

ALLOCATION PLAN I

Attorneys from Alaska, California and Washington, who among them have over 125 years of combined legal experience and who have represented a total of over 600 child sexual abuse survivors, worked together to develop this allocation protocol. It is the goal of this protocol to promptly, fairly, and efficiently distribute compensation to all claimants who select this plan. It is anticipated that those who participate in this allocation plan will have their claim evaluated and their award calculated within 45 days of plan confirmation, with minimum of cost and embarrassment, dignity, promptness, confidentiality, and fairness, along with low expense to each claimant, guided the preparation of this allocation plan.

All claims will be individually evaluated by retired Judge William Bettinelli, who will be employed by the Trustee as an Abuse Claims Reviewer.

No Consideration of Joint/Several Liability or Statutes of Limitations for Sexual Abuse and Sexual Assault Claims

In evaluating the claims, Judge Bettinelli will disregard any considerations related to the statute of limitations with respect to sexual abuse and/or sexual assault claims. In addition, there will be no consideration of joint or several liability issues vis-à-vis non-Jesuit individuals or entities that may potentially be liable for the abuse to the Abuse Claimants are concerned; the primary function of the evaluation is to facilitate the equitable division of the proceeds of this settlement among the various Abuse Claimants. Consistent with Bankruptcy Rules, any Abuse Claimant in a Creditor Pool may challenge any other claim within that Creditor Pool by submitting information to Judge Bettinelli. No other challenges of claims are allowed.

Tort Claimant Must Establish a Liability Relationship Between the Perpetrator and the Society of Jesus, Oregon Province

Before any award can be made to a particular Abuse Claimant, it must first be determined by the Abuse Claims Reviewer that the perpetrator of the primary abuse complained of by the Abuse Claimant was either a member of the Society of Jesus, Oregon Province, or a priest, nun, brother, deacon, other religious, or a lay individual for whom the Society of Jesus, Oregon Province, could reasonably be held liable for the abuse to the Tort Claimant. To facilitate this process a perpetrator list will be provided to the Abuse Claims Reviewer.

It is the responsibility of the Abuse Claimant, or the Abuse Claimant's attorney, if the Abuse Claimant is represented, to establish the existence of the liability

relationship between the Society of Jesus, Oregon Province and the perpetrator, if the perpetrator is not on the perpetrator list.

Allocation Procedure

Each claim will be individually evaluated based on evaluation factors, set forth below, and points will be allocated to each victim in relation to each of the numbered evaluation categories (0 to 5 in some categories, and 0 to 10 in others), except for category number five (5) for which plus or minus five (5) points may be awarded. The evaluation factors are as follows:

1) Type, nature, and severity of abuse (0 to 10 points)

- Exposure, touching, penetration, etc
- Violence/threat of violence
- Number of incidents (single, multiple)
- Duration of abuse (days, weeks, months, years)
- Circumstances of the abuse

2) Vulnerability of the victim and damages suffered (0 to 5 points)

- The relationship of the child to the victim to the perpetrator (position of trust vs. passing acquaintance, etc.)
- Nature and extent of damages suffered

3) Age of the victim at the onset of the abuse (0 to 10 points)

- more points awarded for abuse at a young age
- less points awarded for abuse at an older age

4) Overall conduct of the abuser (0 to 5 points)

- Serial abuser with many victims vs. one time or limited involvement

5) Mitigating or aggravating factors (-5 to + 5)

- Apparent merits of the claim
- Incarceration or criminal conduct of the victim (relating only to crimes involving sexual abuse, sexual assault and/or sexual misconduct)
- Sexual victimization of others
- Statute of limitations (as to pure physical abuse claims only)

All Are Encouraged to Allow Judge Bettinelli Access to Files

To accomplish the evaluation and allocation, Judge Bettinelli should have free and unfettered access to all of Counsel's client and case files, including a copy of the unredacted proofs of claims, and records relating to each Abuse Claimant including attorney/client and work product protected documents and communications. This access should include new client information forms, client employment and criminal histories, psychological evaluations where available, data on perpetrators, expert witness files, and similar information. A failure to provide requested information may be considered by Judge Bettinelli in his allocation determination, and will result in a reduction in the award. At Judge Bettinelli's sole discretion, a refusal to provide information may result in the claim being denied or classified into the convenience class.

Awards Will Be Mathematically Calculated

Each Abuse Claimant will be awarded settlement proceeds based upon the ratio of points awarded to each Abuse Claimant to the total points awarded to all Abuse Claimants. Thus if Abuse Claimant A is awarded 20 points and the total points awarded to all Abuse Claimants is 4,000 points, Abuse Claimant A will be awarded $20/4000$ of the net settlement proceeds.

Notification of Awards and Appeals

A preliminary allocation of net settlement funds (minus any established reserves) shall be made, and a Notice of Allocation shall be mailed to each Abuse Claimant and his/her attorney, advising the Abuse Claimant and counsel of the preliminary award amount. Initial allocations to any non-appealing party will not be changed as a result of any appeals. The Trustee, in consultation with Judge Bettinelli, will establish a reasonable reserve to accommodate any adjustments that maybe made as a result of successful appeals. Each Abuse Claimant shall have 21 days from the mailing date of the Notice of Allocation in which to advise the Trustee, in writing, of his or her objection to the preliminary award amount. Unless objection is made, the preliminary allocation shall become final at the end of the 21-day objection period. In accordance with the Plan and Trust Documents, the Trustee shall pay the allocation no later than thirty (30) days after it becomes final

Any additional award on appeal shall be paid from the appeal reserve. At the conclusion of all appeals, the balance of funds in the appeal reserve shall be distributed to all Abuse Claimants in the Creditor Pool utilizing the same formula as was used for each individual's final award.

Once the Trustee has advised Judge Bettinelli of any such objections, Judge Bettinelli will, at his sole discretion, arrange to speak with the objector(s), in person or by phone to discuss the objection and may request supplemental materials from the Abuse Claimant. He will review and reconsider the awards to which objection(s) have been made, and if appropriate modify the allocation(s). Judge Bettinelli shall have the discretion to increase or decrease the points awarded on reconsideration, depending on his findings. He will then issue a final award. The final award will not be subject to appeal or reconsideration.

Compensation

Judge Bettinelli will be compensated at a rate agreed upon between him and the Trustee. His compensation shall be deducted from the gross proceeds of the award to the Allocation Pool(s) which retain(s) him. Judge Bettinelli shall have full discretion to determine the form and scope of any submissions to him relating to his allocation determination. His initial determination shall be made based on the documents described above and other submissions made to him by the Abuse Claimants and their attorneys.

ALLOCATION PLAN II

I. Abuse Claims Reviewer

Attorney Kate Pflaumer shall have the title and responsibility of "Abuse Claims Reviewer" (hereinafter "ACR") under the terms of Allocation Protocol II. The ACR shall conduct a review of each of the abuse claims within Allocation Protocol II and make individual monetary distributions according to the guidelines set forth in section 4.4 below. The ACR shall have the authority to employ qualified assistants and consultants as she deems appropriate. The ACR's award as to each claimant shall be the final award, subject only to reconsideration as set forth in section 4.5 below.

II. Definitions

2.1 Capitalized Terms.

Capitalized terms used in Allocation Protocol II shall have the meanings given them in the Plan, the Settlement Trust Agreement or the Bankruptcy Code, unless otherwise defined herein, and such definitions are incorporated in Allocation Protocol II by reference.

2.2 "Perpetrator of Debtor:" means a person: (1) who was a Priest, Brother, employee or other agent of the Debtor at the time such person committed an act of Abuse; or (2) for whom or for whose actions the Debtor was responsible.

2.3 "Sexual abuse" or "sexually abused" shall have the meaning described in Section 1.1 of the Plan.

III. Purpose

3.1 Purpose:

The purpose of Allocation Protocol II is to provide for the just, fair and rational distribution of settlement funds to Abuse Claimants.

3.2 Sole and Exclusive Method.

Allocation Protocol II shall be the sole and exclusive method by which the holder of a Abuse Claim who is a member of Allocation Protocol II may seek distribution on account of such Claim.

3.3 Interpretation.

The terms of the Plan shall prevail if there is any discrepancy between the terms of the Plan and the terms of this Allocation Protocol.

3.4 Publication of Members of Allocation Protocol II.

Upon written request from any Abuse Claimant within Allocation Protocol II, the ACR shall provide a list of all Abuse Claimants by Proof of Claim number who are members of Allocation Protocol II.

IV. Procedure for Allocation Protocol II

4.1 Monetary Distribution on Account of Abuse Tort Claim.

The ACR shall evaluate each claim within Allocation Protocol II and shall determine the number of points, if any, that should be credited to the Abuse Claimant under the guidelines set forth in section 4.4 below.

4.2 Proof of Abuse.

Available documentary information to be presented by the Abuse Claimant to the ACR shall be provided within 30 days of a written request from the ACR; provided that, the ACR may grant extensions of time for good cause shown.

The ACR shall consider all of the facts and evidence presented by the Abuse Claimant. However, it is recognized that many Abuse Claimants may not have such documents as medical or counseling records. The ACR shall not distinguish between documentary evidence and oral testimony in terms of its weight or value in making her findings. One is not necessarily more or less valuable than the other. The presence or absence of such documents shall not, alone, advantage or disadvantage the Abuse Claimant if the information presented is otherwise reliable and credible.

Each Abuse Claimant will have the opportunity for an interview by the ACR or her designated assistant(s); provided that, any Abuse Claimant may opt out of the interview by written notice at any time before the interview. Upon written request to the Abuse Claimant by the ACR, the interview shall occur within 30 days unless the ACR determines there is good cause for delay. If the Abuse Claimant opts out of an interview or otherwise does not appear for a scheduled interview, the ACR shall submit to the Abuse Claimant a standard form questionnaire and the Abuse Claimant shall return the questionnaire to the ACR within 30 days of mailing. Failure to timely return a questionnaire shall be grounds for denial of the Abuse Claim at the discretion of the ACR. The interview may be accomplished in person, by telephone, by internet teleconferencing or other means approved by the ACR; however, the interviews will be conducted in person when the ACR or her designated interviewer determines it is reasonably possible to do so. The ACR shall otherwise have discretion to determine where, how and when the interviews will take place.

4.3 Information from Abuse Claimant and/or Other Parties.

Any Abuse Claimant who is a member of Allocation Protocol II shall have the right to provide additional information to the ACR relative to the allowance or valuation of any other Abuse Claim that has been filed within Allocation Protocol II.

ALLOCATION PLAN II - 2

4.4 Deceased Abuse Claimant

Abuse Claimant shall include the estate of the Deceased Abuse Client, or the personal executor, or personal representative of the estate of a Deceased Abuse Claimant.

4.5 Guidelines for Use of Protocol / Monetary Distribution.

a. Initial Evaluation.

An Abuse Claimant shall not receive more than one monetary distribution. Before determining a final award to be assigned to a particular claim, the ACR shall consider the degree to which the Abuse Claimant has proven by a preponderance of the evidence that the sexual abuse was perpetrated by a Perpetrator of Debtor. In certain circumstances, the responsibility of the Debtor for a perpetrator may be limited, shared, or non-existent. For example, the perpetrator may not be employed by, working under the supervision of, or be acting within the reasonable scope of responsibility of the Debtor. When this is the situation the ACR should consider the responsibility for the perpetrator of (1) the Debtor and (2) any other persons or entities who are not a Perpetrator of Debtor. Such responsibility of the Debtor may be comparatively reduced by the responsibility of these other persons or entities.

The ACR shall, in the ACR's sole discretion, adjust, reduce or eliminate the total award assigned to the Claim accordingly.

The ACR should consider the coherence, credibility and consistency of the Abuse Claimant's accounts of the abuse and should consider any and all evidence that may enhance or diminish the over-all reliability of such claims.

In evaluating the claims, The ACR will disregard any considerations related to the statute of limitations with respect to sexual abuse claims.

b. Nature, severity, and impact of the sexual abuse.

Each Abuse Claimant will be evaluated by the ACR.. Each claimant interviewed will be scored according to the following system. If a claimant opts out of an interview, the ACR will attempt to allocate points according to the same factors with what information is presented that she deems reliable and probative. Scores are based on the interviewer/ACR completing a summary sheet of information obtained in the interview, a questionnaire in lieu of interview, from counsel, or other means.

The summary sheet summarizes data in the following dimensions, which are illustrative only:

Pre-existing Risk and Resiliency Factors:

MAXIMUM 20 POINTS

I. Risk Factors. Risk factors are aspects of life known to negatively impact life and to exacerbate the negative impact of experience such as sexual abuse.

- a. Childhood of poverty
- b. Parental divorce
- c. Exposure to substance abuse in home
- d. Ever living without a parent
- e. Being the victim of or witnessing DV or physical child abuse
- f. Age at the time of abuse (though evidence is contradictory on impact so ACR must judge in context of other factors.)

II. Resilience Factors. Resiliency factors are aspects of life that are known to buffer or reduce the negative impact of events such as sexual abuse. These factors should be assessed to modify downward the total points given in this Section.

- a. Spiritual/faith as a child
- b. Academic success
- c. Close friend
- d. Athletic
- e. Close relationship with adult family member, non-related adult.

Nature of the sexual abuse:

MAXIMUM 40 POINTS

III. Nature of the sexual abuse:

- a. Duration
- b. Frequency
- c. Degree intrusive into child's body (clothed/unclothed, oral, anal, vaginal)
- d. Level of force/violence/coercion/threats
- e. Child/family was Catholic
- f. Control of environment (e.g. boarding school)

ALLOCATION PLAN II - 4

- g. More than one perpetrator
- h. Physical pain suffered

Post Abuse Functioning to Age 18:

MAXIMUM 15 POINTS

IV. Post abuse functioning (to age 18)

- a. School behavior problems
- b. School academic problems
- c. Getting into legal trouble
- d. Loss of faith
- e. Damage to family relationships
- f. Mental health symptoms
 - i. Depression
 - ii. Suicide Attempt
 - iii. Anxiety
 - iv. Substance abuse
 - v. Sexual acting out
 - vi. Runaway
 - vii. Flashbacks
 - viii. Nightmares

Long Term Impact:

MAXIMUM 15 POINTS

V. Adult & current functioning

- a. Symptoms – see above list
- b. Criminal record
- c. Underemployment
- d. Relationship problems

ALLOCATION PLAN II - 5

- e. Substance abuse

Assessment of Global Severity of Impact/Suffering: MAXIMUM 14 POINTS

ACR to rate global severity of impact/suffering: Compared to other Abuse Claimants in Allocation Protocol II, the ACR will consider how much this individual suffered as a result of the sexual abuse.

- a. Compared to other Abuse Claimants in Allocation Protocol II, the ACR will consider the overall seriousness of the sexual abuse.
- b. Compared to other Abuse Claimants in Allocation Protocol II, the ACR will consider the overall negative impact of the abuse.

Monetary Distribution:

The ACR will arrive at a point total for each Abuse Claimant taking into account the above factors and applying any reductions that the ACR determines are necessary pursuant to Section 4.4 (a) above. This will result in an Abuse Claimant being put into one of 14 tiers shown below, which will correlate with monetary shares of the total amount of funds available.

<u>Points</u>	<u>Shares</u>
97-104	100
89-96	87
81-88	75
73-80	64
65-72	54
57-64	45
49-56	37
41-48	30
33-40	24
25-32	19
17-24	15
9-16	12
1-8	10
0	0

The value of an individual "share" will be determined after all Abuse Claimants have been evaluated and placed into one of the 14 tiers based on total points. The share value will be determined by dividing the total amount of dollars in the Allocation Protocol II settlement fund by the total number of shares among all of the individual Abuse Claimants. By way of example, if there are 200 claimants awarded a total of 10,000 shares, with a total Allocation Protocol II settlement fund of \$50 million, each share would be valued at \$5,000.

4.5 Determinations by the ACR and Requests for Reconsideration and Appeal.

ALLOCATION PLAN II - 6

The ACR shall notify the Abuse Claimant in writing of the monetary distribution with respect to the Abuse Claimant's Claim. The Settlement Trustee or ACR shall mail this determination to the Abuse Claimant. The ACR's determination shall be final unless the Abuse Claimant makes a timely request for the monetary distribution to be reconsidered by the ACR. The Abuse Claimant shall not have a right to any other appeal of the ACR's monetary distribution. The Abuse Claimant may request reconsideration of the ACR's monetary distribution by delivering a written request for reconsideration to the ACR within 14 calendar days after the date of mailing of the monetary distribution. The Abuse Claimant, with the request for reconsideration, may submit additional evidence and argument in support of such request. The ACR shall have sole discretion to determine how to proceed with the request for reconsideration. The ACR's determination of such request for reconsideration shall be final and not subject to any further appeal.

4.6 Confidentiality.

All information that the Settlement Trustee and/or the ACR receives from any source about any Abuse Claimant shall be held strictly confidential and shall not be disclosed absent an Order of the bankruptcy court.

V. General Guidelines

5.1 Non-Compensatory Damages and Other Theories of Liability.

In determining the value of any Abuse Claim, punitive damages and damages that do not compensate the tort claimant shall not be considered or allowed, even if these damages could have been allowed in a case or at trial.

5.2 Withdrawal of Claims.

An Abuse Claimant can irrevocably withdraw an Abuse Claim at any time upon written notice to the ACR.

5.3 Res Judicata Effect.

The ACR's determination with respect to an Abuse Claim shall have no preclusive or res judicata effect outside of this Bankruptcy Case as to any third party. That is, the ACR's determination may not be used against any Abuse Claimant in any other case.

ALLOCATION PLAN III

Allocation Protocol III applies to those Settling Tort Claimants that suffered physical abuse or were physically abused by a perpetrator of debtor as set forth in Section 2.2 below but who did not suffer sexual abuse or were sexually abused as described in Section 1.136 of the Plan.

Although persons suffering physical abuse may have suffered physical, psychological and emotional injuries at the time of the physical abuse and physical, psychological and emotional injuries may have continued to be symptomatic to present, it has to be recognized, from a legal standpoint, that the Statutes of Limitation in Washington (RCW 4.16.100), Montana (MTA 27-2-204), Idaho (IC 5-219), Alaska (AS 9.10.070) and Oregon (ORS 12.110), limit actions for assault and battery and related intentional torts to two years. There are tolling provisions in each state which would toll the Statute of Limitations under certain circumstances and other legal theories such as fraudulent concealment and equitable estoppel that could impact the application of the Statute of Limitations but, the fact remains, physical abuse claims are vulnerable to a Statute of Limitations defense. In order to avoid objections to physical abuse claims being filed in this proceeding based on the Statute of Limitations, and to negotiate a settlement that would allow physical abuse survivors to participate in this settlement, this Allocation Protocol III allows for the creation of a pool consisting of survivors that have physical abuse claims and who did not suffer sexual abuse or were sexually abused as described in Section 1.136 of the Plan. The physical abuse survivors pool shall be administered as set forth herein.

I. Tort Claims Reviewer

Attorney Kate Pflaumer shall have the title and responsibility of "Tort Claims Reviewer" (hereinafter "TCR") under the terms of Allocation Protocol III. The TCR shall conduct a review of each of the tort claims within Allocation Protocol III and make individual monetary distributions according to the guidelines set forth in Section 4.4 below. The TCR shall have the authority to employ qualified assistants and consultants as she deems appropriate. The TCR's award as to each claimant shall be the final award, subject only to reconsideration as set forth in Section 4.5 below.

II. Definitions

2.1 Capitalized Terms.

Capitalized terms used in Allocation Protocol II shall have the meanings given them in the Plan, the Settlement Trust Agreement or the Bankruptcy Code, unless otherwise defined herein, and such definitions are incorporated in Allocation Protocol III by reference.

2.2 "Perpetrator of Debtor:" means a person: (1) who was a Priest, Brother, employee or other agent of the Debtor at the time such person committed an act of Abuse; or (2)

for who or for whose actions the Debtor was responsible. In this regard, it is understood that the perpetrator would either be a member of the Society of Jesus, Oregon Province, or a Priest, Nun, Brother, Deacon, other religious, or a lay individual for whom the Society of Jesus, Oregon Province, could reasonably be held liable for the abuse to the tort claimant.

2.3 Physical Abuse or Physically Abused shall have the meaning described in Section 1.102(a) of the Plan.

III. Purpose

3.1 Purpose:

The purpose of the Allocation Protocol III is to provide a remedy for tort claimants suffering physical abuse or were physically abused by a perpetrator of Debtor but who did not suffer sexual abuse or were sexually abused, for the just, fair and rational distribution of settlement funds to Settling Tort Claimants.

3.2 Sole and Exclusive Method.

Allocation Protocol III shall be the sole and exclusive method by which the holder of a Settling Tort Claim alleging solely physical abuse may seek distribution on account of such Claim.

3.3 Interpretation.

The terms of the Plan shall prevail if there is any discrepancy between the terms of the Plan and the terms of this Allocation Protocol.

3.4 Publication of Members of Allocation Protocol III.

Upon written request from any Settling Tort Claimant within Allocation Protocol III, the TCR shall provide a list of all Settling Tort Claimants by Proof of Claim number who are members of Allocation Protocol III.

IV. Procedure for Allocation Protocol III.

4.1 Monetary Distribution on Account of Settling Tort Claim.

As stated herein, the TCR shall evaluate each claim within Allocation Protocol III and shall make an award to the Settling Tort Claimant between \$0.00 and \$17,500.00 under the guidelines set forth in Section 4.4 below.

