery.

27.3 Closing of the Case. At such time as the Plan has been fully administered and/or the Plan has been substantially consummated, the Reorganized Debtor will file an application for Final Order showing that the Plan has been fully administered or substantially consummated upon notice to only those Creditors and parties that, after the Effective Date, have specifically requested, after which an order approving the Reorganized Debtor's final report and closing the Reorganization Case may be entered.

27.4 Interest. Whenever interest is to be computed under the Plan, interest will be simple interest and not compounded.

27.5 Additional Assurances. The Debtor, the Reorganized Debtor, the Settlement Trustee and the Creditors holding Claims herein, including Tort Claims and Future Tort Claims will execute such other further documents as are necessary to implement any of the provisions of the Plan.

27.6 Confirmation By Nonacceptance Method. The Debtor and the Committee hereby request, if necessary, confirmation of the Plan pursuant to Bankruptcy Code § 1129(b) with respect to any impaired Class of Claims which does not vote to accept the Plan.

27.7 Withdrawal Of Plan. The Plan may be withdrawn or revoked prior to entry of the Confirmation Order in which event the provisions of Sections 20.4 and 27.12 will apply.

27.8 Severability And Reformation. It is the Debtor's and the Committee's intention to comply fully with the Bankruptcy Code and applicable nonbankruptcy law in proposing the Plan.

Therefore, if any provision of the Plan is determined by the Bankruptcy Court to be contrary to

the Bankruptcy Code or applicable nonbankruptcy law, that provision will be deemed severed and automatically deleted from the Plan, if it cannot be reformed or the provision or its interpretation will be deemed reformed to ensure compliance; provided, however, that nothing contained in this Section will prevent the Debtor and the Committee from modifying the Plan in any manner whatsoever in accordance with and as set forth in the Plan. Pursuant to any ruling by the Bankruptcy Court regarding the subject matter of this Section, any such severance or reformation will be stated specifically in the Confirmation Order, which then will control notwithstanding any contrary or inconsistent provisions of the Plan.

27.9 Prohibition Against Prepayment Penalties. If the Debtor or the Reorganized Debtor chooses, in its sole and absolute discretion, to prepay any obligation on which deferred payments are provided for under the Plan, the Debtor or the Reorganized Debtor will not be liable or subject to the assessment of any prepayment penalty thereon unless otherwise ordered by the Bankruptcy Court.

27.10 Fractional Dollars. Notwithstanding any other provision of the Plan, no payments or distributions under the Plan of or on account of fractions of dollars will be made. When any payment or distribution of or on account of a fraction of a dollar to any holder of an Allowed Claim would otherwise be required, the actual payment or distribution made will reflect a rounding of such fraction to the nearest whole number (up or down).

27.11 Payment Of Statutory Fees And Filing of Quarterly Reports. All fees payable pursuant to Section 1980 of Title 28 of the United States Code, 28 U.S.C. § 1980, as determined by the Bankruptcy Court at or in conjunction with the Confirmation Hearing, will be paid on or before the Effective Date and, thereafter, in accordance with applicable bankruptcy law. All quarterly reports of disbursements required to be filed by applicable bankruptcy law will be filed in accordance with applicable bankruptcy law.

27.12 Reservation of Rights. Except as expressly provided herein, the Plan will have no force or effect unless the Confirmation Order is entered by the Bankruptcy Court and the Effective Date has occurred. None of the filing of the Plan, any statement or provision contained

herein, or the taking of any action by the Debtor or the Committee with respect to the Plan will be or will not be deemed to be an admission or waiver of any rights of the Debtor or the Committee with respect to the holders of Claims prior to the Effective Date or with respect to any matter which is pending before or may come before the Bankruptcy Court for determination in the Bankruptcy Case.

27.13 No Professional Fees or Expenses. No professional fees or expenses will be paid by the Debtor or the Reorganized Debtor with respect to any Claim except as specified in the Plan or as Allowed by Final Order of the Court.

27.14 Dissolution of Committee. Upon the occurrence of the Effective Date, the Committee will be dissolved.

27.15 Headings. The headings of the articles, paragraphs, and sections of the Plan are inserted for convenience only and will not affect the interpretation hereof.

27.16 Section 1146 Exemption. Pursuant to Bankruptcy Code § 1146(c), any transfers of property pursuant hereto will not be subject to any document, recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment in the United States, and the Confirmation Order will direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

27.17 Successors and Assigns. The rights, benefits and obligations of any Person named or referred to in the Plan will be binding upon, and will inure to the benefit of, the heir, executor, administrator, successor or assign of such Person.

DATED: December 16, 2009.

CATHOLIC BISHOP OF NORTHERN ALASKA,  
an Alaska religious corporation sole

By Donald J. Kettler  
Bishop Donald J. Kettler

Responsible Person for the Catholic Bishop of  
Northern Alaska

THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS  
By: PACHULSKI STANG ZIEHL & JONES LLP

By \_\_\_\_\_  
Its Attorneys for the Official Committee of  
Unsecured Creditors

Prepared and Submitted By:

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In re *Catholic Bishop of Northern Alaska*, Case No. 08-00110-DMD



DATED: December 16, 2009.

