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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re:
**THE ROMAN CATHOLIC
BISHOP OF STOCKTON**, a
corporation sole,
Debtor-In-Possession.

CASE NO. 14-20371
Chapter 11
**DEBTOR'S PLAN OF
REORGANIZATION DATED
OCTOBER 26, 2016**

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ARTICLE 1

INTRODUCTION

The Roman Catholic Bishop of Stockton, a corporation sole, the debtor and debtor in possession in the above-captioned Chapter 11 reorganization case, proposes the following Plan of Reorganization pursuant to the provisions of Chapter 11 of the Bankruptcy Code. Capitalized terms in this Plan which are not defined in Article 3 are defined in the Bankruptcy Code and Bankruptcy Rules.

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 PROJECTED 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 for approval of the Plan on December 20, 2016.

ARTICLE 2

RULES OF INTERPRETATION

2.1 The rules of construction in Bankruptcy Code § 102 apply to the Plan to the extent not inconsistent with any other provision in this Article 2. All definitions in the Bankruptcy Code and below will be subject to the rules of construction set forth in Bankruptcy Code § 102. In addition, the use of the terms “hereof,” “herein,” “hereby,” and derivative or similar words refer to this entire Plan and the use of the words: (a) “includes” or “including” is not limiting, and means “including but not limited to” and “including without limitation;” (b) “and/or” means

1 either or both; and (c) “relate to,” “related to,” “relates to,” or “relating to” mean with regard to,
2 by reason of, based on, arising out of, or in any way connected with.

3 2.2 In computing any period of time prescribed or allowed by the Plan, unless
4 otherwise expressly provided in the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.
5 If any act under the Plan is required to be performed on a date that is not a Business Day, then the
6 performance of such act may be completed on the next succeeding Business Day, but shall be
7 deemed to have been completed as of the required date. Enlargement of any period of time
8 prescribed or allowed by the Plan shall be governed by the provisions of Bankruptcy Rule
9 9006(b).

10 2.3 A term that is used in the Plan and that is not defined in the Plan has the meaning
11 attributed to that term in the Disclosure Statement, the Confirmation Order, the Trust Agreement,
12 the Bankruptcy Code or the Bankruptcy Rules.

13 2.4 The definition given to any term or provision in the Plan supersedes and controls
14 any different meaning that may be given to that term or provision in the Bankruptcy Code, the
15 Bankruptcy Rules, the Disclosure Statement or the Trust Agreement.

16 2.5 In the event of any conflict between a definition of a term or provision in a Plan
17 Document and the Plan, the definition or provision in the Plan will control as to the Plan and the
18 definition in the Plan Document will control as to the Plan Document, except as expressly
19 provided otherwise in Sections 23.12 and 23.13 hereof.

20 2.6 Whenever it is appropriate from the context, each term, whether stated in the
21 singular or the plural, includes both the singular and the plural. In addition, the singular and
22 plural uses of such defined terms and the conjunctive and disjunctive uses thereof will be fungible
23 and interchangeable (unless the context otherwise requires); and the defined terms will include
24 masculine, feminine, and neuter genders.

25 2.7 Any reference to a document or instrument being in a particular form or on
26 particular terms means that the document or instrument will be substantially in that form or on
27 those terms. Any specific references to promissory notes, deeds of trust or other debt instruments
28 or security documents include any amendments, modifications and extensions thereto, and any

1 reference to an existing document means the document as it has been, or may be, amended or
2 supplemented.

3 2.8 Unless otherwise indicated, the phrases “pursuant to the Plan,” “under the Plan”
4 and the words “herein,” “hereunder” and “hereto” and similar words or phrases refer to the Plan
5 in its entirety rather than to only a particular portion of the Plan. Unless otherwise specified, all
6 references to Articles, articles, Sections, sections, clauses or exhibits are references to the Plan’s
7 Articles, articles, Sections, sections, clauses or exhibits.

8 2.9 Section or Article captions and headings are used only as convenient references,
9 do not affect the Plan’s meaning and will not limit or otherwise affect the provisions hereof.

10 2.10 The Plan includes as exhibits the Participating Party Agreement and the Insurance
11 Settlement Agreement. The Participating Party Agreement and the Insurance Settlement
12 Agreement contain terms that may not otherwise be defined in the Plan. For purposes of the
13 interpretation and enforcement of the Participating Party Agreement and Insurance Settlement
14 Agreement, the definitions in the Participating Party Agreement or Insurance Settlement
15 Agreement, if any, control as to that agreement only unless otherwise indicated in such
16 Participating Party Agreement or Insurance Settlement Agreement.

17 2.11 Nothing contained in the Plan, including any exhibits or attachments thereto,
18 constitutes an admission or denial by any party of liability for, or the allowance, validity, priority,
19 amount, or extent of, any Claim, lien, or security interest asserted against the Debtor or against
20 any third party.

21 **ARTICLE 3**

22 **DEFINITIONS**

23 3.1 Scope of Definitions. For purposes of the Plan, and except as expressly provided
24 otherwise herein or unless the context otherwise requires, all of the defined terms stated in
25 Article 3 will have the meanings hereinafter stated. The defined terms stated in Article 3 are also
26 substantive terms of the Plan, and Article 3 will be deemed incorporated throughout the rest of the
27 Plan to convey the substantive provisions included in the defined terms. Unless otherwise
28 specified, all section, article, and exhibit references in the Plan are to the respective section in,

1 article of, or exhibit to the Plan, as the same may be amended, waived, or modified from time to
2 time.

3 3.2 Abuse. This term will refer to and mean any (a) act of sexual conduct, sexual
4 touching, sexual misconduct, sexual abuse, sexual molestation, sexual assault and/or battery,
5 indecent assault and/or battery, rape, lascivious behavior, undue familiarity, pedophilia,
6 ephebophilia, or any other act, contact, or interaction of a sexual nature, including any contacts or
7 interactions of a sexual nature between a child and an adult, or a non-consenting adult and another
8 adult; (b) any act, error, omission, incident, breach of duty and/or statement that in any way or to
9 any extent ignores, disregards, condones, enables, encourages, contributes to, aids, conceals,
10 and/or fails to respond to or ameliorate any act listed in subpart (a) of this Section; or (c) fraud,
11 fraud in the inducement, misrepresentation, concealment, unfair practice, public or private
12 nuisance, or any other tort in each case relating to the acts and/or omissions listed in subparts (a)
13 or (b) of this Section. Abuse may occur whether or not the alleged act involves violence or force,
14 whether or not it involves genital or other physical contact, and whether or not there is physical,
15 psychological, mental or emotional harm or humiliation to the individual.

16 3.3 Abuse Claims Reviewer. This term will refer to and mean the individual,
17 including any designee of such individual, who will assess Tort Claims and any Unknown Tort
18 Claims in accordance with the Plan and the Allocation Protocols. Subject to the Allocation
19 Protocols' provisions for replacement of the Abuse Claims Reviewer, the Abuse Claims Reviewer
20 is the Honorable William L. Bettinelli.

21 3.4 Administrative Claim. This term will refer to and mean: (a) every cost or expense
22 of administration of the Reorganization Case which is allowable pursuant to Bankruptcy Code
23 § 503, including any actual and necessary postpetition expenses of preserving the Estate; (b) any
24 actual and necessary postpetition expenses of operating the Debtor; (c) all Professional Fee
25 Claims approved by the Bankruptcy Court pursuant to interim and final allowances in accordance
26 with Bankruptcy Code §§ 330, 331, 503(b) and terms of the Plan; (d) every Property Tax
27 Administrative Claim; (e) all fees and charges assessed against the Estate under Chapter 123 of
28 Title 28, United States Code; and (f) any Claim for or related to Abuse occurring after the Petition

1 Date through the Confirmation Date.

2 3.5 All Saints University Church. This term will refer to and mean Pastor of All
3 Saints University Church, a California corporation sole.

4 3.6 Allocation Protocols. This term will refer to and mean, when referred to
5 collectively, the Tort Claims A Allocation Protocol, the Tort Claims B Allocation Protocol and
6 the Unknown Tort Claims Allocation Protocol that provide for distribution of funds to Tort
7 Claimants in Classes 12, 13, and 15 pursuant to the terms of the Plan and the Allocation
8 Protocols, copies of which are attached hereto as Exhibits 6, 7 and 10, respectively, and
9 incorporated herein as part of the Plan for all purposes.

10 3.7 Allowed Claim. This term will refer to and mean every Claim against the Debtor:
11 (a)(i) as to which a proof of such Claim has been filed by the Bar Date or, if such Claim arises
12 from the rejection of an Executory Contract pursuant to the Plan, on or before the first Business
13 Day which is thirty (30) days after the Effective Date, or (ii) which the Debtor has scheduled as
14 liquidated in amount and undisputed; and in either event: (b)(i) as to which no objection to the
15 allowance of such Claim has been filed within any applicable time period fixed by the
16 Bankruptcy Court or the Plan, or (ii) as to which an objection to the allowance of such Claim was
17 filed and either (1) the objection was denied and the relevant order has become a Final Order or
18 (2) the objection was sustained but an appeal has been timely taken as to which the appellate
19 court has issued an order allowing such Claim and the order has become a Final Order. Tort
20 Claims are not Allowed Claims, but if not Disallowed may be paid under the Plan as provided in
21 this Plan. If any Claim, or the Creditor holding such Claim, is subject to any defense, set off,
22 counterclaim, recoupment, or other adverse claim of any kind of the Debtor or the Reorganized
23 Debtor, that Claim will be deemed a Disputed Claim, unless such adverse claim is acknowledged
24 by the Debtor in the Plan or in accordance with the terms of the Plan; and it will not become an
25 Allowed Claim unless and until all such matters are resolved or adjudicated fully and finally, with
26 all appellate rights and remedies having been exhausted except as provided in the Trust
27 Agreement. Unless any earlier time is fixed by order of the Bankruptcy Court, and except with
28 respect to the Tort Claims governed by the Trust Agreement, and subject to amendment rights

1 and the relation back of amendments under applicable federal or state procedural rules, any
2 objection to the allowance of any Claim and the assertion of any defense, set off, counterclaim,
3 recoupment, or other adverse claim of any kind of the Debtor or the Reorganized Debtor must be
4 filed on or before the first Business Day which is one hundred eighty (180) days after the
5 Effective Date.

6 3.8 Assets. This term will refer to and mean each and every item of property and
7 interest of the Debtor as of the Effective Date which is property of the Estate under Bankruptcy
8 Code § 541, whether tangible or intangible, legal or equitable, liquidated or unliquidated, and
9 includes without limitation: (a) all Cash; (b) all Retained Claims; (c) any and all amounts owed to
10 the Debtor, including accounts receivable and contract rights, whether due prior or subsequent to
11 the Petition Date; (d) any other right, claim, cause of action, or defense, whether arising by statute
12 or common law, and whether arising under the laws of the United States, other countries, or
13 applicable state or local law; (e) all of the Debtor's books, records, and privileges; (f) all
14 contracts, agreements, licenses, and leases; and (g) any other property of the Debtor whether the
15 Debtor holds a legal or equitable interest or both.

16 3.9 Avoidance Actions. This term will refer to and mean all actions pursuant to
17 Bankruptcy Code §§ 542, 544, 545, 547, 548, 549 and 550 and any other actions provided for
18 under applicable law that allow a debtor, trustee, debtor in possession, or creditor to, among other
19 things, avoid certain transfers or pursue substantive consolidation, successor liability or alter ego
20 theories.

21 3.10 Award. This term will refer to and mean the amount payable to a Tort Claimant
22 from the Trust as determined in accordance with the terms of the Plan, the Confirmation Order
23 and the applicable Allocation Protocol.

24 3.11 Ballot. This term will refer to and mean the ballot accompanying the Plan and
25 Disclosure Statement which will be sent to all Creditors entitled to vote on the Plan, on which
26 such Creditors will indicate their vote to accept or reject the Plan and pursuant to which any Tort
27 Claimants will make the certain elections regarding the treatment of their Claims as provided in
28 the Plan, including releases of the Protected Parties. To the extent necessary, the Ballots will be

1 approved by the Bankruptcy Court.

2 3.12 Bankruptcy Code. This term will refer to and mean Title 11 of the United States
3 Code, 11 U.S.C. §§ 101, *et seq.*, including any amendments thereto, which is in effect during the
4 Reorganization Case.

5 3.13 Bankruptcy Court or Court. These terms are completely synonymous and
6 interchangeable and will refer to and mean the United States Bankruptcy Court for the Eastern
7 District of California, Sacramento Division, or such other court which exercises jurisdiction over
8 part or all of the Reorganization Case on appeal or to the extent that the reference of part or all of
9 the Reorganization Case is withdrawn.

10 3.14 Bankruptcy Rules. This term will refer to and mean the Federal Rules of
11 Bankruptcy Procedure promulgated under Title 28, United States Code, § 2075, including any
12 amendments thereto, as they may be amended from time to time during the Reorganization Case.

13 3.15 Bar Date. This term will refer to and mean the following dates established by
14 Order of the Court entered May 8, 2014, as the date by which Claims, in order to be timely and
15 considered for purposes of distribution under the Plan, must be filed by the filing of a proof of
16 Claim with the Bankruptcy Court: (a) May 22, 2014 for Unsecured Claims filed by a non-
17 governmental entity; (b) July 14, 2014 for Unsecured Claims filed by a governmental entity; and
18 (c) August 15, 2014 for Tort Claims.

19 3.16 Bishop. This term will refer to and mean the Most Reverend Stephen E. Blaire, or
20 such other individual who may in the future become appointed to govern the Diocese.

21 3.17 Business Day. This term will refer to and mean every day except Saturdays,
22 Sundays, federal holidays, or a “legal holiday,” as that term is defined in Bankruptcy Rule
23 9006(a).

24 3.18 Canon Law. This term will refer to and mean the 1983 Code of Canon Law
25 applicable to the Roman Catholic Church. References to Canon Law in the Plan are for
26 discussion purposes only. Nothing in the Plan or any Plan Document shall be construed as
27 making Canon Law binding on any Entity; nor shall Canon Law be construed to govern any
28 provision of the Plan or any Plan Document.

1 3.19 Cash. This term will refer to and mean cash and cash equivalents including, but
2 not limited to, cash on deposit in the bank accounts of the Debtor or the Reorganized Debtor, as
3 applicable, checks, wire transfers, money orders, certificates of deposit, money market or similar
4 investments, and other similar readily marketable securities or instruments.

5 3.20 Cemetery Loan. This term will refer to and mean the loan between Catholic
6 Cemeteries of the Diocese of Stockton, a California religious corporation and the Debtor
7 evidenced by Schedule 3.20.

8 3.21 Channeled Claims. This term will refer to and mean any Tort Claim or any other
9 Claim against the Diocese Parties, Participating Parties or the Settling Insurers (or any Entity
10 insured by such Settling Insurers to the extent such Claim arises from the same injury or damages
11 asserted as a Tort Claim against the Diocese Parties, Participating Parties or the Settling Insurers)
12 that, directly or indirectly, arises out of, relates to, or is in connection with any Tort Claim,
13 including any Related Insurance Claim or Medicare Claim. Each Claim described in this Section
14 3.21 shall include all such Claims whenever and wherever arising or asserted, whether sounding
15 in tort, contract, warranty or any other theory of law, equity or admiralty, including without
16 limitation all Claims by way of direct action, subrogation, allocation of fault, contribution,
17 successor liability, substantive consolidation, indemnity, alter ego, statutory or regulatory action,
18 or otherwise, Claims for exemplary or punitive damages, for attorneys' fees and other expenses,
19 or for any equitable remedy.

20 3.22 Channeling Injunction. This term will refer to and mean the injunction to be
21 issued pursuant to Section 30.5 of the Plan and included in the Confirmation Order.

22 3.23 Chapter 11 Professionals. This term will refer to and mean, collectively, the: (a)
23 Debtor's Professionals; (b) Committee's Professionals; and (c) Future Claims Representative's
24 Professionals.

25 3.24 Claim. This term will refer to and mean any past, present or future claim, demand,
26 action, requests, cause of action, suit, proceeding or liability of any kind or nature whatsoever,
27 whether at law or equity, known or unknown, asserted or unasserted, anticipated or unanticipated,
28 accrued or unaccrued, fixed or contingent, which has been or may be asserted by or on behalf of

1 any Entity, whether seeking damages (including compensatory, punitive, or exemplary damages)
2 or equitable, mandatory, injunctive, or any other type of relief, including cross-claims,
3 counterclaims, third-party claims, suits lawsuits, administrative proceedings, notices of liability or
4 potential liability, arbitrations, actions, rights, causes of action or orders, and any Claim within
5 the definition of Bankruptcy Code § 101(5).

6 3.25 Claim No. "x". This term will refer to a certain proof of Claim filed in the
7 Reorganization Case to which the Bankruptcy Court has assigned an indicated register number
8 represented in the foregoing defined term by the placeholder "x."

9 3.26 Claim Payment Date. This term will refer to the date specified under the Plan for
10 payment of a Claim or, if later, the date on which a Claim, other than a Tort Claim, becomes an
11 Allowed Claim. If no date is specified under the Plan for payment of a Claim other than a Tort
12 Claim, the payment date is the Effective Date. Payment of Tort Claims shall be governed by the
13 terms of the Plan, Allocation Protocols and the Trust Agreement.

14 3.27 Class. This term will refer to and mean each of the classifications of Claims
15 described in Article 6 of the plan.

16 3.28 Co-Defendant. This term will refer to and mean an Entity that is named, has been
17 named, or could have been named as a defendant in a lawsuit in which the Debtor is also named
18 or could be named as a defendant and/or who is alleged to be fully, partially or jointly responsible
19 for a Claim asserted or that could be asserted in the future against both such Entity and the
20 Debtor, including a co-Debtor as described in Bankruptcy Code § 509. For purposes of the Plan,
21 none of the Protected Parties is or shall be deemed to be a Co-Defendant.

22 3.29 Committee. This term will refer to and mean the Official Committee of Unsecured
23 Creditors appointed by the United States Trustee on February 11, 2014, pursuant to Bankruptcy
24 Code § 1102.

25 3.30 Committee's Professionals. This term will refer to and mean (a) the law firm of
26 Pachulski Stang Ziehl & Jones LLP; (b) Berkeley Research Group, LLC; and (c) all other
27 professionals which the Committee may retain to provide professional services for a specified
28 purpose, all in accordance with Bankruptcy Code §§ 327(a) and 327(e) and as approved by the

1 Bankruptcy Court.

2 3.31 Confirmation Date. This term will refer to and mean the date on which the
3 Bankruptcy Court enters the Confirmation Order on the Court's docket.

4 3.32 Confirmation Hearing. This term will refer to and mean the hearing held by the
5 Bankruptcy Court regarding confirmation of the Plan, as such may be continued from time to
6 time.

7 3.33 Confirmation Order. This term will refer to and mean the Final Order confirming
8 the Plan that is acceptable in form and substance to the Protected Parties and the Committee.

9 3.34 Contingent. This term will refer to and mean, with reference to a Claim, a Claim
10 that has not accrued or is not otherwise payable and the accrual of which or the obligation to
11 make payment on which is dependent upon a future event that may or may not occur.

12 3.35 Contribution Claim. This term will refer to and mean any Claim by any Insurer
13 against any other Insurer seeking contribution, equitable contribution, indemnity, equitable
14 indemnity, subrogation, equitable subrogation, "other insurance" clauses rights, or pursuant to
15 any other theory under law or in equity relating to the defense or payment by such paying insurer
16 of all or any part of any Tort Claim (a) asserted against a Diocese Party; (b) relating to the
17 Insurance Policies; or (c) channeled to or paid, in whole or in part, by the Trust.

18 3.36 Debtor or RCB. These terms (which are completely synonymous and
19 interchangeable), will refer to and mean the Roman Catholic Bishop of Stockton, a corporation
20 sole, in all of its capacities, including but not limited to: (a) the Estate of the RCB and (b) the
21 RCB as the representative of the Estate.

22 3.37 Debtor's Professionals. This term will refer to and mean (a) the law firm of
23 Felderstein Fitzgerald Willoughby & Pascuzzi LLP; (b) the law firm of Neumiller & Beardslee
24 APC; (c) the law firm of Meredith, Weinstein & Numbers, LLP; (d) Greeley Asset Services,
25 LLC; and (e) any and all other professionals which the Debtor or the Reorganized Debtor retains
26 to assist in the conduct of the Reorganization Case or to provide professional services for a
27 specified purpose, all in accordance with Bankruptcy Code §§ 327(a) and 327(e).

28 3.38 Diocese. This term will refer to and mean the canonical entity of the Roman

1 Catholic Church encompassing the territory of the Roman Catholic Diocese of Stockton subject to
2 the jurisdiction of the Bishop and through which the Bishop carries out his canonical duties in
3 accordance with Canon Law.

4 3.39 Diocese Parties. This term will refer to and mean collectively the Reorganized
5 Debtor, the Debtor and: (i) the Entities listed on Schedule 3.39 to this Plan; (ii) any and all named
6 insured(s), insureds and additional insureds, in each case, with respect to whom the Debtor, as of
7 the Petition Date had, and as of the execution of the Insurance Settlement Agreement has, the
8 right, power or authority to release the Claims released pursuant to the Insurance Settlement
9 Agreement; (iii) any other Entity alleged by a Tort Claimant to be an insured under the Insurance
10 Policies, in each case, with respect to whom the Debtor, as of the Petition Date had, and as of the
11 execution of the Insurance Settlement Agreement has, the right, power or authority to release the
12 Claims released pursuant to the Insurance Settlement Agreement; (iv) each of the past, present
13 and future Affiliates, holding companies, merged companies, related or associated companies,
14 supporting organizations, auxiliaries, divisions, acquired companies and assigns of the Debtor and
15 the Entities listed on Schedule 3.39(i) and (ii) above, in their capacity as such, and each of their
16 respective past, present, and future Affiliates, holding companies, merged companies, related or
17 associated companies, supporting organizations, auxiliaries, divisions and acquired companies,
18 and each of their respective predecessors, successors and assigns, in their capacity as such
19 (except, in each case, to the extent any Entities' liability is independent of any liability of the
20 Debtor and the Entities listed on Schedule 3.39(i) and (ii) above); and (v) any and all past and
21 present individuals who are shareholders, principals, teachers, staff, members, boards, officers,
22 trustees, administrators, priests, deacons, brothers, sisters, friars, nuns, clerics, other clergy or
23 religious persons, volunteers, and Representatives of Debtor and the Entities listed on Schedule
24 3.39(i)-(iii) above, in their capacity as such. Notwithstanding the foregoing, nothing in this
25 definition is intended to suggest or should be construed to mean that any Entity included in this
26 definition is owned, directed, supervised or controlled by the Debtor.

27 3.40 Direct Action Claim. This term will refer to and mean any Claim by any Entity
28 against a Settling Insurer identical to, relating to, or arising from the same injury or damages

1 asserted as any Tort Claim, whether arising by contract, in tort or under the laws of any
2 jurisdiction, including any statute that gives a third party a direct cause of action against an
3 insurer.

4 3.41 Disallowed. This term, when referring to a Claim, will refer to and mean (i) a
5 Claim, or any portion there, that has been disallowed by a Final Order; (ii) a Claim that has been
6 listed in the Schedules at zero or as contingent, disputed, or unliquidated and as to which no proof
7 of Claim has been timely filed or deemed timely filed with, or allowed by, the Bankruptcy Court
8 pursuant to the Bankruptcy Code, Final Order, a settlement or other applicable law; or (iii) a
9 Claim that has not been listed in the Schedules and as to which no proof of Claim has been timely
10 filed or deemed timely filed with, or allowed by, the Bankruptcy Court pursuant to the
11 Bankruptcy Code, Final Order, a settlement or other applicable law.

12 3.42 Disclosure Statement. This term will refer to and mean the Disclosure Statement
13 presented by the RCB with respect to the Plan, including, but not limited to, any restatements,
14 amendments, modifications, and additional disclosures (if any) provided by the RCB to comply
15 with Bankruptcy Code § 1127 or orders of the Bankruptcy Court and which has been approved by
16 the Bankruptcy Court.