ALLOCATION PLAN III - 2

4.2 Proof of Abuse.

Available documentary information to be presented by the Settling Tort Claimant to the TCR shall be provided within 30 days of a written request from the TCR; provided that, the TCR may grant extensions of time for good cause shown.

The TCR shall consider all of the facts and evidence presented by the Settling Tort Claimant. However, it is recognized that many Settling Tort Claimants may not have such documents as medical or counseling records. The TCR shall not distinguish between documentary evidence and oral testimony in terms of its weight or value in making the TCR's findings. One is not necessarily more or less valuable than the other. The presence or absence of such documents shall not, alone, advantage or disadvantage the Settling Tort Claimant if the information presented is otherwise reliable and credible.

Each Settling Tort Claimant will have the opportunity for an interview by the TCR or a designated assistant(s); provided that, any Settling Tort Claimant may opt out of the interview by written notice at any time before the interview. Upon written request to the Settling Tort Claimant by the TCR, the interview shall occur within 30 days unless the TCR determines there is good cause for delay. If the Settling Tort Claimant opts out of an interview or otherwise does not appear for a scheduled interview, the TCR shall submit to the Settling Tort Claimant a standard form questionnaire and the Settling Tort Claimant shall return the questionnaire to the TCR within 30 days of mailing. Failure to timely return a questionnaire shall be grounds for denial of the Settling Tort Claim at the discretion of the TCR. The interview may be accomplished in person, by telephone, by internet teleconferencing or other means approved by the TCR; however, the interviews will be conducted in person when the TCR or a designated interviewer determines it is reasonably possible to do so. The TCR shall otherwise have discretion to determine where, how and when the interviews will take place.

4.3 Information from Settling Tort Claimant and/or Other Parties.

Any Settling Tort Claimant who is a member of Allocation Protocol III shall have the right to provide additional information to the TCR relative to the allowance or valuation of any other Settling Tort Claim that has been filed within Allocation Protocol III.

4.4 Guidelines for Use of Protocol / Monetary Distribution.

a. Initial Evaluation.

The TCR should consider the coherence, credibility and consistency of the Settling Tort Claimant's accounts of the abuse and should consider any and all evidence that may enhance or diminish the over-all reliability of such claims.

In evaluating the claims, the TCR will disregard any considerations related to the Statute of Limitations with respect to physical abuse claims.

b. Nature, severity, and impact of the physical abuse.

ALLOCATION PROTOCOL III - 3

Each Settling Tort Claimant will be evaluated by the TCR. Each claimant interviewed will be evaluated according to the following system. If a claimant opts out of an interview, the TCR will attempt to evaluate the victim's claim according to the same factors with what information is presented that the TCR deems reliable and probative. The interviewing TCR will complete a summary sheet of information obtained in the interview, a questionnaire in lieu of interview, from counsel, or other means.

The summary sheet summarizes data in the following dimensions, which are illustrative only:

Nature of physical abuse:

I. Nature of physical abuse:

- a. Description of the physical abuse
- b. Duration of the physical abuse
- c. Frequency of the physical abuse suffered
- d. How was the physical abuse administered, i.e., hands, fist, objects used to inflict physical abuse
- e. Age when physical abuse administered
- f. Location where physical abuse occurred
- g. How many perpetrators inflicted physical abuse
- h. Describe physical pain suffered

II. How the physical abuse affected the victim.

- a. Physical symptoms at the time of the physical abuse and any residual physical symptoms the victim has as a result of the physical abuse suffered
- b. School behavior problems
- c. School academic problems
- d. Getting into legal trouble
- e. Loss of faith
- f. Mental health symptoms
 - I. Depression
 - ii. Suicide attempt
 - iii. Anxiety
 - iv. Substance abuse
 - v. Runaway
 - vi. Flashbacks
 - vii. Nightmares

Monetary Distribution:

ALLOCATION PLAN III - 4

The TCR will evaluate each Settling Tort Claimant taking into account the above factors and applying any reductions that the TCR determines are necessary pursuant to Section 4.4 above. The TCR shall have the authority to award a physical abuse claimant an amount of money between \$0.00 and \$17,500.00.

4.5 Determination by the TCR and Requests for Reconsideration and Appeal.

The TCR shall notify the Settling Tort Claimant in writing of the monetary distribution with respect to the Settling Tort Claimant's Claim. The Settlement Trustee or TCR shall mail this determination to the Settling Tort Claimant. The TCR's determination shall be final unless the Settling Tort Claimant makes a timely request for the monetary distribution to be reconsidered by the TCR. The Settling Tort Claimant shall not have a right to any other appeal of the TCR's monetary distribution. The Settling Tort Claimant may request reconsideration of the TCR's monetary distribution by delivering a written request for reconsideration to the TCR within 14 calendar days after the date of mailing of the monetary distribution. The Settling Tort Claimant, with the request for reconsideration, may submit additional evidence and argument in support of such request. The TCR shall have sole discretion to determine how to proceed with the request for reconsideration. The TCR's determination of such request for reconsideration shall be final and not subject to any further appeal.

4.6 Confidentiality.

All information that the Settlement Trustee and/or the TCR receives from any source about any Settling Tort Claimant shall be held strictly confidential and shall not be disclosed absent an Order of the Bankruptcy Court.

V. General Guidelines.

5.1 Non-Compensatory Damages and Other Theories of Liability.

In determining the value of any Settling Tort Claim, punitive damages and damages that do not compensate the tort claimant shall not be considered or allowed, even if these damages could have been allowed in a case or at trial.

5.2 Withdrawal of Claims.

A Settlement Tort Claimant can irrevocably withdraw a Settling Tort Claim at any time upon written notice to the TCR.

5.3 Res Judicata Effect.

The TCR's determination with respect to a Settling Tort Claim shall have no preclusive or res judicata effect outside of this Bankruptcy Case as to any third party. That is, the TCR's determination may not be used against any Settling Tort Claimant in any other case.

EXHIBIT 1.105

PARTICIPATING PARTIES

Pioneer Educational Society

Montana Catholic Missions

Society of Jesus, Alaska

Jesuit Novitiate of Sheridan

All Jesuit Communities Within the Province Territory*

The Arcas

The Trustees of the Arcas, in their capacity as such

Jesuit Community of Gonzaga University, Inc.

Loyola Retreat Association, S.J., Inc. dba the Jesuit Spirituality Center

The Oregon Province of the Society of Jesus*

Mount St. Michael's Seminary of Philosophy and Science

Rocky Mountain Mission/Northwest

Nestucca Sanctuary, Inc.

* To the extent the Province or a Jesuit Community is a civil entity separate from the Debtor it is a Participating Party. In the event the Province or a Jesuit Community is not a civil entity separate from the Debtor, it is part of the Debtor and will receive all the benefits afforded the Debtor under the Plan.

Exhibit 1.105

Page 1 of 1

F:\CLIENTS\19620\004\PLAN & DISCLOSURE STATEMENT\EXHIBIT 1.105 TO THIRD MODIFIED PLAN.DOC

EXECUTION COPY

SETTLEMENT AGREEMENT, RELEASE, AND POLICY BUYBACK

This Settlement Agreement, Release, and Policy Buyback ("Agreement") is hereby made between and among the Society of Jesus, Oregon Province (the "SJOP" as defined herein) and the Other Releasing Parties (as defined herein), on the one hand; and American States Insurance Company, General Insurance Company of America, and Safeco Insurance Company of America ("Safeco" as defined herein) and the Safeco Released Parties (as defined herein), on the other hand.

RECITALS

WHEREAS, numerous individuals have asserted claims against the SJOP and certain Other Releasing Parties for injuries allegedly suffered due to sexual abuse by priests and other individuals allegedly negligently hired, supervised, or maintained by the SJOP (the "Tort Claims" as defined herein); and

WHEREAS, Safeco issued or allegedly issued certain insurance policies to or for the benefit of the SJOP and/or the Other Releasing Parties (the "Policies" as defined herein); and

WHEREAS, certain disputes between the SJOP and Safeco have arisen and would be likely to arise in the future concerning Safeco's position regarding the nature and scope of its responsibilities, if any, to provide coverage to the SJOP and/or any of the Other Releasing Parties under the Policies for the Tort Claims, including, without limitation, the sufficiency of the evidence of the existence and terms of the Policies; whether policy terms or exclusions provide or preclude coverage for the Tort Claims; whether the SJOP has complied with certain conditions precedent to coverage contained in the Policies; whether settlements made by the SJOP or to be made by the SJOP are reasonable; and whether and to what extent the costs incurred in connection with the Tort Claims are allocable to the Policies (the "Coverage Disputes" as defined herein); and

WHEREAS, the SJOP filed a voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code (as herein defined) on February 17, 2009 (the "Petition Date" as defined herein), in the United States Bankruptcy Court for the District of Oregon (the "Reorganization Case" as defined herein); and

WHEREAS, Safeco filed an adversary proceeding against the SJOP on October 23, 2009, in the United States Bankruptcy Court for the District of Oregon (the "Adversary Coverage Proceeding" as defined herein); and

WHEREAS, on February 23, 2010, the Official Committee of Unsecured Creditors filed a Motion for Authority to Commence, Prosecute and Settle Litigation on Behalf of Bankruptcy Estate Against Safeco in the Reorganization Case [Doc 660], which Motion Safeco and SJOP opposed by filing written opposition papers; and

SETTLEMENT AGREEMENT,
RELEASE, AND POLICY BUYBACK

In re Society of Jesus, Oregon Province
D. Or. Bankr. Docket No. 09-30938-elp11

Exhibit 1.130 Exhibit B
Page 1 of 38

Exhibit A

EXECUTION COPY

WHEREAS, the SJOP, Safeco, the Other Releasing Parties, and the Safeco Released Parties, without any admission of liability or concession of the validity of the positions or arguments advanced by each other, now wish fully and finally to compromise and resolve any and all Coverage Disputes and any and all other disputes between them; and

WHEREAS, through this Agreement, the SJOP and the Other Releasing Parties intend to provide Safeco with the broadest possible buyback and release with respect to the Policies and to provide that Safeco shall have no further obligations now or in the future with respect to the Policies; and

WHEREAS, as part of the compromise and resolution of such disputes, the Parties, the Other Releasing Parties, and the Safeco Released Parties wish to effect a sale of the Policies pursuant to Section 363 of the Bankruptcy Code; and

WHEREAS, each Party has received the advice of counsel in the preparation, drafting, and execution of this Agreement, which was negotiated at arm's length;

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants contained in this Agreement, the sufficiency of which is hereby acknowledged, and intending to be legally bound, subject to the approval of the Bankruptcy Court, the Parties, the Other Releasing Parties, and the Safeco Released Parties hereby agree as follows:

1. DEFINITIONS AND CONSTRUCTION

1.1 As used in this Agreement, the following terms shall have the meanings set forth below. Terms not defined below shall have any meanings given to them in the Bankruptcy Code.

1.1.1 "Adversary Coverage Proceeding" means the lawsuit Safeco filed against the SJOP on October 23, 2009, in the United States Bankruptcy Court for the District of Oregon, Adv. Proc. No. 09-3351-elp.

1.1.2 "Approval Motion" means the motion seeking entry of the Approval Order.

1.1.3 "Approval Order" means a Final Order in substantially the form attached hereto as Exhibit 1, with only such modifications as are acceptable both to Safeco and the SJOP in each party's respective sole discretion, entered by the Bankruptcy Court under Bankruptcy Code Sections 363 and 105 and Bankruptcy Rule 9019 and/or under such other provisions as the Bankruptcy Court may order, approving this Agreement and authorizing the Parties to undertake the settlement and the transactions contemplated by this Agreement.

EXECUTION COPY

1.1.4 "Bankruptcy Code" means Title 11 of the United States Code, 11 U.S.C. § 101 *et seq.*

1.1.5 "Bankruptcy Court" means the United States Bankruptcy Court for the District of Oregon and any other court in which the Reorganization Case may be pending or which has jurisdiction over the Reorganization Case.

1.1.6 "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

1.1.7 "Claim" means any past, present or future claim, demand, action, requests, cause of action, suit or liability of any kind or nature whatsoever, whether at law or equity, known or unknown, asserted or unasserted, anticipated or unanticipated, accrued or unaccrued, fixed or contingent, which has been or may be asserted by or on behalf of any Person, whether seeking damages (including compensatory, punitive or exemplary damages) or equitable, mandatory, injunctive, or any other type of relief, including cross-claims, counterclaims, third-party claims, suits, lawsuits, administrative proceedings, notices of liability or potential liability, arbitrations, actions, rights, causes of action or orders, and any claim within the definition of Section 101(5) of the Bankruptcy Code.

1.1.8 "Conditional Payment" means any payment made pursuant to Section 1395y(b)(2)(B) of the MSPA (Medicare Secondary Payer Act, as defined in § 1.1.16 of this Agreement).

1.1.9 "Coverage Disputes" means those disputes between the SJOP and Safeco that have arisen or may arise in the future concerning Safeco's position regarding the nature and scope of Safeco's responsibilities, if any, to provide coverage to the SJOP and/or any of the Other Releasing Parties under the Policies for Claims.

1.1.10 "Effective Date" means the date on which this Agreement becomes effective; which shall be the day upon which the Approval Order entered by the Bankruptcy Court has become a Final Order, which shall be after each of the Parties has executed this Agreement and delivered evidence of that execution, through delivery of an executed signature page, to the other Party.

1.1.11 "Extra-Contractual Claim" means any Claim against Safeco, seeking any type of relief, including compensatory, exemplary, or punitive damages, or attorneys' fees, interest, costs, or any other type of relief, on account of alleged bad faith; failure to act in good faith; violation of any duty of good faith and fair dealing; violation of any unfair claims practices act or similar statute, regulation, or code; any type of alleged misconduct; or any other act or

EXECUTION COPY

omission of the insurer of any type for which the claimant seeks relief other than coverage or benefits under a Policy. Extra-Contractual Claims include without limitation: (i) any Claim arising out of or relating to Safeco's handling of any request for insurance coverage relating to the Policies for any Claim, including, without limitation, any Tort Claim; and (ii) the conduct of the Parties with respect to the negotiation of this Agreement. However, this limitation shall not include fraud in the inducement of this Agreement.

1.1.12 "Final Order" means an order, judgment, or other decree (including any modification or amendment thereof) that remains in effect and has not been reversed, withdrawn, vacated, or stayed, and as to which the time to appeal or seek review, rehearing, or writ of certiorari has expired or, if such an appeal or review has been taken, (i) it has been resolved and no longer remains pending, or (ii) an appeal or review has been taken timely but such order has not been stayed and the SJOP and Safeco have mutually agreed in writing that the order from which such appeal or review is taken should be deemed to be a Final Order within the meaning of this Agreement.

1.1.13 "Insurance Coverage Claim" means any Claim for insurance coverage under the Policies.

1.1.14 "Interests" means all liens, Claims, encumbrances, interests, and other rights of any nature, whether at law or in equity, including any rights of contribution, indemnity, defense, subrogation, or similar relief relating to the Policies.

1.1.15 "Medicare Beneficiary" means a Tort Claimant who is eligible to, is receiving, or has received Medicare benefits.

1.1.16 "MSPA" means Medicare Secondary Payer Act, codified at 42 U.S.C. § 1395y, and the regulations promulgated thereunder, found at 42 C.F.R. § 411.1 *et seq.*

1.1.17 "Other Releasing Parties" mean: (i) Montana Catholic Missions, S.J.; Mount St. Michael; Pioneer Educational Society (also sometimes referred to in the Policies as Pioneer Education Society or Pioneer Educational Society dba Bea House); Society of Jesus, Alaska; and Fr. Patrick J. Lee, S.J. on behalf of the Office of the Very Reverend Father Provincial of the SJOP; and (ii) any and all predecessors, successors, and assigns of the SJOP and any and all past and present employees, officers, directors, shareholders, principals, agents, attorneys, representatives, in their capacity as such, of the SJOP. In addition, it is the mutual understanding of SJOP and Safeco that the reference to "Society of Jesus" in the American States policies was and is intended to refer to the Society of Jesus, Oregon Province.

SETTLEMENT AGREEMENT,
RELEASE, AND POLICY BUYBACK

Page 4 of 26

In re Society of Jesus, Oregon Province
D. Or. Bankr. Docket No. 09-30938-elp11

Exhibit 1.130 Exhibit B
Page 4 of 38

Exhibit A

EXECUTION COPY

1.1.18 "Parties" means the SJOP and Safeco, and "Party" means anyone of them.

1.1.19 "Person" means an individual, any corporation, including, without limitation, a corporation sole, a partnership, an association, a limited liability company, a proprietorship, joint venture, a trust, executor, legal representative, or any other entity or organization, as well as any federal, international, foreign, state, or local governmental or quasi-governmental entity, body, or political subdivision or any agency or instrumentality thereof.

1.1.20 "Petition Date" means February 17, 2009, the date upon which the SJOP filed its voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code.

1.1.21 "Plan Confirmation Order" means a Final Order that: (i) approves a plan of reorganization as to SJOP pursuant to Section 1129 and any other applicable provision of the Bankruptcy Code; (ii) contains an injunction pursuant to Section 105(a) of the Bankruptcy Code channeling all Tort Claims to the Trust; (iii) provides that this Agreement is binding on the Trust (i.e., contains a Supplemental Injunction in favor of Safeco); and (iv) provides all protections to Safeco and the Safeco Release Parties against Tort Claims that are afforded to settling insurers under the plan of reorganization.

1.1.22 "Policies" means all insurance policies, issued or allegedly issued, by Safeco and providing insurance coverage to the SJOP, and/or any Other Releasing Party, as identified on Exhibit 2 to this Agreement, and any and all unknown insurance policies issued or allegedly issued by Safeco to SJOP and/or any Other Releasing Party.

1.1.23 "Procedures Motion" means the motion seeking approval of the procedures for notice, service, and publication of the Approval Motion (as defined herein).

1.1.24 "Reorganization Case" means the Chapter 11 reorganization case filed February 17, 2009, by the SJOP in the United States Bankruptcy Court for the District of Oregon, *In re The Society of Jesus, Oregon Province*, Case No. 09-30938-elp11.

1.1.25 "Safeco" means American States Insurance Company, General Insurance Company of America, and Safeco Insurance Company of America, and each of their past and present subsidiaries, parents, and affiliates. "Safeco" also includes all future subsidiaries, parents, and affiliates of American States Insurance Company, General Insurance Company of America, and Safeco

EXECUTION COPY

Insurance Company of America, to the extent that their liability is derivative of Safeco's liabilities under the Policies.

1.1.26 "Safeco Released Parties" means Safeco, as defined above, and all employees, officers, directors, shareholders, principals, parents, agents, attorneys, and representatives, as well as the predecessors, successors, assignors, and assigns of each of the foregoing, in their capacity as such.

1.1.27 "Settlement Amount" means the payment to be made by Safeco pursuant to Section 2.1 of this Agreement.

1.1.28 "SJOP" means the Society of Jesus, Oregon Province, an Oregon non-profit religious corporation, and the Estate (pursuant to Section 541 of the Bankruptcy Code).

1.1.29 "Supplemental Injunction" means an injunction pursuant to Sections 105(a) and 363 of the Bankruptcy Code, barring and permanently enjoining any and all Persons and entities who now hold or who may in the future hold any Claims or Interests of any kind or nature (including, without limitation, all debt holders, all equity holders, governmental, tax, and regulatory authorities, lenders, trade and other creditors, Tort Claim holders, other insurers, and all others holding Claims or Interests of any kind or nature whatsoever) against SJOP, Other Releasing Parties, Safeco, Safeco Released Parties, or the Safeco Policies, relating to or in connection with the Safeco Policies or Tort Claims, from or against asserting any such Claim or Interests against Safeco, Safeco Released Parties, and/or the Policies.

1.1.30 "Tort Claim" means any Claim against the SJOP and/or Other Releasing Parties resulting, in whole or in part, from alleged sexual molestation or abuse or conduct of a sexual nature or corporal abuse and seeking monetary damages or other relief, and any Claims against Safeco for contribution, indemnity, defense, subrogation, or similar relief, including any Claim of any Person whose Interests are, have been, or may be represented by the Future Claimants Representative appointed pursuant to Order entered August 10, 2009 [Doc 412], arising directly or indirectly from such Claims against SJOP and/or Other Releasing Parties.

1.1.31 "Tort Claimant" means any Person, including any Person whose Interests are, have been, or may be represented by the Future Claimants Representative appointed pursuant to Order entered August 10, 2009 [Doc 412], asserting a Tort Claim.

1.1.32 "Trust" means the Trust, established pursuant to a plan of reorganization as to SJOP and confirmed by the Plan Confirmation Order, to

which all Tort Claims are channeled as the sole and exclusive source of payment of any claims against SJOP or Safeco.

1.2 The following rules of construction shall apply to this Agreement:

1.2.1 Unless the context of this Agreement otherwise requires: (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms "hereof," "herein," "hereby," and derivative or similar words refer to this entire Agreement; and (iv) the words "include," "includes," or "including" shall be deemed to be followed by the words "without limitation."

1.2.2 References to statutes shall include all regulations promulgated thereunder and references to statutes or regulations shall be construed as including all statutory and regulatory provisions regardless of whether specifically referenced in this Agreement.