CATHOLIC BISHOP OF NORTHERN ALASKA,  
an Alaska religious corporation sole

By \_\_\_\_\_  
Bishop Donald J. Kettler

Responsible Person for the Catholic Bishop of  
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THE OFFICIAL COMMITTEE OF UNSECURED  
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By: PACHULSKI STANG ZIEHL & JONES LLP

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## **EXHIBIT "2"**

**Individuals against whom a claim of abuse has been filed<sup>1</sup>:**

<p><u>Priests</u> Rev. Rene Astruc, SJ (3) Rev. Charles Bartles, SJ (1) Rev. Jules Convert, SJ (35) Rev. Robert Corrigan, SJ (1) Rev. Norman Donohue, SJ (4) Rev. George Endal, SJ (25) Rev. Andrew Eordogh, SJ (1) Rev. Francis Fallert, SJ (2) Rev. John Fox, SJ (1) Rev. Harold Greif, SJ (1) Rev. Henry Hargreaves, SJ (9) Rev. James Jacobson, SJ (12) Rev. James Laudwein, SJ (1) Rev. Paul Linssen, SJ (1) Rev. Segundo Llorente, SJ (3) Rev. Richard McCaffrey, SJ (7) Rev. Angus McDonald (3) Rev. William McIntyre, SJ (2) Rev. Bernard McMeel, SJ (1) Rev. Cornelius Murphy, SJ (1) Rev. Francis Nawn, SJ (24) Rev. Paul O'Conner, SJ (1) Rev. James Poole, SJ (19) Rev. Brad Reynolds, SJ (2) Rev. Charles Saalfeld, SJ (1) Rev. John Wood, SJ (1)</p> <p><u>Deacons</u> Deacon Pat Beans, Sr. (1) Deacon Joseph Lake, Sr. (1)</p> <p><u>Brothers</u> Br. Robert Benish, SJ (2) Br. Francis Fox, SJ (1) Br. Ignatius Jakes, SJ (4)</p> <p><u>Sisters</u> Sr. Evelyn (1) Sr. Marion Jude (1) Sr. Mary Asia (2) Sr. Mary Joanne (1) Sr. Mary Rosalia (1) Sr. Pascal (6) Sr. Rita (1)</p>	<p><u>Lay persons</u> Vincent Fox (1) Alec Hunt (1) Steve Joe (1) Joseph Lundowski (111) Anton Smario (27) Kenneth Stone (1)</p>
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<sup>1</sup> The numbers in parentheses after each name refer to the number of abuse claims filed against that individual in the Reorganization Case. The number of filed claims of abuse against a particular individual are irrelevant to the Debtor's obligations under the Plan of Reorganization and to the allowance and liquidation of an abuse survivor's claim.

# **EXHIBIT "3"**

January 08, 2010

Clerk, U.S. Bankruptcy Court

Below is an Order of the Court.

  
ELIZABETH PERRIS  
U.S. Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF OREGON**

In re:

SOCIETY OF JESUS, OREGON PROVINCE,  
an Oregon domestic religious corporation,

Debtor.

Chapter 11

Case No. 09-30938-elp11

**ORDER**

This matter came before the Court for hearing on January 6, 2010 (the "Hearing"), pursuant to the Debtor Society of Jesus, Oregon Province's ("SJOP") "Motion for Order to Show Cause Why the Automatic Stay Should Not Be Enforced" (the "Motion") filed on December 30, 2009 at Docket No. 579. Catholic Bishop of Northern Alaska's ("CBNA") and the Official Committee of Unsecured Creditors in CBNA's chapter 11 case Alaska (the "CBNA Committee") each filed an objection to the Motion on January 4, 2010 at Docket Nos. 589 and 587

respectively (collectively the "Objections"). Counsel for SJOP and CBNA, the CBNA Committee and other interested parties, appeared at the Hearing.

After considering the Motion, the Objections, and having heard and considered the arguments of the parties appearing at the Hearing, and the Court having proposed a resolution that disposes of the Motion and CBNA having agreed to such resolution,

IT IS HEREBY ORDERED as follows:

1. CBNA shall not, through its plan or order confirming its plan, affect SJOP's rights, if any, as an alleged insured under any insurance policy or any other rights SJOP alleges to have under any insurance policy;
2. CBNA shall not object to, or setoff against, any claim of SJOP in the CBNA case without first obtaining relief from the automatic stay of 11 U.S.C. § 362, if the stay is in effect in this case; and,
3. CBNA shall not, through its plan or order confirming its plan, affect SJOP's rights against any entity other than CBNA.