17 3.43 Disputed Claim. This term will refer to and mean a Claim: (a) which is listed as
18 disputed in the Debtor's Schedules filed with the Bankruptcy Court and as to which no proof of
19 Claim was timely filed; or (b) as to which a proof of Claim is filed or is deemed filed under
20 Bankruptcy Rule 3003(b)(1) and as to which a timely objection has been filed and not been
21 withdrawn or resolved by consensual agreement or by a Final Order.

22 3.44 Disputed Claims Reserve. This term will refer to and mean the reserve to be
23 established on the Effective Date, if necessary (and, thereafter, to be maintained as necessary) to
24 hold in one or more segregated accounts Cash or Assets equal to the aggregate amounts thereof
25 that would have been distributed on an applicable Claim Payment Date on account of a Disputed
26 Claim (other than a Tort Claim). All Disputed Claims may be estimated by the Reorganized
27 Debtor at an amount equal to (a) such lesser amount that is agreed to by a holder of such Claim,
28 (b) the amount claimed if the Court has not made an estimation of such Claim or the holder of

1 such Claim has not agreed to a lesser amount, or (c) the amount, if any, determined by the Court
2 by Final Order pursuant to Bankruptcy Code § 502(c) as an estimate for distribution purposes. In
3 any event, the Estimated Amount will be the maximum amount of the Claim for distribution
4 purposes under the Plan. If the Disputed Claims (other than Tort Claims) are less than \$100,000,
5 the Reorganized Debtor need not establish the Disputed Claims Reserve. If the Disputed Claims
6 Reserve is required to be established under the Plan, the Disputed Claims Reserve may be
7 adjusted from time to time after the Effective Date by the Reorganized Debtor after taking into
8 account the anticipated recovery fraction which has been or is anticipated to be paid to the holders
9 of Allowed Claims, after giving effect to the amount of the Disputed Claims as determined
10 pursuant to this provision. The Disputed Claims Reserve will not apply to the Trust or Tort
11 Claims, each of which will be governed by the terms of the Trust Agreement and the Allocation
12 Protocols.

13 3.45 District Court. This term will refer to and mean the United States District Court,
14 Eastern District of California.

15 3.46 Effective Date. This term will refer to and mean the first Business Day after the
16 Confirmation Date on which all conditions specified in Section 29.1 of the Plan have been
17 satisfied or waived.

18 3.47 Entity. This term will refer to and mean an individual, corporation, corporation
19 sole, partnership, association, limited liability company, joint stock company, proprietorship,
20 unincorporated association, joint venture, trust, estate, executor, legal representative, or any other
21 organization, as well as any federal, international, foreign, state, or local governmental or quasi-
22 governmental entity, body, or political subdivision or any agency, department, board or
23 instrumentality thereof, any other “person” within the definition of Bankruptcy Code § 101(41),
24 any other “entity” within the definition of Bankruptcy Code § 101(15) and any successor in
25 interest, heir, executor, administrator, trustee, trustee in bankruptcy, or receiver of the foregoing.

26 3.48 Estate. This term will refer to and mean the bankruptcy estate of the RCB created
27 under Bankruptcy Code § 541.

28 3.49 Estimated Amount. This term will refer to and mean the maximum amount at

1 which the Court or the District Court, pursuant to Bankruptcy Code § 502(c), at the request of the
2 RCB or any other party with standing, estimates any Claim or class of Claims against the Debtor
3 that is Contingent, unliquidated or disputed, including, without limitation, any Tort Claim or class
4 thereof for the purpose of (a) allowance, (b) distribution, (c) confirming the Plan pursuant to
5 Bankruptcy Code § 1129, (d) voting to accept or reject the Plan pursuant to Bankruptcy Code
6 § 1126 and Bankruptcy Rule 3018(a), or (e) any other proper purpose.

7 3.50 Exculpated Parties. This term will refer to and mean the Debtor, the Debtor's
8 Professionals, the Committee and each of its members, the Committee's Professionals, the Future
9 Claims Representative, and all of their respective present or former members, managers, officers,
10 directors, employees, Representatives, attorneys, and agents acting in such capacity.

11 3.51 Executory Contract. This term will refer to and mean every unexpired lease and
12 other contract which is subject to being assumed or rejected by the Debtor under Bankruptcy
13 Code § 365, pursuant to the Plan or pursuant to separate motion.

14 3.52 Extern Priest Claim. This term will refer to and mean any Claim of an extern
15 priest for retirement benefits held by the Debtor in trust for extern priests as represented by Claim
16 Nos. 31, 32, 33, 41, 43, 52, 67, 68, 81, 82, 91, 93, 96 and 113, as well as the scheduled Claim of
17 Fr. Jose Mario Guarin in the amount of \$2,708.34. Such funds are not property of the Debtor's
18 Estate.

19 3.53 Extra-Contractual Claim. This term will refer to and mean any Claim against any
20 Settling Insurer based, in whole or in part, on: (a) allegations that any Settling Insurer acted in
21 bad faith or in breach of any express or implied duty, obligation or covenant, contractual,
22 statutory or otherwise, including any Claim on account of alleged bad faith; (b) failure to act in
23 good faith; (c) failure to provide Insurance Coverage under any Insurance Policy; (d) violation or
24 breach of any covenant or duty of good faith and fair dealing, whether express, implied or
25 otherwise; (e) violation of any statute, regulation or code governing unlawful, unfair, or
26 fraudulent competition, business, or trade practices, and/or untrue or misleading advertising,
27 including any violation of any unfair claims practices act or similar statute, regulation, or code; (f)
28 failure to investigate or provide a defense or an adequate defense; (g) any type of alleged

1 misconduct; (h) any other act or omission of any Settling Insurer of any type for which the
2 claimant seeks relief other than coverage or benefits under an Insurance Policy; (i) any Settling
3 Insurer's or Participating Party's handling of any Claim or any request for Insurance Coverage,
4 including any request for coverage for and/or defense of any Claim, including any Tort Claim; (j)
5 any Claim that, directly or indirectly relates to any of the Insurance Policies and any contractual
6 duties arising therefrom, including any contractual duty to defend any of the Diocese Parties
7 against any Tort Claims; and/or (k) the conduct of the parties with respect to the negotiation of
8 any Insurance Settlement Agreement or Participating Party Agreement.

9 3.54 F & M Bank. This term will refer to and mean Farmers & Merchants Bank of
10 Central California.

11 3.55 Final Order. This term will refer to and mean any order, judgment, or other decree
12 (including any modification or amendment thereof) that remains in effect and has not been
13 reversed, withdrawn, vacated, or stayed, and as to which the time for appeal or to seek review,
14 rehearing, or writ of certiorari has expired and no appeal has been timely taken, or, if any
15 appeal(s) or review(s) has been timely taken, (a) it has been finally concluded and no longer
16 remains pending or subject to further appeal or review or (b) the Debtor, Committee (through the
17 Effective Date), the Trustee (after the Effective Date), the Settling Insurers listed on Exhibit 5,
18 and Participating Parties listed on Exhibit 3 have mutually agreed in writing that the order from
19 which such appeal or review is taken should be deemed to be a Final Order.

20 3.56 Future Claims Representative. This term will refer to and mean Michael P.
21 Murphy, the representative appointed by the Court by order entered December 9, 2014, pursuant
22 to the motion requesting that the Court appoint a representative to represent the interests of
23 Unknown Tort Claimants.

24 3.57 Future Claims Representative's Professionals. This term will refer to and mean
25 AlixPartners, LLC and any and all other professionals which the Future Claims Representative
26 may retain to provide professional services for a specified purpose, all in accordance with
27 Bankruptcy Code §§ 327(a) and 327(e) and as approved by the Bankruptcy Court.

28 3.58 General Unsecured Claim. This term will refer to and mean every Unsecured

1 Claim against the RCB (including, but not limited to, every such Claim arising from the rejection
2 of an Executory Contract and every Claim which is the undersecured portion of any Secured
3 Claim), which is not an Administrative Claim, Priority Unsecured Claim, Priority Tax Claim,
4 General Unsecured Convenience Claim, Claim of F & M Bank, Claim of RCW, Priest Retirement
5 Claim, Other Tort Claim, Tort Claim, Penalty Claim or Extern Priest Claim.

6 3.59 General Unsecured Convenience Claim. This term will refer to and mean a Claim
7 that would be a General Unsecured Claim except that it is in an amount of \$500.00 or less,
8 inclusive of interest accrued thereon after the Petition Date through the later to occur of the
9 Effective Date or the Claim Payment Date; provided, that, if the holder of a General Unsecured
10 Claim in an amount greater than \$500.00 makes an election to reduce such Claim to \$500.00,
11 such claim will be treated as a General Unsecured Convenience Claim for all purposes. Such
12 election will be made on the Ballot, completed and returned within the time fixed by order of the
13 Court. Making this election will be deemed to be a waiver by such electing holder of any right to
14 participate in Class 6 as to any and all Claims held by such holder.

15 3.60 General Unsecured Creditor. This term will refer to and mean each holder of a
16 General Unsecured Claim.

17 3.61 Initial Allocation. This term will refer to and mean each of the initial allocations
18 of the \$15 million Tort Claim Settlement Amount as provided in Article 18, Article 19,
19 Article 20, and Article 21, consisting of: (a) Thirteen Million Dollars (\$13,000,000) for Class 12;
20 (b) Five Hundred Thousand Dollars (\$500,000) for Class 13; (c) Seven Hundred Fifty Thousand
21 Dollars (\$750,000) for Class 14; and (d) the Unknown Tort Claims Fund Note in the face amount
22 of Seven Hundred Fifty Thousand Dollars (\$750,000) for Class 15.

23 3.62 Injunctions. This term will refer to and mean the Channeling Injunction and the
24 Supplemental Injunction.

25 3.63 Insurance Claims. This term will refer to and mean all Claims, Extra-Contractual
26 Claims and enforceable rights (other than the duty to defend) against any Non-Settling Insurer
27 whether sounding in contract, tort, or otherwise, including equity and bad faith, held by the
28 Debtor or its successor or assign for Insurance Coverage of a Tort Claim including those for

1 (i) indemnity and payment of any Tort Claim; (ii) any Non-Settling Insurer's failure or refusal to
2 provide Insurance Coverage under any Insurance Policy for a Tort Claim against the Debtor,
3 including the failure or refusal to provide a defense to any Tort Claim against the Debtor; (iii) any
4 Non-Settling Insurer's tortious or wrongful claims handling including the failure or refusal of any
5 Non-Settling Insurer to defend or timely compromise and settle any Tort Claim against the
6 Debtor pursuant to any Insurance Policy; and (iv) the interpretation or enforcement of the terms
7 of any Insurance Policy with respect to coverage of a Tort Claim.

8 3.64 Insurance Coverage. This term will refer to and mean insurance that is available
9 under any Insurance Policy, whether known or unknown to the Diocese Parties or the Committee,
10 or any party in interest that provides insurance for any portion of a Tort Claim; provided,
11 however, that Insurance Coverage excludes any agreement or contract providing reinsurance to a
12 Settling Insurer and, for clarity, also does not refer to or mean the Unknown Tort Claims Fund
13 Note.

14 3.65 Insurance Policy. This term will refer to and mean any and all known and
15 unknown binders, certificates, or policies of insurance providing Insurance Coverage, including
16 those identified in the Insurance Settlement Agreement.

17 3.66 Insurance Settlement Agreement. This term will refer to and mean that certain
18 settlement agreement between the Debtor and the Settling Insurers attached hereto as Exhibit 1,
19 and any similar agreement with a Settling Insurer designated as such after the Effective Date
20 pursuant to Section 28.4 of the Plan.

21 3.67 Insured Entity. This term will refer to and mean any Entity insured by any Settling
22 Insurer under a Released Insurance Policy or with respect to a Tort Claim, including but not
23 limited to the Entities listed on Schedule 3.39.

24 3.68 Insurer. This term will refer to and mean (a) any Entity that during any period of
25 time either (i) provided Insurance Coverage to a Diocese Party, its predecessors, successors, or
26 assigns, or (ii) issued an Insurance Policy to a Diocese Party, its predecessors, successors, or
27 assigns; and (b) any Entity owing a duty to defend or pay to defend and/or indemnify a Diocese
28 Party under any Insurance Policy.

1 3.69 Insurer Representatives. This term will refer to and mean with respect to each
2 Insurer and its past, present and future parents, subsidiaries, affiliates, and divisions, each of their
3 respective past, present, and future parents, subsidiaries, affiliates, holding companies, merged
4 companies, related companies, divisions and acquired companies, each of their respective past,
5 present and future, directors, officers, shareholders, employees, subrogees, partners, principals,
6 agents, attorneys, reinsurers, joint ventures, joint venturers, representatives, and claims handling
7 administrators, and each of their respective predecessors, successors, assignors, and assigns,
8 whether known or unknown, and all Entities acting on behalf of, by, through or in concert with
9 them.

10 3.70 Interest. This term will refer to and mean all liens, Claims, encumbrances,
11 interests, and other rights of any nature, whether at law or in equity, including any rights of
12 contribution, indemnity, defense, subrogation, or similar relief.

13 3.71 Medicare Beneficiary. This term will refer to and mean a Tort Claimant or
14 Unknown Tort Claimant who has received, applied for, or is eligible to receive Medicare or
15 Medicaid benefits, and is asserting a Tort Claim against the Debtor.

16 3.72 Medicare Claims. This term will refer to and mean any Claims relating to (a)
17 benefits paid to, received by, or accrued on account of, a Tort Claimant or Unknown Tort
18 Claimant pursuant to the MMSEA or the MSPA; and (b) reporting and payment obligations
19 relating to past conditional payments made, future payments to be made, or otherwise related to
20 Tort Claims, including obligations owing or potentially owing under MMSEA or MSPA.

21 3.73 MMSEA. This term will refer to and mean the Medicare, Medicaid, and SCHIP
22 Extension Act of 2007.

23 3.74 MSPA. This term will refer to and mean the Medicare Secondary Payer Act.

24 3.75 Non-Priority Employee Claims. This term will refer to and mean an Unsecured
25 Claim of an employee of the RCB for: (a) vacation or sick leave pay which is not entitled to
26 priority pursuant to Bankruptcy Code § 507(a)(4)(A); and (b) contributions to an employee
27 benefit plan which are not entitled to priority pursuant to Bankruptcy Code § 507(a)(5); provided
28 however, that a Non-Priority Employee Claim shall not include any Other Tort Claim.

1 3.76 Non-Settling Insurer. This term will refer to and mean any Insurer that is not a
2 Settling Insurer.

3 3.77 Objection Reallocation. This term will refer to and mean a reallocation of the Tort
4 Claims Settlement Amount, to occur if, prior to the conclusion of the hearing on the Disclosure
5 Statement, a Tort Claim listed in the Plan as a Tort Claim B becomes instead a Tort Claim A in
6 the manner set forth in Section 3.127, and consisting of the reallocation of the Tort Claims
7 Settlement Amount as follows: the Initial Allocation for Class 12 shall be increased, and the
8 Initial Allocation for Class 13 shall be commensurately reduced, by an amount equal to the Initial
9 Allocation for Class 13 (as may be supplemented by any previously occurring Objection
10 Reallocations, or any Tort Claims Settlement Amount Additions Allocations) multiplied by a
11 fraction for which the numerator is one (1) and the denominator is the number of Tort Claims in
12 Class 13 prior to the subject Tort Claim B becoming a Tort Claim A.

13 3.78 Other Tort Claim. This term will refer to and mean any and all Claims, demands,
14 suits, causes of action, proceedings or any other rights or asserted rights to payment heretofore,
15 now or hereafter asserted against the Debtor, whether or not reduced to judgment, for property
16 damage, liability or workers compensation for which the Debtor is or may be liable (directly or
17 indirectly), whether arising from tort, contract, employment law, violations of wage and hour
18 laws, or workers compensation or for which there is Insurance Coverage, including but not
19 limited to, any Claim for which the Debtor has a self-insured retention, but excluding Tort
20 Claims, Unknown Tort Claims, any Priority Employee Unsecured Claim, any Administrative
21 Claims, and any Non-Priority Employee Claim.

22 3.79 Participating Party. This term will refer to and mean (i) those Entities listed on
23 Exhibit 3 to the Plan, that are providing or will provide consideration or a portion of the funding
24 for the Plan in exchange for (a) the release of any Claim by the Debtor against such Participating
25 Party, (b) the benefit of the Channeling Injunction, and (c) any other benefits in favor of Protected
26 Parties under the Plan, and (ii) the Representatives of such Entities. Pursuant and subject to
27 Section 28.3 of the Plan, and after notice and a hearing, upon the sole discretion of the Trustee
28 pursuant to its powers under the Trust Agreement, an Entity may become a Participating Party

1 after the Effective Date if the Bankruptcy Court approves an agreement between the Entity and
2 the Debtor, Reorganized Debtor, or the Trustee pursuant to its retained jurisdiction. Upon the
3 Bankruptcy Court's entry of a Final Order approving such an agreement, the Plan and the
4 Confirmation Order will be deemed amended to include such Entity as a Participating Party.

5 3.80 Participating Party Agreement. This term will refer to and mean that certain
6 agreement between the Debtor and the Participating Parties attached hereto as Exhibit 2, and any
7 other agreements entered into between the Debtor, the Reorganized Debtor or the Trustee and
8 such Entity after the Confirmation Hearing that is consented to by the Reorganized Debtor and
9 the Trustee and approved by the Bankruptcy Court after notice and hearing pursuant to which
10 such Entity becomes a Participating Party.

11 3.81 Parish. This term will refer to and mean any one of the parishes, churches and
12 missions within the territory of the Diocese as set forth on Exhibit 4 hereto, each of which may
13 be, among other things, a separately incorporated entity under applicable state law and each of
14 which the Debtor contends is a separate juridic person under Canon Law.

15 3.82 Parish Real Property. This term will refer to and mean all real property owned by
16 a Parish.

17 3.83 Pastoral Center. This term will refer to and mean that certain real property located
18 at 212 & 220 N. San Joaquin Street, Stockton, California, as further described in the Debtor's
19 Schedule A, Item No. 1, at Docket No. 91.

20 3.84 Pastoral Center Lenders. This term will refer to and mean collectively the
21 individuals or Entities who hold fractional interest promissory notes secured by the Pastoral
22 Center as represented by Claim Nos. 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13.

23 3.85 Pastoral Center Loan. This term will refer to and mean collectively the various
24 fractional interest promissory notes held by the Pastoral Center Lenders in the aggregate principal
25 amount of \$1,600,000.00, executed by the RCB on or about December 20, 2010, and as modified
26 on or about January 7, 2014.

27 3.86 Pastoral Center Loan Documents. This term will refer to and mean the documents
28 evidencing the Pastoral Center Loan.

1 3.87 Penalty Claims. This term will refer to and mean any Claims for any fine, penalty,
2 forfeiture, multiple damages, punitive damages, or exemplary damage, including any Claim not
3 meant to compensate the claimant for actual pecuniary loss.

4 3.88 Petition Date. This term will refer to and mean January 15, 2014, which is the
5 filing date of the voluntary Chapter 11 petition commencing the Reorganization Case.

6 3.89 Plan. This term will refer to and mean the “Debtor’s Plan of Reorganization”
7 dated October 26, 2016, and every restatement, amendment, or modification thereof, if any, filed
8 by the Debtor.

9 3.90 Plan Documents. This term will refer to and mean all agreements, documents and
10 exhibits, as the same may be amended, modified, supplemented, or restated from time to time,
11 that are incorporated into the Plan and/or are necessary or appropriate to implement the Plan and
12 the Trust, including the Trust Documents, Insurance Settlement Agreement, Participating Party
13 Agreement, Class 12 Tort Claims A Ballot, Class 13 Tort Claims B Ballot and Class 14 Tort
14 Claims C Ballot, provided that the Committee shall have approved each of said agreements,
15 documents and exhibits as to form and content, such approval not to be unreasonably withheld.

16 3.91 Plan Implementation Account. This term will refer to and mean the account to be
17 established by the Debtor on or after the Confirmation Date at a Bank of Stockton into which all
18 funds necessary to fund the Plan will be deposited, including all amounts to be paid by the
19 Settling Insurers and the Participating Parties pursuant to the respective Insurance Settlement
20 Agreement and Participating Party Agreement. The Debtor or Reorganized Debtor will fund the
21 Trust by transfers from the Plan Implementation Account into such account or accounts
22 established by the Trustee pursuant to the Trust Agreement and pursuant to written instructions
23 from the Trustee.

24 3.92 Post-Effective Date Secured Tax Claims. This term will refer to and mean every
25 whole or prorated portion of a Secured Tax Claim which arises on or after the Effective Date, and
26 which will be paid in the ordinary course of business of the Reorganized Debtor.

27 3.93 Prepetition Date Secured Tax Claims. This term will refer to and mean every
28 whole or prorated portion of a Secured Tax Claim which arises before and up to the Petition Date,

1 and which will be classified and paid under the Plan as the Plan provides for Class 2 Claims.

2 3.94 Priest Rabbi Trust Pension Plan. This term will refer to and mean The Diocese of
3 Stockton Priests Pension Plan dated December 12, 2001.

4 3.95 Priest Retirement Claim. This term will refer to and mean the legal, equitable and
5 contractual rights of any individual arising under the Priest Rabbi Trust Pension Plan and/or the
6 Qualified Priest Pension Plan, as shown in the proof of claim numbers set forth on Schedule 3.95.

7 3.96 Priority Employee Unsecured Claim. This term will refer to and mean every
8 Unsecured Claim of an employee of the RCB for: (a) vacation or sick leave pay which is
9 otherwise entitled to priority pursuant to Bankruptcy Code § 507(a)(4)(A); and (b) contributions
10 to an employee benefit plan which are otherwise entitled to priority pursuant to Bankruptcy Code
11 § 507(a)(5).

12 3.97 Priority Tax Claim. This term will refer to and mean every Unsecured Claim or
13 portion thereof which is entitled to priority pursuant to Bankruptcy Code § 507(a)(8).

14 3.98 Priority Unsecured Claim. This term will refer to and mean every Unsecured
15 Claim or portion thereof which is not an Administrative Claim, a Professional Fee Claim, a
16 Priority Tax Claim or a Priority Employee Unsecured Claim and which is entitled to priority
17 under any applicable provision of Bankruptcy Code § 507.

18 3.99 Professional Fee Claim. This term will refer to and mean the allowed interim and
19 final professional fees and expenses charged by Chapter 11 Professionals.

20 3.100 Professional Fee Cap. This term will refer to and mean a cap of \$350,000 for all
21 Professional Fee Claims incurred by Committee's Professionals and Debtor's Professionals from
22 the period from April 19, 2016 through the Effective Date

23 3.101 Property Tax Administrative Claim. This term will refer to and mean every Claim
24 of any state or local governmental unit which is an Administrative Claim for unpaid real property
25 taxes, unpaid personal property taxes, or unpaid sales taxes or leasing taxes, and every prorated
26 portion thereof arising on and after the Petition Date until the Effective Date. Property Tax
27 Administrative Claims will be classified and paid under the Plan as the Plan provides for
28 Administrative Claims.

1 3.102 Property Tax Claims. This term will refer to and mean collectively: (a) every
2 Property Tax Administrative Claim; (b) every Prepetition Date Secured Tax Claim; and (c) every
3 Post-Effective Date Secured Tax Claim.

4 3.103 Property Tax Claims Proration. This term will refer to and mean the proration of
5 Property Tax Claims as of the Effective Date, so that: (a) Post-Effective Date Secured Tax Claims
6 will be paid by the Reorganized Debtor in the ordinary course of its business; (b) Prepetition Date
7 Secured Tax Claims will be paid by the Debtor or the Reorganized Debtor as provided for Class 2
8 Claims under the Plan; and (c) Property Tax Administrative Claims will be paid by the Debtor or
9 the Reorganized Debtor as provided for Administrative Claims under the Plan.