1.2.3 The wording of this Agreement was reviewed by legal counsel for each of the Parties, or other signatories to this Agreement, and each of them had sufficient opportunities to propose and negotiate changes prior to its execution. None of the Parties, the Other Releasing Parties, or the Safeco Released Parties or other signatories to this Agreement will be entitled to have any wording of this Agreement construed against the other based on any contention as to which of the Parties drafted the language in question or which party is an insurer.

1.2.4 The use of the terms "intend," "intended," or "intent," when describing the intention of the Parties, the Other Releasing Parties, and/or the Safeco Released Parties, as the case may be, shall not be construed to create a breach of this Agreement when the stated intent is not achieved. Notwithstanding the foregoing sentence, however, and for the avoidance of doubt, nothing in this Agreement, including in conjunction with or reliance on this Section 1.2.4, shall be construed as allowing SJOP or any Other Releasing Party to make any Claim against Safeco or any Safeco Released Party under the Policies should the intent of any Party to this Agreement fail or otherwise not be achieved. In exchange for payment of the Settlement Amount, the Parties, Other Releasing Parties, and Safeco Released Parties agree that all Claims against Safeco and the Safeco Released Parties are forever released and bought back as set forth in this Agreement.

2. PAYMENT OF SETTLEMENT AMOUNT

2.1 Subject to all of the terms of this Agreement, in full and final settlement of all responsibilities under and arising out of the Policies, and in consideration of the sale of the Policies to Safeco free and clear of all Interests of any Person, and

EXECUTION COPY

expressly subject to fulfillment of all conditions to payment identified in Section 3 below, Safeco shall pay to the Trust the sum of One Hundred Eighteen Million Dollars (\$118,000,000) (the "Settlement Amount") within fourteen (14) days after the Conditions Precedent to Safeco's Payment set forth in Section 3 of this Agreement have been fulfilled, provided that Safeco receives prior written notice of at least twenty one (21) days from the Trustee of the Trust that such conditions have been satisfied and direction as to transmission of the payment.

2.2 The Parties, the Other Releasing Parties, and the Safeco Released Parties expressly agree that it is intended: (i) that the Settlement Amount is the total amount Safeco and the Safeco Released Parties are obligated to pay on account of any and all Claims made under or relating to the Policies (including the Tort Claims and any reimbursement obligations for Conditional Payments under the MSPA) or with respect to Extra-Contractual Claims relating to the Policies; (ii) that under no circumstance will Safeco or the Safeco Released Parties ever be obligated to make any additional payments to anyone in connection with the Policies, including any amounts allegedly owed under the MSPA and for Extra-Contractual Claims; and (iii) that all limits of liability of the Policies, including all per person, per occurrence, and aggregate limits, shall be deemed fully and properly exhausted. The Parties, the Other Releasing Parties, and the Safeco Released Parties further agree that the Settlement Amount is the full purchase price of the Policies.

2.3 The Parties agree that the plan of reorganization as to the SJOP that is confirmed in the Plan Confirmation Order will provide that this Agreement is binding on the Trust and that before the Trustee of the Trust disburses any of the Settlement Amount to any Tort Claimant the Trustee shall determine whether any Conditional Payment has been made to or on behalf of any Tort Claimant. If any Conditional Payment has been made to or on behalf of any Tort Claimant, the Trustee shall, within the respective time period called for by the MSPA, (i) reimburse the appropriate Medicare Trust Fund for the appropriate amount, and (ii) submit the required information for any Tort Claimant to the appropriate agency of the United States government. To assist the Trustee, the Parties agree that the plan of reorganization as to SJOP shall provide as follows:

2.3.1 Before the Trustee will pay any portion of any Tort Claim to any Tort Claimant, that claimant must provide a third-party vendor, which vendor has been approved by the Official Committee of Unsecured Creditors or the Trustee ("Approved Vendor") or, if no Approved Vendor has been retained by or on behalf of an Tort Claimant, the Trustee, with his or her name, date of birth, Social Security Number or Health Insurance Claim Number (together, the "Personal Information"), a signed Social Security Release Form or a Medicare Release form, or both, when requested by the Approved Vendor or the Trustee,

EXECUTION COPY

as the case may be, and any other information or documents reasonably required to comply with Sections 2.3.2, 2.3.3, and 2.3.4.

2.3.2 Each Tort Claimant who claims that he or she is not a Medicare Beneficiary expressly authorizes the Approved Vendor or the Trustee, as the case may be, to use the Personal Information to submit a query to the Social Security Administration to verify whether he or she is a Medicare Beneficiary. Before the Trustee will pay any portion of any Tort Claim to a Tort Claimant who claims that he or she is not a Medicare Beneficiary, the Tort Claimant will provide a letter from an Approved Vendor supported by documentation from the Social Security Administration, received within sixty (60) days prior to the Trustee making such payment or, if no Approved Vendor has been retained by or on behalf of a Tort Claimant, documentation from the Social Security Administration received within sixty (60) days prior to the Trustee making such payment, confirming that the Abuse Tort is not a Medicare Beneficiary. In the absence of such a confirming letter or documentation, each Tort Claimant will be presumed to be a Medicare Beneficiary.

2.3.3 Each Medicare Beneficiary expressly authorizes the Approved Vendor or the Trustee, as the case may be, to use the Personal Information to submit a query to the Centers for Medicare and Medicaid Services ("CMS"), the CMS Coordination of Benefits Contractor ("COBC"); and/or the Medicare Secondary Payer Recovery Contractor ("MSPRC") to determine the amount of each and every Conditional Payment, if any, subject to reimbursement by a "primary plan." Before the Trustee will pay any portion of any Tort Claim to a Medicare Beneficiary, such Medicare Beneficiary, must provide the Trustee with a letter from the MSPRC ("MSPRC Letter") received within sixty (60) days prior to the Trustee making such payment: (a) setting forth the Conditional Payment estimate made to or on behalf of the Medicare Beneficiary that is subject to reimbursement by a "primary plan," as the phrase is defined in Section 1395y(b)(2) of the MSPA; or (b) stating that no such Conditional Payment has been made to or on behalf of the Medicare Beneficiary. In the event that the MSPRC Letter sets forth a Conditional Payment estimate, no payment shall be made to such Medicare Beneficiary before the Trustee sets aside a reserve for the full amount of the Conditional Payment estimate, or pays a negotiated amount agreed to by the MSPRC and the Medicare Beneficiary. If the Trustee sets aside a reserve for the full amount of the Conditional Payment estimate, that reserved amount shall be withheld from the payment to the Medicare Beneficiary until the Conditional Payment estimate has been paid in full or a negotiated amount that has been agreed to by the MSPRC and the Medicare Beneficiary has been paid.

EXECUTION COPY

2.3.4 The failure by one or more Medicare Beneficiaries or other Tort Claimants to comply with these provisions shall not delay or impair the payment by the Trustee to any other Medicare Beneficiary or other Tort Claimant complying with these provisions.

2.3.5 If the Tort Claimant is the estate of a Tort Claimant, then the letters or documentation required pursuant to Sections 2.3.2 and 2.3.3 need not be received by the Trustee within sixty (60) days of the date of payment by the Trustee to such claimant, provided that the date of death of the Tort Claimant is at least sixty (60) days prior to the date of such letters or documentation.

2.3.6 Notwithstanding any of the above, a Tort Claimant can elect to provide the Trustee with the documentation from the Social Security Administration required pursuant to section 2.3.2, or a Medicare Beneficiary can elect to provide the Trustee with the letter from MSPRC required pursuant to section 2.3.3, without retaining an Approved Vendor and without providing an Approved Vendor or the Trustee with his or her Personal Information, except to the extent that such information is disclosed in such documentation or letter.

3. CONDITIONS PRECEDENT TO SAFECO'S PAYMENT

3.1 Timing of Payment. Safeco's obligation to pay the Settlement Amount in Section 2.1 above is expressly conditioned on the SJOP having obtained both the Approval Order and the Plan Confirmation Order. Court deferral of entry of the Approval Order, in whole or in part, until entry of the Plan Confirmation Order is not a failure of this condition.

3.2 Approval Order. Within fourteen (14) days after the SJOP and Safeco have executed this Agreement, the SJOP shall file the Procedures Motion.

3.2.1 Within five (5) days after the Court enters an order approving the Procedures Motion, SJOP shall file the Approval Motion. The Approval Motion shall seek entry of the Approval Order.

3.2.2 If any objections to the Approval Motion are filed with the Bankruptcy Court, the SJOP shall file a written response, in a form acceptable to Safeco, and shall take all reasonable steps to defend against any appeal, petition, motion, or other challenge to the Bankruptcy Court's entry of the Approval Order. Safeco will cooperate with the SJOP, including making all appropriate submissions.

3.2.3 Written notice of the Approval Motion shall be provided to all known claimants (including all Tort Claimants and other claimants who have filed proofs of claim, all Tort Claimants scheduled by the SJOP, counsel for the Official

EXECUTION COPY

Committee of Unsecured Creditors, the Future Claimants Representative appointed pursuant to Order entered August 10, 2009 [Doc 412]), all Persons who have filed notices of appearance in the Reorganization Case, all entities known to have provided general liability insurance to the SJOP, and the Other Releasing Parties. All claimants, including Tort Claimants, shall be served at the address shown on their proofs of claim or to their counsel of record (with a single notice to any counsel of record who represents multiple Tort Claimants constituting notice to all that counsel's clients who are Tort Claimants) or, if no proof of claim was filed, then at the address on SJOP's schedules. Counsel for each Tort Claimant shall also be served. Known Tort Claimants, to the extent of record, shall be served even if not scheduled or the subject of a proof of claim, to the extent known to SJOP. The General Curia of the Society of Jesus shall be given notice by international mail c/o Fr. Adolfo Nicolás at his official address in Rome, Italy, with a copy to its Portland-based counsel in the Reorganization Case. Any and all co-defendants and their counsel (to the extent of record) in any pre-petition litigation brought by Tort Claimants shall also be given notice at the last address shown on any filed appearance or, if such co-defendant is proceeding *pro se*, then to the last address of record for such *pro se* co-defendant. The notice of intent to seek entry of the Approval Order also shall be published, at Safeco's expense, twice in the *USA Today*, *Oregonian*, *Anchorage Daily News*, *Fairbanks Daily News-Miner*, *Seattle Times*, *Spokesman-Review*, *Missoulian*, and *Idaho Statesman*, in a form and at a time agreed to by the Parties or as ordered by the Bankruptcy Court.

- 3.3 Plan Confirmation Order. In conjunction with the Reorganization Case, the SJOP shall seek and obtain entry of a Plan Confirmation Order, which order must be in all respects consistent with this Agreement and contain no provisions that diminish or impair the benefit of this Agreement to Safeco. In so doing, SJOP's efforts shall include: (i) proposing a plan of reorganization and seeking a confirmation hearing on an appropriately timely basis; (ii) urging the Bankruptcy Court to overrule any objections and confirm a proposed plan; and (iii) taking all reasonable steps to defend against any appeal, petition, motion, or other challenge to the Bankruptcy Court's entry of a Plan Confirmation Order. Prior to entry of a Plan Confirmation Order, the SJOP shall oppose any motion to lift any stay as to any Tort Claim. In the event the Bankruptcy Court lifts the stay as to any Tort Claim prior to the Plan Confirmation Order, the SJOP shall defend that Tort Claim to the extent that such Tort Claim would have been covered by a Policy, which indemnity and defense expenses shall be paid by Safeco and deducted from the Settlement Amount. The form and manner of notice of the hearing to confirm the plan of reorganization as to SJOP and the form and manner of notice of the hearing as to the adequacy of the disclosure statement pertaining thereto are subject to advance approval by Safeco, which approval cannot be unreasonably withheld. In the event the SJOP fails to defend that Tort

Claim, then Safeco shall have the right, but not the duty, to defend and/or indemnify that Tort Claim pursuant to the terms and conditions of the applicable Policies and any such costs for defense or indemnity shall be deducted from the Settlement Amount. In such event, SJOP will cooperate with Safeco in the defense and/or indemnification of such Tort Claim, and Safeco agrees not to settle any such Tort Claim without the express consent of the Committee of Unsecured Creditors.

- 3.4 The Plan of Reorganization. The plan of reorganization as to the SJOP must be in all respects consistent with this Agreement and contain no provisions that diminish or impair its benefit to Safeco. Such plan of reorganization shall provide for damages, injunctive relief, attorneys' fees, costs, and expenses in favor of Safeco against the Trust in the event of a violation or breach of the undertaking in Section 2.3 of this Agreement.

4. CONDITIONS TO AGREEMENT

- 4.1 This Agreement shall be subject to the following conditions: in the event (i) the Bankruptcy Court dismisses the Reorganization Case or converts it to a case under Chapter 7 of the Bankruptcy Code prior to the entry of a Plan Confirmation Order; or (ii) one or more of the conditions ("Dismissal Conditions") identified in Section 4.2 below occurs, then either the SJOP (subject to Court approval unless the Reorganization Case is dismissed) or Safeco may terminate this Agreement by prompt written notice to the other Party. Upon termination of this Agreement, the releases provided in Section 5 of this Agreement shall become null and void, and the SJOP or Safeco shall retain all of their rights and obligations with respect to the Policies, which shall be reinstated as if this Agreement had never been drafted or executed.
- 4.2 Dismissal Conditions for purposes of Section 4.1 of this Agreement are: (i) the failure of the SJOP, after a good faith effort, to obtain, by December 31, 2011, a Confirmation Order, provided, however, that this date shall be extended by up to one year at the request of either the SJOP or Safeco and may be extended further by the consent of both Parties and the Official Committee of Unsecured Creditors, which consent shall not be unreasonably withheld; or (ii) the agreement of Safeco and the SJOP that the SJOP should seek dismissal of the Reorganization Case.

5. RELEASES AND SALE FREE AND CLEAR

- 5.1 From and after the Effective Date, neither the SJOP nor any Other Releasing Party shall commence against Safeco or the Safeco Released Parties any action, suit, or proceeding of any nature whatsoever with respect to any matter, conduct, transaction, occurrence, fact, or other circumstance alleged in, arising

EXECUTION COPY

put of, connected with, or in any way relating to any Policy or Tort Claim, or Safeco's handling thereof, unless this Agreement is properly terminated pursuant to Section 4 above.

- 5.2 Subject to entry of the Approval Order and the Plan Confirmation Order as Final Orders, and the payment of the sum set forth in Section 2.1, and without any further action by the Parties, the SJOP and the Other Releasing Parties, on the one hand, and Safeco and the Safeco Released Parties, on the other hand, each hereby fully, finally, and completely remises, releases, acquits, and forever discharges, as of the Effective Date, the other, and each of them, from any and all past, present, or future Claims in connection with, relating to or arising out of, in any manner or fashion, the Policies, including Claims that are actual or alleged, known or unknown, accrued or unaccrued, suspected or unsuspected (including Tort Claims, Extra-Contractual Claims, reimbursement obligations for Conditional Payments under the MSPA, and all Claims relating to, or arising out of the Reorganization Case), whether such Claims seek compensatory damages, punitive damages, exemplary damages, statutorily multiplied damages, attorneys' fees, interest, costs, or any other type of monetary or nonmonetary relief.
- 5.3 The SJOP, the Other Releasing Parties, Safeco, and the Safeco Released Parties agree that, as set forth in the Approval Order, Safeco hereby buys back the Safeco Policies free and clear of all liens, encumbrances, and other Interests (as set forth in the Approval Order) of any Person, including all rights and Interests of the SJOP; all Other Releasing Parties; and any other Person claiming by, through, or on behalf of the SJOP; any other insurer; any Tort Claimant; and the General Curia of the Society of Jesus. This sale is pursuant to Sections 363(b) and 363(f) of the Bankruptcy Code. The Parties, Other Releasing Parties, and Safeco Released Parties acknowledge and agree that (i) Safeco is a good faith purchaser of the Safeco Policies within the meaning of Section 363(m) of the Bankruptcy Code and (ii) the consideration exchanged constitutes a fair and reasonable settlement of the Parties' disputes and of their respective rights and obligations relating to the Safeco Policies and constitutes reasonably equivalent value. The Parties, Other Releasing Parties, and Safeco Released Parties agree (as set forth in the Approval Order) that the releases in this Agreement and the policy buyback comply with the Bankruptcy Code and applicable non-bankruptcy laws. The Parties, Other Releasing Parties, and Safeco Released Parties agree (as set forth in the Approval Order) that, upon the payment of the Settlement Amount by Safeco, the Policies shall be terminated and of no further force and effect. The Parties, Other Releasing Parties, and Safeco Released Parties further agree that Safeco's payment of the Settlement Amount constitutes Safeco's full and complete performance of any and all obligations under the Policies owed to any of the Other Releasing Parties and exhausts all limits of liability of the Policies.

EXECUTION COPY

The Parties, Other Releasing Parties, and Safeco Released Parties agree that all rights, title, or interest the SJOP or Other Releasing Parties may have had, may presently have, or in the future may have in the Policies are released pursuant to the terms of this Agreement. The Parties, Other Releasing Parties, and Safeco Released Parties further agree that the SJOP accepts the Settlement Amount in full and complete satisfaction of all Safeco's past, present, and future obligations to the SJOP and the Other Releasing Parties, or any of them, under the Policies or arising therefrom, as to any and all Claims for insurance coverage or policy benefits of any nature whatsoever, whether legal or equitable, known or unknown, suspected or unsuspected, fixed or contingent, and regardless of whether or not such claims are in any way related to, connected with, based on, or arise out of the Tort Claims, the Reorganization Case, or otherwise under the Policies.

- 5.4 If, contrary to the specific intent of the Parties, Other Releasing Parties, and Safeco Released Parties, any Claims released pursuant to Section 5.2, including any Insurance Coverage Claim, are deemed to survive this Agreement, even though they are encompassed by the terms of the release set forth in this Section 5 of this Agreement, the Parties, Other Releasing Parties, and Safeco Released Parties hereby forever, expressly, and irrevocably waive entitlement to and agree not to assert any and all such Claims. If, contrary to the specific intent of the Parties, Other Releasing Parties, and Safeco Released Parties, CMS makes a claim against Safeco, such claim or its resolution shall not be deemed a breach of this Agreement.
- 5.5 The releases set forth in this Section 5, as well as all other provisions in this Agreement, are not intended to apply to or have any effect on Safeco's right to reinsurance recoveries under and reinsurance treaties, certificates, or contracts that cover losses arising under or in connection with the Policies.
- 5.6 Nothing in this Section 5 is intended to, nor shall be construed to, release, waive, relinquish, or otherwise affect the Parties' rights and obligations under this Agreement.

6. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

- 6.1 Each of the Parties, the Other Releasing Parties, and the Safeco Released Parties separately represents and warrants as follows:

6.1.1 To the extent it is a corporation, including a non-profit corporation, or other legal entity, it has the requisite power and authority to enter into this Agreement and to perform the obligations contemplated by this Agreement, subject only to approval of the Bankruptcy Court;

EXECUTION COPY

6.1.2 Subject to entry of the Approval Order and Plan Confirmation Order as Final Orders, the execution and delivery of, and the performance of the obligations contemplated by, this Agreement have been approved by duly authorized representatives of the Parties, the Other Releasing Parties, and the Safeco Released Parties and by all other necessary actions of the Parties, Other Releasing Parties, and Safeco Released Parties; and

6.1.3 This Agreement has been thoroughly negotiated and analyzed by counsel to the Parties and has been executed and delivered in good faith, pursuant to arm's length negotiations and for value and valuable consideration.

6.2 Each of the Parties, Other Releasing Parties, and Safeco Released Parties has conducted and completed a thorough and good faith search for any policy of insurance that might exist, or other evidence of any such policy of insurance, under which Safeco was or might be an insurer of SJOP or of any Other Releasing Party for any Tort Claim. Other than the Policies, no other policies of insurance have been located.

6.3 The person(s) executing this Agreement on behalf of each Other Releasing Party or Safeco Released Party represents and warrants that he/she has received authority from such Other Releasing Party or Safeco Released Party, as the case may be, to execute this Agreement on its behalf and to provide the releases identified in Section 5 above on behalf of such Other Releasing Party or Safeco Released Party.

6.4 Subject to the provisions of Sections 2.3.1 through 2.3.6, the SJOP agrees that the Trust and any plan of reorganization as to SJOP shall provide that the Settlement Amount shall be used solely for payment of indemnity and expenses relating to reimbursing the United States government for reimbursement obligations for Conditional Payments made pursuant to the MSPA applicable to any given Medicare Beneficiary and, after satisfaction thereof, to such Medicare Beneficiaries, Tort Claimants and the attorneys for Tort Claimants.