# # #

PRESENTED BY:

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– CONTINUED ON NEXT PAGE –

Page 2 of 3 – ORDER

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ECF Participants

# **EXHIBIT "4"**



**EXHIBIT 4**

**MODIFICATION TO ARTICLE 10 OF THE PLAN, TREATMENT OF  
CLASS 7 CLAIMS**

Article 10 of the Plan is hereby modified as follows:

10.1 Distribution. The Jesuit Unsecured Claim will be Allowed in the amount of \$150,000 and the Jesuits will not have or assert any other Unsecured Claims against CBNA in accordance with the terms of the settlement between CBNA and the Jesuits announced at the Confirmation Hearing and incorporated into the Confirmation Order. The Allowed Jesuit Unsecured Claims will be paid the full amount of the Allowed Jesuit Unsecured Claims commencing thirty (30) days after the later of the Effective Date or the date of entry of a Final Order of the Oregon Bankruptcy Court approving the settlement between the Jesuits and CBNA as set forth in the Confirmation Order and continuing on the tenth (10th) day of each month thereafter in two hundred forty (240) equal monthly payments including interest in accordance with Section 10.2 below.

10.2 Interest. The Allowed Jesuit Unsecured Claims will bear interest at the rate of seven percent (7%) per annum from the date the Jesuit Unsecured Claims are Allowed until paid in full in accordance with the Plan.

10.3 Impairment. The Class 7 Jesuit Unsecured Claims are impaired under the Plan.

# EXHIBIT 5

## SETTLEMENT TRUST AGREEMENT

THIS SETTLEMENT TRUST AGREEMENT ("**THIS AGREEMENT**") is between the Catholic Bishop of Northern Alaska, an Alaska religious corporation sole, (the "**Debtor**" or the "**Reorganized Debtor**"), as trustor, and the Trustee named on the signature pages hereof (the "**Trustee**"), pursuant to the Third Amended and Restated Joint Plan of Reorganization dated December 16, 2009, as amended, modified, restated, or supplemented from time to time (the "**Plan**").

### RECITALS

- A. The Debtor is a debtor-in-possession in a chapter 11 reorganization case, Case No. 08-00110-DMD (the "**Reorganization Case**"), currently pending before the United States Bankruptcy Court for the District of Alaska (the "**Court**").
- B. The Plan provides, among other things, for the full release and discharge of the all the Tort Claims and Future Tort Claims as those terms are defined in the Plan. The Plan has been confirmed by the Court.
- C. The Plan contemplates the creation of a trust, the principal purpose of which is to implement the Plan's treatment of the Tort Claims of Settling Tort Claims and asserted against the Debtor.
- D. The parties to this Agreement intend that the trust created under this Agreement will be a "Qualified Settlement Fund" within the meaning of Section 468B of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

NOW, THEREFORE, this Agreement witnesseth and it is hereby declared, in accordance with the Confirmation Order, as follows:

### ARTICLE 1

#### DEFINITIONS

1.1 **Incorporation of Definitions.** All capitalized terms used in this Agreement, and not otherwise defined herein, shall have the meanings assigned to them in the Plan or the Bankruptcy Code, which meanings are incorporated herein by this express reference.

### ARTICLE 2

#### DECLARATION OF TRUST

2.1 **Creation and Name.** There is hereby created a trust, which shall be known as the "**Settlement Trust**."

2.2 **Purposes.** The purposes of the Settlement Trust are:

2.2.1 to serve as the mechanism to implement the Plan's treatment of the Settling Tort Claims (including Future Tort Claims) in accordance with the binding arbitration process in the Plan and in this Agreement;

2.2.2 to assume all liabilities of the Debtor, its successors in interest, for Settling Tort Claims and Future Tort Claims;

2.2.3 to liquidate and resolve the Settling Tort Claims and Future Tort Claims by utilizing the binding arbitration process as contained in this Agreement and as set forth in the Plan;

2.2.4 to issue payments and disburse funds, only upon receipt of a written Arbitration Award from the Special Arbitrator, to Tort Claimants and Future Tort Claimants;

2.2.5 to pay administrative expenses and costs of such liquidation and resolution in accordance with the terms of the Plan and this Agreement, subject to and without exceeding the available assets of the Settlement Trust;

2.2.6 to receive, hold in escrow, safe-keep and invest, in accordance with the provisions hereof, the assets transferred to the Settlement Trust pursuant to the Plan so as to enable the Trustee to pay the Allowed Settling Tort Claims of Settling Tort Claimants, and Allowed Future Tort Claims of Future Tort Claimants who participate in the Future Tort Claim Settlement Process, in accordance with the terms of the Plan and this Agreement;

2.2.7 to receive and hold all of the Debtor's and Settling Tort Claimants claims against Great Divide Candidate Insurers;

2.2.8 to receive and hold all of the Allowed Settling Tort Claims;

2.2.9 to establish, in conjunction with the Debtor and the Committee, the amount of the Trust Administrative Expense Reserve; and

2.2.10 to qualify at all times as a non-reversionary Qualified Settlement Fund pursuant to Section 468B of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

To accomplish the foregoing, the Settlement Trust hereby:

2.2.10.1 assumes and shall be directly and exclusively liable for any and all liabilities, present or future, whether prior to the creation of the Settlement Trust such liabilities were liquidated or non-liquidated, contingent or non-contingent, asserted or unasserted, fixed or not, matured or unmatured, disputed or undisputed, legal or equitable, known or unknown, of the Debtor, its successors in interest, and any of Co-Defendants who are Participating Third Parties present or future, for all Settling Tort Claims held by Tort Claimants, and Future Tort Claimants (without taking into account the discharge provided for in Article 21 of the Plan);

2.2.10.2 agrees to conserve and protect the Settlement Trust estate so as to enable the Trustee to satisfy as fully as possible all Settling Tort Claims and Allowed Future Tort Claims that are participating in the Future Tort Claim Settlement Process which are assumed by the Settlement Trust in accordance with the terms of the Plan and this Agreement;

2.2.10.3 agrees to collect, invest and reinvest amounts due to be transferred to the Settlement Trust;

2.2.10.4 agrees to pay all costs and fees (including attorneys' fees and the fees of the Special Arbitrator) of the Settlement Trust incurred in the resolution and liquidation of any and all such Allowed Settling Tort Claims in accordance with this Agreement and the Plan;

2.2.10.5 agrees to assert and defend (and appeal to the highest appellate court willing to hear such appeal any adverse decision regarding) the enforceability of the releases and injunctions referred to in Article 21 of the Plan with respect to the Settling Tort Claims and Future Tort Claims only, (this Section 2.2.10.5 does not apply to Litigation Tort Claims assumed by the Litigation Trust (or which are to be paid out of the Litigation Reserve) or any other Claims against the Debtor), and, to the extent applicable, the discharge referred to and described in Article 21 of the Plan; this duty shall terminate in a given jurisdiction when a Final Order of the highest appellate court of competent jurisdiction in that jurisdiction determines that the releases and injunctions or the discharge do not require dismissal of such action or proceeding or are unenforceable; provided, however, that this obligation shall be subject to Rule 11 of the Federal Rules of Civil Procedure or similar state rules or laws, as the case may be, and shall only accrue if and to the extent that the Reorganized Debtor determines that the Settlement Trust is an indispensable party to any such action or such appeal;

2.2.10.6 agrees to manage the Settlement Trust and report on its status and activities in accordance with the provisions set forth herein and the Plan; and

2.2.10.7 agrees to take such actions and deliver such documentation as may reasonably be required to effectuate, perfect, confirm, and evidence the transfers and assignments to the Settlement Trust of the Fund and the validity of such transfers and assignments.

Notwithstanding the foregoing, or anything else contained herein to the contrary, the Settlement Trust shall have no obligation with respect to, and there shall be no indemnification, contribution, subrogation, reimbursement or similar claim assumed or paid by the Settlement Trust, with respect to any criminal action or criminal proceeding brought by a governmental unit (as defined in the Code) (including grand jury proceedings or other investigations brought by a governmental unit to determine whether a crime has been committed), or with respect to any criminal fine, penalty or forfeiture.

2.2.10.8 **Transfer of Assets; Beneficiaries.** On or before the Effective Date (but after entry of the Confirmation Order), the Debtor hereby transfers and assigns to the Settlement Trust, to be held in trust for the holders of Settling Tort Claims (each a "**Beneficiary**" and collectively, the "**Beneficiaries**"), all of the Debtor's, the Reorganized

Debtor's, and the estate's rights, title, and interest in and to all of the Fund and in and to the Debtor's claims against the Great Divide Candidate Insurers (collectively, the "**Trust Assets**"). All Trust Assets received by the Settlement Trust shall be held, administered and distributed under the terms of this Agreement and the Plan.

**2.3 Further Assurances; Cooperation.** The Debtor, the Reorganized Debtor, and the Trustee shall take all actions as are reasonably required with respect to any of the Trust Assets or otherwise in order to effectuate the purposes of this Trust so long as such actions are consistent with the Plan and do not impose any greater duty on the Debtor or the Reorganized Debtor than is provided for under the Plan.

## ARTICLE 3

### TRUSTEE

**3.1.1 Number.** There shall be one (1) Trustee of the Settlement Trust. The Initial Trustee is the person who is named on and who has executed the signature page hereof.

**3.2 Qualifications.** Each Trustee must be a natural person of good moral character and independent of the Debtor and the Reorganized Debtor, its successors in interest whose experience and background is appropriate to the responsibilities of a Trustee hereunder.

#### **3.3 Terms of Service.**

**3.3.1** Each Trustee shall serve for the duration of the Settlement Trust, subject to his or her earlier death, resignation, or, with approval of the Court, removal.

**3.3.2** A Trustee may resign at any time by at least sixty (60) days' prior written notice to each of the remaining Trustees, if any, and the Court, specifying the date when such resignation shall take effect. Any resigning Trustee shall attempt, where possible, to give notice of resignation not less than ninety (90) days before such resignation is to take effect.