10 3.104 Protected Parties. This term will refer to and mean: (a) the Diocese Parties; (b) the
11 Participating Parties; and (c) the Settling Insurers. Protected Parties does not include: (i) an
12 individual who personally committed an act or acts of Abuse as defined in Section 3.2(a) causing
13 a Tort Claim; or (ii) a Co-Defendant.

14 3.105 Qualified Counsel. This term will refer to and mean those attorneys representing
15 Tort Claimants who have entered into written retainer or fee agreements with such Tort
16 Claimant(s) on or before the Effective Date; provided that such attorney agrees that the attorney's
17 receipt of Qualified Counsel Fees is credited against the fees owed by such Tort Claimant.

18 3.106 Qualified Counsel Fees. This term will refer to and mean an amount equal to the
19 unpaid fees and reimbursable expenses (prepetition and postpetition through the Effective Date)
20 payable from the applicable subaccount of the Trust to Qualified Counsel on account of Tort
21 Claims under any written retainer or fee agreements with Tort Claimants who receive a
22 distribution on account of such Tort Claims under the Plan.

23 3.107 Qualified Priest Pension Plan. This term will refer to and mean The Diocese of
24 Stockton Priests Qualified Pension Plan Effective July 1, 2012.

25 3.108 RCB Loan. This term will refer to and mean the loan from F & M Bank to RCB
26 as the primary borrower and RCW as the guarantor, as represented by Claim No. 85.

27 3.109 RCW. This term will refer to and mean The Roman Catholic Welfare Corporation
28 of Stockton, a California religious corporation.

1 3.110 RCW Claim. This term will refer to and mean the Claim of the RCW for
2 reimbursement for amounts the RCW has paid to F & M Bank with respect to the RCB loan.

3 3.111 RCW Loan. This term will refer to and mean the loan from F & M Bank to RCW
4 as the primary borrower and RCB as the guarantor, as represented by Claim No. 86.

5 3.112 Related Insurance Claim. This term will refer to and mean (i) any Contribution
6 Claim; (ii) any Extra-Contractual Claim that, directly or indirectly, relates to any Tort Claim,
7 including any Claim that, directly or indirectly, relates to any of the Settling Insurers' or
8 Participating Parties' handling of any Tort Claim; (iii) any Direct Action Claim; and (iv) any
9 Claim for Insurance Coverage.

10 3.113 Released Insurance Policy. This term will refer to and mean any and all Insurance
11 Policies issued or allegedly issued by any of the Settling Insurers to the Diocese Parties that are
12 the subject of the Insurance Settlement Agreement.

13 3.114 Reorganization Case. This term will refer to and mean the case under Chapter 11
14 of the Bankruptcy Code which was commenced by the filing of a voluntary Chapter 11 petition
15 by the RCB on the Petition Date.

16 3.115 Reorganized Debtor. This term will refer to and mean the RCB, from and after the
17 Effective Date. Unless otherwise expressly stated or the context otherwise requires, references to
18 "the Debtor and the Reorganized Debtor" and references to "the Debtor or the Reorganized
19 Debtor" throughout various provisions of the Plan are an effort to recognize that an event may
20 occur before or after the Effective Date.

21 3.116 Representative. This term will refer to and mean the current and former
22 provincials, priests, brothers, friars, clerics, members, parents, affiliates, subsidiaries, indirect
23 parents, principals, shareholders, managers, claims managers, officers, directors, agents,
24 attorneys, employees, contractors, financial advisors and legal representatives of an Entity acting
25 in such capacity and, as to the liability or rights of such Entities, any successors, assignors, and
26 assigns of each of the foregoing, in each case to the extent acting in the herein indicated capacity.

27 3.117 Retained Claims. This term will refer to and mean Debtor's Claims that are not
28 otherwise settled pursuant to the Plan or agreements approved by the Bankruptcy Court on or

1 prior to the Effective Date, any rights or Claims of the Debtor for indemnification, contribution,
2 or fault allocation and other Claims of the Debtor against any Entity on account of any Claims
3 which are or may be asserted against the Debtor, including the Debtor's Claims listed on
4 Schedule 3.117 to this Plan. Retained Claims do not include any Claims transferred or assigned
5 to the Trust and expressly exclude any claims against any Entity that are settled or released by the
6 Debtor under the Plan.

7 3.118 Revested Assets. This term will refer to and mean all Assets and/or property, real
8 or personal, owned by the Debtor which are not transferred to the Trust, or not to be transferred to
9 the Trust (*e.g.*, funds in the Implementation Account are not Revested Assets).

10 3.119 Schedules. This term will refer to and mean the Schedules of Assets and
11 Liabilities and Statement of Financial Affairs of the Debtor filed pursuant to Bankruptcy Code
12 § 521, the Official Bankruptcy Forms and the Bankruptcy Rules, including any supplements or
13 amendments thereto through the Confirmation Date.

14 3.120 Secured Claim. This term will refer to and mean every Claim or portion thereof
15 which is asserted by the Creditor holding such Claim to be secured by a lien, security interest, or
16 assignment encumbering property in which the Debtor has an interest and including any right to
17 setoff asserted by a Creditor that is treated as a Secured Claim under the Bankruptcy Code, but
18 only to the extent of the validity, perfection, and enforceability of the claimed lien, security
19 interest, or assignment, and the value of the interest of the Creditor holding such Claim against
20 such property of the Debtor.

21 3.121 Secured Creditor. This term will refer to and mean every Creditor which holds a
22 Secured Claim in the Reorganization Case.

23 3.122 Secured Tax Claim. This term will refer to and mean every Claim of any federal,
24 state, or local governmental unit, which is asserted by such governmental unit holding such Claim
25 which is secured by property of the Estate by operation of applicable non-bankruptcy laws,
26 including, but not limited to, every such Claim for unpaid real property taxes, unpaid personal
27 property taxes, or unpaid sales taxes or leasing taxes, and further including, but not limited to,
28 both the Prepetition Date Secured Tax Claims and the Post-Effective Date Secured Tax Claims,

1 but only to the extent of the validity, perfection, and enforceability of the claimed lien, security
2 interest, or assignment, and the value of the interest of the governmental unit holding such Claim
3 against the Debtor and only to the extent that such Secured Tax Claim does not relate to Parish
4 Real Property. Any Claims for unpaid real property taxes, unpaid personal property taxes, or
5 unpaid sales taxes or leasing taxes pertaining to a Parish or Parish Real Property will be paid by
6 the Parish owning such Parish Real Property or other property pertaining to such tax.

7 3.123 Settling Insurers. This term will refer to and mean (a) each of those Insurers listed
8 on Exhibit 5 to the Plan; (b) those Insurers who become Settling Insurers after the date of the Plan
9 pursuant to Section 28.4 of the Plan; and (c) the Insurer Representatives of those Insurers
10 included in (a) and (b).

11 3.124 Supplemental Injunction. This term will refer to and mean the injunction provided
12 for the benefit of the Settling Insurers under Section 30.6 of the Plan.

13 3.125 Tort Claim. This term will refer to and mean any and all Claims, including
14 Penalty Claims, any Claims for attorneys' fees and other expenses, fees or costs, or for any
15 equitable remedy asserted against the Debtor, any Protected Parties, the Trustee, or the Trust, and
16 in each case, related to bodily injuries, personal injuries or death, including emotional distress,
17 mental distress, mental anguish, shock or humiliation, originating with, based on, caused by or in
18 any way related to: (a) acts of Abuse occurring prior to the Petition Date including such acts
19 committed by any cleric, employee, volunteer, agent, contractor or other Entity associated with
20 the Diocese Parties, any Parish or any affiliated or related Entity within the territory of the
21 Diocese; (b) with respect to Claims based upon or relating in any way to Abuse, the failure to
22 properly hire, install and/or supervise prior to the Petition Date any cleric, any volunteer, or any
23 other employee, agent or contractor of, or Entity associated with, the Diocese Parties, a Parish or
24 any affiliated or related Entity within the territory of the Diocese; (c) the processing, adjustment,
25 defense, settlement, payment, negotiation or handling of any Claims, based upon or relating in
26 any way to Claims made as a result of any Abuse occurring prior to the Petition Date asserted by
27 a Tort Claimant related to or within the territory of the Diocese; (d) the failure to warn, disclose,
28 investigate, detect, report, prevent, remedy, or provide information concerning either the Abuse or

1 other misconduct related to Abuse occurring prior to the Petition Date of clergy, employees,
2 volunteers, agents or contractors of Entities associated with the Diocese Parties, the Parishes or
3 any affiliated or related Entities within the territory of the Diocese; (e) the failure to provide
4 medical, psychological or other care, counseling or treatment to victims or relatives of victims of
5 Abuse occurring prior to the Petition Date; or (f) any other acts or omissions related to Abuse
6 occurring prior to the Petition Date. Subject to the limitations contained in the Plan and except
7 for purposes of classification under the Plan, Tort Claims include Unknown Tort Claims.

8 3.126 Tort Claim A. This term will refer to and mean each of the following Tort Claims:
9 Tort Claim Nos. 131, 136, 140 and 141.

10 These claims (a) appear timely and properly filed on their face, (b) are for Abuse
11 occurring or beginning while the Tort Claimant was a minor, (c) are not the separately settled
12 Tort Claim C, and (d) present on the face of the proof of claim, or in the pleadings of any lawsuit
13 referenced in the proof of claim, and/or through post-Petition Date allegations a credible
14 argument that the claim is not barred by the statute of limitations.

15 Such credibility generally refers to either (i) the proof of claim revealing that the Tort
16 Claimant had not reached the age of 26 before the earlier of its filing suit against the Debtor or the
17 Petition Date (January 15, 2014) or (ii) such claim both meeting any of the following criteria and
18 the Debtor or Committee having had some indication that the Tort Claimant is prepared to so
19 demonstrate: (1) the Tort Claimant was born after January 1, 1977 and is alleging under
20 California Code of Civil Procedure 340.1 that the suit was due to either or both (x) delayed
21 discovery (that psychological injury or illness occurring after the age of majority was caused by
22 Abuse), or (y) the failure of a defendant to take or implement reasonable steps or safeguards (to
23 avoid future acts of Abuse); or (2) the Debtor and/or other parties against whom the claim was
24 alleged are alleged to be prevented from asserting a statute of limitations defense due to equitable
25 estoppel.

26 Except as otherwise ordered by the Court prior to the conclusion of the Confirmation
27 Hearing, this term also refers to and means any Tort Claims listed in the definition of Tort Claim
28 B as to which the following applies: (A) the Tort Claimant files, in response to the notice for

1 approval of the Disclosure Statement, an objection to classification; (B) such objection contains
2 sufficient evidence and argument for the subject Tort Claim to (I) prove that such Tort Claim was
3 timely and properly filed, (II) demonstrate that such Tort Claim is for Abuse occurring or
4 beginning while the Tort Claimant was a minor, and (III) defeat an objection to such Tort Claim
5 based on the applicable state law statute of limitations defense; and (C) prior to approval of the
6 Disclosure Statement, the Court so finds for the Tort Claimant as to clauses (A) and (B)(I)
7 through (III) of this sentence, and sustains such Tort Claimant's classification objection.

8 3.127 Tort Claim B. This term will refer to and mean each of the following Tort Claims:
9 Tort Claim Nos. 100, 103, 104, 105, 119, 121, 123, 124, 125, 128 (as amended by Claim No.
10 152), 132, 134 (as amended by Claim No. 150), 135, 137, 138, 139, 142, 143, 144, 145, 147, 148
11 and 149.

12 These are Tort Claims that do not fit within the definitions of Tort Claim A, Tort Claim C
13 or Unknown Tort Claims. Besides not being Tort Claim C or Unknown Tort Claims, these Tort
14 Claims generally then (a) do not appear timely or properly filed on their face, or (b) are not for
15 Abuse occurring or beginning while the Tort Claimant was a minor, or (c) do not present on the
16 face of the proof of claim, in the pleadings of any lawsuit referenced in the proof of claim, or
17 through post-Petition Date allegations a credible argument that the claim is not barred by the
18 statute of limitations.

19 Nonetheless, except as otherwise ordered by the Court prior to the conclusion of the
20 Confirmation Hearing, this term will not refer to any of such Tort Claims listed above in this
21 section as to which the following applies: (i) the Tort Claimant files, in response to the notice for
22 approval of the Disclosure Statement, an objection to classification; (ii) such objection contains
23 sufficient evidence and argument for the subject Tort Claim to (1) prove that such Tort Claim was
24 timely and properly filed, (2) demonstrate that such Tort Claim is for Abuse occurring or
25 beginning while the Tort Claimant was a minor, and (3) defeat an objection to such Tort Claim
26 based on the applicable state law statute of limitations defense; and (iii) prior to approval of the
27 Disclosure Statement, the Court so finds for the Tort Claimant as to clauses (i) and (ii)(1) through
28 (3) of this sentence, and sustains such Tort Claimant's classification objection. Such Tort Claim,

1 as to which all of the preceding (i), (ii) and (iii) of this paragraph apply, shall be a Tort Claim A.

2 3.128 Tort Claim Bar Date. This term will mean and refer to August 15, 2014, the Bar
3 Date for Tort Claims.

4 3.129 Tort Claim Bar Date Notice Date. This term will mean and refer to May 9, 2014,
5 the first date of service of the notice of the Tort Claim Bar Date.

6 3.130 Tort Claim C. This term will refer to and mean the following Tort Claim as to
7 which the Debtor entered into a prepetition settlement that is alleged by the Tort Claimant to have
8 included false representations as to the Debtor's ability to pay and as to which amounts remain
9 unpaid: Claim No. 130.

10 3.131 Tort Claimant. This term will refer to and mean an Entity who asserts a Tort
11 Claim.

12 3.132 Tort Claims A Allocation Protocol. This term will refer to and mean the allocation
13 protocol with respect to Class 12 Tort Claims in the form attached hereto as Exhibit 6.

14 3.133 Tort Claims B Allocation Protocol. This term will refer to and mean the allocation
15 protocol with respect to Class 13 Tort Claims in the form attached hereto as Exhibit 7.

16 3.134 Tort Claim Interests. This term will refer to and mean all liens, Claims,
17 encumbrances, interests, Insurance Coverage and other rights of any nature, whether at law or in
18 equity, relating to (a) Tort Claims; or (b) Related Insurance Claims.

19 3.135 Tort Claims Settlement Amount. Fifteen Million Dollars (\$15,000,000) payable
20 \$14,250,000 to the Trust in Cash and by transfer to the Trust of the \$750,000 Unknown Tort
21 Claims Fund Note.

22 3.136 Tort Claims Settlement Amount Additions Allocation. This term refers to and
23 means the allocation of any additional amount made available for distribution to Tort Claimants
24 under the Plan other than the Tort Claim Settlement Amount, including additional amounts made
25 available from Entities that are added in accordance with the Plan to the initial Participating
26 Parties or Settling Insurers, which additional amounts are to be reallocated to Classes 12, 13 and
27 15 pro rata based on such Classes' respective Initial Allocations, as increased or reduced by any
28 Objection Reallocation.

1 3.137 Trust. This term will refer to and mean the trust to be established pursuant to the
2 Plan and the Trust Agreement.

3 3.138 Trust Agreement. This term will refer to and mean the Trust Agreement attached
4 as Exhibit 8 to the Plan that will create the Trust that will assume liability for and will pay all Tort
5 Claims and Unknown Tort Claims in accordance with the Plan and Allocation Protocols.

6 3.139 Trust Assets. This term will refer to and mean all property funded to the Trust.

7 3.140 Trust Documents. This term will refer to and mean the Trust Agreement,
8 Allocation Protocols, Unknown Tort Claims Fund Note, other instruments and other documents
9 that are reasonably necessary or desirable in order to implement the provisions of the Plan that
10 relate to the creation, administration and funding of the Trust. The Trust Documents will be
11 subject to approval of the Debtor or the Reorganized Debtor which approval will not be
12 unreasonably withheld.

13 3.141 Trustee. This term will refer to and mean OMNI Management Acquisition Corp.,
14 the trustee of the Trust, and any successor trustee appointed pursuant to the terms of the Plan and
15 the Trust Agreement.

16 3.142 Unknown Tort Claimant. This term will refer to and mean an individual who has,
17 or contends he or she has, or holds an Unknown Tort Claim.

18 3.143 Unknown Tort Claim. This term will refer to and mean any Tort Claim for which
19 (a) no proof of Claim is filed or deemed filed on or before the Bar Date by a Tort Claimant (as
20 opposed to the proof of Claim filed by the Future Claims Representative); and (b) a proof of
21 Claim is filed or submitted after the Bar Date in accordance with the procedures set forth in the
22 Plan, the Confirmation Order and the Unknown Tort Claim Allocation Protocol, if the Entity
23 asserting the Tort Claim:

24 a. Knew that he or she had an incident of Abuse for which the Debtor is
25 alleged to be liable while such Tort Claimant was a minor, yet, prior to the May 9, 2014 Tort
26 Claim Bar Date Notice Date failed to make the connection between such incident and injuries
27 arising therefrom such that the applicable state law limitations period would not have expired
28 prior to the Tort Claim Bar Date;

1 b. Had repressed memory, prior to the May 9, 2014 Tort Claim Bar Date
2 Notice Date, that, as a minor, he or she had an incident of Abuse; or

3 c. Had not reached the age of twenty-six (26) prior to the May 9, 2014 Tort
4 Claim Bar Date Notice Date.

5 d. With respect to (a) – (c) above, the application or interpretation of any such
6 provisions to any Tort Claim shall be performed solely by the Abuse Claims Reviewer.

7 3.144 Unknown Tort Claims Fund. This term will refer to and mean the Cash proceeds
8 received by the Trustee in respect of the Unknown Tort Claims Fund Note. Such fund shall be
9 administered by the Trust pursuant to the terms of the Plan and the Trust Documents.

10 3.145 Unknown Tort Claims Fund Note. This term will refer to and mean the secured
11 promissory note to be issued by the Reorganized Debtor as of the Effective Date in the maximum
12 amount of \$750,000, a copy of which is attached hereto as Exhibit 9 and incorporated herein as
13 part of the Plan as a Trust Document and Plan Document.

14 3.146 Unknown Tort Claims Fund Reallocation and Distribution. This term will refer to
15 and mean a reallocation and distribution of the remainder, if any, of the Initial Allocation for the
16 Class 15 Unknown Tort Claims as follows: first, such funds shall be a source for the Trustee for,
17 *inter alia*, expenses of administering the Trust and paying the Trustee and Abuse Claims
18 Reviewer; and second, remaining funds thereafter shall be distributed to Tort Claimants holding
19 Tort Claims A, Tort Claims B or Unknown Tort Claims who have timely executed and returned
20 the releases and certifications referenced in Article 18, Article 19, and Article 21, and have
21 received or are entitled to receive a distribution under the Plan. Such distributions to such Tort
22 Claimants shall be paid pro rata among such Tort Claimants based on the aggregate of each such
23 Tort Claimant's previously received distributions and the amount of the other distributions to
24 which they are entitled (rather than in accordance with any Allocation Protocol).

25 3.147 Unknown Tort Claims Allocation Protocol. This term will refer to and mean the
26 allocation protocol with respect to Class 15 Unknown Tort Claims in the form attached hereto as
27 Exhibit 10.

28 3.148 Unsecured Claim. This term will refer to and mean every Claim or portion

1 thereof, regardless of the priority of such Claim, which is not a Secured Claim.

2 3.149 Unsecured Creditor. This term will refer to and mean every Creditor which holds
3 an Unsecured Claim in the Reorganization Case.

4 **ARTICLE 4**

5 **PLAN OBJECTIVES**

6 The Plan provides the means for settling and paying all Claims asserted against the
7 Debtor. The Plan also provides for Participating Parties and Settling Insurers to participate by
8 contributing funds and property that will be used, in part, for the benefit of Tort Claimants and
9 Unknown Tort Claimants. The Plan provides for the creation of a Trust for the exclusive benefit
10 of Tort Claimants (including Unknown Tort Claimants). The Trust Assets will include the \$15
11 million Tort Claims Settlement Amount (derived in part from the Unknown Tort Claims Fund
12 Note from the Debtor, and in various amounts, from Cash from the Debtor and contributions by
13 Participating Parties and Settling Insurers). Trust Assets will be used to fund the Trust's costs
14 and expenses and payments to Tort Claimants and Unknown Tort Claimants. Tort Claims are
15 divided into Tort Claims A, Tort Claims B, Tort Claim C and Unknown Tort Claims.
16 Distributions from the Trust for Tort Claims A, Tort Claims B and Tort Claim C and provisions
17 for retention of reserves in the Trust are set forth in the treatment section of the Plan below and
18 the Allocation Protocols. The Unknown Tort Claims Fund will provide the funds for payment of
19 Unknown Tort Claims when and if any such Unknown Tort Claims receive Awards and for
20 related expenses (as and when payable). General Unsecured Creditors with Claims of \$500 or
21 less will be paid the Allowed amount of their Claims on the Effective Date. With certain
22 exceptions, General Unsecured Creditors with Claims greater than \$500 will be paid in Cash 50%
23 of the Allowed amount of their Claims in full satisfaction of such Claims on the Effective Date.
24 The Plan also provides for restructuring of the Secured Claims against the Debtor. The Debtor
25 will receive the benefit of a Bankruptcy Code § 1141(d) discharge as set forth in the Plan and the
26 Confirmation Order. In consideration of their respective contributions towards funding the Plan
27 and the Trust, the Settling Insurers, Insured Entities and Protected Parties will receive the benefit
28 of the Injunctions and releases provided under the Plan, Insurance Settlement Agreement and

1 Participating Party Agreement.

2 **ARTICLE 5**

3 **UNCLASSIFIED CLAIMS**

4 5.1 Administrative Claims (other than Professional Fee Claims).

5 Each holder of an Allowed Administrative Claim shall receive, in full satisfaction,
6 settlement, release and extinguishment of such Claim, Cash equal to the Allowed amount of such
7 Administrative Claim either (a) on the Effective Date (or, if later, the applicable Claim Payment
8 Date); or (b) as otherwise agreed in writing by the holder of the Allowed Claim or ordered by the
9 Bankruptcy Court; provided, however, that (i) any Administrative Claim incurred postpetition by
10 the Debtor in the ordinary course of its operations or arising pursuant to one or more postpetition
11 agreements or transactions entered into by the Debtor with Bankruptcy Court approval, shall be
12 paid or performed in accordance with the terms and conditions of the particular transaction(s) and
13 any agreement(s) relating thereto, or as otherwise agreed by the Debtor (if before the Effective
14 Date) or the Reorganized Debtor (on or after the Effective Date), on the one hand, and the holder
15 of such Administrative Claim, on the other; and (ii) any Administrative Claim related to Abuse
16 occurring after the Petition Date through the Confirmation Date will be paid on the Claim
17 Payment Date after settlement or entry of a Final Order in the appropriate non-bankruptcy forum
18 and, without in any way limiting the payment obligation of the preceding clause, may be paid
19 from Insurance Policies issued by Non-Settling Insurers covering such Claim.

20 5.2 Professional Fee Claims.

21 Chapter 11 Professionals shall file final fee applications for approval of
22 Professional Fee Claims on or before sixty (60) days after the last day of the month in which the
23 Effective Date occurs. The Reorganized Debtor shall pay all Allowed Professional Fee Claims,
24 subject to the Professional Fee Cap, within five (5) Business Days of entry of a Final Order
25 approving such Professional Fee Claims, unless otherwise ordered by the Bankruptcy Court or
26 agreed between the Chapter 11 Professional and the Reorganized Debtor.

27 5.3 Priority Unsecured Claims.

28 Each holder of an Allowed Priority Unsecured Claim shall receive, in full

1 satisfaction, settlement, release and extinguishment of such Claim, Cash equal to the Allowed
2 amount of such Priority Unsecured Claim either (a) on the Effective Date (or, if later, the
3 applicable Claim Payment Date); or (b) as otherwise agreed in writing by the holder of the
4 Allowed Claim or ordered by the Bankruptcy Court.