7. ACTIONS INVOLVING THIRD PARTIES

7.1 For purposes of supporting the release granted in Section 5 and the extinguishment of any and all rights under the Policies resulting from the purchase and sale thereof contemplated by this Agreement, the SJOP and each Other Releasing Party hereby agrees as follows:

7.1.1 In the event that any other insurer of the SJOP or Other Releasing Parties obtains a judicial determination or binding arbitration award that it is entitled to obtain a sum certain from Safeco as a result of a claim for contribution, subrogation, indemnification, or other similar claim against Safeco

EXECUTION COPY

for Safeco's alleged share or equitable share, or to enforce subrogation rights, if any, of the defense and/or indemnity obligation of Safeco for any Claims or reimbursement obligations for Conditional Payments released or resolved pursuant to this Agreement, the SJOP or Other Releasing Party(ies), as applicable, shall voluntarily reduce its judgment or Claim against, or settlement with, such other insurer(s) to the extent necessary to effectuate such contribution, subrogation, indemnification, or other claims against Safeco. To ensure that such a reduction is accomplished, Safeco shall be entitled to assert this Section as a defense to any action against Safeco brought by any other insurer for any such portion of the judgment or Claim and shall be entitled to request the court or appropriate tribunal issue such orders as are necessary to effectuate the reduction to protect Safeco and the Safeco Released Parties from any liability for the judgment or Claim. Moreover, if a non-settling insurer asserts that it has a Claim for contribution, indemnity, subrogation, or similar relief against Safeco, such Claim may be asserted as a defense against the Trust (under a plan of reorganization as to SJOP contemplated by the Agreement) in any coverage litigation (and the Trust may assert the legal and equitable rights of Safeco in response thereto); and to the extent such a Claim is determined to be valid by the court presiding over such action, the liability of such non-settling insurer to the Trust (or SJOP) shall be reduced dollar for dollar by the amount so determined.

- 7.2 Safeco shall not seek reimbursement for any payments it is obligated to make under this Agreement under theories of contribution, subrogation, indemnification, or similar relief from any other insurer of the SJOP unless that other insurer first seeks contribution, subrogation, indemnification, or similar relief from Safeco. The SJOP shall use its reasonable best efforts to obtain from all insurers with which it settles agreements similar to those contained in this Section 7; provided, however, that the failure of the SJOP, despite its reasonable best efforts, to obtain such an agreement from any insurer with which it settles will not be a basis to terminate this Agreement or excuse Safeco from performing its obligations hereunder, including, without limitation, payment of the Settlement Amount.

8. MISCELLANEOUS

- 8.1 In the event that any proceedings are commenced to invalidate all or any part of this Agreement, the Parties, Other Releasing Parties, and Safeco Released Parties agree to cooperate fully to oppose such proceedings. In the event that any action or proceeding of any type whatsoever is commenced or prosecuted by any Person not a Party to this Agreement to invalidate, interpret, or prevent the validation, enforcement, or carrying out of all or any of the provisions of this Agreement, the Parties, Other Releasing Parties, and Safeco Released Parties

SETTLEMENT AGREEMENT,
RELEASE, AND POLICY BUYBACK
Exhibit B

Page 16 of 26
Exhibit A

In re Society of Jesus, Oregon Province
D. Or. Bankr. Docket No. 09-30938-elp11

Exhibit 1.130
Page 16 of 38

EXECUTION COPY

mutually agree, represent, warrant, and covenant to cooperate fully in opposing such action or proceeding.

- 8.2 Within fourteen (14) days after payment by Safeco, Safeco shall file a motion to dismiss the Adversary Coverage Proceeding with prejudice and with each Party to bear its own costs, expenses, and attorney's fees. The SJOP shall cooperate with Safeco in seeking such dismissal.
- 8.3 Each Party, Other Releasing Party, and Safeco Released Party agrees to take such steps and to execute any documents as may be reasonably necessary or proper to effectuate the purpose and intent of this Agreement and to preserve its validity and enforceability.
- 8.4 The Parties, Other Releasing Parties, and Safeco Released Parties shall cooperate with each other in connection with the Procedures Motion, the Approval Motion, the Approval Order, the Plan Confirmation Order, and the Reorganization Case. Such cooperation shall include consulting with each other upon request concerning the status of proceedings and providing each other with copies of requested pleadings, notices, proposed orders, and other documents relating to such proceedings as soon as reasonably practicable prior to any submission thereof to the Bankruptcy Court; provided, however, that nothing contained in this Section shall obligate any Party to provide to the other Party any information that is otherwise subject to the attorney-client privilege or work-product doctrine. It is understood and agreed that in addition to the protections set forth in Section 8.7 below, all negotiations leading up to this Agreement, and all prior drafts of this Agreement, are subject to the mediation order entered by the Bankruptcy Court in the Reorganization Case and the confidentiality order imposed by the mediator.
- 8.5 This Agreement constitutes a single integrated written contract that expresses the entire agreement and understanding between the Parties, the Other Releasing Parties, and the Safeco Released Parties. Except as otherwise expressly provided herein, this Agreement supersedes all prior communications, settlements, and understandings between the Parties, the Other Releasing Parties, and the Safeco Released Parties, and their representatives, regarding the matters addressed by this Agreement. Except as explicitly set forth in this Agreement, there are no representations, warranties, promises, or inducements, whether oral, written, expressed, or implied, that in any way affect or condition the validity of this Agreement or alter or supplement its terms. Any statements, promises, or inducements, whether made by any party or any agents of any party, that are not contained in this Agreement shall not be valid or binding. Any changes to this Agreement must be made in writing and with the consent of the Parties, Other Releasing Parties, and Safeco Released Parties.

EXECUTION COPY

- 8.6 By entering into this Agreement, none of Parties has waived or shall be deemed to have waived any rights, obligations, or positions it or they have asserted or may in the future assert in connection with any matter or Person outside the scope of this Agreement. SJOP's and the Other Releasing Parties' respective rights under policies of insurance issued by insurers other than Safeco shall not be affected by this Agreement (except to the extent expressly stated in Section 7.1 of this Agreement). No part of this Agreement, its negotiation, or its performance may be used in any manner in any action, suit, or proceeding by any Person as evidence of the rights, duties, or obligations of any of the Parties with respect to matters or Persons outside the scope of this Agreement. All actions taken and statements made by the Parties, Other Releasing Parties, and/or Safeco Released Parties, or by their representatives, relating to this Agreement or participation in this Agreement, including its development and implementation, shall be without prejudice or value as precedent and shall not be used as a standard by which other matters may be judged.
- 8.7 This Agreement represents a compromise of disputed Claims and shall not be deemed an admission or concession by any Party of liability, culpability, wrongdoing, or insurance coverage. Settlement negotiations leading up to this Agreement and all related discussions and negotiations shall be deemed to fall within the protection afforded to compromises and to offers to compromise by Rule 408 of the Federal Rules of Evidence and any parallel state law provisions. Any evidence of the negotiations or discussions associated with this Agreement shall be inadmissible in any action or proceeding for purposes of establishing any rights, duties, or obligations of the Parties, except in (i) an action or proceeding between or among the Parties to enforce the terms of this Agreement or (ii) any possible action or proceeding between Safeco and any of its reinsurers. This Agreement shall not be used as evidence or in any other manner, in any court or dispute resolution proceeding, to create, prove, or interpret Safeco's obligations under the Policies to the SJOP or to any other Person or any Claims of any Party against Safeco.
- 8.8 Neither this Agreement nor the rights and obligations set forth in this Agreement shall be assigned without the prior written consent of the other Parties, except an assignment that occurs as a matter of law by virtue of a merger of a Party with another corporation or entity. The SJOP covenants that it has not and will not assign any right, interest, or action on the Policies to any Person.
- 8.9 Section titles and/or headings contained in this Agreement are included only for ease of reference and shall have no substantive effect.
- 8.10 All notices, demands, or other communication to be provided pursuant to this Agreement shall be in writing and sent by FedEx or other overnight delivery

EXECUTION COPY

service, costs prepaid, to the Parties at the addresses set forth below, or to such other person or address as any of them may designate in writing from time to time:

If to Safeco:

Terri Yahia
Senior Corporate Counsel – CERC
c/o LIBERTY MUTUAL INSURANCE COMPANY
Complex and Emerging Risks Claims Department
175 Berkeley Street
Boston, MA 02116
Fax: (617) 574-5974

With a copy to:

Robert B. Millner
SNR DENTON US LLP
233 South Wacker Drive
Suite 7800
Chicago, IL 60606
Fax: (312) 876-7934

and

Susan A. Stone
SIDLEY AUSTIN LLP
One South Dearborn Street
Chicago, IL 60603
Fax: (312) 853-7036

If to the SJOP:

Fr. Patrick J. Lee, S.J.
c/o SOCIETY OF JESUS, OREGON PROVINCE
3215 SE 45th Avenue
Portland, OR 97206
Fax: (503) 228-6741

and

EXECUTION COPY

William L. Lockyear
c/o SOCIETY OF JESUS, OREGON PROVINCE
3215 SE 45th Avenue
Portland, OR 97206
Fax: (503) 228-6741

With a copy to:

Howard M. Levine
Thomas W. Stilley
SUSSMAN SHANK LLP
1000 SW Broadway
Suite 1400
Portland, Oregon 97205-3089
Fax: (503) 248-0130

and

James R. Murray
DICKSTEIN SHAPIRO LLP
1825 Eye Street NW
Washington, DC 20006-5403
Fax: (202) 420-2201

If to Official Committee for the Unsecured Creditors:

James I. Stang
Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Boulevard, 11th Floor
Los Angeles, CA 90067-4100
Fax: (310) 772-2354

with a copy to:

Paul A. Richler
Morgan Lewis & Bockius LLP
300 South Grand Ave, 22nd Fl.
Los Angeles, CA 90071-3132
Fax: (213) 612-2501

and to counsel for the Trust after it comes into existence, if different from the
address of counsel for the Official Committee of Unsecured Creditors.

EXECUTION COPY

- 8.11 This Agreement may be executed in multiple counterparts, all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile, which facsimile counterparts shall be deemed to be originals.
- 8.12 The Parties agree that nothing contained in this Agreement shall be deemed or construed to constitute (1) an admission by Safeco that the SJOP, the Other Releasing Parties, or any other Person was or is entitled to any insurance coverage under the Policies or as to the validity of any of the positions that have been or could have been asserted by the SJOP, (2) an admission by the SJOP as to the validity of any of the positions or defenses to coverage that have been or could have been asserted by Safeco or any Claims that have been or could have been asserted by the SJOP against Safeco, or (3) an admission by the SJOP or Safeco of any liability whatsoever with respect to any of the Tort Claims.
- 8.13 All of the entities included in the definition of Safeco and Safeco Released Parties are intended beneficiaries of this Agreement. The Parties agree that, except as set forth in the preceding sentence or otherwise set forth in this Agreement, there are no third-party beneficiaries of this Agreement.
- 8.14 Except as otherwise provided in this Agreement, each Party shall be responsible for their own fees and costs incurred in conjunction with the Reorganization Case or this Agreement.
- 8.15 The Bankruptcy Court in the Reorganization Case shall retain exclusive jurisdiction to interpret and enforce the provisions of this Agreement, which shall be construed in accordance with Oregon law.

[Remainder of page left blank intentionally]

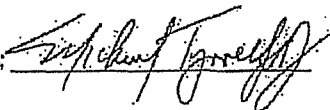
EXECUTION COPY

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the last date indicated below.

On behalf of the SJOP (as defined herein)

By: 
Fr. Patrick J. Lee, S.J.

Date: 22 March 2011

Witness: 

SETTLEMENT AGREEMENT,
RELEASE, AND POLICY BUYBACK

Page 22 of 26

In re Society of Jesus, Oregon Province
D. Or. Bankr. Docket No. 09-30938-elp11

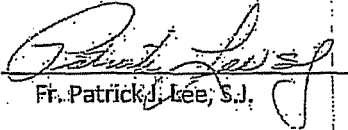
Exhibit A

Exhibit B
Exhibit 1.130
Page 22 of 38

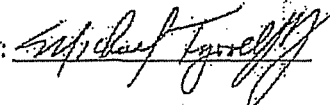
EXECUTION COPY

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the last date indicated below.

On behalf of the OTHER RELEASING PARTIES (as defined herein)

By: 
Fr. Patrick J. Lee, S.J.

Date: 22 March 2011

Witness: 

SETTLEMENT AGREEMENT;
RELEASE, AND POLICY BUYBACK

Page 23 of 26

In re Society of Jesus; Oregon Province
D. Or. Bankr. Docket No. 09-30938-elp11

Exhibit A

Exhibit B
Exhibit 1.130
Page 23 of 38

EXECUTION COPY

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the last date indicated below.

On behalf of SAFECO (as defined herein)

By: Cynthia R. Koehler
Cynthia R. Koehler

Title: Vice President, Ass't Gen Counsel

Date: March 22, 2011

Witness: [Signature]

EXECUTION COPY

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the last date indicated below.

On behalf of SAFECO RELEASED PARTIES (as defined herein)

By: Cynthia R. Koehler
Cynthia R. Koehler

Title: Vice President, Ass't Gen Counsel

Date: March 22, 2011

Witness: [Signature]

SETTLEMENT AGREEMENT,
RELEASE, AND POLICY BUYBACK

Page 25 of 26

In re Society of Jesus, Oregon Province
D. Or. Bankr. Docket No. 09-30938-elp11

Exhibit 1.130 Exhibit B
Page 25 of 38

Exhibit A

EXECUTION COPY

The Official Committee of Unsecured Creditors [Doc 66] hereby (a) agrees that it has not and will not file or pursue any Avoidance Actions (as that phrase is defined in the Order dated February 15, 2011 [Doc 1016]), against Safeco or Safeco Released Parties; and (b) consents and agrees to the releases by the SJOP set forth in Section 5 of this Agreement to the extent they release or purport to release any Avoidance Actions against Safeco or Safeco Released Parties.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the last date indicated below.

On behalf of OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: James E. Stang
[Insert Name]

Title: Counsel for Official Com. of Unsecured Creditors

Date: March 23, 2011

Witness: Ch. Downing

EXECUTION COPY

Exhibit 1
to Settlement Agreement, Release, and Policy Buyback

Joseph A. Field, OSB 94071
FIELD JERGER LLP
621 S.W. Morrison, Suite 1225
Portland, Oregon 97205
Tel. (503) 228-9115
joe@fieldjerger.com

Susan A. Stone (*pro hac vice*)
Daniel J. Neppi (*pro hac vice*)
SIDLEY AUSTIN LLP
One South Dearborn Street
Chicago, Illinois 60603
Tel. (312) 853-7000
sstone@sidley.com
dneppi@sidley.com

Robert B. Millner (*pro hac vice*)
Patrick C. Maxcy (*pro hac vice*)
SNR DENTON US LLP
233 South Wacker Drive, Suite 7800
Chicago, Illinois 60606
Tel. (312) 876-8000
robert.millner@snrdenton.com
patrick.maxcy@snrdenton.com

Attorneys for Plaintiffs General Insurance Company of America,
American States Insurance Company, and Safeco Insurance Company of America

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re:

SOCIETY OF JESUS, OREGON PROVINCE,

Debtor.

Case No. 09-30938-elp11

[PROPOSED] ORDER APPROVING
SETTLEMENT AGREEMENT WITH
SAFECO INCLUDING THE SALE OF
INSURANCE POLICIES

(Docket __, filed __)

EXHIBIT 2 TO SETTLEMENT AGREEMENT,
RELEASE, AND POLICY BUYBACK

In re Society of Jesus, Oregon Province
D. Or. Bankr. Docket No. 09-30938-elp11

Exhibit A

Exhibit 1.150
Page 27 of 38

EXECUTION COPY

A hearing having been held (the "Hearing"), to consider the motion, dated _____, 2011 (the "Motion"), of the Society of Jesus, Oregon Province, an Oregon non-profit religious corporation and the debtor and debtor in possession (the "SJOP" or the "Debtor") in the above-captioned Chapter 11 reorganization case (the "Reorganization Case"), for an order pursuant to 11 U.S.C. §§ 105 and 363 and Fed. R. Bankr. P. 2002, 6004, and 9019: (i) authorizing the SJOP to enter into a compromise and settlement with Safeco¹ and Safeco Released Parties pursuant to which the SJOP and the Other Releasing Parties will release any and all Claims arising out of, relating to, or in any way connected with the Policies, including, without limitation, Tort Claims, Extra-Contractual Claims, and all Claims relating to or arising out of the Reorganization Case that they may have now or in the future against Safeco and/or the Safeco Released Parties; (ii) authorizing the sale of the Policies, free and clear of all Interests of any Person, pursuant to the terms and conditions of that Settlement Agreement, Release, and Buyback dated as of March __, 2011, between the SJOP and Other Releasing Parties, on the one hand, and Safeco and the Safeco Released Parties, on the other, a copy of which is annexed to the Motion as Exhibit 1 and incorporated by reference (the "Agreement"); (iii) approving the Agreement and each of its terms; and (iv) requesting the findings and admissions set forth herein. The Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157(b)(2) and 1334, and consideration of the Motion, the relief requested therein, and the responses thereto, if any, being a core proceeding in accordance with 28 U.S.C. § 157(b); and the appearances of all interested parties and all responses and objections to the Motion, if any, having been duly noted in the record of the Hearing; and upon the record of the Hearing, the Motion, said responses and objections, if any; and after due deliberation and sufficient cause appearing therefor, the Court hereby makes the following:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

JURISDICTION, FINAL ORDER, AND STATUTORY PREDICATES

1. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052, made applicable to this proceeding pursuant to Fed. R. Bankr. P. 9014.
2. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.
3. The Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (N), and

¹ Capitalized terms used herein that are not otherwise defined herein will have the same meaning as in the Agreement.

EXECUTION COPY

(O). Venue of this case and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

4. This Order constitutes a final and immediately appealable order within the meaning of 28 U.S.C. § 158(a).

5. The statutory predicates for the relief sought in the Motion are 11 U.S.C. §§ 105(a) and 363 and Fed. R. Bankr. P. 2002, 6004, and 9019.

RETENTION OF JURISDICTION

6. It is necessary and appropriate for the Court to retain jurisdiction to, among other things, interpret and enforce the terms and provisions of this Order and the Agreement, and to adjudicate, if necessary, any and all disputes arising under or relating in any way to, or affecting, any of the transactions contemplated under the Agreement. Such jurisdiction shall be retained even if the case is closed and the case may be reopened for such purpose.

NOTICE OF THE MOTION

7. The SJOP has provided due and adequate notice of the Motion, Agreement, and the subject matter thereof, including the injunctions to protect Safeco and the Safeco Released Parties to be included in the Plan Confirmation Order, to all known claimants (including all Tort Claimants and other claimants who have filed proofs of claim, all Tort Claimants scheduled by the SJOP, counsel for the Official Committee of Unsecured Creditors, the Future Claimants Representative appointed pursuant to Order entered August 10, 2009 [Doc 412]), all Persons who have filed notices of appearance in the Reorganization Case, all entities known to have provided general liability insurance to the SJOP, and the Other Releasing Parties. The notice was served on all Claimants, including Tort Claimants, at the address shown on their proofs of claim or to their counsel of record (with a single notice to any counsel of record who represents multiple Tort Claimants constituting notice to all that counsel's clients who are Tort Claimants) or, if no proof of claim was filed, then at the address on SJOP's schedules. Counsel for each Tort Claimant has also been served. Known Tort Claimants, to the extent of record, were served even if not scheduled or the subject of a proof of claim, to the extent known to SJOP. The General Curia of the Society of Jesus was given notice by international mail c/o Fr. Adolfo Nicolás at his official address in Rome, Italy, with a copy to its Portland-based counsel in the Reorganization Case. Any and all co-defendants and their counsel (to the extent of record) in any pre-petition litigation brought by Tort Claimants have also been given notice at the last address shown on any filed appearance or, if such co-defendant is proceeding pro se, then to the last address of record for such pro se co-defendant. The SJOP also provided adequate notice to all other parties-in-interest by publication twice in the USA Today, Oregonian, Anchorage Daily News, Fairbanks Daily News-Miner, Seattle Times, Spokesman-Review, Missoulian, and Idaho Statesman.

EXECUTION COPY

8. No other or further notice is necessary. 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. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all known claimants and all parties-in-interest. As to unknown creditors, the publication notice was "reasonably calculated, under all circumstances, to apprise interested parties of the pendency of the action and afford them the opportunity to present their objections." *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950). The notice provided to the General Curia of the Society of Jesus is sufficient for purposes of this settlement; notice to an attorney of a Tort Claimant or co-defendant of SJOP sued by a Tort Claimant constitutes notice to the claimant represented by the attorney.

SOUND BUSINESS JUDGMENT AND REASONABLENESS

9. The relief requested in the Motion is in the best interests of the SJOP, its creditors, the holders of all Claims, including the holders of Tort Claims, and other parties-in-interest. The SJOP has demonstrated good, sufficient, and sound business purposes, cause, and justifications for the relief requested in the Motion and the approval of the transaction contemplated thereby. The settlement and compromise with Safeco and Safeco Released Parties embodied in the Agreement, including, without limitation, the sale of the Policies and the release of claims as set forth therein are within the reasonable range of litigation outcomes if the SJOP and Other Releasing Parties were to litigate the matters resolved pursuant to this Order and represent fair and reasonable consideration for the sale of the Policies and release of claims as set forth therein. The transactions contemplated by the Motion and Agreement are in compliance with, and satisfy the requirements for, approval of a settlement or compromise pursuant to Bankruptcy Rule 9019 and all applicable provisions of the Bankruptcy Code, including without limitation Sections 105(a) and 363, and applicable non-bankruptcy laws.