**3.3.3** A Trustee may be removed from office by the Court upon its own motion, the motion of any Trustee, the motion of the Debtor or Reorganized Debtor, or the motion of the Beneficiaries and a determination by the Court that such removal is appropriate upon good cause shown.

#### **3.4 Appointment of Successor Trustees.**

**3.4.1** In the event of the death, resignation, incapacity to serve as determined by the Court, or removal of a Trustee prior to the expiration of his or her term in accordance herewith, a successor Trustee shall be nominated by the remaining Trustees, subject to Court approval, within twenty (20) days after such death, resignation or removal. If the remaining Trustees fail to nominate a successor Trustee that is approved by the Court within such twenty (20) day period, a successor Trustee shall be appointed by the Court.

**3.4.2** Upon the acceptance of office by any successor Trustee, all rights, titles, duties, powers and authority of the predecessor Trustee under this Agreement shall be vested in

and undertaken by the successor Trustee without any further act being required. No successor Trustee shall be liable personally for any act or omission of his or her predecessor.

**3.5 Liability of Trustee.** No Trustee shall be liable to the Settlement Trust or to any Beneficiary except for such Trustee's own gross negligence or willful misconduct. No Trustee shall be liable for any act or omission of any Co-Trustee, or any agent or employee of the Settlement Trust unless that Trustee acted with gross negligence or willful misconduct in the selection or retention of such agent or employee. No action, suit or proceeding of any kind may be brought by any party against any Trustee, other than as a result of a material loss to the Debtor, or to the Trust, due to such Trustee's having committed one or more of the acts which constituted a basis for removal in Section 3.3.3 hereof. All actions taken and determinations made by the Trustee, unless otherwise provided in (or unless contrary to the provisions of) this Agreement, the Plan, or a Final Order, shall be final and binding upon all Persons having any interest in the Trust. The Trustee shall be entitled to rely upon the advice of counsel or other advisors to the Settlement Trust or the Trustee, reports prepared by the Special Arbitrator, directions from the Special Arbitrator regarding payment of Allowed Tort Claims, and Allowed Future Tort Claims and directions and information provided by any other Person employed by the Trust.

**3.6 Trustee's Compensation; Reimbursement of Expenses.** Each Trustee shall receive as compensation for his or her services at the rate of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) per \_\_\_\_\_. This compensation may be adjusted from time to time by the Trustee, subject to approval of the Bankruptcy Court after notice to the Reorganized Debtor and a hearing. In addition, each Trustee shall be reimbursed for his or her other reasonable out-of-pocket expenses incurred by such Trustee in the performance of such Trustee's duties as Trustee hereunder. The compensation to be paid to the Trustee and the source of reimbursement of expenses shall be paid in accordance with Section 5.1.3.5 of this Agreement.

**3.7 Indemnification.**

3.7.1 Each Trustee, former Trustee, Special Arbitrator, or former Special Arbitrator who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit or proceeding of any kind, whether civil, administrative or arbitral, and whether brought by or against the Settlement Trust, with respect to a Trustee or Special Arbitrator, by reason of such Trustee or Special Arbitrator being or having been a Trustee or Special Arbitrator of the Settlement Trust, or by reason of such Trustee or Special Arbitrator serving or having served in any capacity at the request of and on behalf of the Settlement Trust, shall be indemnified by the Settlement Trust against expenses, costs and fees (including attorneys' fees), judgments, awards, costs, amounts paid in settlement, and liabilities of all kinds incurred by such Trustee in connection with or resulting from such action, suit, or proceeding, if he or she acted in good faith, and in a manner such Trustee reasonably believed to be in, or not opposed to, the best interests of the Settlement Trust.

3.7.2 Any indemnification under Section 3.7 of this Agreement shall be made by the Settlement Trust upon a determination that indemnification of such Trustee or Special Arbitrator is proper in the circumstances. Such determination shall be made by application to the

Court, upon notice to the Reorganized Debtor or by independent legal counsel ordered by the Court to make such determination, or at the election of the Court, by the Court.

3.7.3 Reasonable expenses, costs and fees (including attorneys' fees) incurred by or on behalf of a Trustee or Special Arbitrator in connection with any such action, suit, or proceeding, whether civil, administrative or arbitral, commenced against such Trustee regarding such Trustee's or Special Arbitrator's performance hereunder, may be paid by the Settlement Trust in advance of the final disposition thereof upon receipt of an undertaking by or on behalf of such Trustee or Special Arbitrator, to repay such amount unless it shall be determined ultimately that such Trustee is not entitled to be indemnified by the Settlement Trust.

3.7.4 The Trustee shall have the power, generally or in specific cases, to cause the Settlement Trust to indemnify the employees and agents of the Settlement Trust to the same extent as provided in this Section 3.7 with respect to the Trustee.