5 5.4 Priority Tax Claims.

6 The holder of every Allowed Priority Tax Claim, will be paid, in full satisfaction
7 of such Claim pursuant to the provisions of Bankruptcy Code § 1129(a)(9)(C): (a) in deferred
8 Cash payments over a period of five (5) years from the date of assessment, to be paid in equal
9 quarterly installments of principal and interest; (b) the first payment to be made on the first
10 Business Day after the day which is sixty (60) days after the later of the Effective Date or the
11 Claim Payment Date; and each payment thereafter to be made on the first Business Day of each
12 succeeding quarter until paid in full; provided, however, that the entire unpaid amount of the
13 Allowed Priority Tax Claim, together with any interest accrued thereon, will be paid in full on the
14 date which is five (5) years after the date of assessment of such Allowed Priority Tax Claim; or
15 (c) as otherwise agreed in writing by the holder of the Allowed Claim or ordered by the
16 Bankruptcy Court.

17 **ARTICLE 6**

18 **CLASSIFICATION OF CLAIMS**

19 6.1 Classification.

20 All Claims except Administrative Claims, Priority Unsecured Claims and Priority
21 Tax claims are placed in the following classes for all purposes including voting, confirmation of
22 the Plan and distribution pursuant to the Plan. A Claim will be deemed classified in a particular
23 Class only to the extent that the Claim qualifies within the description of that Class and will be
24 deemed classified in a different Class to the extent that any remainder of the Claim qualifies
25 within the description of such different Class. If a Claim is acquired or transferred, the Claim will
26 be placed in the Class where it would have been placed if it were owned by the original holder of
27 such Claim. If a Claimant has more than one Claim in the same class, such Claims will be
28 aggregated and treated as a single Claim. If a Claimant has Claims in different Classes, such

1 Claims will be aggregated only within the same Class and not between Classes. As of the
2 Confirmation Hearing, any Class of Claims which does not contain an Allowed Claim (or a Claim
3 temporarily or provisionally allowed by the Bankruptcy Court for voting purposes) will be
4 deemed automatically deleted from the Plan with respect to voting on confirmation of the Plan.

5 6.2 Classes.

6 For purposes of the Plan, Claims against the Debtor are hereby classified in the
7 following classes in accordance with Bankruptcy Code § 1122(a):

8 Class 1 – Priority Employee Unsecured Claims (Unimpaired; Not Entitled to Vote;
9 Deemed to Accept)

10 Class 2 – Prepetition Date Secured Tax Claims (Impaired; Entitled to Vote)

11 Class 3 – Pastoral Center Lender Secured Claims (Impaired; Entitled to Vote)

12 Class 4 – Non-Priority Employee Claims (Unimpaired; Not Entitled to Vote;
13 Deemed to Accept)

14 Class 5 – General Unsecured Convenience Claims (Unimpaired; Not Entitled to
15 Vote; Deemed to Accept)

16 Class 6 – General Unsecured Claims (Impaired; Entitled to Vote)

17 Class 7 – Claim of F & M Bank (Impaired; Entitled to Vote)

18 Class 8 – Claim of RCW (Impaired; Entitled to Vote)

19 Class 9 – Priest Retirement Claims (Impaired; Entitled to Vote)

20 Class 10 – Extern Priest Claims (Unimpaired; Not Entitled to Vote; Deemed to
21 Accept)

22 Class 11 – Other Tort Claims (Impaired; Entitled to Vote)

23 Class 12 – Tort Claims A (Impaired; Entitled to Vote)

24 Class 13 – Tort Claims B (Impaired; Entitled to Vote)

25 Class 14 – Tort Claim C (Impaired; Entitled to Vote)

26 Class 15 – Unknown Tort Claims (Impaired; Entitled to Vote)

27 ///

28 ///

ARTICLE 7**TREATMENT OF CLASS 1 CLAIMS****(PRIORITY EMPLOYEE UNSECURED CLAIMS)****7.1 Treatment.**

All Allowed Priority Employee Unsecured Claims will be satisfied, in full, without interest, in accordance with the policies and procedures regarding vacation and sick leave pay in effect at the RCB at the time such Priority Employee Unsecured Claim becomes matured and liquidated. No holder of an Allowed Priority Employee Unsecured Claim will receive any Cash on account of such Claim except to the extent that the employee is entitled to a Cash payment in accordance with the policies and procedures of the RCB.

7.2 Impairment.

The Class 1 Claims are unimpaired under the Plan.

ARTICLE 8**TREATMENT OF CLASS 2 CLAIMS****(PREPETITION DATE SECURED TAX CLAIMS)****8.1 Treatment.**

All Class 2 Claims, as and when they are Allowed Claims, will be treated as fully Secured Claims and will be paid fully 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 eighteen percent (18%) 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 three (3) equal installments. The first (1st) installment will be paid on the first Business Day which is ninety (90) days after the later of the Effective Date or the Claim Payment Date. The second (2nd) installment will be paid on the first Business Day after the first (1st) anniversary of the later of the Effective Date or the applicable Claim Payment Date.

1 The third (3rd) installment will be paid on the first Business Day after the second (2nd)
2 anniversary of the later of the Effective Date or the applicable Claim Payment Date.

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

4 8.2 Disputed Claims.

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

10 8.3 Retention of Liens.

11 Each creditor holding a Class 2 Allowed Claim will retain its lien(s) on its
12 collateral to the extent of its Class 2 Allowed Secured Claim.

13 8.4 Impairment.

14 The Class 2 Claims are impaired under the Plan.

15 **ARTICLE 9**

16 **TREATMENT OF CLASS 3 CLAIMS**

17 **(PASTORAL CENTER LENDER SECURED CLAIMS)**

18 9.1 Treatment.

19 The outstanding pre- and post-petition arrears as of the Effective Date owed to the
20 holders of Allowed Pastoral Center Lender Secured Claims in Class 3 will be added to the
21 principal due under the Pastoral Center Loan. The Allowed Class 3 Pastoral Center Secured
22 Lender Claims will be paid in monthly installments of principal and interest at the rate of three
23 and one-quarter percent (3.25%) per annum from the Effective Date and thereafter amortized over
24 ten (10) years from the Effective Date until paid in full. The first payment on the Allowed
25 Class 3 Pastoral Center Lender Secured Claims will be due on or before the later of January 1,
26 2017, or the first (1st) day of the month that is at least fifteen (15) days after the Effective Date
27 and continuing on the first (1st) day of each month thereafter until paid in full. The Pastoral
28 Center Loan Documents will be modified to the extent necessary to conform to the Plan.

1 9.2 Retention of Liens.

2 Holders of the Class 3 Pastoral Center Lender Secured Claims will retain their
3 lien(s) on the Pastoral Center to the extent of their Class 3 Pastoral Center Lender Secured Claims
4 until the Class 3 Claims are paid as provided in the Plan.

5 9.3 Impairment.

6 The Class 3 Claims are impaired under the Plan.

7 **ARTICLE 10**

8 **TREATMENT OF CLASS 4 CLAIMS**

9 **(NON-PRIORITY EMPLOYEE CLAIMS)**

10 10.1 Treatment.

11 All Allowed Non-Priority Employee Claims will be satisfied, in full, without
12 interest, in accordance with the policies and procedures regarding vacation and sick leave pay in
13 effect at the RCB at the time such Non-Priority Employee Claim becomes matured and
14 liquidated. No holder of an Allowed Non-Priority Employee Claim will receive any Cash on
15 account of such Claim except to the extent that the employee is entitled to a Cash payment in
16 accordance with the policies and procedures of the RCB.

17 10.2 Impairment.

18 The Class 4 Claims are unimpaired under the Plan.

19 **ARTICLE 11**

20 **TREATMENT OF CLASS 5 CLAIMS**

21 **(GENERAL UNSECURED CONVENIENCE CLAIMS)**

22 11.1 Treatment.

23 Every Creditor holding a Class 5 Claim, as and when such Class 5 Claim is or
24 becomes an Allowed General Unsecured Convenience Claim, will be paid in Cash on the later of
25 the Effective Date or the Claim Payment Date. General Unsecured Convenience Claims are
26 Claims that would otherwise be General Unsecured Claims except that they are in an amount of,
27 or reduced to, \$500.00 or less, inclusive of interest accrued thereon after the Petition Date through
28 the later to occur of the Effective Date or the Claim Payment Date. Such an election to reduce a

1 Claim to \$500.00 to enable treatment as a General Unsecured Convenience Claim must be made
2 on the Ballot, completed and returned within the time fixed by order of the Court. Making this
3 election will be deemed to be a waiver by such electing holder of any right to participate in Class
4 6 as to any and all Claims held by such holder.

5 11.2 Impairment.

6 The Class 5 Claims are unimpaired under the Plan.

7 **ARTICLE 12**

8 **TREATMENT OF CLASS 6 CLAIMS**

9 **(GENERAL UNSECURED CLAIMS)**

10 12.1 Treatment.

11 Every Creditor holding a Class 6 Claim, as and when such Class 6 Claim is or
12 becomes an Allowed General Unsecured Claim, will be paid in Cash 50% of the Allowed General
13 Unsecured Claim, without regard to any Penalty Claims, on the later of the Effective Date or the
14 Claim Payment Date in full satisfaction, settlement and release of such Claim.

15 12.2 Impairment.

16 The Class 6 Claims are impaired under the Plan.

17 **ARTICLE 13**

18 **TREATMENT OF CLASS 7 CLAIM**

19 **(CLAIM OF F & M BANK)**

20 13.1 Treatment.

21 The Reorganized Debtor will pay the portion of the Class 7 Claim that is based on
22 the RCB Loan, as modified herein, and will continue to be a guarantor for the portion of the
23 Class 7 Claim that is based on the RCW Loan, as modified by F & M Bank and RCW and
24 consented to by the Reorganized Debtor herein. The maturity dates of both the RCB and RCW
25 Loans will be extended from April 15, 2020, to five years from the Effective Date, however, the
26 term of the amortization schedule shall remain unchanged. The annual fixed rate of interest for
27 both the RCB and RCW Loans will be lowered from 4.25% to 3.25%. F & M Bank will waive
28 all legal fees incurred in connection with the Debtor's bankruptcy case. RCW and/or the

1 Reorganized Debtor will pay a loan extension/modification fee of 0.5% of the outstanding
2 principal balance of both the RCB and RCW loans as of the Confirmation Date as well as a
3 processing/documentation fee of \$500 for both the RCB and RCW Loans. RCW agrees to pay up
4 to \$11,550.00 to F&M Bank for appraisals of RCW's properties that constitute its collateral.
5 RCB agrees to release the restrictive covenants, conditions and restrictions that it has upon the
6 real properties, owned by RCW, that constitute F&M Bank's collateral. The Reorganized Debtor,
7 RCW and F&M Bank will agree to loan modification documents prior to the Confirmation Date
8 the terms of which shall govern. F & M Bank shall withdraw its proof of claim number 87.

9 13.2 Impairment.

10 The Class 7 Claim is impaired under the Plan.

11 **ARTICLE 14**

12 **TREATMENT OF CLASS 8 CLAIM**

13 **(CLAIM OF RCW)**

14 14.1 Treatment.

15 RCW will not receive any payments on account of its Class 8 Claim until the Trust
16 has been funded and the Unknown Tort Claims Fund Note is paid in full. The RCW Claim will
17 be paid 50% of the Allowed Amount of the RCW Claim, without regard to any Penalty Claims, in
18 quarterly installments without interest, commencing on the later of January 1, 2018, or the first
19 (1st) day of the quarter after the Unknown Tort Claims Fund Note is paid in full and continuing
20 on the first (1st) day of each quarter thereafter until paid in full as provided herein, unless
21 otherwise agreed.

22 14.2 Impairment.

23 The Class 8 Claim is impaired under the Plan.

24 **ARTICLE 15**

25 **TREATMENT OF CLASS 9 CLAIMS**

26 **(PRIEST RETIREMENT CLAIMS)**

27 15.1 Treatment.

28 Class 9 Priest Retirement Claims will not be paid any amounts from the Priest

1 Rabbi Trust Pension Plan. Each holder of a Class 9 Priest Retirement Claim shall be paid by the
2 Reorganized Debtor in accordance with the Qualified Priest Pension Plan, as it may be amended
3 from time to time or as it may be replaced by another retirement plan. To the extent the holder of
4 a Priest Retirement Claim does not qualify as a participant under the Qualified Priest Pension
5 Plan, such claimant will receive no distribution on account of his Priest Retirement Claim.

6 15.2 Impairment.

7 The Class 9 Claims are impaired under the Plan.

8 **ARTICLE 16**

9 **TREATMENT OF CLASS 10 CLAIMS**

10 **(EXTERN PRIEST CLAIMS)**

11 16.1 Treatment.

12 The Plan leaves the legal, equitable and contractual rights of Extern Priest Claims
13 unaltered. Allowed Extern Priest Claims will be paid in accordance with the RCB's priest
14 compensation policy from funds held in trust for such purpose by the Debtor or Reorganized
15 Debtor. No holder of an Allowed Extern Priest Claim will receive any Cash on account of such
16 Claim on the Effective Date except to the extent that a holder of an Allowed Extern Priest Claim
17 is entitled to a Cash payment in accordance with the RCB's priest compensation policy.

18 16.2 Impairment.

19 The Class 10 Claims are unimpaired under the Plan.

20 **ARTICLE 17**

21 **TREATMENT OF CLASS 11 CLAIMS**

22 **(OTHER TORT CLAIMS)**

23 17.1 Treatment.

24 Each holder of a Class 11 Other Tort Claim, as and when such Claim becomes an
25 Allowed Claim, will be paid solely from any Insurance Policies applicable to such Other Tort
26 Claim; provided, however, neither the Reorganized Debtor nor any Insurer shall be responsible
27 for any amount attributable to a self-insured deductible. To the extent that such Claims may not
28 be satisfied in full pursuant to the applicable Insurance Policies or if such Insurance Policies have

1 been sold and released pursuant to the applicable Insurance Policy, Participating Party Agreement
2 or Insurance Settlement Agreement, then such Other Tort Claims, to the extent not so satisfied,
3 will be a Disallowed Claim.

4 17.2 Impairment.

5 The Class 11 Claims are impaired under the Plan.

6 **ARTICLE 18**

7 **TREATMENT OF CLASS 12 CLAIMS**

8 **(TORT CLAIMS A)**

9 18.1 Treatment.

10 a. On the Effective Date, the Trust shall assume all liability for, and the Trust
11 will pay, each and every Tort Claim A as Class 12 Claims pursuant to the provisions of the Plan,
12 Plan Documents, Confirmation Order, Tort Claims A Allocation Protocol, and Trust Documents.

13 b. The Initial Allocation of the Tort Claims Settlement Amount for Class 12
14 Claims is Thirteen Million Dollars (\$13,000,000), which amount is (1) subject to increase as a
15 result of the Tort Settlement Amount Additions Allocation, and Objection Reallocation and
16 (2) subject to reduction by the Trustee for, *inter alia*, expenses of administering the Trust, paying
17 the Trustee and Abuse Claims Reviewer, and paying Qualified Counsel Fees.

18 c. Tort Claimants shall have their Class 12 Claims treated pursuant to the Tort
19 Claims A Allocation Protocol, including review of such Tort Claims by the Abuse Claims
20 Reviewer in accordance with the Tort Claims A Allocation Protocol. **Upon the occurrence of**
21 **the Effective Date, no Tort Claimant shall have the right to a trial by jury or otherwise with**
22 **respect to any Tort Claim against the Trust and the Tort Claim A of such Tort Claimant**
23 **will be solely determined by the Abuse Claims Reviewer in accordance with the Tort**
24 **Claims A Allocation Protocol, and shall be a Channeled Claim to be paid solely from the**
25 **Trust.**

26 d. Debtor, the Reorganized Debtor and their counsel shall reasonably
27 cooperate with the Abuse Claims Reviewer and the Trustee as requested by the Abuse Claims
28 Reviewer or the Trustee, but only in connection with any reasonable inquiries by either in the

1 administration of the Allocation Protocols, in respect of Tort Claims or with respect to Assets
2 assigned to the Trust or Trustee.

3 e. No Tort Claimant may challenge the merit, validity, or amount of any
4 Class 12 Claim.

5 f. Funding of the Tort Claim Settlement Amount is being enabled by
6 contributions from Settling Insurers and Participating Parties based in substantial part on their
7 receiving certain written releases of Claims against all of the Protected Parties and certain
8 certifications. Execution of such written releases and certifications by the Tort Claimants holding
9 Class 12 Claims is a condition to the Plan's Effective Date and to such Tort Claimants being
10 entitled to be considered for an Award from the Abuse Claims Reviewer made in accordance with
11 the Tort Claims A Allocation Protocol. Execution of the release and certification included in the
12 Class 12 Ballot for voting on the Plan by a Tort Claimant holding a Class 12 Claim is sufficient
13 for this purpose or, alternatively, such Tort Claimant must personally (unless deceased or lacking
14 capacity) execute a separate release and certification in substantially similar form thereto. The
15 Trust shall be obligated to provide copies of the Tort Claimants' releases and certifications to any
16 of the Protected Parties upon request.

17 g. **Regardless of the amount(s) to which a holder of a Tort Claim A may**
18 **receive under the Plan from the Trust, such Tort Claimant shall have no rights against the**
19 **Reorganized Debtor, the Insured Entities or the Protected Parties relating to such Tort**
20 **Claim, and such Tort Claim shall be discharged and subject to the Injunctions as provided**
21 **in the Plan.**

22 h. Before any payment(s) is made to or calculated for Tort Claimants on
23 account of a Tort Claim A, the Trustee will subtract all related Qualified Counsel Fees from the
24 balance of the Trust Assets in the subaccount established for Tort Claims A in an amount equal
25 to: (a) the total fees payable to applicable Qualified Counsel by the subject Tort Claimants based
26 on the reserves or distributions for such Tort Claimants calculated under the Plan and the Tort
27 Claims A Allocation Protocol; and (b) an amount equal to the unpaid reimbursable expenses
28 (prepetition and postpetition through the Effective Date) payable to such Qualified Counsel by the

1 beneficiaries of the subaccount of the Trust established for Tort Claims A. The Trust shall pay
2 such fees to such Qualified Counsel as and when the applicable Tort Claimant receives a
3 distribution from the Trust.

4 i. Subject to the treatment of Qualified Counsel Fees pursuant to the Plan, the
5 fees and expenses of attorneys representing Tort Claimants who receive payments from the Trust
6 will be borne by such Tort Claimants based on applicable state law and individual arrangements
7 made between such Tort Claimants and their respective attorneys. The Reorganized Debtor and
8 the Protected Parties shall not have any liability for any fees and expenses of attorneys
9 representing any of the Tort Claimants or for any Qualified Counsel Fees. The Trust and the
10 Trustee will not have any liability for any fees and expenses of attorneys representing any of the
11 Tort Claimants, except to the extent that the Trust or the Trustee is required to make payments
12 pursuant to the provisions herein relating to Qualified Counsel Fees.

13 j. No payment or Award will be made to any Tort Claimants holding Tort
14 Claims A asserting Penalty Claims relating to such Tort Claims and such Penalty Claims will be
15 Disallowed Claims.

16 k. If the Unknown Tort Claims Fund is not fully utilized, holders of Tort
17 Claims A also may receive the benefit of the Unknown Tort Claims Fund Reallocation and
18 Distribution.

19 l. A Tort Claimant may withdraw a Tort Claim A at any time, without further
20 order of the Court, on written notice to the Trustee. If withdrawn, (a) the Tort Claim A will be
21 withdrawn with prejudice and may not be reasserted against the Reorganized Debtor, the Trust,
22 the Trustee, or any Protected Party, including as an Unknown Tort Claim, (b) as a condition to
23 withdrawal of the Tort Claim A, any funds paid to the Tort Claimant by the Trust (inclusive of
24 attorneys' fees and costs) shall be returned to the Trust, and (c) such funds and any reserve
25 maintained by the Trust on account of such Tort Claim shall revert to the non-reserved assets of
26 the subaccount of the Trust for Class 12 for distribution or use as part of the Class 12 allocation of
27 funds in accordance with the Plan and the Trust. Withdrawal of any Tort Claim A by a Tort
28 Claimant shall be without prejudice to such Entity's rights against any Co-Defendant but subject

1 to the limitations contained in the Plan and the Confirmation Order.

2 18.2 Impairment.

3 The Class 12 Claims are impaired under the Plan.

4 **ARTICLE 19**

5 **TREATMENT OF CLASS 13 CLAIMS**

6 **(TORT CLAIMS B)**

7 19.1 Treatment.

8 a. On the Effective Date, the Trust shall assume all liability for, and the Trust
9 will pay, as Class 13 Claims pursuant to the provisions of the Plan, Plan Documents,
10 Confirmation Order, Tort Claims B Allocation Protocol and Trust Documents, each and every
11 Tort Claim B that is not Disallowed in accordance with Sections 22.10 and 23.7.

12 b. The Initial Allocation of the Tort Claims Settlement Amount for Class 13
13 Claims is Five Hundred Thousand Dollars (\$500,000), which amount is (1) subject to increase as
14 a result of the Tort Settlement Amount Additions Allocation and (2) subject to reduction based on
15 the Objection Reallocation and by the Trustee for, *inter alia*, expenses of administering the Trust,
16 paying the Trustee and Abuse Claims Reviewer, and paying Qualified Counsel Fees.

17 c. Tort Claimants shall have their Class 13 Claims treated pursuant to the Tort
18 Claims B Allocation Protocol, including review of such Tort Claims by the Abuse Claims
19 Reviewer in accordance with the Tort Claims B Allocation Protocol. **Upon the occurrence of**
20 **the Effective Date, no Tort Claimant shall have the right to a trial by jury or otherwise with**
21 **respect to any Tort Claim against the Trust and the Tort Claim B of such Tort Claimant**
22 **will be solely determined by the Abuse Claims Reviewer in accordance with the Tort**
23 **Claims B Allocation Protocol, and shall be a Channeled Claim to be paid solely from the**
24 **Trust.**

25 d. Debtor, the Reorganized Debtor and their counsel shall reasonably
26 cooperate with the Abuse Claims Reviewer and the Trustee as requested by the Abuse Claims
27 Reviewer or the Trustee, but only in connection with any reasonable inquiries by either in the
28 administration of the Allocation Protocols, in respect of Tort Claims or with respect to Assets

1 assigned to the Trust or Trustee.

2 e. No Tort Claimant may challenge the merit, validity, or amount of any other
3 Class 13 Claim.

4 f. Funding of the Tort Claim Settlement Amount is being enabled by
5 contributions from Settling Insurers and Participating Parties based in substantial part on their
6 receiving certain written releases of Claims against all of the Protected Parties and certain
7 certifications. Tort Claimants holding Class 13 Claims that are not Disallowed who timely
8 execute and deliver such written releases and certifications shall be entitled to be considered for
9 an Award from the Abuse Claims Reviewer in accordance with the Tort Claims B Allocation
10 Protocol. Execution of the release and certifications included in the Class 13 Ballot for voting on
11 the Plan are sufficient for this purpose. By timely executing and delivering such written release
12 and certifications, such Tort Claimant's Award shall be in all events no less than \$2,000 so long
13 as the Tort Claimant receives any points at all under such Tort Claim B Allocation Protocol. A
14 Tort Claimant holding a Class 13 Claim that is not Disallowed who does not execute and deliver
15 such release and certifications will receive \$100 and no other distribution on account of such Tort
16 Claims B.

17 g. If a Tort Claimant does not timely submit a Ballot with the releases and
18 certifications therein executed, such Tort Claimant will qualify for an Award from the Abuse
19 Claims Reviewer if such Tort Claimant personally (unless deceased or lacking capacity) executes
20 the release and certifications required by Section 22.6. The Trust shall be obligated to provide
21 copies of the Tort Claimants' releases and certifications to any of the Protected Parties upon
22 request.