GOOD FAITH OF INSURANCE POLICY PURCHASER

10. The Agreement was negotiated and proposed, and has been entered into by the Parties, in good faith, from arm's length bargaining positions, and without fraud or collusion. The Parties were represented by counsel. The sale consideration and other consideration to be realized by the SJOP pursuant to the Agreement is fair and reasonable. Safeco is a good faith purchaser for value within the meaning of 11 U.S.C. § 363(m) and is entitled to the protection thereof, and neither the Agreement nor the transaction contemplated thereby are subject to avoidance under 11 U.S.C. § 363(n). None of the SJOP, Other Releasing Parties, Safeco, or Safeco Released Parties has engaged in any conduct that would cause or permit the Agreement, or the sale of the Policies, to be avoided under 11 U.S.C. § 363(n) or that would prevent the application of 11 U.S.C. § 363(m) or cause the application of

EXECUTION COPY

11 U.S.C. § 363(n). Furthermore, in the absence of a stay pending appeal, if any, Safeco will be acting in good faith within the meaning of 11 U.S.C. § 363(m) in consummating the contemplated transactions at any time after entry of this Order.

**SATISFACTION OF SECTION 363 AND OTHER
BANKRUPTCY CODE REQUIREMENTS**

11. The transactions contemplated by the Motion and the Agreement are in compliance with and satisfy all applicable provisions of the Bankruptcy Code, including, without limitation, 11 U.S.C. § 363.

12. The SJOP may sell the Policies free and clear of Interests under 11 U.S.C. § 363(f) because, in each case, one or more of the criteria set forth in sections 11 U.S.C. § 363(f)(1)-(5) have been satisfied. Those holders of Interests against any of the Policies and/or Claims thereunder who did not object, or who withdrew their objections, to the Motion or the relief requested therein are deemed to have consented pursuant to 11 U.S.C. § 363(f)(2). Each holder of an Interest in the Policies, including any claim thereunder, can be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such Interest as contemplated by 11 U.S.C. § 363(f)(5). The Claims and Interests held by persons whose Interests are represented by the Future Claimants Representative are "claims" within the meaning of Section 101(5) of the Bankruptcy Code.

13. The sale of the Policies provides claimants, including holders of Tort Claims, with adequate protection. In particular, the Tort Claimants will be able to pursue their Claims against the Trust under a plan of reorganization as to SJOP contemplated by this Agreement. Accordingly, the sale of the Policies free and clear of Interests satisfies the statutory prerequisites of 11 U.S.C. § 363(f). Moreover, if a non-settling insurer asserts that it has a Claim for contribution, indemnity, subrogation, or similar relief against Safeco, such Claim may be asserted as a defense against the Trust (under a plan of reorganization as to SJOP contemplated by the Agreement) in any coverage litigation (and the Trust may assert the legal and equitable rights of Safeco in response thereto); and to the extent such a Claim is determined to be valid by the court presiding over such action, the liability of such non-settling insurer to the Trust (or SJOP) shall be reduced dollar for dollar by the amount so determined.

RELEASES

14. In light of the terms of the Agreement, it is reasonable and appropriate for the SJOP and Other Releasing Parties to provide the releases set forth in the Agreement. These releases comply with the Bankruptcy Code and other applicable laws. The consideration given by Safeco hereunder constitutes valid and valuable consideration for the releases by SJOP and the Other Releasing Parties.

NO SUCCESSOR LIABILITY

15. The transfer pursuant to the Agreement of the Policies does not and will not subject or expose Safeco or any Safeco Released Party to any liability, claim, cause of action, or remedy by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based on, in whole or in part, directly or indirectly, including, without limitation, any theory of tort, creditors' rights, equity, antitrust, environmental, successor or transferee liability, labor law, *de facto* merger, or substantial continuity.

16. No common identity of officers or directors exists between Safeco or the Safeco Released Parties, on the one hand, and the SJOP or the Other Releasing Parties, on the other hand.

17. Safeco is purchasing the Policies pursuant to the Agreement and this Order. Safeco is not purchasing any other assets of the SJOP or the Other Releasing Parties. Safeco shall not have any responsibility or liability with respect to any of the other assets of the SJOP or the Other Releasing Parties.

18. A sale of the Policies other than one free and clear of Interests would impact adversely on the SJOP and creditors and would be of substantially less benefit to the estate of the SJOP.

SUPPLEMENTAL INJUNCTION

19. Issuing a Supplemental Injunction under 11 U.S.C. §§ 105(a) and 363 is essential to the reorganization of the SJOP. The SJOP and Safeco have agreed that a supplemental injunction is a necessary prerequisite for their implementing the terms and conditions of the Agreement, and Safeco will not consummate the sale of the Policies in the absence of a Supplemental Injunction from this Court. Due and adequate notice of the Supplemental Injunction has been provided by the notice of the motion.

20. Safeco and the Safeco Released Parties shall be entitled to the benefit of an injunction (the "Supplemental Injunction" as defined in the Agreement) in the Plan Confirmation Order, providing that, pursuant to 11 U.S.C. §§ 105(a) and 363, any and all Persons and entities who now hold or who may in the future hold Claims or Interests of any kind or nature against the SJOP, the Other Releasing Parties, Safeco, Safeco Released Parties, or the Policies relating to or in connection with the Policies or Tort Claims are barred and permanently enjoined from asserting such Claims or Interests against Safeco, any Safeco Released Party, and/or the Policies. Nothing in this paragraph shall bind the Court as to approval of such an injunction in a plan of reorganization as to SJOP.

* * *

EXECUTION COPY

For all of the foregoing and after due deliberation, **IT IS ORDERED, ADJUDGED, AND DECREED THAT:**

- A. The Motion is GRANTED and APPROVED in all respects.
- B. The Agreement and each of its terms and conditions are hereby approved, including without limitation the agreement of the Official Committee of Unsecured Creditors as set forth on its signature page of the Agreement.
- C. For the reasons set forth herein and on the record at the Hearing, all objections to the Motion and the relief requested therein and/or granted in this Order that have not been withdrawn, waived, or settled, and all reservations of rights included in such objections are overruled on the merits.
- D. The SJOP is authorized, empowered, and directed to enter into the Agreement, pursuant to 11 U.S.C. § 363(b) and other applicable provisions of the Bankruptcy Code, to sell, transfer, and convey its Interest in the Policies to Safeco in accordance with the terms and subject only to the conditions specified herein and in the Agreement. The transfer by the SJOP or Other Releasing Parties of their respective Interests in the Policies shall vest Safeco with all right, title, and Interest in and to the Policies, free and clear of all rights, Claims, and Interests, including all Tort Claims, reimbursement obligations for Conditional Payments under the MSPA, and Claims by other insurers for contribution, indemnity, subrogation, or similar relief whether arising before or after commencement of this Reorganization Case and whether arising by agreement, understanding, law, equity, or otherwise.
- E. The terms of the Agreement are approved in their entirety, and this Order shall be binding upon the SJOP, all creditors of and claimants against the SJOP, Other Releasing Parties, all Tort Claimants, all insurers who received notice of the motion, the Future Claimants Representatives and all Persons whose Claims and Interests he represents, the General Curia of the Society of Jesus, all co-defendants in pre-petition actions by Tort Claimants against the SJOP, and all other Persons and entities as set forth in paragraph 8 *supra*, and each of their successors and assigns. The sale of the Policies to Safeco shall constitute a legal, valid, and effective transfer of the Policies and shall vest Safeco with all right, title, and Interest in and to the Policies free and clear of all rights, claims, and Interests, effective as of the Effective Date. The sale of the Policies to Safeco is subject to the Conditions to Agreement set forth in Section 4 of the Agreement.
- F. The \$118,000,000 cash purchase price under the Agreement shall be paid by Safeco as provided in the Agreement.
- G. The releases in the Agreement comply with the Bankruptcy Code and all applicable state laws. The Agreement terminates the Policies pursuant to its terms, and the Policies are of no further force and effect.

EXECUTION COPY

H. The sale of the Policies to Safeco under the Agreement will constitute transfers for reasonably equivalent value and fair consideration under the Bankruptcy Code and the laws of the State of Oregon.

I. The SJOP and the Other Releasing Parties and Safeco are each hereby authorized to take all actions and execute all documents and instruments that the SJOP, the Other Releasing Parties, and Safeco deem necessary or appropriate to implement and effectuate the transactions contemplated by the Agreement.

J. Pursuant to 11 U.S.C. §§ 105(a) and 363(f), as provided by the Agreement, the Policies shall be and hereby are transferred to Safeco, free and clear of all liens, encumbrances and other interests of any Person, including all rights and interests of SJOP; all Other Releasing Parties; any other Person claiming by, through, or on behalf of the SJOP; any other insurer; any Tort Claimant; and the General Curia of the Society of Jesus, whether arising prior to or subsequent to the commencement of the Reorganization Case, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, interests in the Policies that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of the bankruptcy estate or Safeco, as the case may be, in the Policies).

K. Safeco is a good faith purchaser of the Policies and is entitled to (and is hereby granted) all of the protections provided to good faith purchasers under 11 U.S.C. § 363(m). The transactions contemplated by the Agreement shall not be subject to avoidance under 11 U.S.C. § 363(n). All Persons are hereby enjoined from commencing or continuing an action seeking relief under 11 U.S.C. § 363(n) with respect to the Agreement and the transactions contemplated thereby.

L. Safeco and the Safeco Released Parties are not, and shall not be deemed to be, a successor to the SJOP or the Other Releasing Parties by reason of any theory of law or equity or as a result of the consummation of the transactions contemplated in the Agreement. Safeco and the Safeco Released Parties shall not assume any liabilities of the SJOP or the Other Releasing Parties.

M. Pursuant to Fed. R. Bankr. P. 9019, the releases and provisions set forth in Sections 5.1 - 5.6 of the Agreement are expressly approved. All of the Claims released therein are hereby dismissed and forever released effective as set forth under the Agreement.

N. 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

EXECUTION COPY

Tort Claims to the Trust will include Safeco as a thirty party entitled to its benefits and protections.

O. This Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing and shall not be stayed under Fed. R. Bankr. P. 6004(h) or any other applicable provision.

P. Nothing in this Order or the Plan Confirmation Order shall bar or limit Claims by a Tort Claimant against (a) the Society of Jesus (Rome), the Society of Jesus General Curia, The Father General of the Society of Jesus (Rome) and his predecessors, and any predecessors or successors to SJOP but only to the extent the liability of such predecessor or successor is entirely independent of the liability of SJOP, any named insured in any contract of insurance issued by Safeco to SJOP, or any Other Releasing Party; or (b) any insurance policy to the extent covering Claims not barred or limited by the preceding subsection (a).

Q. This Court shall retain exclusive jurisdiction to interpret and enforce the provisions of the Agreement and this Order in all respects and further to hear and determine any and all disputes between the SJOP and/or the Other Releasing Parties and/or Safeco and/or the Safeco Released Parties, as the case may be, and any other Person; provided, however that in the event the Court abstains from exercising or declines to exercise such jurisdiction or is without jurisdiction with respect to the Agreement or this Order, such abstention, refusal, or lack of jurisdiction shall have no effect upon, and shall not control, prohibit, or limit the exercise of jurisdiction of any other court having competent jurisdiction with respect to any such matter. In the event this case has been closed, there shall be a right to have this case reopened upon ex parte motion or application for such purposes.

R. The provisions of this Order are nonseverable and mutually dependent.

S. This Order shall inure to the benefit of Safeco, the Safeco Released Parties, the SJOP, the Other Releasing Parties and their respective successors and assigns and shall be binding upon the SJOP and the Other Releasing Parties.

T. Each and every federal, state, and local governmental agency or department is hereby directed to accept for filing, recording or otherwise any and all documents and instruments necessary and appropriate to consummate and/or evidence the transactions contemplated by the Agreement and this Order.

EXECUTION COPY

Dated: _____, 2011

United States Bankruptcy Judge

EXHIBIT 2 TO SETTLEMENT AGREEMENT,
RELEASE, AND POLICY BUYBACK

Page 10 of 10

In re Society of Jesus, Oregon Province
D. Or. Bankr. Docket No. 09-30938-elp11

Exhibit A

Exhibit B
Exhibit 1.130
Page 36 of 38

EXECUTION COPY

EXHIBIT 2
to Settlement Agreement, Release, and Policy Buyback .

The following insurance policies and alleged insurance policies² are included within the definition of Policies and were issued or allegedly issued by the following insurers:

Insurer	Policy No.
General Insurance Company of America a/s/i to Western Pacific Insurance Company	CLP 17803
General Insurance Company of America a/s/i to Western Pacific Insurance Company	CLP 24924
General Insurance Company of America	CP 200028
General Insurance Company of America	CP 202775
Safeco Insurance Company of America	CP 2203138
Safeco Insurance Company of America	CP 342813
General Insurance Company of America	CP 791745
General Insurance Company of America	UL 751789
General Insurance Company of America	UL 801172
General Insurance Company of America	UL 791745
General Insurance Company of America	CP 1188257A
General Insurance Company of America	CP 791745A
General Insurance Company of America	CP 791745B
General Insurance Company of America	CP 791745C

² Safeco does not by this Exhibit or in this Agreement concede the existence, terms, conditions, or limits of any Policy.

EXHIBIT 2 TO SETTLEMENT AGREEMENT,
RELEASE, AND POLICY BUYBACK

In re Society of Jesus, Oregon Province
D. Or. Bankr. Docket No. 09-30938-elp11

Exhibit B

Exhibit A

Exhibit 1.130
Page 37 of 38

EXECUTION COPY

Insurer	Policy No.
General Insurance Company of America	UL 791745A
Safeco Insurance Company of America	UL 791745B
Safeco Insurance Company of America	UL 791745C
General Insurance Company of America	CP 791745D
Safeco Insurance Company of America	UL 791745D
American States Insurance Company	02 CC 140 308-1
American States Insurance Company	01 SU 096116
American States Insurance Company	02 CC 140 308-2
American States Insurance Company	01 SU 096116-20

EXHIBIT 1.135 SETTLING INSURERS

1. American States Insurance Company, General Insurance Company of America, and Safeco Insurance Company of America, and each of their past and present subsidiaries, parents, and affiliates. "Safeco" also includes all future subsidiaries, parents, and affiliates of American States Insurance Company, General Insurance Company of America, and Safeco Insurance Company of America, to the extent that their liability is derivative of Safeco's liabilities under the policies, as "Policies" are defined in the Safeco Settlement Agreement.

2. Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., American Equity Insurance Company, Travelers Indemnity Company of Illinois, Travelers Companies, Inc. and Travelers Indemnity Company of Connecticut, and each of their past and present subsidiaries, parents, and affiliates. "Travelers" also includes all future subsidiaries, parents, and affiliates of Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., American Equity Insurance Company, Travelers Indemnity Company of Illinois, Travelers Companies, Inc. and Travelers Indemnity Company of Connecticut, to the extent that their liability arises out of liabilities under insurance policies issued by Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., American Equity Insurance Company, Travelers Indemnity Company of Illinois, Travelers Companies, Inc. and Travelers Indemnity Company of Connecticut, or any of their past or present subsidiaries, parents, or affiliates.

3. Western World Insurance Company, and its past and present subsidiaries, parents, and affiliates. "Western World" also includes all future subsidiaries, parents, and affiliates of Western World Insurance Company, to the extent that their liability is derivative of Western World's liabilities under the Western World Policies.

SETTLEMENT AGREEMENT, RELEASE, AND POLICY BUYBACK

This Settlement Agreement, Release, and Policy Buyback ("Agreement") is hereby made between and among the Society of Jesus, Oregon Province (the "SJOP" as defined in paragraph 1.1.28 below) and the Other Releasing Parties (as defined in paragraph 1.1.16 below), on the one hand; and Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., American Equity Insurance Company, Travelers Indemnity Company of Illinois, and Travelers Indemnity Company of Connecticut (collectively, "Travelers" in paragraph 1.1.25 below), on the other hand.

RECITALS

WHEREAS, numerous individuals have asserted claims against the SJOP and certain Other Releasing Parties for injuries they allegedly suffered due to sexual and/or physical abuse and/or other misconduct by priests and/or other individuals allegedly negligently hired, supervised, or maintained by the SJOP (the "Tort Claims" as defined in paragraph 1.1.31 below); and

WHEREAS, Travelers issued or allegedly issued certain insurance policies to or for the benefit of the SJOP and/or the Other Releasing Parties (the "Policies" as defined in paragraph 1.1.21 below); and

WHEREAS, certain disputes between, on the one hand, the SJOP and the Other Releasing Parties and, on the other hand, Travelers and the and the Travelers Released Parties (as defined in paragraph 1.1.26 below) have arisen and/or would be likely to arise in the future concerning Travelers' position regarding the nature and scope of its responsibilities, if any, to provide coverage to the SJOP and/or any of the Other Releasing Parties under the Policies in connection with the Tort Claims (the "Coverage Disputes" as defined in paragraph 1.1.8 below); and

WHEREAS, the SJOP filed a voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code (as defined in paragraph 1.1.3 below) on February 17, 2009 (the "Petition Date" as defined in paragraph 1.1.19 below), in the United States Bankruptcy Court for the District of Oregon (the "Reorganization Case" as defined in paragraph 1.1.24 below); and

WHEREAS, the SJOP and the Other Releasing Parties, on the one hand, and Travelers and the Travelers Released Parties, on the other hand, without any admission of liability or concession of the validity of the positions or arguments advanced by each other, now wish to compromise and resolve fully and finally any and all Coverage Disputes and any and all other disputes between them; and

WHEREAS, through this Agreement, the SJOP and the Other Releasing Parties intend to provide Travelers with the broadest possible buyback and release with respect to the Policies and to provide that Travelers shall have no further obligations now or in the future with

respect to the Policies and no further obligations to the SJOP or the Other Releasing Parties under any other policy of insurance issued by Travelers; and

WHEREAS, as part of the compromise and resolution of such disputes, the SJOP, the Other Releasing Parties, Travelers, and the Travelers Released Parties wish to effect a sale of the Policies pursuant to Section 363 of the Bankruptcy Code; and

WHEREAS, the Parties and the Other Releasing Parties have received the advice of counsel in the preparation, drafting, and execution of this Agreement, which was negotiated at arm's length;

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants contained in this Agreement, the sufficiency of which is hereby acknowledged, and intending to be legally bound, subject to the approval of the Bankruptcy Court, the SJOP, the Other Releasing Parties, Travelers, and the Travelers Released Parties hereby agree as follows:

1. DEFINITIONS AND CONSTRUCTION

1.1 As used in this Agreement, the following terms shall have the meanings set forth below. Capitalized terms not defined below shall have any meanings given to them in the Bankruptcy Code.

1.1.1 "Approval Motion" means the motion seeking entry of the Approval Order.

1.1.2 "Approval Order" means a Final Order in substantially the form attached hereto as Exhibit 1, with only such modifications as are acceptable both to Travelers and the SJOP in each party's respective sole discretion, entered by the Bankruptcy Court under Bankruptcy Code Sections 363 and 105 and Bankruptcy Rule 9019 and/or under such other provisions as the Bankruptcy Court may order, approving this Agreement and authorizing the Parties to undertake the settlement and the transactions contemplated by this Agreement.

1.1.3 "Bankruptcy Code" means Title 11 of the United States Code, 11 U.S.C. § 101 *et seq.*

1.1.4 "Bankruptcy Court" means the United States Bankruptcy Court for the District of Oregon and any other court in which the Reorganization Case may be pending or which has jurisdiction over the Reorganization Case.

1.1.5 "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

1.1.6 "Claim" means any past, present or future claim, demand, action, requests, cause of action, suit, proceeding or liability of any kind or nature whatsoever, whether at law or equity, known or unknown, asserted or

unasserted, anticipated or unanticipated, accrued or unaccrued, fixed or contingent, which has been or may be asserted by or on behalf of any Person, whether seeking damages (including compensatory, punitive or exemplary damages) or equitable, mandatory, injunctive, or any other type of relief, including cross-claims, counterclaims, third-party claims, suits, lawsuits, administrative proceedings, notices of liability or potential liability, arbitrations, actions, rights, causes of action or orders, and any claim within the definition of Section 101(5) of the Bankruptcy Code.

1.1.7 “Conditional Payment” means any payment made pursuant to Section 1395y(b)(2)(B) of the MSPA (Medicare Secondary Payer Act, as defined in § 1.1.16 of this Agreement).

1.1.8 “Coverage Disputes” means those disputes between the SJOP and Travelers that have arisen or may arise in the future concerning Travelers’ position regarding the nature and scope of Travelers’ responsibilities, if any, to provide coverage to the SJOP and/or any of the Other Releasing Parties under the Policies for Claims.

1.1.9 “Effective Date” means the date on which this Agreement becomes effective, which shall be the day on which the Approval Order entered by the Bankruptcy Court has become a Final Order, which shall be after the Parties and the Other Releasing Parties have executed this Agreement and delivered evidence of that execution, through delivery of an executed signature page, to each other.

1.1.10 “Extra-Contractual Claim” means any Claim against Travelers or any of the Travelers Released Parties based, in whole or in part, on allegations that Travelers or the Travelers Released Parties acted in bad faith or in breach of any express or implied duty, obligation or covenant, contractual, statutory or otherwise, including any Claim on account of alleged bad faith; failure to act in good faith; violation of any express or implied duty of good faith and fair dealing; violation of any unfair claims practices act or similar statute, regulation, or code; any type of alleged misconduct; or any other act or omission of Travelers or any of the Travelers Released Parties of any type for which the claimant seeks relief other than coverage or benefits under any of the Policies. Extra-Contractual Claims include without limitation: (i) any Claim arising out of or relating to Travelers’ or any of the Travelers Released Parties’ handling of any Claim or any request for insurance coverage relating to the Policies, including any request for coverage for any Claim, including any Tort Claim; and (ii) the conduct of the Parties with respect to the negotiation of this Agreement. Extra-Contractual Claims does not include Claims for fraud in the inducement of this Agreement.