3.8 The Trustee may purchase and maintain reasonable amounts and types of insurance on behalf of an individual who is or was a Trustee, employee, or agent of the Settlement Trust against liability asserted against or incurred by such individual in that capacity or arising from his or her status as a Trustee, employee, or agent with the consent of the Reorganized Debtor.

3.9 **Reliance.** Any Person dealing with the Settlement Trust may rely in good faith upon any certificate or other instrument signed by the Trustee, or upon any certificate or other instrument signed by an officer or agent of the Settlement Trust whose authority is evidenced by a certificate or other instrument signed by at least one Trustee, without the necessity of further inquiry by such Person into the authority of such Trustee, officer or agent to act on behalf of the Settlement Trust; *provided, however*, that disbursements or expenditures from the Settlement Trust made in respect of investments in accordance with Section 4.2 hereof, and the investment policies duly adopted by the Trustee, shall not require the signature of any Trustee; and *provided, further*, that the Trustee may adopt by-laws concerning these matters that are more restrictive than the foregoing.

3.10 **Actions by Trustee.** Except as otherwise provided in this Agreement or as required by applicable law, all determinations by the Trustees (if there is more than one) shall be made by the vote or consent of a majority of the Trustees then in office (if more than one is serving), following prior notice to all Trustees.

3.11 **Bond.** The Trustee shall not be required to post any bond or other form of surety unless otherwise ordered by the Court.

## ARTICLE 4

### ACCOUNTS AND INVESTMENTS

4.1 **Accounts.** The Trustee shall establish such funds and accounts with such Persons as they shall, in their discretion, deem necessary or advisable for carrying out the purposes of the Trust.



4.2 **Investments.** Investments of monies held in the Settlement Trust estate shall be administered in view of the manner in which individuals of ordinary prudence, discretion and judgment would act in the management of their own affairs, subject to the following limitations and provisions. The Trustee shall cause the monies held in the Settlement Trust to be invested and reinvested in:

4.2.1 United States Treasury Bills;

4.2.2 other similar United States government obligations secured by the full faith and credit of the United States, fully guaranteed as to principal and interest by the United States or any agency or instrumentality thereof, including United States Treasury Notes and United States Treasury Bonds;

4.2.3 federally insured bank certificates of deposit (i) if issued by a bank whose senior long-term debt is rated "Aa" or higher by Moody's or "AA" or higher by S&P's, and (ii) if the term to maturity from the date of acquisition does not exceed six (6) months.

4.2.4 In determining investments to be held by the Settlement Trust, due regard shall be given by the Trustee to safety of principal and to production of reasonable amounts of current income. The Trustee shall not be under any obligation to invest the Trust Assets for capital appreciation, in view of the purposes for which the Settlement Trust was created.

## ARTICLE 5

### POWERS, TRUST ADMINISTRATION

#### 5.1 Trust Powers.

5.1.1 Pursuant to the Confirmation Order, subject to the limitations set forth in this Agreement, and subject to the provisions and limitations of the Plan, all of which are incorporated herein, the Trustee shall have the power to take any and all actions as, in the sole judgment and discretion of the Trustee, are necessary or advisable to effectuate the purposes of the Settlement Trust, including without limitation, each power expressly granted in Section 5.1.3 of this Agreement and any power reasonably incidental thereto, and any trust power now or hereafter permitted under the law of the State of Alaska that is not inconsistent with the provisions of this Agreement or the Plan.

5.1.2 Except as expressly provided in the Plan or in this Agreement, the Trustee may, but need not, obtain the order or approval of the Court, or any other court in the exercise of any power or discretion conferred hereunder, or account to the Court or to any other court in the absence of a breach of trust.

5.1.3 Without limiting the generality of Section 5.1.1 of this Agreement, and subject to the other provisions of this Agreement, the Trustee shall have the power:

5.1.3.1 to receive and hold the Trust Assets and other additions to the Settlement Trust from any source, provided such additions are made pursuant to the Plan, the

Confirmation Order or another order of the Court, and to administer and distribute the same as a part of the Settlement Trust estate;

5.1.3.2 to invest and reinvest the funds of the Settlement Trust as provided in this Agreement;

5.1.3.3 upon certification by the Special Arbitrator that an Arbitration Award has been issued with respect to a Settling Tort Claim, or a Future Tort Claim to expeditiously pay the amount of Cash awarded to such Settling Tort Claimant or Future Tort Claimant in accordance with written instructions from the Special Arbitrator and to expeditiously execute any document required to assign the Debtor's claims against Breaching Insurers to such Settling Tort Claimant, in accordance with *Great Divide Insurance Co. v. Carpenter*, 79 P.3d 599 (Alaska 2003).