23 h. **Regardless of the amount(s) to which a holder of a Tort Claim B may**
24 **receive under the Plan from the Trust, such Tort Claimant shall have no rights against the**
25 **Reorganized Debtor, the Insured Entities, or the Protected Parties relating to such Tort**
26 **Claim B and such Tort Claim B shall be discharged and subject to the Injunctions as**
27 **provided in the Plan.**

28 i. Before any payment(s) is made to or calculated for Tort Claimants on

1 account of a Tort Claim B, the Trustee will subtract all related Qualified Counsel Fees from the
2 balance of the Trust Assets in the subaccount established for Tort Claims B in an amount equal
3 to: (a) the total fees payable to applicable Qualified Counsel by the subject Tort Claimants based
4 on the reserves or distributions for such Tort Claimants calculated under the Plan and the Tort
5 Claims B Allocation Protocol; and (b) an amount equal to the unpaid reimbursable expenses
6 (prepetition and postpetition through the Effective Date) payable to such Qualified Counsel by the
7 beneficiaries of the subaccount of the Trust established for Tort Claims B. The Trust shall pay
8 such fees to such Qualified Counsel as and when the applicable Tort Claimant receives a
9 distribution from the Trust.

10 j. Subject to the treatment of Qualified Counsel Fees pursuant to the Plan, the
11 fees and expenses of attorneys representing Tort Claimants who receive payments from the Trust
12 will be borne by such Tort Claimants based on applicable state law and individual arrangements
13 made between such Tort Claimants and their respective attorneys. The Reorganized Debtor and
14 the Protected Parties shall not have any liability for any fees and expenses of attorneys
15 representing any of the Tort Claimants or for any Qualified Counsel Fees. The Trust and the
16 Trustee will not have any liability for any fees and expenses of attorneys representing any of the
17 Tort Claimants, except to the extent that the Trust or the Trustee is required to make payments
18 pursuant to the provisions herein relating to Qualified Counsel Fees.

19 k. No payment or Award will be made to any Tort Claimants holding Tort
20 Claims B asserting Penalty Claims relating to such Tort Claims B and such Penalty Claims will
21 be Disallowed Claims.

22 l. If the Unknown Tort Claims Fund is not fully utilized, holders of Tort
23 Claims B also may receive the benefit of the Unknown Tort Claims Fund Reallocation and
24 Distribution.

25 m. A Tort Claimant may withdraw a Tort Claim B at any time, without further
26 order of the Court, on written notice to the Trustee. If withdrawn, (a) the Tort Claim B will be
27 withdrawn with prejudice and may not be reasserted against the Reorganized Debtor, the Trustee,
28 the Trust, or any Protected Party, including as an Unknown Tort Claim, (b) as a condition to

1 withdrawal of the Tort Claim B, any funds paid to the Tort Claimant by the Trust (inclusive of
2 attorneys' fees and costs) shall be returned to the Trust, and (c) such funds and any reserve
3 maintained by the Trust on account of such Tort Claim shall revert to the non-reserved assets of
4 the subaccount of the Trust for Class 13 for distribution or use as part of the Class 13 allocation of
5 funds in accordance with the Plan and the Trust. Withdrawal of any Tort Claim B by a Tort
6 Claimant shall be without prejudice to such Entity's rights against any Co-Defendant but subject
7 to the limitations contained in the Plan and the Confirmation Order.

8 19.2 Impairment.

9 The Class 13 Claims are impaired under the Plan.

10 **ARTICLE 20**

11 **TREATMENT OF CLASS 14 CLAIMS**

12 **(TORT CLAIM C)**

13 20.1 Treatment.

14 a. On the Effective Date, the Trust shall assume all liability for and the Trust
15 will pay the Tort Claim C as a Class 14 Claim pursuant to the provisions of the Plan, Plan
16 Documents, Confirmation Order, and Trust Documents.

17 b. The Initial Allocation of the Tort Claims Settlement Amount for Class 14
18 Claims is Seven Hundred Fifty-Thousand Dollars (\$750,000), which shall be paid to the Class 14
19 Claimant from the Trust promptly after the Effective Date, as and subject to this Article 20.

20 c. **Upon the occurrence of the Effective Date, the Class 14 Tort Claimant**
21 **shall have no right to a trial by jury or otherwise with respect to any Tort Claim against the**
22 **Trust and the Tort Claim C of the Tort Claimant will be solely treated in accordance with**
23 **the Plan, and shall be a Channeled Claim to be paid solely from the Trust.**

24 d. Debtor, the Reorganized Debtor and their counsel shall reasonably
25 cooperate with the Trustee as requested by the Trustee, but only in connection with any
26 reasonable inquiries by either in the administration of the Allocation Protocols, in respect of Tort
27 Claims or with respect to Assets assigned to the Trust or Trustee.

28 e. No other Tort Claimant may challenge the merit, validity, or amount of the

1 Class 14 Claim. If any objection to the Class 14 Claim is pending as of the Effective Date, such
2 objection is deemed withdrawn with prejudice on or after the Effective Date. No objection shall
3 be made to the Class 14 Claim, which is being settled under the Plan.

4 f. Funding of the Tort Claim Settlement Amount is being enabled by
5 contributions from Settling Insurers and Participating Parties based in substantial part on their
6 receiving certain written releases of Claims against all of the Protected Parties and certain
7 certifications. Execution of such written releases and certifications by the Tort Claimant holding
8 the Class 14 Claim is a condition to the Plan's Effective Date and to such Tort Claimant receiving
9 a distribution under the Plan. Execution of the release and certification included in the Class 14
10 Ballot for voting on the Plan by a Tort Claimant holding a Class 14 Claim is sufficient for this
11 purpose or, alternatively, such Tort Claimant must personally (unless deceased or lacking
12 capacity) execute a separate release and certification in substantially similar form thereto. The
13 Trust shall be obligated to provide copies of the Tort Claimant's release and certifications to any
14 of the Protected Parties upon request.

15 **g. Regardless of the amount(s) to which the holder of Tort Claim C may**
16 **receive under the Plan from the Trust, such Tort Claimant shall have no rights against the**
17 **Reorganized Debtor, the Insured Entities or the Protected Parties relating to such Tort**
18 **Claim C, and such Tort Claim C shall be discharged and subject to the Injunctions as**
19 **provided in the Plan.**

20 h. The Class 14 Tort Claim was settled prior to the Petition Date under a
21 settlement that is alleged to include false representations of the Debtor, which allegations the
22 Debtor disputes, and as to which the Debtor's performance was incomplete as of the Petition
23 Date. The Initial Allocation of the Tort Claims Settlement Amount for Class 14 Claim is made in
24 full settlement of such Claim, including any rights to rescission or for damages for the underlying
25 Abuse, and all other Claims of the Class 14 Tort Claimant.

26 20.2 Impairment.

27 The Class 14 Claim is impaired under the Plan.

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ARTICLE 21

TREATMENT OF CLASS 15 CLAIMS

(UNKNOWN TORT CLAIMS)

21.1 Treatment.

a. On the Effective Date, the Trust shall assume all liability for and the Trust will pay all Unknown Tort Claims from the Unknown Tort Claims Fund pursuant to the provisions of the Plan, Plan Documents, Confirmation Order, Unknown Tort Claim Allocation Protocol and Trust Documents. The Unknown Tort Claims Fund Note, the Unknown Tort Claims Fund, and any increase to the Initial Allocation for Class 15 payable as a result of the Tort Claims Settlement Amount Additions Allocation shall be the sole sources of funding distributions on account of Unknown Tort Claims entitled to an Award pursuant to the Unknown Tort Claims Allocation Protocol, which funding also shall be sources, *inter alia*, for expenses of administering the Trust and paying the Trustee and Abuse Claims Reviewer. If an Unknown Tort Claim is paid or denied payment pursuant to the Unknown Tort Claim Allocation Protocol, the holder of such Unknown Tort Claim shall have no further rights against the Debtor, Reorganized Debtor, the Trust, Trustee, Participating Party or Settling Insurers relating to such Unknown Tort Claim.

b. Unknown Tort Claimants shall file proofs of Claim in substantially the form attached as Exhibit 11 to the Plan and shall include information sufficient for the Abuse Claims Reviewer to make an initial evaluation pursuant to the Unknown Tort Claim Allocation Protocol and an evaluation of the Claim pursuant to the evaluation factors in the Unknown Tort Claim Allocation Protocol. Such Unknown Tort Claims shall be filed by submitting the claims to the Trustee at the address provided on the form.

c. Unknown Tort Claimants shall have their Class 15 Claims treated pursuant to the Unknown Tort Claims Allocation Protocol, including review of such Claims by the Abuse Claims Reviewer in accordance with the Unknown Tort Claims Allocation Protocol. **Upon occurrence of the Effective Date, Unknown Tort Claimants shall have no right to a trial by jury or otherwise with respect to any Tort Claim against the Trust and the Tort Claim of such Unknown Tort Claimant will be solely determined by the Abuse Claims Reviewer and**

1 **in accordance with the Unknown Tort Claims Allocation Protocol, and shall be a Channeled**
2 **Claim to be paid solely from the Trust.**

3 d. Debtor, the Reorganized Debtor and their counsel shall reasonably
4 cooperate with the Abuse Claims Reviewer and the Trustee as requested by the Abuse Claims
5 Reviewer or the Trustee, but only in connection with any reasonable inquiries by either in the
6 administration of the Allocation Protocols, in respect of Tort Claims or with respect to Assets
7 assigned to the Trust or Trustee.

8 e. The Trustee shall have the sole and exclusive right to object to an
9 Unknown Tort Claim. The Trustee, however, cannot object to the Abuse Claims Reviewer's
10 acceptance and/or valuation of any Tort Claim and interpretation of the Plan and Unknown Tort
11 Claims Allocation Protocol.

12 f. If a Tort Claimant holding a Class 15 Claim timely executes a written
13 release and certification, it shall be entitled to be considered for an Award from the Abuse Claims
14 Reviewer made in accordance with the Unknown Tort Claims Allocation Protocol. The written
15 releases and certifications in the form included in the Class 12 Ballot for voting on the Plan are
16 sufficient for this purpose. An Unknown Tort Claimant must personally (unless deceased or
17 lacking capacity) execute the release and certifications required by this Section 21.1(f). The Trust
18 shall be obligated to provide copies of the Tort Claimants' releases and certifications to any of the
19 Protected Parties upon request. Because funding of the Tort Claim Settlement Amount is being
20 enabled by contributions from Settling Insurers and Participating Parties based in substantial part
21 on their receiving certain written releases of Claims against all of the Protected Parties and certain
22 certifications, as agreed by the Future Claims Representative, each of the Tort Claimants holding
23 Class 15 Claims shall receive no distribution from the Trust if the Tort Claimant fails to execute
24 the written releases and certifications (and also shall receive nothing if its Tort Claim is
25 Disallowed).

26 **g. Regardless of the amount(s), if any, to which a holder of an Unknown**
27 **Tort Claim may receive under the Plan from the Trust, such Tort Claimant will have no**
28 **rights against the Reorganized Debtor, the Insured Entities or the Protected Parties relating**

1 **to such Tort Claim, and such Unknown Tort Claim shall be discharged and subject to the**
2 **Injunctions as provided in the Plan.**

3 h. The fees and expenses of attorneys representing Unknown Tort Claimants
4 who receive payment from the Trust will be borne by such Unknown Tort Claimants based on
5 applicable state law and individual arrangements made between such Unknown Tort Claimants
6 and their respective attorneys. None of the Reorganized Debtor, the Trust, the Trustee, or the
7 Protected Parties will have any liability for any fees and expenses of attorneys representing any
8 Unknown Tort Claimants and any Claims for such fees and expenses will be disallowed.

9 i. No payment or Award will be made to any Unknown Tort Claimants
10 asserting Penalty Claims relating to Unknown Tort Claims and such Penalty Claims will be
11 Disallowed Claims.

12 j. If the Unknown Tort Claims Fund is not fully utilized, any then existing
13 holders of Unknown Tort Claims also may receive the benefit of the Unknown Tort Claims Fund
14 Reallocation and Distribution.

15 k. An Unknown Tort Claimant may withdraw an Unknown Tort Claim at any
16 time, without further order of the Court, on written notice to the Trustee. If withdrawn, (a) the
17 Unknown Tort Claim will be withdrawn with prejudice and may not be reasserted against the
18 Reorganized Debtor, the Trustee, the Trust, or any Protected Party; (b) as a condition to
19 withdrawal of the Unknown Tort Claim, any funds paid to the Unknown Tort Claimant by the
20 Trust (inclusive of attorneys' fees and costs) shall be returned to the Trust; and (c) such funds and
21 any reserve maintained by the Trust on account of such Unknown Tort Claim shall revert to the
22 non-reserved assets the subaccount of the Trust for Class 15 for distribution or use as part of the
23 Class 15 allocation of funds in accordance with the Plan and the Trust.

24 l. Withdrawal of any Unknown Tort Claim by an Unknown Tort Claimant
25 shall be without prejudice to such Entity's rights against any Co-Defendant but subject to the
26 limitations contained in the Plan and the Confirmation Order.

27 21.2 Impairment.

28 The Class 15 Claims are impaired under the Plan.

ARTICLE 22**TRUST****22.1 Establishment of Trust.**

As soon as reasonably practicable following the Confirmation Date, consistent with Article 25, the Trust shall be established in accordance with the Trust Documents. The Trust shall qualify as a "Qualified Settlement Fund" pursuant to Section 468B of the Internal Revenue Code and the Treasury Regulations promulgated thereunder. The Trust Documents, including the Trust Agreement, are incorporated herein by reference.

22.2 Funding.

The Trust will be funded as follows:

By the next Business Day after all the conditions to Effective Date set forth in Sections 29.1(a)-(f) have occurred, the Debtor will pay to the Trust by wire transfer the sum of \$14,250,000.00 from the Plan Implementation Account and the Debtor will contemporaneously transfer the Unknown Tort Claims Fund Note to the Trustee.

22.3 Reserve Accounts and Information Access.

As set forth in the Trust Agreement, the Trustee shall establish reserves for various purposes. The proofs of Claim of Tort Claimants shall be made available to the Trustee and Abuse Claims Reviewer (who shall maintain them as confidential except to the extent necessary or appropriate in carrying out their duties) by the Committee, Debtor and/or Reorganized Debtor.

22.4 No Execution.

All property transferred to the Trust will remain property of the Trust until such time as the property actually has been paid to and received by an Entity entitled to receive payment pursuant to the terms of the Plan, Plan Documents, Confirmation Order, Allocation Protocols and Trust Documents. Except as expressly provided in the Plan, Plan Documents, Confirmation Order, Allocation Protocols and Trust Documents, the Trust shall not be responsible for administration or payment of any Claims against the Debtor.

22.5 Trust Distributions.

Except as provided in Section 19.1(f) hereof, no Tort Claimant or Unknown Tort

1 Claimant shall receive any payment from the Trust unless and until the Tort Claimant has duly
2 executed and returned (a) a written release of any and all past, present, and future Claims against
3 all of the Protected Parties, the Insured Entities and all of the Settling Insurers' or Participating
4 Parties' reinsurers or retrocessionaires, and (b) certifications, in each case in the form or
5 substantially the form provided for in the applicable Ballots; provided, however, that, subject to
6 Article 18, Article 19, Article 20 and Article 21 of the Plan, nothing in this Section 22.5 shall
7 require any Tort Claimant or Unknown Tort Claimant to release any Claims against any Co-
8 Defendants. The release of any Tort Claimant that timely submits a ballot may be executed by
9 the Tort Claimant's counsel of record if, in the same document that contains the release, counsel
10 of record represents and warrants that he or she explained the terms and effects of the Plan and
11 release to the Tort Claimant and has full authority to sign the Ballot and release on behalf of the
12 Tort Claimant. A Tort Claimant who does not timely submit a duly executed Ballot must
13 personally (unless deceased or lacking capacity) execute the release required by this Section 22.5.
14 The Trust shall be obligated to provide copies of the Tort Claimants' and Unknown Tort
15 Claimants' releases and certifications to any of the Protected Parties that request them.

16 22.6 Time for Return and Effect of Late Return of Releases and Certifications by
17 Releasing Tort Claimants.

18 A Tort Claimant must timely execute and deliver a release and certification in
19 accordance with the Plan to be entitled to receive an Award from the Abuse Claims Reviewer
20 based upon its point award as follows:

21 a. Timely return of a release and certification by a Tort Claimant to the
22 Trustee consists of: (i) execution and return thereof by a Tort Claimant with its timely Ballot; or
23 (ii) execution and return thereof as follows:

24 i. The executed release and certification by a Tort Claimant are timely
25 if delivered to the Trustee within thirty (30) calendar days following service by the Trustee on the
26 Tort Claimant at its last known address of a release and certification in acceptable form and a
27 notice indicating that failure to timely execute and return such release and certification shall
28 deprive the Tort Claimant of the ability to enforce any claim to an Award based on the Abuse

1 Claims Reviewer's point award;

2 ii. If a known Tort Claimant has not otherwise timely executed and
3 delivered a release and certification in accordance with the foregoing provisions of this Section
4 22.6, the Trustee within ten (10) Business Days following the last date for timely delivery of an
5 executed release and certification in accordance with the foregoing provisions of this Section
6 22.6, shall notify the Reorganized Debtor of the failure of the Tort Claimant to have so timely
7 returned a properly executed release and certification. The Reorganized Debtor may commence
8 such action(s) as the Reorganized Debtor deems appropriate to obtain an executed release and
9 certification and notify the Trustee of such undertaking. A properly executed release and
10 certification shall be deemed timely if:

11 (A) Received by the Trustee within thirty (30) days following
12 the Trustee's notification to the Reorganized Debtor made in accordance with this subsection (ii).

13 (B) Within thirty (30) days following the later of (x) the
14 Trustee's notification to the Reorganized Debtor made in accordance with this subsection (ii) or
15 (y) the Effective Date, the Trustee is notified that authorization to properly execute a release and
16 certification is being sought with respect to a deceased or incompetent Tort Claimant and such
17 executed release and certification actually is provided to the Trustee by the earlier of (x) ninety
18 (90) days following such notification to the Trustee and (y) sixty (60) days prior to termination of
19 the Trust.

20 b. The Trustee shall make no distribution to a Tort Claimant of an Award
21 based on the Abuse Claims' Reviewer's point award if the delivery to the Trustee of an executed
22 release or certification is not timely as set forth above.

23 22.7 Special Distribution Conditions.

24 In connection with the implementation of the Plan, the Trustee shall obtain prior to
25 remittance of funds to counsel for a Tort Claimant or to a Tort Claimant, if pro se, in respect of
26 any Tort Claim, a certification from the Tort Claimant to be paid from the Trust that said Tort
27 Claimant has or will provide any information necessary to comply with reporting obligations
28 arising under the MSPA or MMSEA, and has or will provide for the payment and/or resolution of

1 any obligations owing or potentially owing under the MSPA relating to such Tort Claim or
2 distribution from the Trust; otherwise the Trustee shall withhold from any payment directly or
3 indirectly to the Tort Claimant funds sufficient to assure that any obligations owing or potentially
4 owing under the MSPA relating to such Tort Claim are paid.

5 22.8 The Trust shall defend, indemnify and hold harmless the Reorganized Debtor and
6 the Protected Parties from any and all Medicare Claims and any Claims related to the Trust's
7 obligations under the Plan, the Trust Documents, and the Plan Documents. The Trust shall not
8 create a reserve for this potential obligation.

9 22.9 Subject to the provisions of the Plan and the Trust Agreement, the Trust Assets
10 shall also be used for payment of indemnity and expenses relating to reimbursing the United
11 States government or its contractors for conditional payments made pursuant to the MSPA
12 applicable to any given Tort Claimants (including Unknown Tort Claimants) who are Medicare
13 Beneficiaries. Except for the payment of amounts payable under any Insurance Settlement
14 Agreement, none of the Protected Parties shall be obligated to make any other payments for this
15 purpose, including any payments to the Trust.

16 22.10 After the occurrence of Effective Date, the Trustee shall have the sole and
17 exclusive right, but no obligation, to object to a Class 13 Tort Claim B or Class 15 Unknown Tort
18 Claim and to raise as a defense or offset to such Tort Claim, any Claim of the Debtor, including
19 an Avoidance Action. *See* also Section 23.7.

20 22.11 The Trust shall terminate and the Trustee shall have no further obligations under
21 the Plan or the Trust as set forth in the Trust.

22 **ARTICLE 23**

23 **MEANS OF IMPLEMENTATION OF THE PLAN**

24 23.1 Establishment of Plan Implementation Account.

25 After the Confirmation Date, the Debtor will establish the Plan Implementation
26 Account which will be held and administered in accordance with the Plan, the Insurance
27 Settlement Agreement, the Participating Party Agreement and the Confirmation Order.

28 ///

1 23.2 Funding of Plan Implementation Account.

2 On or before the Effective Date, the following will be transferred to the Plan
3 Implementation Account:

4 a. Debtor's Funding. The Debtor will transfer \$7,400,000 or so much as is
5 necessary to satisfy the Debtor's initial obligations under the Plan to the Plan Implementation
6 Account. A portion of such funding may be obtained through the Cemetery Loan to the Debtor or
7 Reorganized Debtor. After the Confirmation Date, the Debtor may transfer (i) all of the funds
8 held pursuant to the Order Granting Debtor's Motion to Approve Stipulation Regarding
9 Procedures for Sale of Eucharistic Franciscan Sisters Residence (Dkt. No. 338), and (ii) all of the
10 funds held pursuant to the Order on Debtor's Motion for Order Approving a Stipulation for
11 Turnover of Rabbi Trust Funds and Payment of Post-Petition Plan Expenses (Dkt. No. 316) to the
12 Plan Implementation Account without further Court order.

13 b. Settling Insurers Funding. Pursuant and subject to the Insurance
14 Settlement Agreement, the Settling Insurers will wire transfer the aggregate sum of \$3,305,000 to
15 the Plan Implementation Account.

16 c. Participating Party Funding. Pursuant and subject to Participating Parties
17 Agreement, the Participating Parties will transfer \$2,905,000 to the Plan Implementation
18 Account.

19 d. All Saints Settlement. Pursuant and subject to the Participating Party
20 Agreement, All Saints University Church will transfer \$1,295,000 to the Plan Implementation
21 Account.

22 e. RCW Funding. Pursuant and subject to the Participating Party Agreement,
23 the RCW will transfer \$1,000,000 to the Plan Implementation Account.

24 23.3 Transfer of Unknown Tort Claims Fund Note.

25 On or before the Effective Date, the Debtor will transfer the \$750,000 Unknown
26 Tort Claims Fund Note to the Trustee, as to which all payments shall be made by wire transfer
27 within ten (10) days of demand for payment made in accordance with the terms of the Unknown
28 Tort Claims Fund Note.

1 23.4 Deferred Payment of Professional Fee Claims.

2 To the extent necessary to allow the Debtor to satisfy its initial obligations under
3 the Plan, the law firm of Felderstein Fitzgerald Willoughby & Pascuzzi LLP and the law firm of
4 Neumiller & Beardslee APC will consent to defer payment of approximately \$445,000 of their
5 Allowed Professional Fee Claims.

6 23.5 Establishment of Disputed Claims Reserve.

7 To the extent required, the Debtor shall establish and fund the Disputed Claims
8 Reserve as of the Effective Date.

9 23.6 Payment and Treatment of Claims Other Than Tort Claims.

10 Payments due to creditors on account of Allowed Claims other than Tort Claims
11 will be paid pursuant to the terms of the Plan from the Reorganized Debtor's Revested Assets and
12 ongoing operations, except that, unless otherwise agreed, payments for Allowed Professional Fee
13 Claims also may be paid from any remainder of the funding described in Section 23.2 of the Plan
14 after the other described obligations therein. Additionally, other than as to Professional Fees and
15 transfers due to the Trust or Trustee, any payment due to a creditor under the Plan by a specified
16 Claims Payment Date will not be late if paid within thirty (30) days following such applicable
17 Claim Payment Date.

18 23.7 Non-Monetary Transfers to the Trust.