1.1.11 “Final Order” means an order, judgment, or other decree (including any modification or amendment thereof) that remains in effect and

has not been reversed, withdrawn, vacated, or stayed, and as to which the time to appeal or seek review, rehearing, or writ of certiorari has expired or, if such an appeal or review has been taken, (i) it has been resolved and no longer remains pending, or (ii) an appeal or review has been taken timely but such order has not been stayed and the SJOP and Travelers have mutually agreed in writing that the order from which such appeal or review is taken should be deemed to be a Final Order within the meaning of this Agreement.

1.1.12 "Insurance Coverage Claim" means any Claim for insurance coverage under the Policies or any Claim for insurance coverage by the SJOP or any of the Other Releasing Parties under any other policy of insurance issued by Travelers.

1.1.13 "Interests" means all liens, Claims, encumbrances, interests, and other rights of any nature, whether at law or in equity, including any rights of contribution, indemnity, defense, subrogation, or similar relief relating to the Policies.

1.1.14 "Medicare Beneficiary" means a Tort Claimant who is eligible to receive, is receiving, or has received Medicare benefits.

1.1.15 "MSPA" means Medicare Secondary Payer Act, codified at 42 U.S.C. § 1395y, and the regulations promulgated thereunder, found at 42 C.F.R. § 411.1 *et seq.*

1.1.16 "Other Releasing Parties" means: (i) Montana Catholic Missions, S.J.; Mount St. Michael; Pioneer Educational Society (also sometimes referred to in the Policies as Pioneer Education Society or Pioneer Educational Society dba Bea House); Society of Jesus, Alaska; and Fr. Patrick J. Lee, S.J. on behalf of the Office of the Very Reverend Father Provincial of the SJOP; (ii) any and all insureds and additional insureds under the Policies with respect to whom the SJOP has authority to release the Claims released pursuant to this Agreement; (iii) any and all predecessors, successors, and assigns of the SJOP or the Entities identified in paragraph 1.1.16(i) and (ii) above; and (iv) any and all past and present employees, officers, directors, shareholders, principals, agents, attorneys, and representatives of the Persons and Entities identified in paragraph 1.1.16(i), (ii), and (iii) above, in their capacity as such. In addition, it is the mutual understanding of SJOP and Travelers that any references to "Society of Jesus" in the Policies were intended to state "Society of Jesus, Oregon Province" and were and are intended to refer to the Society of Jesus, Oregon Province.

1.1.17 "Parties" means the SJOP and Travelers, and "Party" means either of them.

1.1.18 "Person" means an individual or entity, including any corporation, corporation sole, partnership, association, limited liability company,

proprietorship, joint venture, trust, executor, legal representative, or any other entity or organization, as well as any federal, international, foreign, state, or local governmental or quasi-governmental entity, body, or political subdivision or any agency or instrumentality thereof.

1.1.19 "Petition Date" means February 17, 2009, the date upon which the SJOP filed its voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code.

1.1.20 "Plan Confirmation Order" means a Final Order that: (i) approves a plan of reorganization as to SJOP pursuant to Section 1129 and any other applicable provision of the Bankruptcy Code; (ii) contains an injunction pursuant to Section 105(a) of the Bankruptcy Code channeling all Tort Claims to the Trust; (iii) provides that this Agreement is binding on the Trust (i.e., contains a Supplemental Injunction in favor of Travelers); and (iv) provides all protections to Travelers and the Travelers Released Parties against Tort Claims that are afforded to settling insurers under the plan of reorganization.

1.1.21 "Policies" means any and all known and unknown policies of insurance issued or allegedly issued by Travelers to the SJOP and/or any of the Other Releasing Parties, including those policies that are identified on Exhibit 2 to this Agreement.

1.1.22 "Procedures Motion" means the motion seeking approval of the procedures for notice, service, and publication of the Approval Motion.

1.1.23 "Procedures Order" means a Final Order in substantially the form attached hereto as Exhibit 3, with only such modifications as are acceptable both to Travelers and the SJOP in each party's respective sole discretion, entered by the Bankruptcy Court, approving the Procedures Motion.

1.1.24 "Reorganization Case" means the Chapter 11 reorganization case filed February 17, 2009, by the SJOP in the United States Bankruptcy Court for the District of Oregon, *In re The Society of Jesus, Oregon Province*, Case No. 09-30938-elp11.

1.1.25 "Travelers" means Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., American Equity Insurance Company, Travelers Indemnity Company of Illinois, Travelers Companies, Inc. and Travelers Indemnity Company of Connecticut, and each of their past and present subsidiaries, parents, and affiliates. "Travelers" also includes all future subsidiaries, parents, and affiliates of Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., American Equity Insurance Company, Travelers Indemnity Company of Illinois, Travelers Companies, Inc. and Travelers Indemnity Company of Connecticut, to the extent that their liability arises out of liabilities under insurance policies issued by Fidelity and

Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., American Equity Insurance Company, Travelers Indemnity Company of Illinois, Travelers Companies, Inc. and Travelers Indemnity Company of Connecticut, or any of their past or present subsidiaries, parents, or affiliates.

1.1.26 “Travelers Released Parties” means Travelers, as defined above, and all employees, officers, directors, shareholders, principals, parents, agents, attorneys, and representatives, as well as the predecessors, successors, assignors, and assigns of each of the foregoing, in their capacity as such.

1.1.27 “Settlement Amount” means the payment to be made by Travelers pursuant to Section 2.1 of this Agreement.

1.1.28 “SJOP” means the Society of Jesus, Oregon Province, an Oregon non-profit religious corporation, and the Estate (pursuant to Section 541 of the Bankruptcy Code).

1.1.29 “Stipulated Order” means the stipulated order providing for service of the Approval Motion on the General Curia of the Society of Jesus through its Portland counsel Miller Nash LLP.

1.1.30 “Supplemental Injunction” means an injunction pursuant to Sections 105(a) and 363 of the Bankruptcy Code, barring and permanently enjoining any and all Persons who now hold or who may in the future hold any Claims or Interests of any kind or nature (including, without limitation, all debt holders, all equity holders, governmental, tax, and regulatory authorities, lenders, trade and other creditors, Tort Claim holders, other insurers, and all others holding Claims or Interests of any kind or nature whatsoever) against SJOP, Other Releasing Parties, Travelers, Travelers Released Parties, or the Policies, relating to or in connection with the Policies or Tort Claims, from or against asserting any such Claim or Interests against Travelers, the Travelers Released Parties, and/or the Policies.

1.1.31 “Tort Claim” means (i) any Claim against the SJOP and/or Other Releasing Parties resulting, in whole or in part, from alleged sexual molestation, abuse or other conduct of a sexual nature, corporal punishment or abuse, or any other misconduct and seeking monetary damages or any other relief, including any Claim asserted against the SJOP and/or Other Releasing Parties in connection with the Reorganization Case and any Claim of any Person whose Interests are, have been, or may be represented by the Future Claimants Representative appointed pursuant to Order entered August 10, 2009 [Doc 412], and (ii) any Claim against Travelers for contribution, indemnity, defense, subrogation, or similar relief that arises directly or indirectly from Claims against SJOP and/or Other Releasing Parties identified in paragraph 1.1.31(i) above.

1.1.32 "Tort Claimant" means any Person, including any Person whose Interests are, have been, or may be represented by the Future Claimants Representative appointed pursuant to Order entered August 10, 2009 [Doc 412], asserting a Tort Claim.

1.1.33 "Trust" means the Trust, established pursuant to a plan of reorganization as to SJOP and confirmed by the Plan Confirmation Order, to which all Tort Claims are channeled as the sole and exclusive source of payment of any claims against SJOP or Travelers.

1.2 The following rules of construction shall apply to this Agreement:

1.2.1 Unless the context of this Agreement otherwise requires: (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms "hereof," "herein," "hereby," and derivative or similar words refer to this entire Agreement; and (iv) the words "include," "includes," or "including" shall be deemed to be followed by the words "without limitation."

1.2.2 References to statutes shall include all regulations promulgated thereunder and references to statutes or regulations shall be construed as including all statutory and regulatory provisions regardless of whether specifically referenced in this Agreement.

1.2.3 The wording of this Agreement was reviewed by legal counsel for each of the Parties, or other signatories to this Agreement, and each of them had sufficient opportunities to propose and negotiate changes prior to its execution. None of the Parties, the Other Releasing Parties, or the Travelers Released Parties or other signatories to this Agreement will be entitled to have any wording of this Agreement construed against the other based on any contention as to which of the Parties drafted the language in question or which party is an insurer.

1.2.4 The use of the terms "intend," "intended," or "intent," when describing the intention of the Parties, the Other Releasing Parties, and/or the Travelers Released Parties, as the case may be, shall not be construed to create a breach of this Agreement when the stated intent is not achieved. Notwithstanding the foregoing sentence, however, and for the avoidance of doubt, nothing in this Agreement, including in conjunction with or reliance on this Section 1.2.4, shall be construed as allowing SJOP or any Other Releasing Party to make any Claim against Travelers or any Travelers Released Party under the Policies or any other policy of insurance issued by Travelers should the intent of any Party to this Agreement fail or otherwise not be achieved. In exchange for payment of the Settlement Amount, the Parties, Other Releasing Parties, and Travelers Released Parties agree that all Claims against Travelers and the

Travelers Released Parties are forever released and bought back as set forth in this Agreement.

2. PAYMENT OF SETTLEMENT AMOUNT

- 2.1 Subject to all of the terms of this Agreement, in full and final settlement of all responsibilities under and arising out of the Policies, and in consideration of the sale of the Policies to Travelers free and clear of all Interests of any Person, and expressly subject to fulfillment of all conditions to payment identified in Section 3 below, Travelers shall pay to the Trust the sum of One Million Four Hundred Thousand Dollars (\$1,400,000) (the "Settlement Amount") within ten (10) days after the Conditions Precedent to Travelers' Payment set forth in Section 3 of this Agreement have been fulfilled, provided that Travelers receives prior written notice of at least ten (10) days from the Trustee of the Trust that such conditions have been satisfied and direction as to transmission of the payment.
- 2.2 The Parties, the Other Releasing Parties, and the Travelers Released Parties expressly agree that it is intended: (i) that the Settlement Amount is the total amount Travelers and the Travelers Released Parties are obligated to pay on account of any and all Claims made under or relating to the Policies (including the Tort Claims, any reimbursement obligations for Conditional Payments under the MSPA, and any Extra-Contractual Claims); (ii) that under no circumstance will Travelers or the Travelers Released Parties ever be obligated to make any additional payments to anyone in connection with the Policies, including any payments in connection with amounts allegedly owed under the MSPA, for any Claims, or for any Extra-Contractual Claims; (iii) that under no circumstance will Travelers or the Travelers Released Parties ever be obligated to make any additional payments to or on behalf of the SJOP or any of the Other Releasing Parties in connection with any policies of insurance issued by Travelers other than the Policies with respect to any Claims in connection with, arising out of or relating in any way to any Tort Claims; and (iv) that all limits of liability of the Policies, regardless of how the Policies identify or describe those limits, including all per person, per occurrence, per claim, "each professional incident," and aggregate limits, shall be deemed fully and properly exhausted. The Parties, the Other Releasing Parties, and the Travelers Released Parties further agree that the Settlement Amount is the full purchase price of the Policies.
- 2.3 The Parties agree that the plan of reorganization as to the SJOP that is confirmed in the Plan Confirmation Order will provide that this Agreement is binding on the Trust and that, before the Trustee of the Trust disburses any of the Settlement Amount to any Tort Claimant, the Trustee shall determine whether any Conditional Payment has been made to or on behalf of any Tort Claimant. If any Conditional Payment has been made to or on behalf of any Tort Claimant, the Trustee shall, within the respective time period called for by the MSPA, (i) reimburse the appropriate Medicare Trust Fund for the appropriate amount, and

(ii) submit the required information for any Tort Claimant to the appropriate agency of the United States government. To assist the Trustee, the Parties agree that the plan of reorganization as to SJOP shall provide as follows:

2.3.1 Before the Trustee will pay any portion of any Tort Claim to any Tort Claimant, that claimant must provide a third-party vendor, which vendor has been approved by the Official Committee of Unsecured Creditors or the Trustee ("Approved Vendor") or, if no Approved Vendor has been retained by or on behalf of a Tort Claimant, the Trustee, with his or her name, date of birth, Social Security Number or Health Insurance Claim Number (collectively, the "Personal Information"), a signed Social Security Release Form or a Medicare Release form, or both, when requested by the Approved Vendor or the Trustee, as the case may be, and any other information or documents reasonably required to comply with Sections 2.3.2, 2.3.3, and 2.3.4.

2.3.2 Each Tort Claimant who claims that he or she is not a Medicare Beneficiary expressly authorizes the Approved Vendor or the Trustee, as the case may be, to use the Personal Information to submit a query to the Social Security Administration to verify whether he or she is a Medicare Beneficiary. Before the Trustee will pay any portion of any Tort Claim to a Tort Claimant who claims that he or she is not a Medicare Beneficiary, the Tort Claimant will provide a letter from an Approved Vendor supported by documentation from the Social Security Administration, received within sixty (60) days prior to the Trustee making such payment or, if no Approved Vendor has been retained by or on behalf of a Tort Claimant, documentation from the Social Security Administration received within sixty (60) days prior to the Trustee making such payment, confirming that the Tort Claimant is not a Medicare Beneficiary. In the absence of such a confirming letter or documentation, each Tort Claimant will be presumed to be a Medicare Beneficiary.

2.3.3 Each Medicare Beneficiary expressly authorizes the Approved Vendor or the Trustee, as the case may be, to use the Personal Information to submit a query to the Centers for Medicare and Medicaid Services ("CMS"), the CMS Coordination of Benefits Contractor ("COBC"), and/or the Medicare Secondary Payer Recovery Contractor ("MSPRC") to determine the amount of each and every Conditional Payment, if any, subject to reimbursement by a "primary plan." Before the Trustee will pay any portion of any Tort Claim to a Medicare Beneficiary, such Medicare Beneficiary, must provide the Trustee with a letter from the MSPRC ("MSPRC Letter") received within sixty (60) days prior to the Trustee making such payment: (a) setting forth the Conditional Payment estimate made to or on behalf of the Medicare Beneficiary that is subject to reimbursement by a "primary plan," as the phrase is defined in Section 1395y(b)(2) of the MSPA; or (b) stating that no such Conditional Payment has been made to or on behalf of the Medicare Beneficiary. In the event that the MSPRC Letter sets forth a Conditional Payment estimate, no payment shall be

made to such Medicare Beneficiary before the Trustee sets aside a reserve for the full amount of the Conditional Payment estimate, or pays a negotiated amount agreed to by the MSPRC and the Medicare Beneficiary. If the Trustee sets aside a reserve for the full amount of the Conditional Payment estimate, that reserved amount shall be withheld from the payment to the Medicare Beneficiary until the Conditional Payment estimate has been paid in full or a negotiated amount that has been agreed to by the MSPRC and the Medicare Beneficiary has been paid.

2.3.4 The failure by one or more Medicare Beneficiaries or other Tort Claimants to comply with these provisions shall not delay or impair the payment by the Trustee to any other Medicare Beneficiary or other Tort Claimant complying with these provisions.

2.3.5 If the Tort Claimant is the estate of a Tort Claimant, then the letters or documentation required pursuant to Sections 2.3.2 and 2.3.3 need not be received by the Trustee within sixty (60) days of the date of payment by the Trustee to such claimant, provided that the date of death of the Tort Claimant is at least sixty (60) days prior to the date of such letters or documentation.

2.3.6 Notwithstanding any of the above, a Tort Claimant can elect to provide the Trustee with the documentation from the Social Security Administration required pursuant to section 2.3.2, or a Medicare Beneficiary can elect to provide the Trustee with the letter from MSPRC required pursuant to section 2.3.3, without retaining an Approved Vendor and without providing an Approved Vendor or the Trustee with his or her Personal Information, except to the extent that such information is disclosed in such documentation or letter.

3. CONDITIONS PRECEDENT TO TRAVELERS' PAYMENT

3.1 Timing of Payment. Travelers' obligation to pay the Settlement Amount in Section 2.1 above is expressly conditioned on the SJOP having obtained the Procedure Order, the Stipulated Order, the Approval Order and the Plan Confirmation Order. Court deferral of entry of the Approval Order, Procedure Order, or the Stipulated Order, in whole or in part, until entry of the Plan Confirmation Order is not a failure of this condition.

3.2 Procedures Order. Within fourteen (14) days after the Parties and the Other Releasing Parties have executed this Agreement, the SJOP shall file the Procedures Motion.

3.2.1 If any objections to the Procedures Motion are filed with the Bankruptcy Court, the SJOP shall file a written response, in a form acceptable to Travelers, and shall take all reasonable steps to defend against any appeal, petition, motion, or other challenge to the Bankruptcy Court's entry of the

Procedures Order. Travelers will cooperate with the SJOP, including making all appropriate submissions.

- 3.3 Stipulated Order. Within fourteen (14) days after the Parties and the Other Releasing Parties have executed this Agreement, the SJOP shall file the Stipulated Order.
- 3.4 Approval Order. Within fourteen (14) days after the Parties and the Other Releasing Parties have executed this Agreement, the SJOP shall file the Approval Motion,

3.4.1 If any objections to the Approval Motion are filed with the Bankruptcy Court, the SJOP shall file a written response, in a form acceptable to Travelers, and shall take all reasonable steps to defend against any appeal, petition, motion, or other challenge to the Bankruptcy Court's entry of the Approval Order. Travelers will cooperate with the SJOP, including making all appropriate submissions.

3.4.2 Written notice of the Approval Motion shall be provided to all known claimants (including all Tort Claimants and other claimants who have filed proofs of claim, all Tort Claimants scheduled by the SJOP, counsel for the Official Committee of Unsecured Creditors, the Future Claimants Representative appointed pursuant to Order entered August 10, 2009 [Doc 412]), all Persons who have filed notices of appearance in the Reorganization Case, all entities known to have provided general liability insurance to the SJOP, the Other Releasing Parties and the Jesuit Volunteer Corps. All claimants, including Tort Claimants, shall be served at the address shown on their proofs of claim or to their counsel of record (with a single notice to any counsel of record who represents multiple Tort Claimants constituting notice to all that counsel's clients who are Tort Claimants) or, if no proof of claim was filed, then at the address on SJOP's schedules. Counsel for each Tort Claimant shall also be served. Known Tort Claimants, to the extent of record, shall be served even if not scheduled or the subject of a proof of claim, to the extent known to SJOP. The General Curia of the Society of Jesus shall be given notice by international mail c/o Fr. Adolfo Nicolás at his official address in Rome, Italy, with a copy to its Portland-based counsel in the Reorganization Case. Any and all co-defendants and their counsel (to the extent of record) in any pre-petition litigation brought by Tort Claimants shall also be given notice at the last address shown on any filed appearance or, if such co-defendant is proceeding *pro se*, then to the last address of record for such *pro se* co-defendant. The notice of intent to seek entry of the Approval Order also shall be published, at Travelers' expense, twice in the *USA Today*, *Oregonian*, *Anchorage Daily News*, *Fairbanks Daily News-Miner*, *Seattle Times*, *Spokesman-Review*, *Missoulian*, and *Idaho Statesman*, in a form and at a time agreed to by the Parties or as ordered by the Bankruptcy Court.

3.5 Plan Confirmation Order. In conjunction with the Reorganization Case, the SJOP shall seek and obtain entry of a Plan Confirmation Order, which order must be in all respects consistent with this Agreement and contain no provisions that diminish or impair the benefit of this Agreement to Travelers. In so doing, SJOP's efforts shall include: (i) proposing a plan of reorganization and seeking a confirmation hearing on an appropriately timely basis; (ii) urging the Bankruptcy Court to overrule any objections and confirm a proposed plan; and (iii) taking all reasonable steps to defend against any appeal, petition, motion, or other challenge to the Bankruptcy Court's entry of a Plan Confirmation Order. Prior to entry of a Plan Confirmation Order, the SJOP shall oppose any motion to lift any stay as to any Tort Claim. In the event the Bankruptcy Court lifts the stay as to any Tort Claim prior to the Plan Confirmation Order, the SJOP shall defend that Tort Claim to the extent that such Tort Claim would have been covered by one of the Policies, which indemnity and defense expenses shall be paid by Travelers and deducted from the Settlement Amount. The form and manner of notice of the hearing to confirm the plan of reorganization as to SJOP and the form and manner of notice of the hearing as to the adequacy of the disclosure statement pertaining thereto are subject to advance approval by Travelers, which approval cannot be unreasonably withheld. In the event the SJOP fails to defend that Tort Claim, then Travelers shall have the right, but not the duty, to defend and/or indemnify that Tort Claim pursuant to the terms and conditions of the applicable Policies and any such costs for defense or indemnity shall be deducted from the Settlement Amount. In such event, SJOP will cooperate with Travelers in the defense and/or indemnification of such Tort Claim, and Travelers agrees not to settle any such Tort Claim without the express consent of the Committee of Unsecured Creditors.