5.1.3.4 to employ and compensate, utilizing Trust Assets, legal, financial, accounting, investment, and other advisors, custodians of assets, agents, the Special Arbitrator, and other parties deemed by the Trustee to be qualified as experts on such matters as may arise before them, and to delegate to such Persons such powers, authority, and discretion as the Trustees, in their discretion deem advisable or necessary to carry out the terms of the Settlement Trust, and the opinion of such Persons on any matters submitted to them by the Trustee shall be full and complete protection to the Trustee with regard to any action taken by the Trustee hereunder in good faith and in accordance with such opinion;

5.1.3.5 to reimburse, utilizing Trust Assets, the Trustee, subject to Section 3.6 above, and the Special Arbitrator, such employees, legal, financial, accounting, investment, and other advisors and experts, and agents, described in Section 5.1.3.4 above, for all properly documented out-of-pocket costs and expenses incurred by such Persons in connection with the performance of their duties hereunder; provided, however, that the Trustee shall not incur fees and expenses in excess of a total of \$\_\_\_\_\_ without prior notice to the Reorganized Debtor and an order of the Court entered prior to the incurrence of such fees and expenses.

5.1.3.6 to make such decisions as he may deem appropriate in connection with the administration of the Settlement Trust of the performance of his duties;

5.1.3.7 to apply to the Court for instructions to the Trustee as he may deem proper or necessary in connection with the administration of the Settlement Trust of the performance of his duties; provided, however, that, any such applications shall be on notice to the Reorganized Debtor each of whom shall have standing to appear and be heard on any such applications;

5.1.3.8 to indemnify (and purchase insurance indemnifying) its directors, officers, employees, agents, the Special Arbitrator, and representatives in accordance with Section 3.7 above, to the fullest extent that a corporation organized under Alaska law is entitled to indemnify its directors, officers, employees, agents, and representatives;

5.1.3.9 to delegate any or all of the discretionary powers and authority herein conferred at any time with respect to the investment of the Trust Assets to any one or

more recognized individual or institutional advisors or investment managers acceptable to the Trustee, and to compensate and reimburse such advisors and managers for their services;

5.1.3.10 to establish such funds, reserves, and accounts within the Settlement Trust with Assets as may be deemed by the Trustee to be useful in carrying out the purposes of the Settlement Trust;

5.1.3.11 to draft and amend from time to time bylaws governing the operation of the administration of the Settlement Trust upon approval of the Court after notice to the Reorganized Debtor, provided that any such bylaws are not inconsistent with any of the provisions contained in this Agreement or the Plan;

5.1.3.12 to enter into such other arrangements with third parties as are deemed by the Trustee to be useful in carrying out the purposes of the Settlement Trust (including, without limitation, (i) engaging a financial institution to act as paying agent, depository, custodian, or trustee with respect to funds, reserves, or accounts created hereby or established pursuant hereto, and (ii) renting or leasing such real and personal properties, as the Trustee may deem necessary or desirable for the proper administration of the Settlement Trust), and to compensate such third parties for their services;

5.1.3.13 to institute any action or proceeding at law or in equity for the collection of any sums due to the Settlement Trust, or otherwise to advance the interests of the Settlement Trust in a manner not inconsistent with the terms of the Plan, prosecute any such action or proceeding to judgment or final decree, enforce any such judgment or final decree, and collect in any manner provided by law the monies adjudged or decreed to be payable; provided however, that so long as the Debtor has timely and fully transferred the Trust Assets into the Settlement Trust, and all assets required to be transferred to the Settlement Trust pursuant to the Plan have been timely and fully transferred into the Settlement Trust, regardless of any deficiency in the Settlement Trust or any other reason, the Settlement Trust may not institute any action or proceeding against the Debtor, the Reorganized Debtor, or against any other Person expressly released pursuant to the terms of the Plan, for collection of any sums in respect of the Tort Claims of Settling Tort Claims, the and the Future Tort Claims;

5.1.3.14 to rely upon any affidavit, certificate, letter, notice, telegram, e-mail, or other paper or electronic writing, or upon any telephone conversation or other oral communication, believed by the Trustee to be genuine and sufficient and upon any other evidence believed by the Trustee to be genuine and sufficient, and to be protected and saved harmless in respect of all payments or distributions made hereunder if made in good faith and without actual notice or knowledge of the changed condition or status of any Person receiving payments or other distributors upon a condition.

## 5.2 Administration.

5.2.1 The Trustee shall conduct the business of the Settlement Trust in accordance with the provisions of this Agreement and the Plan.

5.2.2 The Settlement Trust shall use a calendar year accounting year and shall utilized the accrual method of accounting.

5.2.3 In the event that the duration of the Settlement Trust exceeds one year, the Trustee shall cause to be prepared and filed with the Court as soon as available and in any event within one hundred twenty (120) days following the end of each fiscal year, an annual report containing financial statements of the Settlement Trust, including without limitation, a balance sheet of the Settlement Trust as of the end of such fiscal year and a statement of operations for such fiscal year audited by a recognized firm of independent certified public accountants acceptable to and selected by the Trustee and certified by such firm as to fairness of presentation and consistency.