19 In addition to other obligations of the Debtor under the Plan with respect to the
20 Trust, including the transfer to the Trust of the Tort Claim Settlement Amount, as of the Effective
21 Date, all rights of the Debtor and Estate to the following shall automatically vest in the Trust and
22 Trustee: (a) all rights to object to Tort Claims; (b) all claims against Tort Claimants, including
23 Avoidance Actions; and (c) all rights and claims of the Debtor, including subrogation Claims,
24 Contribution Claims and claims to available insurance, against a Non-Setting Insurer (and as to
25 the applicable Policy) as to any and all Tort Claims for which the Trust has liability and for which
26 the Reorganized Debtor no longer has liability under the Plan. If any objection to a Class 12,
27 Class 13 or Class 14 Claim is pending as of the Effective Date, such objection is deemed
28 withdrawn with prejudice on or after the Effective Date, except that if an objection to a Class 13

1 Claim had been brought or authorized by the Committee prior to the Effective Date, it may be
2 taken over from the Debtor or Committee by the Trustee.

3 23.8 Revesting of Debtor's Property.

4 Except as otherwise provided in this Plan or in the Confirmation Order, on the
5 Effective Date, all real and personal property of the Debtor shall revert in the Reorganized
6 Debtor, free and clear of all Claims, liens, encumbrances, charges and other interests of Creditors.
7 As of the Effective Date, the Reorganized Debtor may hold, use, dispose, and otherwise deal with
8 its property and conduct its affairs free of any restrictions imposed by the Bankruptcy Code or the
9 Bankruptcy Court, other than those restrictions and limitations expressly imposed by the Plan, the
10 Confirmation Order and any other Plan Documents.

11 23.9 Retained Claims.

12 On or before the Effective Date, all Retained Claims shall be deemed assigned by
13 the Debtor to the Reorganized Debtor. The Reorganized Debtor may pursue any Retained Claims
14 at the discretion of the Reorganized Debtor and will retain the proceeds of all such Retained
15 Claims, if any.

16 23.10 Approval of Financing and Section 363 Sales.

17 Pursuant to Bankruptcy Code §§ 363, 364 and 1123, and in consideration for the
18 classification, distribution, releases, and other benefits provided under the Plan, on the Effective
19 Date, the provisions of the Plan shall constitute approval of (a) any and all financing the Debtor
20 intends to obtain from the Catholic Cemeteries of the Diocese of Stockton; (b) the sale free and
21 clear of all Tort Claim Interests, of any Released Insurance Policies to be purchased by a Settling
22 Insurer pursuant to the terms of the Insurance Settlement Agreement; and (c) the sale of any
23 property to be purchased by a Participating Party under the Participating Party Agreement, and
24 the Court shall have granted the purchasers the protections available under Bankruptcy Code
25 § 363(m). The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of
26 the Bankruptcy Code § 364 financing, Bankruptcy Code § 363 sales and grant of Bankruptcy Code
27 § 363(m) protections, as provided in the Insurance Settlement Agreement and Participating Party
28 Agreement.

1 23.11 Approval of Settlement Agreements.

2 Pursuant to Bankruptcy Code § 1123 and Bankruptcy Rule 9019, and in
3 consideration for the classification, distributions and other benefits provided under the Plan,
4 including, *inter alia*, (i) the commitment by the Debtor to fund the Debtor's obligations under the
5 Plan to the Plan Implementation Account; (ii) the Insurance Settlement Agreement; (iii) the
6 Participating Party Agreement; and (iv) the Debtor's non-monetary commitment to healing and
7 reconciliation as set forth in Section 23.15 of the Plan, the provisions of the Plan shall constitute a
8 good faith compromise and settlement of all Claims against the Debtor, the Settling Insurers and
9 Participating Parties. The entry of the Confirmation Order shall constitute the Bankruptcy Court's
10 approval of the global compromise of Claims, including the Insurance Settlement Agreement and
11 Participating Party Agreement. The Bankruptcy Court's findings in the Confirmation Order shall
12 constitute its determination that such compromises and settlements are in the best interests of the
13 Debtor, the Estate, Participating Parties, Tort Claimants, Unknown Tort Claimants and other parties in
14 interest, and are fair, equitable and within the range of reasonableness.

15 23.12 Debtor Waiver and Release of Claims Against Settling Insurers.

16 As provided in the Insurance Settlement Agreement, upon the occurrence of the
17 Effective Date and payment by each Settling Insurer of such Settling Insurer's settlement amount
18 pursuant to the Insurance Settlement Agreement, the Debtor on behalf of itself, its Estate, and its
19 Representatives fully, finally, and completely remises, releases, acquits, and forever discharges
20 and releases the corresponding Settling Insurer (and any property thereof) and any of its
21 reinsurers or retrocessionaires from any and all past or present Tort Claims, including any Claims
22 that, directly or indirectly, arise out of, relate to, or are in connection with the Tort Claims,
23 including Channeled Claims and any Claims related to Abuse occurring after the Petition Date
24 through the Confirmation Date. This release specifically includes all Unknown Tort Claims, with
25 all Tort Claims channeled to the Trust, pursuant to the Plan, and with no liability to such Settling
26 Insurer. If there is any conflict between the Insurance Settlement Agreement and the Plan
27 (including the foregoing release), the terms of the Insurance Settlement Agreement shall prevail
28 as to matters between the parties to, and any third party beneficiaries of, the Insurance Settlement

1 Agreement.

2 23.13 Debtor Waiver and Release of Participating Parties and Settling Insurers.

3 In consideration of the terms of the Participating Party Agreement, the Insurance
4 Settlement Agreement and other consideration, upon the Effective Date and the respective
5 Participating Party's or Settling Insurer's performance under their respective Participating Party
6 Agreement or Insurance Settlement Agreement, including without limitation delivery of any
7 dismissal orders or stipulations that may be required thereunder, the Debtor, on behalf of itself, its
8 Estate, and its Representatives, fully, finally, and completely remises, releases, acquits, and
9 forever discharges and releases each such Participating Party and each such Settling Insurer and
10 any of their reinsurers or retrocessionaires (and any property thereof) from any and all past and
11 present Claims that arise out of, or relate to, or are in connection with Tort Claims, including any
12 Channeled Claims and any Claims related to Abuse occurring after the Petition Date through the
13 Confirmation Date. This release specifically includes all Unknown Tort Claims, with all Tort
14 Claims channeled to the Trust, pursuant to the Plan, and with no liability to such Settling Insurer.
15 If there is any conflict between the Insurance Settlement Agreement or Participating Party
16 Agreement and the Plan (including the foregoing release), the terms of the applicable Insurance
17 Settlement Agreement or Participating Party Agreement shall prevail as to matters between the
18 parties to, and any third party beneficiaries of, the Insurance Settlement Agreement or
19 Participating Party Agreement, as applicable.

20 23.14 Waiver and Release of Participating Parties.

21 In consideration of the terms of the Participating Party Agreement and other
22 consideration, upon the Effective Date and the Participating Party's performance under the
23 Participating Party Agreement, the Debtor, on behalf of itself, its Estate, and its Representatives,
24 fully, finally, and completely remises, releases, acquits, and forever discharges and releases each
25 Participating Party from any and all potential Claims related to Avoidance Actions (the "Debtor
26 Release").

27 The Debtor, Reorganized Debtor, and the Debtor's Estate (including all entities
28 claiming directly, indirectly, derivatively, or otherwise through the Debtor or the Reorganized

1 Debtor or its Estate, including the Committee) further acknowledge and agree that the foregoing
2 release of claims includes the release of any unknown claims related to Avoidance Actions
3 against each Participating Party. The Debtor Release is a full and final release of any and all
4 such, claims and the release parties expressly waive, as to such claims, the benefits of Section
5 1542 of California Civil Code (or any similar law in any other state), which provides:

6 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**
7 **CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
8 **FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF**
9 **KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS**
10 **OR HER SETTLEMENT WITH THE DEBTOR.**

11 Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval,
12 pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of
13 the related provisions and definitions contained herein, and further, shall constitute the
14 Bankruptcy Court's finding that the Debtor Release is: (1) in exchange for the good and valuable
15 consideration provided by the releasing parties; (2) a good faith settlement and compromise of the
16 claims released by the Debtor Release; (3) in the best interests of the Debtor and all holders of
17 Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and
18 opportunity for hearing; and (6) a bar to the Debtor or the Reorganized Debtor asserting any
19 claim or cause of action released pursuant to the Debtor Release.

20 23.15 Non-Monetary Commitment to Healing and Reconciliation.

21 In order to further promote healing and reconciliation, and in order to continue its
22 efforts to prevent Abuse from occurring in the Diocese in the future, the Reorganized Debtor
23 agrees that beginning within thirty (30) days after the Effective Date (unless a different date is
24 provided below), it will undertake the commitments set forth in Exhibit 12 attached hereto and
25 incorporated herein.

26 23.16 Procedure for Determination of Claims Other Than Tort Claims.

27 While Sections 22.10 and 23.7 address matters and procedures for objections to
28 Tort Claims, the following procedures will be used for purposes of allowance and disallowance of
Claims that are not Tort Claims:

a. Objections to Claims. Notwithstanding the occurrence of the Effective

1 Date, and except as to any Claim that has been Allowed prior to the Effective Date or as expressly
2 provided otherwise in the Plan or a Plan Document, the Reorganized Debtor may object to the
3 allowance of any Claim against the Debtor or seek estimation thereof on any grounds permitted
4 by the Bankruptcy Code by filing the appropriate pleading in the Bankruptcy Court at any time
5 prior to the first Business Day which is one hundred eighty (180) days after the Effective Date, or
6 such other date as may be approved by the Bankruptcy Court; provided, however, that nothing
7 contained in the Plan will affect the right of the Debtor or Reorganized Debtor to seek estimation
8 of any Claims, including Tort Claims, on any grounds permitted by the Bankruptcy Code at any
9 time.

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

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

23 d. Disallowance of Claims. **EXCEPT AS OTHERWISE AGREED, ANY**
24 **AND ALL PROOFS OF CLAIM (NOT INCLUDING CLASS 12, CLASS 13, CLASS 14**
25 **OR CLASS 15 CLAIMS) FILED AFTER THE APPLICABLE DEADLINE FOR FILING**
26 **SUCH PROOFS OF CLAIM SHALL BE DEEMED DISALLOWED AND EXPUNGED AS**
27 **OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION,**
28 **ORDER, OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH**

1 **CLAIMS SHALL NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH**
2 **CLAIMS UNDER THIS PLAN, UNLESS SUCH LATE PROOF OF CLAIM IS DEEMED**
3 **TIMELY FILED BY A FINAL ORDER OF THE BANKRUPTCY COURT OR AS**
4 **AGREED TO BY THE REORGANIZED DEBTOR.**

5 e. Amendments to Claims. On or after the Effective Date, except as
6 otherwise provided herein, a Claim may not be filed or amended without the authorization of the
7 Bankruptcy Court or the Reorganized Debtor, and, to the extent such authorization is not
8 received, any such new or amended Claim filed shall be deemed disallowed in full and expunged
9 without any further notice to or action, order, or approval of the Bankruptcy Court, provided, that,
10 after the Effective Date, holders of Claims may provide updated notice and address information
11 for distribution purposes, which should be directed to the Reorganized Debtor for all Claims other
12 than Tort Claims, for which such information should be sent to the Trustee.

13 23.17 Payments Effective Upon Tender.

14 Whenever the Plan requires payment to be made, such payment will be deemed
15 made and effective upon tender thereof by the Debtor or the Reorganized Debtor to the Creditor
16 to whom payment is due. If any Creditor refuses a tender, the amount tendered and refused will
17 be held by the Debtor or the Reorganized Debtor for the benefit of that Creditor pending final
18 adjudication of the dispute. However, when and if the dispute is finally adjudicated and the
19 Creditor receives the funds previously tendered and refused, the Creditor will be obliged to apply
20 the funds in accordance with the Plan as of the date of the tender; and while the dispute is pending
21 and after adjudication thereof, the Creditor will not have the right to claim interest or other
22 charges or to exercise any other rights which would be enforceable by the Creditor, if the Debtor
23 or the Reorganized Debtor failed to pay the tendered payment.

24 23.18 Preservation of Tort Claimant's Rights Against Co-Defendants.

25 Nothing in the Plan is intended to affect, diminish or impair any Tort Claimant's
26 rights against any Co-Defendant, but solely with respect to any direct liability of such Co-
27 Defendant. Under no circumstances will the reservation of such Tort Claimant's rights against
28 any Co-Defendant impair the releases, discharge or Injunctions with respect to any Protected

1 Party and the Reorganized Debtor against whom all such rights and/or Claims of any Tort
2 Claimant shall be and are hereby released and enjoined to the extent provided in Article 30 of the
3 Plan.

4 23.19 Preservation of Debtor's Claims, Demands and Causes of Action.

5 Except as otherwise provided in the Plan, all Claims, demands, and causes of
6 action of any kind or nature whatsoever held by, through, or on behalf of the Debtor and/or the
7 Estate against any other Entity, including but not limited to, the Retained Claims arising before
8 the Effective Date which have not been resolved or disposed of prior to the Effective Date, are
9 hereby preserved in full for the benefit of the Reorganized Debtor, except for such Claims or
10 causes of action, cross-claims, and counterclaims which: (a) have been released hereunder or
11 pursuant to any applicable Insurance Settlement Agreement, Participating Party Agreement or a
12 Final Order prior to the Effective Date; and (b) have been or are being transferred to the Trustee.
13 Claims or causes of action, cross-claims and counterclaims which are being transferred to the
14 Trustee, if any, are preserved under the Plan for the benefit of the Trust. To the extent necessary,
15 the Reorganized Debtor is hereby designated as the estate representative pursuant to, and in
16 accordance with, Bankruptcy Code § 1123(b)(3)(B). Furthermore, in accordance with
17 Bankruptcy Code § 1123(b)(3), after the Effective Date, the Reorganized Debtor will own and
18 retain, and may prosecute, enforce, compromise, settle, release, or otherwise dispose of, any and
19 all Claims, defenses, counterclaims, setoffs, and recoupments belonging to the Debtor or its
20 Estate, including, but not limited to the Retained Claims. The Debtor and the Reorganized
21 Debtor also will be entitled to assign their rights under the Plan (except to the extent they are
22 prohibited from doing so pursuant to the express terms of any applicable agreement for Insurance
23 Coverage or Participating Party Agreement). On the Effective Date, and except as otherwise
24 specifically provided in the Plan, the Trustee is hereby designated as the estate representative,
25 pursuant to and in accordance with, Bankruptcy Code § 1123(b)(3) with respect to any and all
26 Claims, defenses, counterclaims, setoffs, and recoupments belonging to the Debtor or its Estate
27 with respect to Tort Claims.

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1 23.20 Special Provisions Governing Unimpaired Claims.

2 Except as otherwise provided in the Plan, nothing under the Plan will affect the
3 Debtor's or the Reorganized Debtor's rights and defenses with respect to any unimpaired Claims,
4 including, but not limited to, all rights with respect to legal and equitable defenses to, or setoffs or
5 recoupments against, holders of any such unimpaired Claims.

6 23.21 Operative Documents.

7 The Debtor and/or the Committee will prepare any documents which the Debtor,
8 the Reorganized Debtor and/or the Committee deem necessary or appropriate to execute the Plan
9 or are provided for under the Plan including, but not limited to, the Plan Documents. If there is
10 any dispute regarding the reasonableness or propriety of any such documents after reasonable and
11 good faith efforts by the Debtor to negotiate and obtain approval of the documents by the other
12 affected Entity, any such dispute will be presented to the Bankruptcy Court for determination at
13 or in conjunction with the Confirmation Hearing.

14 23.22 Return of Deposits.

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

23 23.23 Administrative Claims Bar Date.

24 Except for Chapter 11 Professionals, all requests for payment of administrative
25 costs and expenses incurred prior to the Effective Date pursuant to Bankruptcy Code §§ 507(a)(1)
26 and 503(b) will be served and filed with the Bankruptcy Court no later than thirty (30) days after
27 the Effective Date. Any such Claim which is not served and filed within this time period will be
28 forever barred. Any Claims for fees, costs, and expenses incurred by any Chapter 11

1 Professionals after the Effective Date will be treated as part of the fees and expenses of the
2 Reorganized Debtor and need not be submitted to the Bankruptcy Court for approval.

3 23.24 Delivery of Distributions (Except to Tort Claimants).

4 Distributions will be made by the Debtor or the Reorganized Debtor as follows:

5 a. At the addresses set forth in the proofs of Claim (and if both a claimant's
6 address and a claimant's counsel are listed on the proof of Claim then to counsel's address) filed
7 by holders of Claims or the last known addresses of such holders if no proof of Claim is filed or if
8 neither the Debtor nor the Reorganized Debtor has been notified of a change of address;

9 b. At the addresses set forth in written notices of address change filed with the
10 Bankruptcy Court and served on the Debtor or the Reorganized Debtor after the date of any
11 related proof of Claim; or

12 c. At the addresses reflected in the Schedules filed in the Reorganization Case
13 if no proof of Claim has been filed and neither the Debtor nor the Reorganized Debtor has been
14 served with a written notice of change of address.

15 d. If any distribution to a holder of an Allowed Claim is returned as
16 undeliverable, no further distributions to such holder will be made unless and until the Debtor or
17 the Reorganized Debtor is notified of such holder's then-current address, at which time all missed
18 distributions will be made to the holder without interest. All claims for undeliverable or uncashed
19 distributions must be made on or before the first (1st) anniversary of the date applicable to such
20 distribution or with respect to the final distribution to a Creditor holding an Allowed Claim,
21 within ninety (90) days thereof. After such date, all such unclaimed property will revert to the
22 Reorganized Debtor or the Trustee for further distribution in accordance with the Plan, and the
23 Claim of any holder or successor to such holder with respect to such property will be discharged
24 and forever barred, notwithstanding any federal or state escheat law to the contrary.

25 23.25 Transmittal of Distributions to Tort Claimants and Unknown Tort Claimants.

26 Except as otherwise provided in the Plan, in the Plan Documents, or in an order of
27 the Bankruptcy Court, distributions to Tort Claimants and Unknown Tort Claimants will be made
28 by the Trustee and distributions to all other creditors will be made by the Reorganized Debtor.

1 Distributions to Tort Claimants and Unknown Tort Claimants will be made in accordance with
2 the Trust Documents, provided that the Bankruptcy Court may issue further order(s) consistent
3 with the Plan facilitating distributions in respect of Claims as to which the holders died during the
4 Case, whether before or after the Effective Date.

5 23.26 Efforts Regarding Absence of Address or Returned Mail.

6 If a claimant's distribution is not mailed or is mailed but returned to the
7 Reorganized Debtor or Trustee because of the absence of a proper mailing address, the
8 Reorganized Debtor or Trustee, as the case may be, shall make a reasonable effort to locate or
9 ascertain the correct mailing address for such claimant from information generally available to the
10 public and from such party's own records, but shall not be liable to such claimant for having
11 failed to find a correct mailing address. The Trustee shall have no liability to a Tort Claimant on
12 account of distributions made to the client trust account of a Tort Claimant's attorney.

13 23.27 Limitation on De Minimis Payments.

14 The Debtor or the Reorganized Debtor will make no distributions of less than \$50
15 to any Creditor holding an Allowed Claim. If a Creditor holding an Allowed Claim does not
16 receive a distribution due to the provisions of this Section on any date on which a distribution is
17 to be made to Creditors in the same Class as the Creditor being entitled to such de minimis
18 payment, then the Claim (so long as it is an Allowed Claim) will remain eligible for distributions
19 on any subsequent distribution date, subject to the provisions of this Section 23.27. In all events,
20 the Creditor holding an Allowed Claim which has not received a distribution on any previous
21 distribution dates because of this provision, will receive such distribution on the date that final
22 distribution is made to Creditors in the same Class as the Creditor being entitled to such de
23 minimis payment.

24 **ARTICLE 24**

25 **TREATMENT OF EXECUTORY CONTRACTS**

26 24.1 Assumption and Rejection of Executory Contracts.

27 On the Effective Date, except as otherwise provided herein, all Executory
28 Contracts of the Debtor that have not been previously rejected or terminated will be assumed in

1 accordance with the provisions and requirements of Bankruptcy Code §§ 365 and 1123 other than
2 those Executory Contracts that: (a) already have been assumed by Final Order of the Bankruptcy
3 Court; (b) are subject to a motion to reject Executory Contracts that is pending on the
4 Confirmation Date; or (c) are subject to a motion to reject an Executory Contract pursuant to
5 which the requested effective date of such rejection is after the Effective Date. To the extent that
6 Insurance Policies of the Debtor are or can be construed as executory, they will be assumed as
7 modified by the Insurance Settlement Agreement. Approval of any motions to assume Executory
8 Contracts pending on the Confirmation Date or thereafter will be approved by the Bankruptcy
9 Court on or after the Confirmation Date by a Final Order. Each Executory Contract assumed
10 pursuant to this Article 24 will revest in, and be fully enforceable by, the Reorganized Debtor in
11 accordance with its terms, except as such terms are modified by the provisions of the Plan or any
12 order of the Bankruptcy Court authorizing and providing for its assumption or applicable law.

13 24.2 Claims Based on Rejection of Executory Contracts.

14 Every Claim asserted by a Creditor arising from the rejection of an Executory
15 Contract pursuant to the Plan must be filed with the Bankruptcy Court no later than the first
16 Business Day which is thirty (30) days after the Effective Date or the first Business Day that is
17 thirty (30) days after entry of the Final Order of the Bankruptcy Court approving rejection, if such
18 Final Order is entered after the Effective Date. Every such Claim which is timely filed, as and
19 when it becomes an Allowed Claim, will be treated under Class 6 of the Plan. Every such Claim
20 which is not timely filed by the deadline stated above will be forever barred, unenforceable, and
21 discharged, and the Creditor holding the Claim will not receive or be entitled to any distribution
22 under the Plan on account of such Claim.

23 24.3 Indemnification of Members, Managers, Officers, and Employees.

24 The obligation of the Debtor to indemnify any individual serving at any time on or
25 prior to the Effective Date as one of its officers, employees, council members or volunteers by
26 reason of such individual's service in such capacity to the extent provided in any of the Debtor's
27 constituent documents, by a written agreement with the Debtor or under the laws of the State of
28 California, as applicable, pertaining to the Debtor, will be deemed and treated as Executory

1 Contracts that are assumed by the Reorganized Debtor pursuant to the Plan and Bankruptcy Code
2 § 365 as of the Effective Date. Accordingly, such indemnification obligations of the Debtor to
3 indemnify any Entity will survive unimpaired and unaffected by entry of the Confirmation Order,
4 irrespective of whether such indemnification is owed for an act or event occurring before or after
5 the Petition Date unless such individual is a Protected Party.

6 **ARTICLE 25**

7 **OTHER POST-CONFIRMATION DATE OBLIGATIONS**

8 25.1 Closing.

9 If not done prior thereto, following the Confirmation Date, the Reorganized Debtor
10 and Committee shall work cooperatively to cause the execution and delivery of the Plan
11 Documents and the completion of those actions necessary for the Reorganized Debtor to establish
12 and fund the Trust and to be positioned, on or promptly after the Effective Date, to make
13 distributions required under the Plan and in accordance with the terms of the Insurance Settlement
14 Agreement and Participating Party Agreement. To the extent that a closing is required to enable
15 all conditions specified in Section 29.1 of the Plan to have been satisfied or waived and the
16 Effective Date to occur, it will be conducted in such manner or at such location as may be
17 designated by the Debtor and the Committee, as soon as reasonably practicable following the
18 Confirmation Date. As soon as practicable after conditions set forth in Section 29.1 have been
19 satisfied or waived in accordance with Section 29.2, and, thus, the Effective Date has occurred,
20 the Reorganized Debtor will file notice of the occurrence of the Effective Date.

21 25.2 Certain Obligations of the Reorganized Debtor.