3.6 The Plan of Reorganization. The plan of reorganization as to the SJOP must be in all respects consistent with this Agreement and contain no provisions that diminish or impair its benefit to Travelers. Such plan of reorganization shall provide for damages, injunctive relief, attorneys' fees, costs, and expenses in favor of Travelers against the Trust in the event of a violation or breach of the undertaking in Section 2.3 of this Agreement.

4. CONDITIONS TO AGREEMENT

4.1 This Agreement shall be subject to the following conditions: in the event (i) the Bankruptcy Court dismisses the Reorganization Case or converts it to a case under Chapter 7 of the Bankruptcy Code prior to the entry of a Plan Confirmation Order; or (ii) one or more of the conditions ("Dismissal Conditions") identified in Section 4.2 below occurs, then either the SJOP (subject to Court approval unless the Reorganization Case is dismissed) or Travelers may terminate this Agreement by prompt written notice to the other Party. Upon termination of this Agreement, the releases provided in Section 5 of this Agreement shall become null and void, and the SJOP and Travelers shall retain all

of their rights and obligations with respect to the Policies, which shall be reinstated as if this Agreement had never been drafted or executed.

- 4.2 Dismissal Conditions for purposes of Section 4.1 of this Agreement are: (i) the failure of the SJOP, after a good faith effort, to obtain, by December 31, 2011, a Confirmation Order, provided, however, that this date shall be extended by up to one year at the request of either the SJOP or Travelers and may be extended further by the consent of both Parties and the Official Committee of Unsecured Creditors, which consent shall not be unreasonably withheld; or (ii) the agreement of Travelers and the SJOP that the SJOP should seek dismissal of the Reorganization Case.

5. RELEASES AND SALE FREE AND CLEAR

- 5.1 From and after the Effective Date, neither the SJOP nor any Other Releasing Party shall commence against Travelers or the Travelers Released Parties any Claim with respect to any matter, conduct, transaction, occurrence, fact, or other circumstance arising out of, connected with, or in any way relating to any of the Policies or any other policy of insurance issued by Travelers, any Tort Claim, any Extra Contractual Claim, and/or any other matter released pursuant to Section 5.2 below, unless this Agreement is properly terminated pursuant to Section 4 above.
- 5.2 Subject to entry of the Approval Order and the Plan Confirmation Order as Final Orders, and the payment of the sum set forth in Section 2.1, and without any further action by the Parties, the SJOP and the Other Releasing Parties, on the one hand, and Travelers and the Travelers Released Parties, on the other hand, each hereby fully, finally, and completely remises, releases, acquits, and forever discharges, as of the Effective Date, the other, and each of them, from any and all past, present, or future Claims in connection with, relating to or arising out of, in any manner or fashion, the Policies or any other policy of insurance issued by Travelers, including Claims that are actual or alleged, known or unknown, accrued or unaccrued, suspected or unsuspected (including Tort Claims, Extra-Contractual Claims, reimbursement obligations for Conditional Payments under the MSPA, and all Claims relating to, or arising out of the Reorganization Case), whether such Claims seek compensatory damages, punitive damages, exemplary damages, statutorily multiplied damages, attorneys' fees, interest, costs, or any other type of monetary or nonmonetary relief.
- 5.3 The SJOP, the Other Releasing Parties, Travelers, and the Travelers Released Parties agree that, as set forth in the Approval Order, Travelers hereby buys back the Policies free and clear of all liens, encumbrances, and other Interests (as set forth in the Approval Order) of any Person, including all rights and Interests of the SJOP; all Other Releasing Parties; any other Person claiming coverage by, through, or on behalf of the SJOP or the Other Releasing Parties; any other

insurer; any Tort Claimant; and the General Curia of the Society of Jesus. This sale is pursuant to Sections 363(b) and 363(f) of the Bankruptcy Code. The Parties, Other Releasing Parties, and Travelers Released Parties acknowledge and agree that (i) Travelers is a good faith purchaser of the Policies within the meaning of Section 363(m) of the Bankruptcy Code and (ii) the consideration exchanged constitutes a fair and reasonable settlement of the Parties' disputes and of their respective rights and obligations relating to the Policies and constitutes reasonably equivalent value. The Parties, Other Releasing Parties, and Travelers Released Parties agree (as set forth in the Approval Order) that the releases in this Agreement and the policy buyback comply with the Bankruptcy Code and applicable non-bankruptcy laws. The Parties, Other Releasing Parties, and Travelers Released Parties agree (as set forth in the Approval Order) that, upon the payment of the Settlement Amount by Travelers, the Policies shall be terminated and of no further force and effect. The Parties, Other Releasing Parties, and Travelers Released Parties further agree that Travelers' payment of the Settlement Amount constitutes Travelers' full and complete performance of any and all obligations under the Policies, including any performance owed to the SJOP and/or any of the Other Releasing Parties, and exhausts all limits of liability of the Policies. The Parties, Other Releasing Parties, and Travelers Released Parties agree that all rights, title, or interest the SJOP or Other Releasing Parties may have had, may presently have, or in the future may have in the Policies are released pursuant to the terms of this Agreement. The Parties, Other Releasing Parties, and Travelers Released Parties further agree that the SJOP and the Other Releasing Parties accept the Settlement Amount in full and complete satisfaction of all Travelers' past, present, and future obligations, including any obligations to the SJOP and the Other Releasing Parties, or any of them, under the Policies or arising therefrom, as to any and all Claims for insurance coverage or policy benefits of any nature whatsoever, whether legal or equitable, known or unknown, suspected or unsuspected, fixed or contingent, and regardless of whether or not such claims are in any way related to, connected with, based on, or arise out of the Tort Claims, the Reorganization Case, or otherwise under the Policies.

- 5.4 If, contrary to the specific intent of the Parties, Other Releasing Parties, and Travelers Released Parties, any Claims released pursuant to Section 5.2, including any Insurance Coverage Claim, are deemed to survive this Agreement, even though they are encompassed by the terms of the release set forth in this Section 5 of this Agreement, the Parties, Other Releasing Parties, and Travelers Released Parties hereby forever, expressly, and irrevocably waive entitlement to and agree not to assert any and all such Claims. If, contrary to the specific intent of the Parties, Other Releasing Parties, and Travelers Released Parties, CMS makes a claim against Travelers, such claim or its resolution shall not be deemed a breach of this Agreement.

- 5.5 The releases set forth in this Section 5, as well as all other provisions in this Agreement, are not intended to apply to or have any effect on Travelers' right to reinsurance recoveries under any reinsurance treaties, certificates, or contracts that cover losses arising under or in connection with the Policies or any other policy of insurance issued by Travelers.
- 5.6 Nothing in this Section 5 is intended to, nor shall be construed to, release, waive, relinquish, or otherwise affect the Parties' rights and obligations under this Agreement.

6. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

- 6.1 Each of the Parties, the Other Releasing Parties, and the Travelers Released Parties separately represents and warrants as follows:

6.1.1 To the extent it is a corporation, including a non-profit corporation, or other legal entity, it has the requisite power and authority to enter into this Agreement and to perform the obligations contemplated by this Agreement, subject only to approval of the Bankruptcy Court;

6.1.2 Subject to entry of the Approval Order and Plan Confirmation Order as Final Orders, the execution and delivery of, and the performance of the obligations contemplated by, this Agreement have been approved by duly authorized representatives of the Parties, the Other Releasing Parties, and the Travelers Released Parties and by all other necessary actions of the Parties, Other Releasing Parties, and Travelers Released Parties; and

6.1.3 This Agreement has been thoroughly negotiated and analyzed by counsel to the Parties and has been executed and delivered in good faith, pursuant to arm's length negotiations and for value and valuable consideration.

- 6.2 Each of the Parties and Other Releasing Parties has conducted and completed a thorough and good faith search for any policy of insurance that might exist, or other evidence of any such policy of insurance, under which Travelers was or might be, with respect to any Tort Claim, an insurer of SJOP, Montana Catholic Missions, S.J., Mount St. Michael, Pioneer Educational Society, Pioneer Education Society, Pioneer Educational Society dba Bea House, Society of Jesus, Alaska or Fr. Patrick J. Lee, S.J. on behalf of the Office of the Very Reverend Father Provincial of the SJOP. Other than the policies identified in Exhibit 2, no other policies of insurance have been located.
- 6.3 The person(s) executing this Agreement on behalf of the Other Releasing Parties represents and warrants that he/she has received authority from such Other Releasing Parties, as the case may be, to execute this Agreement on their behalf and to provide the releases identified in Section 5 above on behalf of such Other Releasing Parties.

- 6.4 Subject to the provisions of Sections 2.3.1 through 2.3.6, the SJOP agrees that the Trust and any plan of reorganization as to SJOP shall provide that the Settlement Amount shall be used solely for payment of indemnity and expenses relating to reimbursing the United States government for reimbursement obligations for Conditional Payments made pursuant to the MSPA applicable to any given Medicare Beneficiary and, after satisfaction thereof, to such Medicare Beneficiaries, Tort Claimants and the attorneys for Tort Claimants.

7. ACTIONS INVOLVING THIRD PARTIES

- 7.1 For purposes of supporting the release granted in Section 5 and the extinguishment of any and all rights under the Policies resulting from the purchase and sale thereof contemplated by this Agreement, the SJOP and each Other Releasing Party hereby agrees as follows:

7.1.1 In the event that any other insurer of the SJOP or Other Releasing Parties obtains a judicial determination or binding arbitration award that it is entitled to obtain a sum certain from Travelers as a result of a claim for contribution, subrogation, indemnification, or other similar claim against Travelers for Travelers' alleged share or equitable share, or to enforce subrogation rights, if any, of the defense and/or indemnity obligation of Travelers for any Claims or reimbursement obligations for Conditional Payments released or resolved pursuant to this Agreement, the SJOP or Other Releasing Party(ies), as applicable, shall voluntarily reduce its judgment or Claim against, or settlement with, such other insurer(s) to the extent necessary to satisfy such contribution, subrogation, indemnification, or other claims against Travelers. To ensure that such a reduction is accomplished, Travelers shall be entitled to assert this Section as a defense to any action against Travelers brought by any other insurer for any such portion of the judgment or Claim and shall be entitled to request that the court or appropriate tribunal issue such orders as are necessary to effectuate the reduction to protect Travelers and the Travelers Released Parties from any liability for the judgment or Claim. Moreover, if a non-settling insurer asserts that it has a Claim for contribution, indemnity, subrogation, or similar relief against Travelers, such Claim may be asserted as a defense against the Trust (under a plan of reorganization as to SJOP contemplated by the Agreement) in any coverage litigation (and the Trust may assert the legal and equitable rights of Travelers in response thereto); and to the extent such a Claim is determined to be valid by the court presiding over such action, the liability of such non-settling insurer to the Trust (or SJOP or the Other Releasing Parties) shall be reduced dollar for dollar by the amount so determined.

- 7.2 Travelers shall not seek reimbursement for any payments it is obligated to make under this Agreement under theories of contribution, subrogation, indemnification, or similar relief from any other insurer of the SJOP unless that other insurer first seeks contribution, subrogation, indemnification, or similar

relief from Travelers. The SJOP shall use its reasonable best efforts to obtain from all insurers with which it settles agreements similar to those contained in this Section 7; provided, however, that the failure of the SJOP, despite its reasonable best efforts, to obtain such an agreement from any insurer with which it settles will not be a basis to terminate this Agreement or excuse Travelers from performing its obligations hereunder, including, without limitation, payment of the Settlement Amount.

8. MISCELLANEOUS

- 8.1 In the event that any proceedings are commenced to invalidate all or any part of this Agreement, the Parties, Other Releasing Parties, and Travelers Released Parties agree to cooperate fully to oppose such proceedings. In the event that any action or proceeding of any type whatsoever is commenced or prosecuted by any Person not a Party to this Agreement to invalidate, interpret, or prevent the validation or enforcement, or carrying out, of all or any of the provisions of this Agreement, the Parties, Other Releasing Parties, and Travelers Released Parties mutually agree, represent, warrant, and covenant to cooperate fully in opposing such action or proceeding.
- 8.2 Each Party, Other Releasing Party, and Travelers Released Party agrees to take such steps and to execute any documents as may be reasonably necessary or proper to effectuate the purpose and intent of this Agreement and to preserve its validity and enforceability.
- 8.3 The Parties, Other Releasing Parties, and Travelers Released Parties shall cooperate with each other in connection with the Procedures Motion, the Approval Motion, the Procedures Order, the Stipulated Order, the Approval Order, the Plan Confirmation Order, and the Reorganization Case. Such cooperation shall include consulting with each other upon request concerning the status of proceedings and providing each other with copies of requested pleadings, notices, proposed orders, and other documents relating to such proceedings as soon as reasonably practicable prior to any submission thereof to the Bankruptcy Court; provided, however, that nothing contained in this Section shall obligate any Party, Other Releasing Parties, or Travelers Released Parties to provide any information that is otherwise subject to the attorney-client privilege or work-product doctrine.
- 8.4 This Agreement constitutes a single integrated written contract that expresses the entire agreement and understanding between the Parties, the Other Releasing Parties, and the Travelers Released Parties. Except as otherwise expressly provided herein, this Agreement supersedes all prior communications, settlements, and understandings between the Parties, the Other Releasing Parties, and the Travelers Released Parties, and their representatives, regarding the matters addressed by this Agreement. Except as explicitly set forth in this

Agreement, there are no representations, warranties, promises, or inducements, whether oral, written, expressed, or implied, that in any way affect or condition the validity of this Agreement or alter or supplement its terms. Any statements, promises, or inducements, whether made by any party or any agents of any party, that are not contained in this Agreement shall not be valid or binding. Any changes to this Agreement must be made in writing and with the consent of the Parties, Other Releasing Parties, and Travelers Released Parties.

- 8.5 By entering into this Agreement, none of Parties, the Other Releasing Parties, or Travelers Released Parties has waived or shall be deemed to have waived any rights, obligations, or positions it or they have asserted or may in the future assert in connection with any matter or Person outside the scope of this Agreement. SJOP's and the Other Releasing Parties' respective rights under policies of insurance issued by insurers other than Travelers shall not be affected by this Agreement (except to the extent expressly stated in Section 7.1 of this Agreement). No part of this Agreement, its negotiation, or its performance may be used in any manner in any action, suit, or proceeding by any Person as evidence of the rights, duties, or obligations of any of the Parties, Other Releasing Parties, or Travelers Released Parties with respect to matters or Persons outside the scope of this Agreement. All actions taken and statements made by the Parties, Other Releasing Parties, and/or Travelers Released Parties, or by their representatives, relating to this Agreement or participation in this Agreement, including its development and implementation, shall be without prejudice or value as precedent and shall not be used as a standard by which other matters may be judged.
- 8.6 This Agreement represents a compromise of disputed Claims and shall not be deemed an admission or concession by any Party, Other Releasing Parties, or Travelers Released Parties of liability, culpability, wrongdoing, or insurance coverage. Settlement negotiations leading up to this Agreement, all related discussions and negotiations, and all prior drafts of this Agreement shall be deemed to fall within the protection afforded to compromises and to offers to compromise by Rule 408 of the Federal Rules of Evidence and any parallel state law provisions. Any evidence of the negotiations or discussions associated with this Agreement shall be inadmissible in any action or proceeding for purposes of establishing any rights, duties, or obligations of the Parties, Other Releasing Parties, or Travelers Released Parties except that they shall be admissible to the extent they would have otherwise been admissible, absent this paragraph 8.6, in (i) an action or proceeding to enforce the terms of this Agreement or (ii) any possible action or proceeding between Travelers and any of its reinsurers. This Agreement shall not be used as evidence or in any other manner, in any court or dispute resolution proceeding, to create, prove, or interpret Travelers' obligations under the Policies or any other policy of insurance issued by Travelers, with respect to any Claims against Travelers.

8.7 The Settlement negotiations leading up to this Agreement, all related discussions and negotiations, and all prior drafts of this Agreement shall be deemed and remain confidential, except that such negotiations, discussions and drafts may be disclosed (i) pursuant to an Order of Court or written agreement between the Parties, (ii) in an action or proceeding to enforce the terms of this Agreement or (iii) in any possible action or proceeding between Travelers and any of its reinsurers. Neither the SJOP nor any of the Other Releasing Parties shall make any public statements or disclosures (i) regarding Travelers' rationale or motivation for negotiating or entering into the settlement, or (ii) asserting or implying in any way that Travelers acted improperly or in violation of any duty or obligation, express or implied, in connection with any matter arising from, in connection with or relating in any way to the Policies, including its handling of or involvement in connection with the Tort Claims or the resolution of the Tort Claims. Nor Shall Travelers make any public statements or disclosures (i) regarding the SJOP's or any of the Other Releasing Parties' rationale or motivation for negotiating or entering into the settlement, or (ii) asserting or implying in any way that the SJOP or any of the Other Releasing Parties acted improperly or in violation of any duty or obligation, express or implied, in connection with any matter arising from, in connection with or relating in any way to the Policies, including their handling of or involvement in connection with the Tort Claims or the resolution of the Tort Claims.

8.8 Neither this Agreement nor the rights and obligations set forth in this Agreement shall be assigned without the prior written consent of the other Parties, except an assignment that occurs as a matter of law by virtue of a merger of a Party or any of the Other Releasing Parties with another corporation or entity. The SJOP and the Other Releasing Parties covenant that they have not and will not assign any right, interest, or action on the Policies or any other policy of insurance issued by Travelers.

8.9 Section titles and/or headings contained in this Agreement are included only for ease of reference and shall have no substantive effect.

8.10 All notices, demands, or other communication to be provided pursuant to this Agreement shall be in writing and sent by FedEx or other overnight delivery service, costs prepaid, to the Parties at the addresses set forth below, or to such other person or address as any of them may designate in writing from time to time:

If to Travelers:

Ed Zawitoski
Senior Vice President
Travelers
111 Schilling Road

Hunt Valley, MD 21031-1110

With a copy to:

Robert M. Vinci
Michael P. Pompeo
Drinker Biddle & Reath LLP
500 Campus Drive
Florham Park, New Jersey 07932

and

Frederick P. Marczyk
Drinker Biddle & Reath LLP
One Logan Square, Ste. 2000
Philadelphia, PA 19103-6996

If to the SJOP:

Fr. Patrick J. Lee, S.J.
c/o SOCIETY OF JESUS, OREGON PROVINCE
3215 SE 45th Avenue
Portland, OR 97206
Fax: (503) 228-6741

and

William L. Lockyear
c/o SOCIETY OF JESUS, OREGON PROVINCE
3215 SE 45th Avenue
Portland, OR 97206
Fax: (503) 228-6741

With a copy to:

Howard M. Levine
Thomas W. Stilley
SUSSMAN SHANK LLP
1000 SW Broadway
Suite 1400
Portland, Oregon 97205-3089
Fax: (503) 248-0130

and

James R. Murray
DICKSTEIN SHAPIRO LLP
1825 Eye Street NW
Washington, DC 20006-5403
Fax: (202) 420-2201

If to Official Committee for the Unsecured Creditors:

James I. Stang
Pachulski Stang Ziehl & Jones LLP
10100 Santa Monica Boulevard, 11th Floor
Los Angeles, CA 90067-4100
Fax: (310) 772-2354

with a copy to:

Paul A. Richler
Morgan Lewis & Bockius LLP
300 South Grand Ave, 22nd Fl.
Los Angeles, CA 90071-3132
Fax: (213) 612-2501

and to counsel for the Trust after it comes into existence, if different from the address of counsel for the Official Committee of Unsecured Creditors.

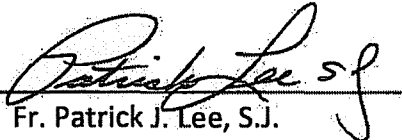
- 8.11 This Agreement may be executed in multiple counterparts, all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile or other electronic image, which facsimile or other electronic image counterparts shall be deemed to be originals.
- 8.12 Nothing contained in this Agreement shall be deemed or construed to constitute (i) an admission by Travelers that the SJOP, the Other Releasing Parties, or any other Person was or is entitled to any insurance coverage under the Policies or any other policy of insurance issued by Travelers or as to the validity of any of the positions that have been or could have been asserted by the SJOP or Other Releasing Parties, (ii) an admission by the SJOP or Other Releasing Parties as to the validity of any of the positions or defenses to coverage that have been or could have been asserted by Travelers or any Claims that have been or could have been asserted by the SJOP or Other Releasing Parties against Travelers, or (iii) an admission by the Parties, Other Releasing Parties, or Travelers Released Parties of any liability whatsoever with respect to any of the Tort Claims.

- 8.13 All of the entities included in the definition of Travelers and Travelers Released Parties are intended beneficiaries of this Agreement. Except as set forth in the preceding sentence or otherwise set forth in this Agreement, there are no third-party beneficiaries of this Agreement.
- 8.14 Except as otherwise provided in this Agreement, each Party, the Other Releasing Parties, and the Travelers Released Parties shall be responsible for their own fees and costs incurred in connection with the Reorganization Case or this Agreement.
- 8.15 The Bankruptcy Court in the Reorganization Case shall retain exclusive jurisdiction to interpret and enforce the provisions of this Agreement, which shall be construed in accordance with Oregon law.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the last date indicated below.

On behalf of the SJOP (as defined herein)

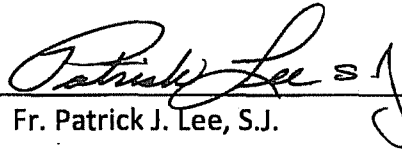
By: 
Fr. Patrick J. Lee, S.J.

