

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re:

SOCIETY OF JESUS, OREGON PROVINCE,

Debtor.

Case No. 09-30938-elp11

DECLARATION OF CYNTHIA R. KOEHLER

I, Cynthia R. Koehler, pursuant to 28 U.S.C. § 1746, declare:

1. As a duly authorized signatory for American States Insurance Company, General Insurance Company of America, and Safeco Insurance Company of America (collectively, "Safeco"), I signed the Settlement Agreement, Release, and Policy Buyback (the "Safeco Agreement"). The Safeco Agreement is an exhibit to, and is incorporated in, the Second Modified Joint Plan of Reorganization (dated June 30, 2011) (the "Plan").

2. Safeco would not have agreed to pay the \$118 million Settlement Amount under the Safeco Agreement unless it received the terms bargained for and memorialized in the Settlement Agreement, which include, without limitation, the Approval Order (defined and referenced in Sections 1.1.3, 3.2, 4.1, 4.2, and 5.2 of the Safeco Agreement), Plan Confirmation Order (defined and referenced in Sections 1.1.21, 3.3, and 5.2 of the Safeco Agreement), the right to terminate the Settlement Agreement if the Bankruptcy Court converts the proceeding to one under Chapter 7 prior to the entry of a Plan Confirmation Order (Section 4.1 of the Safeco Agreement), releases and sale free and clear (Sections 5 of the Safeco

Agreement), and the Findings of Fact, Conclusions of Law, and Supplemental Injunction (defined in Section 1.1.29 of the Safeco Agreement) set forth in Exhibit 1 to the Safeco Agreement.

3. Under the Safeco Agreement, the Supplemental Injunction and Channeling Injunction that protect Safeco are required to be part of the Confirmation Order that confirms the Plan. (See Section 1.1.21 of the Safeco Agreement.) These injunctions must protect Safeco against "past, present or future" claims and demands. (See Section 1.1.7 of the Safeco Agreement.) Under Section 3.3 of the Safeco Agreement, SJOP must "seek and obtain entry of a Plan Confirmation Order, which Order must be in all respects consistent with this Agreement to Safeco."

4. Paragraph N of the Approval Order, which is Exhibit 1 to the Safeco Agreement provides:

In the event that the Court approves a plan of reorganization for SJOP that is consistent with the Agreement, such plan shall provide that the Trust is bound by the Agreement, will include the Supplemental Injunction, will provide for the relief specified in Section 3.4 of the Agreement, and will provide for the use of the Settlement Amount as specified in Section 6.4 of the Agreement. In addition, any injunction in such plan that channels Tort Claims to the Trust will include Safeco as a thirty party entitled to its benefits and protections.

5. Paragraph 8 of the Approval Order provides in part:

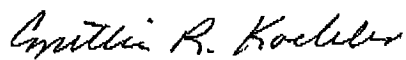
Notice of the Agreement and Motion is sufficient to bind, with respect to the relief ordered herein, all known and unknown creditors and claimants, including the Future

Claimants Representative and all persons whose interests he represents, and all persons who receive non-publication notice pursuant to paragraph 7 of this Order.

6. Accordingly, among other things, the Plan provides for injunctions protecting Safeco in Sections 1.1.5 - 11.8. These provisions and other protections in the Safeco Agreement and the Plan benefiting Safeco are material factors in Safeco agreeing to enter into the Settlement Agreement and paying the Settlement Amount of \$118 million.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on July 3, 2011



Cynthia R. Koehler

1 CERTIFICATE OF SERVICE

2 I, Janine E. Hume declare as follows:

3 I am employed in the county of Multnomah, state of Oregon; I am over the age of
4 eighteen years and am not a party to this action; my business address is 1000 SW
5 Broadway, Suite 1400, Portland, Oregon 97205-3089, in said county and state.

6 I certify that on July 6, 2011, I served, by **first class mail**, a full and correct
7 copy of the foregoing **DECLARATION OF CYNTHIA R. KOEHLER** on the parties of
8 record, addressed as follows:

9 **See attached service list.**

10 I also certify that on **July 6, 2011**, I served the above-referenced document(s) on
11 all ECF participants as indicated on the Court's Cm/ECF system.

12 I swear under penalty of perjury that the foregoing is true and correct to the best
13 of my knowledge, information, and belief.

14 Dated: July 6, 2011

15
16 */s/ Janine E. Hume*

17 _____
18 Janine E. Hume, Legal Assistant

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