5.2.4 Simultaneously with the earlier to occur of: (i) the Trustee' application to the Court for an order terminating the Settlement Trust, (ii) the delivery of the financial statements referred to in Section 5.2.3 above, and (iii) quarterly, beginning with the first quarter after the funding of the Settlement Trust, the Trustee shall cause to be prepared and filed with the Court, a report and accounting containing a summary in reasonable detail of the following information, with respect to the period covered by such application or such financial statements, as the case may be:

5.2.4.1 The number of Settling Tort Claims liquidated and paid;

5.2.4.2 The number of Future Tort Claims that have been filed since the last reporting period;

5.2.4.3 The number of Settling Tort Claims, and Future Tort Claims remaining to be liquidated;

5.2.4.4 The investment income earned by the Settlement Trust; and

5.2.4.5 The amount of expenses incurred by the Settlement Trust.

5.3 The Trustee shall cause to be filed timely such income tax and other returns and statements as are required to comply with applicable provisions of the Internal Revenue Code and of any state law, and the regulations promulgated thereunder. The Settlement Trust shall be responsible for paying taxes and any other obligations or liabilities of any and all kinds whatsoever which at any time are lawfully levied, assessed upon, or become payable, in respect of the Settlement Trust or the Trust Assets. The Trustee shall utilize Trust Assets to pay such taxes, levies, and assessments. The Trustee shall make any election and provide any information as may be necessary to comply with the requirement of a Qualified Settlement Fund under Section 468B of the Internal Revenue Code.

## ARTICLE 6

### GENERAL PROVISIONS

6.1 **Irrevocability.** Except as otherwise provided in Section 6.6, the Settlement Trust is irrevocable. Neither the Debtor, nor the Reorganized Debtor, nor its successors in interest, nor any Affiliates thereof, hold or may hold any beneficial interest in the income or corpus of the Settlement Trust.

**6.2 Termination.**

6.2.1 At such time as all Trust Assets have been fully and finally distributed in accordance with the terms of the Plan and this Agreement, the Trustee shall apply to the Court for an order of the Court terminating the Trust, upon such notice as the Court shall order.

6.2.2 Upon the Court's order terminating the Settlement Trust becoming final, except to the extent otherwise provided in such order, the Settlement Trust shall be terminated, and the Trustee shall be discharged of all responsibilities with respect to the Settlement Trust.

6.2.3 Upon termination of the Settlement Trust, the Trustee shall remain authorized to wind up the affairs of the Settlement Trust and shall be authorized to dispose of the balance, if any, of funds in the Settlement Trust after payment of or adequate provision for any remaining Settlement Trust expenses. Any such funds shall be distributed in accordance with the terms of the Plan.

**6.3 Confidentiality.** Copies of all documents, notices, statements, reports, motions, or similar documents provided to the Trustee pursuant to this Agreement shall be provided on a confidential basis and shall be kept confidential by the Trustee unless such information is otherwise publicly available.

**6.4 Severability.** Should any provision of this Agreement be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this Agreement.

**6.5 Headings.** The headings used in this Agreement are inserted for convenience only and shall not affect the construction of any and all other provisions of this Agreement.

**6.6 Amendment.** When necessary to carry out the purposes of the Settlement Trust, this Agreement may be amended only by an instrument signed by each of the Trustees then in office; provided, however, that any such amendment must be consistent with the Plan; and provided further, that such amendment shall become effective only with the approval of the Court and after notice and a hearing as the Court may direct.

**6.7 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but which counterparts together shall constitute but one and the same instrument.

**6.8 Successors and Assigns.** The provisions of this Agreement shall be binding upon and inure to the benefit of the Debtor, the Settlement Trust, and the Trustee, and their respective successors and assigns, except that neither the Debtor, nor the Reorganized Debtor, nor the Settlement Trust nor any Trustee may assign or otherwise transfer any of his, her, or its rights or obligations under this Agreement.

**6.9 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.

6.10 **No Adverse Action.** No Trustee shall take any action that will adversely affect the qualification of the Settlement Trust as a "Qualified Settlement Fund" within the meaning of Section 468B of the Internal Revenue Code of 1986, as amended.

6.11 **No Execution.** All Trust Assets and funds in the Settlement Trust are deemed to be *in custodia legis* until such times as funds have actually been paid to and received by a Settling Tort Claimant. No Settling Tort Claimant or any other Person may execute upon, garnish or attach the Settlement Trust estate in any manner whatsoever or compel payment from the Settlement Trust of any Settling Tort Claim or other Claim. Any and all payments of Settling Tort Claims shall be controlled solely by the Plan, this Agreement, and the claims resolution procedures set forth in Article 6 hereof.

6.12 **Controlling Document.** In the event of any conflict between the provisions of this Agreement and the Plan, the Plan shall be the controlling document.

IN WITNESS WHEREOF, the Trustor and the Initial Trustee have caused this Agreement to be duly executed by them or their respective authorized representatives.

Dated: \_\_\_\_\_

CATHOLIC BISHOP OF NORTHERN ALASKA, an Alaska religious corporation sole

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

TRUSTEE:

[ \_\_\_\_\_ ]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_