Date: 8 June 2011

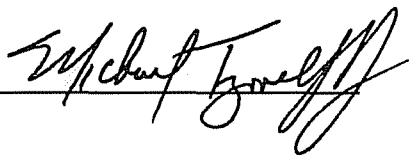
Witness: 

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the last date indicated below.

On behalf of the OTHER RELEASING PARTIES (as defined herein)

By: 
Fr. Patrick J. Lee, S.J.

Date: 8 June 2011

Witness: 

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the last date indicated below.

On behalf of TRAVELERS (as defined herein)

By: 
Ed Zawitoski

Title: 2nd V.P.

Date: 6-7-2011

Witness: Cynthia Brown

The Official Committee of Unsecured Creditors [Doc 66] hereby (a) agrees that it has not and will not file or pursue any Avoidance Actions (as that phrase is defined in the Order dated February 15, 2011 [Doc 1016]), against Travelers or Travelers Released Parties; and (b) consents and agrees to the releases by the SJOP set forth in Section 5 of this Agreement to the extent they release or purport to release any Avoidance Actions against Travelers or Travelers Released Parties.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the last date indicated below.

On behalf of OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: James Stang
[Insert Name] James Stang

Title: Attorney

Date: 6/8/11

Witness: [Signature]

Exhibit 1
to Settlement Agreement, Release, and Policy Buyback

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re:

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

Debtor.

Case No. 09-30938-elp11

[PROPOSED] ORDER APPROVING
 SETTLEMENT AGREEMENT WITH
 TRAVELERS INCLUDING THE SALE
 OF INSURANCE POLICIES

(Docket __, filed __)

A hearing having been held (the "Hearing"), to consider the motion, dated _____, 2011 (the "Motion"), of the Society of Jesus, Oregon Province, an Oregon non-profit religious corporation and the debtor and debtor in possession (the "SJOP" or the "Debtor") in the above-captioned Chapter 11 reorganization case (the "Reorganization Case"), for an order pursuant to 11 U.S.C. §§ 105 and 363 and Fed. R. Bankr. P. 2002, 6004, and 9019: (i) authorizing the SJOP to enter into a compromise and settlement with Travelers¹ and Travelers Released Parties pursuant to which the SJOP and the Other Releasing Parties will release any and all Claims arising out of, relating to, or in any way connected with the Policies, including, without limitation, Tort Claims, Extra-Contractual Claims, and all Claims relating to or arising out of the Reorganization Case that they may have now or in the future against Travelers and/or the Travelers Released Parties; (ii) authorizing the sale of the Policies, free and clear of all Interests of any Person, pursuant to the terms and conditions of that Settlement Agreement, Release, and Buyback dated as of _____, 2011, between the SJOP and Other Releasing Parties, on the one hand, and Travelers and Travelers Released Parties, on the other, a copy of which is annexed to the Motion as Exhibit 1 and incorporated by reference (the "Agreement"); (iii) approving the Agreement and each of its terms; and (iv) requesting the findings and admissions set forth herein. The Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157(b)(2) and 1334, and consideration of the Motion, the relief requested therein, and the responses thereto, if any, being a core proceeding in accordance with 28 U.S.C. § 157(b); and the appearances of all interested parties and all responses and objections to the Motion, if any, having been duly noted in the record of the Hearing; and upon the record of the Hearing, the Motion, said responses and objections, if any; and after due deliberation and sufficient cause appearing therefor, the Court hereby makes the following:

¹ Capitalized terms used herein that are not otherwise defined herein will have the same meaning as in the Agreement.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

JURISDICTION, FINAL ORDER, AND STATUTORY PREDICATES

1. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052, made applicable to this proceeding pursuant to Fed. R. Bankr. P. 9014.
2. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.
3. The Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (N), and (O). Venue of the Reorganization Case and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.
4. This Order constitutes a final and immediately appealable order within the meaning of 28 U.S.C. § 158(a).
5. The statutory predicates for the relief sought in the Motion are 11 U.S.C. §§ 105(a) and 363 and Fed. R. Bankr. P. 2002, 6004, and 9019.

RETENTION OF JURISDICTION

6. It is necessary and appropriate for the Court to retain jurisdiction to, among other things, interpret and enforce the terms and provisions of this Order and the Agreement, and to adjudicate, if necessary, any and all disputes arising under or relating in any way to, or affecting, any of the transactions contemplated under the Agreement. Such jurisdiction shall be retained even if the case is closed and the case may be reopened for such purpose.

NOTICE OF THE MOTION

7. The SJOP has provided due and adequate notice of the Motion, the Hearing, the Agreement, and the subject matter thereof, including the injunctions to protect Travelers and the Travelers Released Parties to be included in the Plan Confirmation Order, to all known claimants (including all Tort Claimants and other claimants who have filed proofs of claim, all Tort Claimants scheduled by the SJOP, counsel for the Official Committee of Unsecured Creditors, the Future Claimants Representative appointed pursuant to Order entered August 10, 2009 [Doc 412]), all Persons who have filed notices of appearance in the Reorganization Case, all entities known to have provided general liability insurance to the SJOP, the Other Releasing Parties and the Jesuit Volunteer Corps. The notice was served on all claimants, including Tort Claimants, at the address shown on their proofs of claim or to their counsel of record (with a single notice to any counsel of record who represents multiple Tort

Claimants constituting notice to all that counsel's clients who are Tort Claimants) or, if no proof of claim was filed, then at the address on SJOP's schedules. Counsel for each Tort Claimant has also been served. Known Tort Claimants, to the extent of record, shall be served even if not scheduled or the subject of a proof of claim, to the extent known to SJOP. The General Curia of the Society of Jesus was given notice by international mail c/o Fr. Adolfo Nicolás at his official address in Rome, Italy, with a copy to its Portland-based counsel in the Reorganization Case. Any and all co-defendants and their counsel (to the extent of record) in any pre-petition litigation brought by Tort Claimants have been given notice at the last address shown on any filed appearance or, if such co-defendant is proceeding *pro se*, then to the last address of record for such *pro se* co-defendant. The SJOP also provided adequate notice to all other parties-in-interest by publication twice in the USA Today, Oregonian, Anchorage Daily News, Fairbanks Daily News-Miner, Seattle Times, Spokesman-Review, Missoulian, and Idaho Statesman.

8. No other or further notice is necessary. 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 Claims and Interests he represents, and all Persons who receive non-publication notice pursuant to paragraph 7 of this Order. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all known claimants and all parties-in-interest. As to unknown creditors, the publication notice was "reasonably calculated, under all circumstances, to apprise interested parties of the pendency of the action and afford them the opportunity to present their objections." *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950). The notice provided to the General Curia of the Society of Jesus is sufficient for purposes of this settlement; notice to an attorney of a Tort Claimant or co-defendant of SJOP sued by a Tort Claimant constitutes notice to the claimant represented by the attorney.

SOUND BUSINESS JUDGMENT AND REASONABLENESS

9. The relief requested in the Motion is in the best interests of the SJOP, its creditors, the holders of all Claims, including the holders of Tort Claims, and other parties-in-interest. The SJOP has demonstrated good, sufficient, and sound business purposes, cause, and justifications for the relief requested in the Motion and the approval of the transaction contemplated thereby. The settlement and compromise with Travelers and Travelers Released Parties embodied in the Agreement, including, without limitation, the sale of the Policies and the release of claims as set forth therein are within the reasonable range of litigation outcomes if the SJOP and Other Releasing Parties were to litigate the matters resolved pursuant to this Order and represent fair and reasonable consideration for the sale of the Policies and release of claims as set forth therein. The transactions contemplated by the Motion and Agreement are in compliance with, and satisfy the requirements for, approval of a settlement or compromise pursuant to Bankruptcy Rule 9019 and all applicable provisions of the Bankruptcy Code, including without limitation Sections 105(a) and 363 of the Bankruptcy Code, and applicable non-bankruptcy laws.

GOOD FAITH OF INSURANCE POLICY PURCHASER

10. The Agreement was negotiated and proposed, and has been entered into by the Parties, in good faith, from arm's length bargaining positions, and without fraud or collusion. The Parties were represented by counsel. The sale consideration and other consideration to be realized by the SJOP pursuant to the Agreement is fair and reasonable. Travelers is a good faith purchaser for value within the meaning of 11 U.S.C. § 363(m) and is entitled to the protection thereof, and neither the Agreement nor the transaction contemplated thereby are subject to avoidance under 11 U.S.C. § 363(n). None of the SJOP, Other Releasing Parties, Travelers, or Travelers Released Parties has engaged in any conduct that would cause or permit the Agreement, or the sale of the Policies, to be avoided under 11 U.S.C. § 363(n) or that would prevent the application of 11 U.S.C. § 363(m) or cause the application of 11 U.S.C. § 363(n). Furthermore, in the absence of a stay pending appeal, if any, Travelers will be acting in good faith within the meaning of 11 U.S.C. § 363(m) in consummating the contemplated transactions at any time after entry of this Order.

**SATISFACTION OF SECTION 363 AND OTHER
BANKRUPTCY CODE REQUIREMENTS**

11. The transactions contemplated by the Motion and the Agreement are in compliance with and satisfy all applicable provisions of the Bankruptcy Code, including, without limitation, 11 U.S.C. § 363.

12. The SJOP may sell the Policies free and clear of Interests under 11 U.S.C. § 363(f) because, in each case, one or more of the criteria set forth in sections 11 U.S.C. § 363(f)(1)-(5) have been satisfied. Those holders of Interests against any of the Policies and/or Claims thereunder who did not object, or who withdrew their objections, to the Motion or the relief requested therein are deemed to have consented pursuant to 11 U.S.C. § 363(f)(2). Each holder of an Interest in the Policies, including any claim thereunder, can be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such Interest as contemplated by 11 U.S.C. § 363(f)(5). The Claims and Interests held by persons whose Interests are represented by the Future Claimants Representative are "claims" within the meaning of Section 101(5) of the Bankruptcy Code.

13. The sale of the Policies provides claimants, including holders of Tort Claims, with adequate protection. In particular, the Tort Claimants will be able to pursue their Claims against the Trust being created under the First Modified Joint Plan of Reorganization Dated May 27, 2011 as contemplated by this Agreement (the "Plan"). Accordingly, the sale of the Policies free and clear of Interests satisfies the statutory prerequisites of 11 U.S.C. § 363(f). Moreover, if a non-settling insurer asserts that it has a Claim for contribution, indemnity, subrogation, or similar relief against Travelers or a Travelers Released Party, such Claim may be asserted as a defense against the Trust (under the Plan contemplated by the Agreement) in any coverage litigation (and the Trust may assert the legal and equitable rights of Travelers or the Travelers Released Party in response thereto); and to the extent such a Claim is determined to

be valid by the court presiding over such action, the liability of such non-settling insurer to the Trust (or SJOP) shall be reduced dollar for dollar by the amount so determined.

RELEASES

14. In light of the terms of the Agreement, it is reasonable and appropriate for the SJOP and Other Releasing Parties to provide the releases set forth in the Agreement. These releases comply with the Bankruptcy Code and other applicable laws. The consideration given by Travelers hereunder constitutes valid and valuable consideration for the releases by SJOP and the Other Releasing Parties.

NO SUCCESSOR LIABILITY

15. The transfer pursuant to the Agreement of the Policies does not and will not subject or expose Travelers or any Travelers Released Party to any liability, claim, cause of action, or remedy by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based on, in whole or in part, directly or indirectly, including, without limitation, any theory of tort, creditors' rights, equity, antitrust, environmental, successor or transferee liability, labor law, *de facto* merger, or substantial continuity.

16. No common identity of officers or directors exists between Travelers or the Travelers Released Parties, on the one hand, and the SJOP or the Other Releasing Parties, on the other hand.

17. Travelers is purchasing the Policies pursuant to the Agreement and this Order. Travelers is not purchasing any other assets of the SJOP or the Other Releasing Parties. Travelers shall not have any responsibility or liability with respect to any of the other assets of the SJOP or the Other Releasing Parties.

18. A sale of the Policies other than one free and clear of Interests would impact adversely on the SJOP and creditors and would be of substantially less benefit to the estate of the SJOP.

SUPPLEMENTAL INJUNCTION

19. Issuing a Supplemental Injunction under 11 U.S.C. §§ 105(a) and 363 is essential to the reorganization of the SJOP. The SJOP and Travelers have agreed that a supplemental injunction is a necessary prerequisite for their implementing the terms and conditions of the Agreement, and Travelers will not consummate the sale of the Policies in the absence of a Supplemental Injunction from this Court. Due and adequate notice of the Supplemental Injunction has been provided by the notice of the motion.

20. Travelers and the Travelers Released Parties shall be entitled to the benefit of an injunction (the "Supplemental Injunction" as defined in the Agreement) in the

Plan Confirmation Order, providing that, pursuant to 11 U.S.C. §§ 105(a) and 363, any and all Persons and entities who now hold or who may in the future hold Claims or Interests of any kind or nature against the SJOP, the Other Releasing Parties, Travelers, Travelers Released Parties, or the Policies relating to or in connection with the Policies, Tort Claims or Abuse Claims (as defined in the Plan) are barred and permanently enjoined from asserting such Claims or Interests against Travelers, any Travelers Released Party, and/or the Policies. Nothing in this paragraph shall bind the Court as to approval of such an injunction in the Plan.

* * *

For all of the foregoing and after due deliberation, **IT IS ORDERED, ADJUDGED, AND DECREED THAT:**

- A. The Motion is GRANTED and APPROVED in all respects.
- B. The Agreement and each of its terms and conditions are hereby approved, including without limitation the agreement of the Official Committee of Unsecured Creditors as set forth on its signature page of the Agreement.
- C. For the reasons set forth herein and on the record at the Hearing, all objections to the Motion and the relief requested therein and/or granted in this Order that have not been withdrawn, waived, or settled, and all reservations of rights included in such objections are overruled on the merits.
- D. The SJOP is authorized, empowered, and directed to enter into the Agreement, pursuant to 11 U.S.C. § 363(b) and other applicable provisions of the Bankruptcy Code, to sell, transfer, and convey its Interest in the Policies to Travelers in accordance with the terms and subject only to the conditions specified herein and in the Agreement. The transfer by the SJOP or Other Releasing Parties of their respective Interests in the Policies shall vest Travelers with all right, title, and Interest in and to the Policies, free and clear of all rights, Claims, and Interests, including all Tort Claims, reimbursement obligations for Conditional Payments under the MSPA, and Claims by other insurers for contribution, indemnity, subrogation, or similar relief whether arising before or after commencement of this Reorganization Case and whether arising by agreement, understanding, law, equity, or otherwise.
- E. The terms of the Agreement are approved in their entirety, and this Order shall be binding upon the SJOP, all creditors of and claimants against the SJOP, Other Releasing Parties, all Tort Claimants, all insurers who received notice of the motion, the Future Claimants Representatives and all Persons whose Claims and Interests he represents, the General Curia of the Society of Jesus, all co-defendants in pre-petition actions by Tort Claimants against the SJOP, and all other Persons and entities as set forth in paragraph 8 *supra*, and each of their successors and assigns. The sale of the Policies to Travelers shall constitute a legal, valid, and effective transfer of the Policies and shall vest Travelers with all right, title, and Interest in and to the Policies free and clear of all rights, claims, and Interests, effective as of

the Effective Date. The sale of the Policies to Travelers is subject to the Conditions to Agreement set forth in Section 4 of the Agreement.

F. The \$1,400,000 cash purchase price under the Agreement shall be paid by Travelers as provided in the Agreement.

G. The releases in the Agreement comply with the Bankruptcy Code and all applicable state laws. The Agreement terminates the Policies pursuant to its terms, and the Policies are of no further force and effect.

H. The sale of the Policies to Travelers under the Agreement will constitute transfers for reasonably equivalent value and fair consideration under the Bankruptcy Code and the laws of the State of Oregon.

I. The SJOP and the Other Releasing Parties and Travelers are each hereby authorized to take all actions and execute all documents and instruments that the SJOP, the Other Releasing Parties, and Travelers deem necessary or appropriate to implement and effectuate the transactions contemplated by the Agreement.

J. Pursuant to 11 U.S.C. §§ 105(a) and 363(f), as provided by the Agreement, the Policies shall be and hereby are transferred to Travelers, free and clear of all liens, Claims, encumbrances and Interests of any Person, including all rights and Interests of SJOP; all Other Releasing Parties; any other Person claiming by, through, or on behalf of the SJOP; any other insurer; any Tort Claimant; all co-defendants in any pre-petition litigation brought by Tort Claimants; the Jesuit Volunteer Corps; and the General Curia of the Society of Jesus, whether arising prior to or subsequent to the commencement of the Reorganization Case, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, Interests in the Policies that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the Interest of the bankruptcy estate or Travelers, as the case may be, in the Policies).

K. Travelers shall be treated as a "Settling Insurer" under the Plan and shall be afforded (a) all of the rights, interests, and benefits of a Settling Insurer designated under the Plan and Plan Confirmation Order as a Settling Insurer including, but not limited to, the channeling injunctions and other rights, benefits and interests set forth in Article 11 of the Plan.

L. Travelers is a good faith purchaser of the Policies and is entitled to (and is hereby granted) all of the protections provided to good faith purchasers under 11 U.S.C. § 363(m). The transactions contemplated by the Agreement shall not be subject to avoidance under 11 U.S.C. § 363(n). All Persons are hereby enjoined from commencing or continuing an action seeking relief under 11 U.S.C. § 363(n) with respect to the Agreement and the transactions contemplated thereby.

M. Travelers and the Travelers Released Parties are not, and shall not be deemed to be, a successor to the SJOP or the Other Releasing Parties by reason of any theory of

law or equity or as a result of the consummation of the transactions contemplated in the Agreement or otherwise. Travelers and the Travelers Released Parties shall not assume any liabilities of the SJOP or the Other Releasing Parties.

N. Pursuant to Fed. R. Bankr. P. 9019, the releases and provisions set forth in Sections 5.1 - 5.6 of the Agreement are expressly approved. All of the Claims released therein are hereby dismissed and forever released effective as set forth under the Agreement.

O. 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 Travelers and the Travelers Released Parties as a third party entitled to its benefits and protections.

P. This Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing and shall not be stayed under Fed. R. Bankr. P. 6004(h) or any other applicable provision.

Q. Nothing in this Order or the Plan Confirmation Order shall bar or limit Claims by a Tort Claimant against the Society of Jesus (Rome), the Society of Jesus General Curia, The Father General of the Society of Jesus (Rome) and his predecessors, and any successors to SJOP but only to the extent the liability of such successor is entirely independent of the liability of (a) SJOP, (b) any insured under any policy of insurance issued or allegedly issued by Travelers that insures or otherwise provides coverage or allegedly insures or allegedly otherwise provides coverage for the SJOP and/or any of the Other Releasing Parties, and/or (c) any Other Releasing Party.

R. This Court shall retain exclusive jurisdiction to interpret and enforce the provisions of the Agreement and this Order in all respects and further to hear and determine any and all disputes between the SJOP and/or the Other Releasing Parties and/or Travelers and/or the Travelers Released Parties, as the case may be, and any other Person; provided, however that in the event the Court abstains from exercising or declines to exercise such jurisdiction or is without jurisdiction with respect to the Agreement or this Order, such abstention, refusal, or lack of jurisdiction shall have no effect upon, and shall not control, prohibit, or limit the exercise of jurisdiction of any other court having competent jurisdiction with respect to any such matter. In the event this case has been closed, there shall be a right to have this case reopened upon ex parte motion or application for such purposes.

S. The failure to specifically include any particular provision of the Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Agreement be authorized and approved in its entirety.

T. The provisions of this Order are nonseverable and mutually dependent.

U. This Order shall inure to the benefit of Travelers, the Travelers Released Parties, the SJOP, the Other Releasing Parties and their respective successors and assigns and shall be binding upon the SJOP and the Other Releasing Parties.

V. Each and every federal, state, and local governmental agency or department is hereby directed to accept for filing, recording or otherwise any and all documents and instruments necessary and appropriate to consummate and/or evidence the transactions contemplated by the Agreement and this Order.

Dated: _____, 2011

United States Bankruptcy Judge

EXHIBIT 2
to Settlement Agreement, Release, and Policy Buyback

The following insurance policies and alleged insurance policies are included within the definition of Policies and were issued or allegedly issued by the following insurers:

Insurer	Policy No.
Fidelity and Guaranty Insurance Underwriters, Inc.	1MP 300401354 00
Fidelity and Guaranty Insurance Underwriters, Inc.	1MP 300889028 00
Fidelity and Guaranty Insurance Underwriters, Inc.	1MP 300889028 01
Fidelity and Guaranty Insurance Company	1MP 300889028 02
Fidelity and Guaranty Insurance Company	1MP 300889028 03
American Equity Insurance Company	AC 01210
American Equity Insurance Company	AC 01233
Travelers Indemnity Company Of Illinois	P-630-225D957A-TIL-01
Travelers Indemnity Company Of Illinois	PSM-CUP-225D957A-TIL-01
Travelers Indemnity Company Of Connecticut	P-630-225D957A-TCT-02
Travelers Indemnity Company Of Connecticut	P-630-225D957A-TCT-03
Travelers Indemnity Company Of Connecticut	P-630-225D957A-TCT-04