22 Subject to Sections 25.1 and 29.1 of the Plan and without altering or diminishing
23 any other obligations of the Debtor or Reorganized Debtor under the Plan, following the
24 Confirmation Date, the Debtor or Reorganized Debtor will:

25 a. From the Effective Date, in the exercise of its business judgment, review or
26 complete the review of all Claims filed against the Estate except for Tort Claims and, if advisable,
27 object to such Claims;

28 b. From the Effective Date, not itself object to any Tort Claims; provided that,

1 notwithstanding the foregoing, the Reorganized Debtor may provide the Abuse Claims Reviewer
2 or Trustee with information regarding Tort Claims;

3 c. From the Effective Date, honor the Debtor's obligations arising under the
4 Participating Party Agreement, Insurance Settlement Agreement and any other agreement that has
5 been approved by the Bankruptcy Court as part of the Plan;

6 d. Transfer the Unknown Tort Claims Fund Note to the Trust in accordance
7 with Section 22.2 hereof;

8 e. Transfer \$14,250,000.00 from the Plan Implementation Account to the
9 Trustee in accordance with Section 22.2 hereof; and

10 f. Perform all of its obligations under the Plan and Plan Documents, in each
11 case, as and when the same become due or are to be performed.

12 25.3 No Professional Fees or Expenses.

13 No professional fees or expenses incurred by a claimant will be paid by the
14 Reorganized Debtor, the Protected Parties, the Trust, or the Trustee with respect to any Claim
15 except as specified in the Plan or the Trust Documents.

16 25.4 Closing of the Case.

17 As soon as practicable after the Effective Date, when the Reorganized Debtor
18 deems appropriate, the Reorganized Debtor will seek authority from the Bankruptcy Court to
19 close the Reorganization Case in accordance with the Bankruptcy Code and the Bankruptcy
20 Rules; provided, however, that entry of a final decree closing the Reorganization Case shall,
21 whether or not specified therein, be without prejudice to the right of the Reorganized Debtor, the
22 Trustee, or any other party in interest to reopen the Reorganization Case for any matter over
23 which the Bankruptcy Court or the District Court has retained jurisdiction under the Plan.
24 Notwithstanding any order closing the Reorganization Case, the Bankruptcy Court or the District
25 Court, as appropriate, will retain (a) jurisdiction to enforce, by injunctive relief or otherwise, the
26 Confirmation Order, any other orders entered in the Reorganization Case, and the obligations
27 created by the Plan and the Plan Documents; (b) all other jurisdiction and authority granted to it
28 under the Plan and the Plan Documents; and (c) provide that the Trust may be terminated and the

1 Trustee discharged as ordered by the Bankruptcy Court without reopening the Reorganization
2 Case.

3 **ARTICLE 26**

4 **INSURANCE MATTERS**

5 26.1 Settlement with Non-Settling Insurers.

6 Following the Effective Date, the Reorganized Debtor shall not enter into a
7 settlement agreement affecting any Insurance Policy with any Non-Settling Insurer solely with
8 respect to any Insurance Coverage for Tort Claims without the express written consent of the
9 Trustee, which consent may be granted or withheld at the Trustee's sole and absolute discretion.
10 Following the Effective Date, the Reorganized Debtor authorizes the Trustee to exclusively act on
11 its behalf to negotiate a settlement with any Non-Settling Insurer on account of such Insurance
12 Claims for Tort Claims. Such settlements may provide for the Non-Settling Insurer to become a
13 Settling Insurer.

14 26.2 Insurance Neutrality.

15 a. Nothing in the Plan, the Confirmation Order or in any Plan Document
16 modifies any of the terms of: (i) any Non-Settling Insurer's Insurance Policies or (ii) those
17 Insurance Policies issued by a Settling Insurer except as set forth in the Insurance Settlement
18 Agreement.

19 b. Subject only to Article 30 and Sections 26.1 and 26.3 of the Plan and the
20 Insurance Settlement Agreement, nothing in the Plan, the Confirmation Order or any Plan
21 Document shall impair or diminish any Insurer's legal, equitable or contractual rights or
22 obligations relating to the Insurance Policies, or the Insurance Claims against the Non-Settling
23 Insurers in any respect.

24 c. Except as otherwise provided in the Insurance Settlement Agreement or the
25 Plan, the fact that the Trust is liquidating and paying or reserving monies on account of the Tort
26 Claims shall not be construed in any way to diminish any obligation of any Non-Settling Insurer
27 under any Insurance Policy to provide Insurance Coverage to the Debtor, the Debtor's Estate or
28 the Reorganized Debtor for Tort Claims. The rights, duties and obligations, if any, of Insurers

1 under each Insurer's Insurance Policy shall not be impaired, altered, reduced or diminished by the
2 discharge granted to the Debtor under the Plan pursuant to Bankruptcy Code § 1141(d).

3 d. Neither the Trust's payment or reservation of monies on account of the
4 Tort Claims nor the Abuse Claims Reviewer's review of a Tort Claim shall: (1) constitute a trial,
5 an adjudication on the merits or evidence of liability or damages in any litigation with Non-
6 Settling Insurers or (2) constitute, or be deemed, a determination of the reasonableness of the
7 amount of any Tort Claim, either individually or in the aggregate with other Tort Claims, in any
8 litigation of Insurance Claims with any Non-Settling Insurers.

9 e. Notwithstanding any other provision in the Plan, the Confirmation Order or
10 any Plan Document, the transfer of rights or the appointment of the Trustee as a representative to
11 enforce Insurance Claims as to any Non-Settling Insurers with respect to Tort Claims, as the case
12 may be, shall not be asserted as a defense to coverage under any Non-Settling Insurer's Insurance
13 Policy.

14 f. Subject to Sections 26.3, 30.5 and 30.6 of the Plan, no provision of the
15 Plan, the Confirmation Order or any Plan Document shall diminish or impair the rights of any
16 Non-Settling Insurer under its Insurance Policy or the rights of a Non-Settling Insurer to assert
17 any defense to any Insurance Claim. Except as set forth in the Insurance Settlement Agreement,
18 no provision of the Plan, the Confirmation Order or any Plan Document shall diminish or impair
19 the rights of any Settling Insurer under those Insurance Policies issued by a Settling Insurer with
20 respect to the Debtor or the rights of a Settling Insurer to assert any defense to any Insurance
21 Claim under those Insurance Policies issued by a Settling Insurer with respect to the Debtor.

22 g. A Non-Settling Insurer's obligations, with respect to any Tort Claim, shall
23 be determined by and in accordance with the terms of the Insurance Policies and with applicable
24 non-bankruptcy law.

25 h. Nothing in the Plan, Confirmation Order or any Plan Document shall
26 impose any obligation on any Participating Party or any Insurer to provide a defense for, settle, or
27 pay any judgment with respect to, any Claim.

28 i. Nothing in the Plan, Confirmation Order or any Plan Document shall grant

1 to any Entity any right to sue any Insurer directly, in connection with any Claim or any Insurance
2 Policy (including a Released Insurance Policy). To the extent that an Insurance Policy continues
3 in effect after the Effective Date, the terms of the Insurance Policy, the Insurance Settlement
4 Agreement, and applicable non-bankruptcy law will govern the rights and obligations of such
5 Entity; provided, however, that pursuant to the Plan and the Insurance Settlement Agreement, no
6 Entity shall have any right to sue any Settling Insurer, directly or indirectly, in connection with a
7 Channeled Claim or Tort Claim Interest.

8 j. Nothing in the Plan, Confirmation Order, or in any Plan Document shall
9 constitute a finding or determination that the Debtor and/or third party is a named insured,
10 additional insured or insured in any other way under any Insurance Policy; or that any Insurer has
11 any defense or indemnity obligation with respect to any Claim. Subject to Section 26.3 of the
12 Plan, no defense, denial or position of an Insurer shall be impaired or prejudiced in any insurance
13 coverage dispute.

14 k. Nothing in this Section 26.2 negates or undoes the voluntary alteration of
15 an Insurer's rights should it elect to become a "Settling Insurer" under the Plan.

16 l. Nothing in the Plan is intended to affect the governing law of any
17 Insurance Policy.

18 m. As to matters between the parties to, and any third party beneficiaries of,
19 the Insurance Settlement Agreement, (1) nothing in this Plan shall diminish the rights, or increase
20 the obligations or burdens of any Settling Insurer under the Insurance Settlement Agreement and
21 (2) to the extent this Plan affords less protection or benefits, or imposes different or greater
22 obligations upon the Settling Insurers than the Insurance Settlement Agreement, the Insurance
23 Settlement Agreement shall control.

24 26.3 Judgment Reduction.

25 In connection with any action by the Trust to enforce Insurance Claims with
26 respect to an Insurance Policy issued by a Non-Settling Insurer, in the event that any Non-Settling
27 Insurer obtains a judicial determination or binding arbitration award that, but for Article 30 of the
28 Plan, it would be entitled to obtain a sum certain from a Settling Insurer or Participating Party as a

1 result of a Contribution Claim, or a Claim for subrogation, indemnification, or other similar
2 Claim against a Settling Insurer or Participating Party for such Settling Insurer's or Participating
3 Party's alleged share or equitable share, or to enforce subrogation rights, if any, of the defense
4 and/or indemnity obligation of such Settling Insurer or Participating Party for any Claims released
5 or resolved pursuant to any settlement agreement with a Settling Insurer or Participating Party,
6 the Debtor or Trustee, as applicable, shall be deemed to have reduced its judgment or Claim
7 against such other Non-Settling Insurer (or shall be deemed to have reduced its settlement with
8 such other Non-Settling Insurer if such settlement does not address this matter) to the extent
9 necessary to satisfy such contribution, subrogation, indemnification, or other Claims against such
10 Settling Insurer or Participating Party. To ensure that such a reduction is accomplished, and in
11 addition to invoking the protection afforded it under Article 30 of the Plan in the Bankruptcy
12 Court, such Settling Insurer or Participating Party shall be entitled to assert this Section 26.3 as a
13 defense to any action against it brought by any other Non-Settling Insurer for any such portion of
14 the judgment or Claim and shall be entitled to request that the court or appropriate tribunal issue
15 such orders as are necessary to effectuate the reduction to protect such Settling Insurer or
16 Participating Party and the other Protected Parties pursuant to a settlement agreement with a
17 Settling Insurer or Participating Party from any liability for the judgment or Claim (except such
18 order may not provide for any reduction, or require a return, of the Unknown Tort Claims Fund
19 Note, the Tort Claim Settlement Amount, the proceeds of either as held by the Trust, or any
20 distribution from the Trust or under the Plan to creditors other than Diocese Parties). Moreover,
21 if a Non-Settling Insurer asserts that it has a Claim for contribution, indemnity, subrogation, or
22 similar relief against a Settling Insurer or Participating Party, such Claim may be asserted as a
23 defense against the Trust or Debtor in any litigation of Insurance Claims (and the Trust, the
24 Debtor or Reorganized Debtor may assert the legal and equitable rights of such Settling Insurer or
25 Participating Party in response thereto); and to the extent such a Claim is determined to be valid
26 by the court presiding over such action, the liability of such Non-Settling Insurer to the Trust, the
27 Debtor or other Participating Party shall be reduced dollar for dollar by the amount so
28 determined. The Debtor and the Trust further agree that, in order to effectuate this clause in any

1 action against a Non-Settling Insurer where the Settling Insurers or Participating Parties are not
2 parties, the Debtor, the Reorganized Debtor or the Trust, as applicable, shall obtain a finding
3 from that court of what amount the Settling Insurers or Participating Parties would have been
4 required to pay such Non-Settling Insurer under its Contribution Claim if not for the operation of
5 either of the Injunctions, before entry of judgment against such Non-Settling Insurer. The
6 Bankruptcy Court shall retain non-exclusive jurisdiction to determine the amount, if any, of any
7 judgment reduction pursuant to the terms of this Section 26.3. In addition, any court of
8 competent jurisdiction may determine the amount, if any, of any judgment reduction pursuant to
9 the terms of this Section 26.3.

10 26.4 Notwithstanding any other provision of the Plan, Sections 26.2 and 26.3 of the
11 Plan shall not (i) affect or be construed to restrict or limit the scope or application of the
12 Supplemental Injunction or (ii) alter, impair, or diminish any of the protections afforded to
13 Settling Insurers or Participating Parties under the Plan and Confirmation Order, the Insurance
14 Settlement Agreement, the Participating Party Agreement, or the orders approving such
15 settlement agreements.

16 **ARTICLE 27**

17 **RETENTION OF CLAIMS, SETOFFS, RECOUPMENTS AND DEFENSES**

18 27.1 Except as otherwise provided in the Plan or the Confirmation Order, the
19 Reorganized Debtor shall retain and exclusively enforce the Retained Claims, whether arising
20 before or after the Petition Date, in any court or other tribunal, including, without limitation, a
21 bankruptcy court adversary proceeding filed in this Reorganization Case. The Reorganized
22 Debtor shall have the exclusive right, authority, and discretion to institute, prosecute, abandon,
23 settle, or compromise any and all such Retained Claims, without obtaining Bankruptcy Court
24 approval.

25 27.2 Except as otherwise provided in the Plan or the Confirmation Order, all Claims
26 and defenses of any nature of the Debtor, Reorganized Debtor and Trustee are explicitly reserved
27 and protected. The failure of any of the Debtor, Reorganized Debtor or Trustee to assert any such
28 Claim or defense at any time shall not constitute the waiver, abandonment or other relinquishment

1 of such claim or defense. Notwithstanding the foregoing, nothing in this Section 27.2 shall
2 authorize or preserve any Claim, setoff, right of recoupment, or defense by any Entity against any
3 of the Settling Insurers or in any way operate to impair or diminish, or have the effect of
4 impairing or diminishing, the Settling Insurers' legal, equitable or contractual rights, if any, in
5 any respect.

6 27.3 Except as expressly provided otherwise in the Plan, any Entity to whom the Debtor
7 has incurred an obligation (whether on account of the provision of goods, services or otherwise),
8 or who has received goods or services from the Debtor or a transfer of money or property of the
9 Debtor, or who has transacted business with the Debtor, or leased equipment or property from the
10 Debtor should assume that such obligation, transfer, or transaction may be reviewed by the
11 Reorganized Debtor, subsequent to the Effective Date and may, if appropriate, be the subject of
12 an action after the Effective Date, regardless of whether (i) such Entity has filed a proof of Claim
13 against the Debtor in this Reorganization Case; (ii) such Entity's proof of Claim has been
14 objected to; (iii) such Entity's Claim was included in the Schedules; or (iv) such Entity's
15 scheduled Claims have been objected to or have been identified as disputed, Contingent, or
16 unliquidated.

17 ARTICLE 28

18 LIQUIDATION OF TORT CLAIMS

19 28.1 Liquidation and Payment of Tort Claims.

20 a. The Trust shall pay Tort Claims in accordance with the terms of the Plan,
21 Confirmation Order, Plan Documents and Trust Documents.

22 b. The amount of the Trust's distributions/reserves on account of the Tort
23 Claims shall not be binding upon any Non-Settling Insurer or any Co-Defendant in connection
24 with a Co-Defendant's liquidation of any contribution or indemnity claim.

25 c. Nothing in the Trust Documents shall (i) impose any costs, directly or
26 indirectly, upon the Estate, the Reorganized Debtor, or any Protected Party relating to the
27 treatment of Tort Claims or (ii) otherwise modify the rights or obligations of the Estate, the
28 Reorganized Debtor, or any Protected Party as otherwise set forth in the Insurance Settlement

1 Agreement, the Participating Party Agreement, the Plan or a Plan Document.

2 d. Because Tort Claims are being paid by the Trust without regard to whether
3 those Claims are covered by Insurance Policies issued by Settling Insurers or owed by
4 Participating Parties: (a) the Trust shall be deemed to be subrogated to the Claims of the Tort
5 Claimants paid by the Trust to the extent of those payments and (b) the Trust may pursue such
6 subrogation Claim and any Contribution Claim except to the extent such Claim is against the
7 Reorganized Debtor or any Protected Party. The Trust may not bring any action against the
8 Reorganized Debtor, any Protected Party, and/or their respective Assets; provided, however, that
9 the Trust may bring an action against any of the foregoing Entities or Assets to enforce the Plan,
10 Trust Agreement, or other Plan Documents.

11 28.2 Effect of No Award on Tort Claims.

12 If a Tort Claim is denied payment pursuant to the respective Tort Claims
13 Allocation Protocol or Unknown Tort Claims Allocation Protocol, the holder of such Tort Claim
14 will have no further rights against the Debtor, Reorganized Debtor, Participating Parties, Settling
15 Insurers, the Trust or Trustee relating to such Tort Claim and such Tort Claim shall be a
16 Disallowed Claim, subject to all provisions of Section 26.2 and Article 30 below.

17 28.3 Supplementing Exhibit 3 to Add to List of Participating Parties.

18 a. After the Effective Date and notwithstanding any present exclusionary
19 language contained in the Plan, upon the consent of the Reorganized Debtor and the Trustee (in
20 exchange for additional funds for the Trust), any Entity may become a Participating Party
21 pursuant to a Participating Party Agreement. After the Effective Date, the Trustee or the
22 Reorganized Debtor, as the case may be, shall have the authority to seek, upon motion to the
23 Bankruptcy Court, the Bankruptcy Court's approval of a Participating Party Agreement. Upon
24 the Bankruptcy Court's entry of a Final Order approving such agreement, Exhibit 3 will be
25 amended by the Trustee or the Reorganized Debtor to include such Entity. For the purposes of
26 defining a Participating Party, the Entities listed on Exhibit 3 shall include their respective
27 Representatives, predecessors, successors, and assigns, or their respective employees, officers,
28 agents, attorneys and directors unless specifically provided otherwise in the applicable

1 Participating Party Agreement.

2 b. Any Entity becoming a Participating Party under the Plan shall have all of
3 the rights, remedies and obligations of a Participating Party notwithstanding that such Entity
4 originally may have been excluded as a Participating Party under any provision of the Plan,
5 including without limitation, the terms and conditions of the Channeling Injunction. Any Entity
6 becoming a Settling Insurer will be deemed to have ratified the prior acts of and be bound by the
7 agreement of the existing Settling Insurers with respect to the Plan and the other Plan Documents.

8 c. The Bankruptcy Court's retained jurisdiction to approve a Participating
9 Party Agreement under this Section shall include jurisdiction to determine the adequacy of notice
10 of a motion to approve such a Participating Party Agreement.

11 28.4 Supplementing Exhibit 5 to Add to List of Settling Insurers

12 a. After the Effective Date, upon the consent of the Trustee, an Entity may
13 become a Settling Insurer if the Bankruptcy Court, after notice and hearing, approves the
14 agreement between the Entity and the Trustee (in exchange for additional funds for the Trust,
15 except as otherwise agreed). Notwithstanding the occurrence of the Effective Date, the
16 Reorganized Debtor shall have standing to object to approval of such agreement. Upon the
17 Bankruptcy Court's entry of a Final Order approving such an agreement, Exhibit 5 will be
18 amended by the Trustee to include such Entity.

19 b. Any Entity becoming a Settling Insurer under this Section 28.4 shall have
20 all of the rights, remedies and duties of a Settling Insurer notwithstanding that such Entity
21 originally may have been excluded as a Settling Insurer under any provision of the Plan. Such
22 rights, remedies and duties shall include, but not be limited to, the terms and conditions of the
23 Channeling Injunction.

24 c. The Bankruptcy Court's retained jurisdiction to approve an agreement
25 under this Section shall include jurisdiction to determine the adequacy of notice of a motion to
26 approve such an agreement.

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ARTICLE 29**CONDITIONS TO EFFECTIVE DATE**29.1 Conditions to Occurrence of Effective Date.

The Effective Date will occur when each of the following conditions have been satisfied or waived in accordance with Section 29.2 of the Plan:

a. The Bankruptcy Court shall have entered a Final Order or Final Orders approving the Insurance Settlement Agreement and any appropriate judgments consistent therewith, in form and substance reasonably acceptable to the Settling Insurers and consistent with the requirements of the Insurance Settlement Agreement, and no stay of such orders is in effect;

b. The Bankruptcy Court shall have entered a Final Order or Final Orders approving the Participating Party Agreement and any appropriate judgments consistent therewith, in form and substance reasonably acceptable to the Participating Parties and consistent with the requirements of the Participating Party Agreement, and no stay of such orders is in effect;

c. All holders of Class 12 Tort Claims A and the holder of the Class 14 Tort Claim C shall have executed the releases and certifications described in, respectively, Article 18 and Article 20.

d. The Bankruptcy Court shall have entered the Confirmation Order in form and substance that is reasonably acceptable to the Reorganized Debtor, the Committee, the Settling Insurers, the Participating Parties and the Confirmation Order is a Final Order;

e. The Trustee and the Reorganized Debtor have signed the Trust Agreement;

f. The Debtor shall have received all funding set forth in Section 23.2;

g. The Debtor shall have paid to the Trust the sum of \$14,250,000 from the Plan Implementation Account in accordance with Section 22.2 hereof; and

h. The Debtor shall have delivered the Unknown Tort Claims Fund Note to the Trustee.

29.2 Waiver of Conditions.

Any condition set forth in Section 29.1 of the Plan may be waived by the mutual

1 written consent of all of (a) the Debtor; (b) the Committee; (c) each Settling Insurer listed on
2 Exhibit 5 to the Plan with respect to any conditions affecting such Settling Insurer's rights and
3 obligations; and (d) each Participating Party listed on Exhibit 3 to the Plan with respect to any
4 conditions affecting such Participating Party's rights and obligations.

5 29.3 Non-Occurrence of Effective Date; Effect.

6 Subject to further order of the Bankruptcy Court, in the event that the Effective
7 Date does not occur within ninety (90) days of entry of the Confirmation Order (as a Final Order)
8 or the Final Order approving the Insurance Settlement Agreement or Participating Party
9 Agreement (as the case may be), the Plan shall become null and void unless agreed otherwise by
10 all of the Debtor, the Committee, the Settling Insurers and the Participating Parties. A statement
11 shall be filed with the Court within three (3) Business Days after the occurrence of any event that
12 renders the Plan null and void. If the Plan becomes null and void, nothing contained in the Plan
13 or the Disclosure Statement will: (a) constitute a waiver or release of any Claims by or against
14 the Debtor; (b) prejudice in any manner the rights of the Debtor, Diocese Parties, Settling
15 Insurers, Participating Parties, the Committee or creditors; or (c) constitute an admission,
16 acknowledgement, offer, or undertaking by the Debtor, Diocese Parties, Settling Insurers,
17 Participating Parties, the Committee or creditors in any respect.

18 29.4 Merger; Choice of Law.

19 All obligations of the Debtor to all Creditors will be merged into the Plan, the
20 Trust, the Plan Documents and any other documents executed by the Reorganized Debtor in
21 connection with confirmation of the Plan and the occurrence of the Effective Date and delivered
22 to the respective affected Creditors. All such obligations of the Reorganized Debtor will be
23 evidenced by the Plan and such executed and delivered Plan Documents and the Trust. Unless
24 otherwise provided therein, such documents will be governed by and construed in accordance
25 with California law.

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ARTICLE 30**EFFECTS OF CONFIRMATION**30.1 Discharge.

a. As of the Effective Date:

i. the provisions of the Plan will bind the Reorganized Debtor, any Entity acquiring property under the Plan, and any holder of a Claim; and

ii. the performance by the Debtor and Reorganized Debtor under any written agreement made by the Debtor as part of the Plan, including the Insurance Settlement Agreement, the Participating Party Agreement and Trust Documents, before the Effective Date will not be excused and shall survive the Confirmation Date and the Effective Date and will bind the Reorganized Debtor and every other party to such agreement.

b. Except as follows and as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date the Debtor and the Reorganized Debtor 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 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 Petition Date, and including, without limitation, all Claims and debts relating to Tort Claims and Unknown 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.

c. For purposes of clarity, the Debtor and the Reorganized Debtor shall be discharged from and their liability shall be extinguished completely as to any Tort Claim that was barred by the applicable statute of limitations as of the Bar Date but may be no longer barred by

1 the applicable statute of limitations in the future for any reason, including, for example, the
2 passage of legislation that revives such previously time-barred Tort Claims.

3 30.2 Vesting.

4 Except as otherwise expressly provided in the Plan or in the Confirmation Order,
5 on the Effective Date the Reorganized Debtor will be vested with all of the Revested Assets free
6 and clear of all Claims, liens, encumbrances, charges and other Interests of Creditors, and the
7 Reorganized Debtor will, thereafter, hold, use, dispose or otherwise deal with such property,
8 operate its business, and conduct its ministry and mission without notice to any Entity, without
9 supervision or approval by the Bankruptcy Court and free of any restrictions imposed by the
10 Bankruptcy Code or by the Court. All Retained Claims are hereby preserved for the benefit of
11 the Reorganized Debtor. The prosecution and settlement of Retained Claims retained by the
12 Reorganized Debtor will be the exclusive responsibility of the Reorganized Debtor; the
13 Reorganized Debtor will have sole and absolute discretion over whether to prosecute or settle
14 such causes of action. Any Claims, causes of action or demands transferred to the Trust are
15 preserved for the benefit of the Trustee under the Trust.

16 30.3 Exculpation and Limitation of Liability.

17 Except as expressly provided in the Plan, none of the Exculpated Parties will have
18 or incur any liability to, or be subject to any right of action by, any Claimant, any other party in
19 interest, or any of their respective Representatives, financial advisors, or affiliates, or any of their
20 successors or assigns, for any act or omission in connection with, relating to, or arising out of the
21 Reorganization Case, including the exercise of their respective business judgment and the
22 performance of their respective fiduciary obligations, the pursuit of confirmation of the Plan, or
23 the administration of the Plan or the property to be distributed under the Plan or the Trust created
24 hereunder, except liability for their willful misconduct or gross negligence (provided, however,
25 the Debtor and Reorganized Debtor, to the extent set forth in section 30.1 of the Plan, will be
26 discharged from any such liability for such acts or omissions occurring prior to the Confirmation
27 Date) and in all respects, such parties will be entitled to reasonably rely upon the advice of
28 counsel with respect to their duties and responsibilities under the Plan or in the context of the

1 Reorganization Case. Without limiting the generality of the foregoing, the Debtor and its
2 members, financial advisors and other professionals shall be entitled to and granted the benefits of
3 Bankruptcy Code § 1125(e).

4 30.4 Limitation of Liability.

5 The Protected Parties and the Reorganized Debtor and professionals employed by
6 the foregoing shall not have any liability to any Entity, including any governmental entity or
7 insurer, on account of payments made to a Tort Claimant, including any liability under the
8 MSPA.

9 30.5 Channeling Injunction.

10 **In consideration of the undertakings of the Protected Parties pursuant to**
11 **their respective settlements with the Debtor, the funding of the Trust, and other**
12 **consideration, and to further preserve and promote the agreements between and among the**
13 **Protected Parties and the protections afforded the Protected Parties and pursuant to**
14 **Bankruptcy Code § 105:**

15 a. **Any and all Channeled Claims are channeled into the Trust and shall**
16 **be treated, administered, determined, and resolved under the procedures and protocols and**
17 **in the amounts as established under the Plan, the Allocation Protocols and the Trust**
18 **Documents as the sole and exclusive remedy for all holders of Channeled Claims; and**

19 b. **All Entities who have held or asserted, hold or assert, or may in the**
20 **future hold or assert, any Channeled Claim are hereby permanently stayed, enjoined,**
21 **barred and restrained from taking any action, directly or indirectly, for the purposes of**
22 **asserting, enforcing, or attempting to assert or enforce any Channeled Claim against any of**
23 **the Protected Parties, including:**

24 i. **commencing or continuing in any manner any action or other**
25 **proceeding of any kind with respect to any Channeled Claim against any of the Protected**
26 **Parties or against the property of any of the Protected Parties;**

27 ii. **enforcing, attaching, collecting or recovering, by any manner or**
28 **means, from any of the Protected Parties, or from the property of any of the Protected**

1 Parties, with respect to any such Channeled Claim, any judgment, Award, decree, or order
2 against any of the Protected Parties;

3 iii. creating, perfecting or enforcing any lien of any kind against
4 any Protected Parties, or the property of any of the Protected Parties with respect to any
5 such Channeled Claim;

6 iv. asserting, implementing or effectuating any Channeled Claim
7 of any kind against:

8 (A) any obligation due any of the Protected Parties;

9 (B) any Protected Party; or

10 (C) the property of any Protected Party;

11 v. taking any act, in any manner, in any place whatsoever that
12 does not conform to, or comply with, the provisions of the Plan; and

13 vi. asserting or accomplishing any setoff, right of indemnity,
14 subrogation, contribution, or recoupment of any kind against any obligation due any of the
15 Protected Parties or the property of any of the Protected Parties.

16 c. For purposes of clarity, the Protected Parties shall not be liable for any
17 Tort Claim that was barred by the applicable statute of limitations as of the Bar Date but is
18 no longer barred by the applicable statute of limitations for any reason, including, for
19 example, the passage of legislation that revives such previously time-barred Tort Claims
20 and all such claims shall be considered Channeled Claims subject to the Channeling
21 Injunction.

22 30.6 Supplemental Injunction Preventing Prosecution of Claims Against Settling
23 Insurers and Insured Entities.

24 Pursuant to Bankruptcy Code §§ 105(a) and 363 and in consideration of the
25 undertakings of the Settling Insurers pursuant to the Insurance Settlement Agreement,
26 including any of the Settling Insurers' purchases of Released Insurance Policies from the
27 Diocese Parties free and clear of all Tort Claim Interests pursuant to Bankruptcy Code
28 § 363(f), any and all Entities who have held, now hold or who may in the future hold any

1 Tort Claim Interests (including all debt holders, all equity holders, governmental, tax and
2 regulatory authorities, lenders, perpetrators, Non-Settling Insurers, trade and other
3 creditors, Tort Claimants, Unknown Tort Claimants, and all others holding Tort Claim
4 Interests of any kind or nature whatsoever, including those Claims released or to be
5 released pursuant to the Insurance Settlement Agreement) against any of the Settling
6 Insurers, the Insured Entities or the Released Insurance Policies are hereby permanently
7 stayed, enjoined, barred, and restrained from taking any action, directly or indirectly, to
8 assert, enforce or attempt to assert or enforce any such Tort Claim Interests against the
9 Settling Insurers, the Insured Entities, and/or the Released Insurance Policies, including:

10 a. Commencing or continuing in any manner any action or other
11 proceeding of any kind with respect to any Tort Claim Interest against the Settling Insurers
12 or the Insured Entities or the property of the Settling Insurers or the Insured Entities;

13 b. Enforcing, attaching, collecting, or recovering, by any manner or
14 means, any judgment, Award, decree or order relating to Tort Claim Interests against the
15 Settling Insurers or the Insured Entities or the property of the Settling Insurers or the
16 Insured Entities;

17 c. Creating, perfecting, or enforcing any lien of any kind relating to Tort
18 Claim Interests against the Settling Insurers or the Insured Entities or the property of the
19 Settling Insurers or the Insured Entities;

20 d. Asserting or accomplishing any setoff, right of indemnity, subrogation,
21 contribution, or recoupment of any kind relating to Tort Claim Interests against any
22 obligation due the Settling Insurers or the Insured Entities or the property of the Settling
23 Insurers or the Insured Entities; and

24 e. Taking any act, in any manner, in any place whatsoever, against the
25 Settling Insurers, Insured Entities, the Released Insurance Policies or the property of the
26 Settling Insurers or the Insured Entities that does not conform to, or comply with, the
27 provisions of the Plan.

28 f. For purposes of clarity, the Settling Insureds and Insured Entities

1 shall not be liable for any Tort Claim that was barred by the applicable statute of
2 limitations as of the Bar Date but is no longer barred by the applicable statute of limitations
3 for any reason, including, for example, the passage of legislation that revives such
4 previously time-barred Tort Claims and all such claims shall be subject to the Supplemental
5 Injunction.

6 30.7 Term of Injunctions or Stays and Confirmation of Settlements.

7 On the Effective Date, the Injunctions provided for in the Plan shall be deemed
8 issued, entered, valid and enforceable according to their terms and shall be permanent and
9 irrevocable. All Injunctions and/or stays provided for in the Plan, the injunctive provisions of
10 Bankruptcy Code §§ 105, 524 and 1141, and all Injunctions or stays protecting any Settling
11 Insurer that has purchased all or a portion of its Insurance Policies in a Bankruptcy Code § 363
12 sale, are permanent and will remain in full force and effect following the Effective Date and are
13 not subject to being vacated or modified. The Insurance Settlement Agreement authorized by the
14 Bankruptcy Court is hereby affirmed and any obligations of Debtor with respect to such
15 Insurance Settlement Agreement are excepted from the Debtor's discharge and shall be assumed
16 by the Reorganized Debtor and Trust, as applicable, on the Effective Date.

17 30.8 Limitation of Injunction and Discharge.

18 Notwithstanding any provision of this Plan, the foregoing Injunctions and
19 discharge preventing prosecution of Tort Claims against Settling Insurers, Insured Entities, and/or
20 Protected Parties provides absolutely no protection to any individual who personally committed
21 an act of Abuse as defined in section 3.2(a) herein causing a Tort Claim.

22 **ARTICLE 31**

23 **MODIFICATION OF PLAN**

24 31.1 Pre-Confirmation Non-Material Modification of Plan.

25 The Plan may be modified by the Debtor, subject to the prior consent of the
26 Committee and each Participating Party and Settling Insurer listed on Exhibits 3 and 5,
27 respectively, as to any proposed modification affecting their rights, interests or obligations, from
28 time to time in accordance with, and pursuant to, Bankruptcy Code § 1127. The Plan may be

1 modified by the Debtor, subject to the prior consent of the Committee and each Participating
2 Party and Settling Insurer and listed on Exhibits 3 and 5, respectively, as to any proposed
3 modification affecting their rights, interests or obligations, at any time before the Confirmation
4 Date, provided that the Plan, as modified, meets the requirements of Bankruptcy Code §§ 1122
5 and 1123, the Insurance Settlement Agreement and Participating Party Agreement, and the
6 Debtor has complied with Bankruptcy Code § 1125. Each holder of a Claim that has accepted the
7 Plan will be deemed to have accepted such Plan as modified if the proposed alteration,
8 amendment or modification does not adversely change the treatment of the Claim of such holder.
9 Each holder of a Claim that votes in favor of the Plan authorizes the Debtor to modify, at any
10 time prior to the Effective Date and without the requirement of further solicitation, the treatment
11 provided to the Class of Claims such Claims are classified in, provided that the Bankruptcy Court
12 determines that such modification is not material.

13 31.2 Post-Effective Date Non-Material Modifications of Plan Documents.

14 From and after the Effective Date, the Trustee, the Reorganized Debtor, and the
15 Protected Parties shall be authorized to enter into, execute, adopt, deliver and/or implement all
16 contracts, leases, instruments, releases, and other agreements or documents necessary to
17 effectuate or memorialize the settlements contained in the Plan, and Plan Documents without
18 further order of the Bankruptcy Court. Additionally, the Trustee, the Reorganized Debtor, and
19 the other Protected Parties listed on Exhibits 3 and 5 may jointly make technical and/or
20 immaterial alterations, amendments, modifications or supplements to the terms of any settlement,
21 subject to Bankruptcy Court approval, provided that the amendment or modification does not
22 materially and adversely change the treatment of any holder of a Claim without the prior written
23 agreement of such holder. A Class of Claims that has accepted the Plan shall be deemed to have
24 accepted the Plan, as altered, amended, modified or supplemented hereunder, if the proposed
25 alteration, amendment, modification or supplement does not materially and adversely change the
26 treatment of the Claims within such Class.

27 31.3 No Re-Solicitation.

28 An order of the Bankruptcy Court approving any amendment or modification

1 made pursuant to this Article 31 shall constitute an order in aid of consummation of the Plan and
2 shall not require the re-solicitation of votes on the Plan.

3 **ARTICLE 32**

4 **RETENTION OF JURISDICTION**

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

7 32.1 In General.

8 The Bankruptcy Court will retain jurisdiction to determine the allowance and
9 payment of any Claims upon any objections thereto (or other appropriate proceedings) by the
10 Debtor, by the Reorganized Debtor, or by any other party in interest entitled to proceed in that
11 manner. As part of such retained jurisdiction, the Bankruptcy Court will continue to determine
12 the allowance of Administrative Claims and any request for payment thereof, including
13 Administrative Claims for Professional Fee Claims. The Bankruptcy Court will not obtain or
14 retain jurisdiction to determine any internal disputes between the RCB, a Parish or any other
15 related Entity that, under applicable Canon Law, would be determined in a specialized religious
16 court.

17 32.2 Tort Claims.

18 Subject to the limitations set forth in Section 32.1 above, the Bankruptcy Court
19 will retain jurisdiction to hear and determine and take such actions as are necessary or appropriate
20 with respect to the payment or disallowance of Tort Claims so long as such retained jurisdiction is
21 consistent with the terms of the Plan, or the Trust.

22 32.3 Plan Disputes and Enforcement.

23 Subject to the limitations set forth in Section 32.1 above, the Bankruptcy Court
24 will retain jurisdiction to determine any dispute which may arise regarding the interpretation of
25 any provision of the Plan. The Bankruptcy Court also will retain jurisdiction to enforce any
26 provisions of the Plan and any and all Plan Documents, including, but not limited to, any actions
27 to enforce the discharge releases and Injunctions provided for in Article 30 of the Plan. The
28 Bankruptcy Court also will retain jurisdiction over any matter relating to the implementation,

1 effectuation, and/or consummation of the Plan as expressly provided in any provision of the Plan.

2 32.4 Further Orders.

3 Subject to the limitations set forth in Section 32.1 above, the Bankruptcy Court
4 will retain jurisdiction to facilitate the performance of the Plan by entering, consistent with the
5 provisions of the Plan, any further necessary or appropriate order regarding enforcement of the
6 Plan, the Plan Documents and any provisions thereof, and to protect the Debtor, the Reorganized
7 Debtor and the Protected Parties from actions prohibited under the Plan. In addition, the
8 Bankruptcy Court will retain jurisdiction to facilitate or implement the allowance, disallowance,
9 treatment, or satisfaction of any Claim, or any portion thereof, pursuant to the Plan (and
10 consistent with the Plan and Trust, including to facilitate distributions to the successors of Tort
11 Claimants who have died).

12 32.5 Retained Debtor Claims.

13 Subject to the limitations set forth in Section 32.1 above, and to the extent the
14 Bankruptcy Court would otherwise have jurisdiction over such Claims, the Bankruptcy Court will
15 retain jurisdiction with respect to any Claims not otherwise compromised or settled by the Debtor
16 prior to the Effective Date.

17 32.6 Post-Confirmation Agreements.

18 The Bankruptcy Court will retain jurisdiction to approve and enter appropriate
19 orders regarding any Participating Party Agreements entered into between the Debtor (or
20 Reorganized Debtor) and a Participating Party or among the Debtor (or Reorganized Debtor), the
21 Trust and any Non-Settling Insurers who become Settling Insurers after the Confirmation Date.

22 32.7 Governmental Units or Regulatory Agencies.

23 The Bankruptcy Court will retain jurisdiction to adjudicate any dispute or to hear
24 and determine any action taken, proposed, or threatened by any state, federal, or local
25 governmental regulatory agency or unit having or asserting jurisdiction or power over the conduct
26 of the business of the Debtor and/or the Reorganized Debtor.

27 32.8 Final Decree.

28 The Bankruptcy Court will retain jurisdiction to enter an appropriate final decree

1 in the Reorganization Case; provided, however, that the Bankruptcy Court will retain jurisdiction
2 to enter an order terminating the Trust and discharging the Trustee in accordance with the terms
3 of the Trust notwithstanding the issuance of the Final Decree and closing of the Reorganization
4 Case and without the necessity of reopening the Reorganization Case.

5 32.9 Appeals.

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

12 32.10 Executory Contracts.

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

16 32.11 Claims.

17 Subject to the limitations set forth in Section 32.1 above, the Bankruptcy Court
18 will retain jurisdiction: (a) to hear and determine any claim or cause of action by or against the
19 Debtor, the Debtor's officers, employees or Representatives, the Chapter 11 Professionals, and
20 the Reorganized Debtor, and (b) to adjudicate any causes of action or other proceeding currently
21 pending or otherwise referenced here or elsewhere in the Plan, including, but not limited to, the
22 adjudication of the Retained Claims and any and all "core proceedings" under 28 U.S.C. § 157(b)
23 which may be pertinent to the Reorganization Case and which the Debtor or the Reorganized
24 Debtor may deem appropriate to initiate and prosecute before the Court in aid of the
25 implementation of the Plan.

26 32.12 Modification of the Plan.

27 The Bankruptcy Court will retain jurisdiction to modify the Plan pursuant to the
28 provisions of the Plan.

1 32.13 Failure of Court to Exercise Jurisdiction.

2 If the Bankruptcy Court abstains from exercising or declines to exercise
3 jurisdiction or is otherwise without jurisdiction over any matter arising out of the Reorganization
4 Case, including matters set forth in this Article 32, such lack of jurisdiction will not diminish,
5 control, prohibit or limit the exercise of jurisdiction by any other court having competent
6 jurisdiction with respect to such matter.

7 **ARTICLE 33**

8 **REORGANIZATION OF THE DEBTOR**

9 33.1 Continued Corporate Existence and Vesting of Assets in the Reorganized Debtor.

10 The Debtor will, as a Reorganized Debtor, continue to exist after the Effective
11 Date as a separate legal entity, with all powers of a corporation sole under the laws of the State of
12 California and without prejudice to any right to alter or terminate such existence under applicable
13 state law. Except as otherwise provided in the Plan or any documents executed in conjunction
14 with the Plan, on and after the Effective Date, all property of the Estate and any property acquired
15 by the Debtor or the Reorganized Debtor under the Plan, including, but not limited to all Revested
16 Assets, will vest in the Reorganized Debtor free and clear of all Claims, liens, charges, or other
17 encumbrances. On and after the Effective Date, the Reorganized Debtor may operate its business
18 and carry on its ministry and its mission and may use, acquire, or dispose of property, and
19 compromise or settle any Claims without supervision or approval of the Bankruptcy Court and
20 free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions
21 expressly imposed by the Plan or the Confirmation Order.

22 33.2 Management of Reorganized Debtor.

23 From and after the Effective Date, the Reorganized Debtor will continue to be
24 managed in accordance with applicable state law, the Bishop will be the sole director of the
25 Reorganized Debtor, and the Reorganized Debtor may continue to be managed also in accordance
26 with the principles of Canon Law.

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1 **ARTICLE 34**

2 **GENERAL PROVISIONS**

3 34.1 Confirmation by Nonacceptance Method.

4 The Debtor hereby requests, if necessary, confirmation of the Plan pursuant to
5 Bankruptcy Code § 1129(b) with respect to any impaired Class of Claims which does not vote to
6 accept the Plan.

7 34.2 Current Insurance Coverage.

8 Except as expressly set forth in the Insurance Settlement Agreement, the Plan and
9 Confirmation Order have no effect on any Insurance Coverage under any Insurance Policy issued
10 to the Debtor that are not otherwise released or sold pursuant to an applicable Insurance
11 Settlement Agreement.

12 34.3 Extension of Payment Dates.

13 If any payment date falls due on any day which is not a Business Day, then such
14 due date will be extended to the next Business Day.

15 34.4 Notices.

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

18 34.5 Interest.

19 Except as may be expressly provided otherwise in the Plan or a Plan Document,
20 whenever interest to be paid by the Reorganized Debtor is to be computed under the Plan, interest
21 will be simple interest and not compounded.

22 34.6 Additional Assurances.

23 The Debtor, the Reorganized Debtor, the Trustee and the Creditors holding Claims
24 herein, including Tort Claims, will execute such other further documents as are necessary to
25 implement any of the provisions of the Plan.

26 34.7 Withdrawal of Plan.

27 The Plan may be withdrawn or revoked prior to entry of the Confirmation Order in
28 which event the provisions of Section 34.12 will apply.

1 34.8 Severability and Reformation.

2 It is the Debtor's intention to comply fully with the Bankruptcy Code and
3 applicable nonbankruptcy law in proposing the Plan. Therefore, if any provision of the Plan is
4 determined by the Bankruptcy Court to be contrary to the Bankruptcy Code or applicable
5 nonbankruptcy law, absent the objection of the Committee, that provision will be deemed severed
6 and automatically deleted from the Plan, if it cannot be reformed or the provision or its
7 interpretation will be deemed reformed to ensure compliance; provided, however, that nothing
8 contained in this Section 34.8 will prevent the Debtor from modifying the Plan in any manner
9 whatsoever in accordance with and as set forth in the Plan. Pursuant to any ruling by the
10 Bankruptcy Court regarding the subject matter of this Section 34.8, any such severance or
11 reformation will be stated specifically in the Confirmation Order, which then will control
12 notwithstanding any contrary or inconsistent provisions of the Plan.

13 34.9 Prohibition Against Prepayment Penalties.

14 If the Debtor or the Reorganized Debtor choose, in their sole and absolute
15 discretion, to prepay any obligation on which deferred payments are provided for under the Plan,
16 the Debtor or the Reorganized Debtor will not be liable or subject to the assessment of any
17 prepayment penalty thereon unless otherwise ordered by the Bankruptcy Court.

18 34.10 Fractional Dollars.

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

24 34.11 Payment of Statutory Fees and Filing of Quarterly Reports.

25 All fees payable pursuant to Section 1930 of Title 28 of the United States Code, as
26 determined by the Bankruptcy Court at or in conjunction with the Confirmation Hearing, will be
27 paid on or before the Effective Date and, thereafter, in accordance with applicable bankruptcy
28 law. All quarterly reports of disbursements required to be filed by applicable bankruptcy law will

1 be filed on or before the 28th day of the month following the end of the applicable quarterly
2 period (i.e., January 28, April 28, July 28 or October 28).

3 34.12 Reservation of Rights.

4 Except as expressly provided herein, the Plan will have no force or effect unless
5 the Confirmation Order is entered by the Bankruptcy Court and the Effective Date has occurred.
6 None of the filing of the Plan, any statement or provision contained herein, or the taking of any
7 action by the Debtor with respect to the Plan will be or will be deemed to be an admission or
8 waiver of any rights of the Debtor with respect to the holders of Claims prior to the Effective
9 Date or with respect to any matter which is pending before or may come before the Bankruptcy
10 Court or any other court for determination in the Reorganization Case or any other case.

11 34.13 Dissolution of Committee.

12 Upon the occurrence of the Effective Date, the Committee will dissolve and
13 members will be released from all rights and duties arising from or related to the Reorganization
14 Case; provided, however, that Committee may continue to exist after the Effective Date with
15 respect to any and all applications for Professional Fee Claims but not for any other purpose.

16 34.14 Release of Future Claims Representative.

17 Upon the occurrence of the Effective Date, the Future Claims Representative will
18 be released from his respective duties and discharged.

19 34.15 Headings.

20 The headings of the articles, paragraphs, and sections of the Plan are inserted for
21 convenience only and will not affect the interpretation thereof.

22 34.16 Section 1146 Exemption.

23 Pursuant to Bankruptcy Code § 1146(c), any transfers of property pursuant hereto
24 will not be subject to any document, recording tax, stamp tax, conveyance fee, intangibles or
25 similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax or other
26 similar tax or governmental assessment in the United States, and the Confirmation Order will
27 direct the appropriate state or local governmental officials or agents to forgo the collection of any
28 such tax or governmental assessment and to accept for filing and recordation any of the foregoing

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instruments or other documents without the payment of any such tax or governmental assessment.

34.17 Successors and Assigns.

The rights, benefits and obligations of any Entity 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 Entity.

Dated: October 26, 2016

THE ROMAN CATHOLIC BISHOP
OF STOCKTON, a California corporation
sole
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