

FOLEY & LARDNER LLP

Jeffrey R. Blease (CA Bar. No. 134933)
Tel: (617) 226-3155; jblease@foley.com
Thomas F. Carlucci (CA Bar No. 135767)
Tel: (415) 984-9824; tcarlucchi@foley.com
Shane J. Moses (CA Bar No. 250533)
Tel: (415) 438-6404; smoses@foley.com
Emil P. Khatchatourian (CA Bar No. 265290)
Tel: (312) 832-5156; ekhatchatourian@foley.com
Ann Marie Uetz (admitted *pro hac vice*)
Tel: (313) 234-7114; auetz@foley.com
Matthew D. Lee (admitted *pro hac vice*)
Tel: (608) 258-4203; mdlee@foley.com
555 California Street, Suite 1700
San Francisco, CA 94104-1520

*Counsel for the Debtor
and Debtor in Possession*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

In re:

THE ROMAN CATHOLIC BISHOP OF
OAKLAND, a California corporation sole,

Debtor.

Case No. 23-40523 WJL

Chapter 11

**DECLARATION OF ATTILA BARDOS IN
SUPPORT OF DEBTOR'S FOURTH
MOTION TO EXTEND DEADLINE TO
ASSUME OR REJECT UNEXPIRED
LEASES OF NONRESIDENTIAL REAL
PROPERTY PURSUANT TO SECTION
365(d)(4) OF THE BANKRUPTCY CODE**

Date: September 25, 2024
Time: 10:30 a.m.
Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612

1 I, Attila Bardos, hereby declare as follows:

2 1. I am the chief financial officer of the Roman Catholic Bishop of Oakland (“the Debtor”).
3 I make this declaration in support of the *Debtor’s Fourth Motion to Extend Deadline to Assume or Reject*
4 *Unexpired Leases of Nonresidential Real Property Pursuant to Section 365(d)(4) of the Bankruptcy Code*,
5 filed concurrently herewith (the “Motion”).¹

6 2. I am familiar with the Debtor’s day-to-day operations, financial affairs, and books and
7 records. Except as otherwise noted, all facts set forth in this Declaration are based upon my personal
8 knowledge. If called upon to testify, I could and would testify competently to the facts set forth herein.

9 3. Since the Court approved the Debtor’s most recent request for an extension of the deadline
10 to assume or reject unexpired leases of nonresidential real property, the Debtor’s attention and efforts have
11 been mainly focused on two things: (1) developing a plan of reorganization to present to this Court for
12 confirmation, through continued mediation with the Committee and, since June 2024, through
13 commencing mediation with its historical insurance carriers; and (2) continuing to aggressively pursue
14 recovery on its insurance assets through the Insurance Coverage Litigation.

15 4. During the past five months, the Debtor has continued to provide extensive documentation
16 and information to the Committee in response to the Committee’s priority diligence requests in support of
17 mediation; begun mediation with the Insurers including the submission of mediation statements and other
18 documents to the insurance mediators; litigated the most recent round of motions to dismiss and
19 commenced discovery in the Insurance Coverage Litigation; participated in multiple days of mediation
20 with the Committee over a number of months; and participated in one mediation meeting thus far with the
21 Insurers, followed by submittal of additional information and mediation statements to the insurance
22 mediators.

23 5. Mediation has touched upon many issues relating to the Debtor’s estate, including without
24 limitation the Cathedral Lease. However, the Debtor has not had a sufficient opportunity to adequately
25 assess the potential value of the Cathedral Lease in the context of its restructuring efforts, nor has the
26

27
28 ¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

1 Committee had an opportunity to express its view on that subject. The Debtor believes that treatment of
2 the Cathedral Lease should be addressed as a part of a chapter 11 plan.

3 6. The Cathedral Lease is for the Debtor's use of facilities and grounds in Oakland owned by
4 CCCEB, which includes the Cathedral of Christ the Light and the Debtor's Chancery offices.

5 7. Although the primary purpose of the Cathedral Lease is nonresidential, the lease includes
6 Bishop Michael C. Barber's residence and other residential spaces used from time to time by other priests
7 of the Diocese. The Debtor is the lessee under the Cathedral Lease.

8 8. The Debtor requires additional time beyond the current period, as extended, to make a
9 reasoned determination regarding whether to assume or reject the Cathedral Lease.

10 9. Since the Petition Date, the Debtor has paid its post-petition expenses in the ordinary course
11 of business or as otherwise provided by court order, including for the Cathedral Lease. The Debtor is
12 current on all monetary obligations due and owing on the Cathedral Lease. Consequently, its continued
13 occupation of the leased premises will not damage CCCEB. Furthermore, the Debtor continues to occupy
14 the space it leases from CCCEB. It is therefore using its leased properties and its estate is deriving benefits
15 from the Cathedral Lease. The lessor also derives a benefit in the form of regular quarterly payments
16 under the Cathedral Lease and a steady tenant. Barring a lengthy, expensive redevelopment, it is difficult
17 to imagine anyone other than the Debtor as lessee under the Cathedral Lease.

18 10. The Debtor has the current financial resources to continue to pay its bills as they come due
19 and will continue to do so. The Debtor is committed to remaining current with respect to all undisputed
20 post-petition obligations under the Cathedral Lease in compliance with section 365(d)(3) of the
21 Bankruptcy Code.

22 11. The deemed rejection of the Debtors' Cathedral Lease could adversely impact the Debtor's
23 ongoing restructuring efforts and greatly disrupt its operations. For example, the Cathedral Lease grants
24 the Debtor access to its central offices – the Chancery – and the most visible place of worship in the
25 Diocese of Oakland: the Cathedral of Christ the Light, where daily Mass is held and where many Catholic
26 faithful come to pray and to worship each day.

1 12. While the Debtor is still determining the role this property will play in its reorganization,
2 it is in no position at this stage of the case to relocate the operations and activities that occur at this site.
3 The Debtor will continue evaluating the Cathedral Lease as expeditiously as practicable and will file
4 appropriate motions as soon as informed decisions are made.

5 13. While the Debtor has made significant good faith progress to move this Bankruptcy Case
6 forward, its attention remains substantially devoted to prosecuting the Insurance Coverage Litigation to
7 address coverage issues, mediation with the Committee and the Insurers, and other pressing issues. The
8 Debtor needs additional time to assess the Cathedral Lease and its place within the Debtor's restructuring
9 efforts. The Debtor believes that treatment of the Cathedral Lease should be addressed as a part of this
10 process, necessitating a further extension. The Debtor will continue evaluating the Cathedral Lease as
11 expeditiously as practicable and will file appropriate motions as soon as informed decisions are made.

12 I declare under penalty of perjury under the laws of the United States of America the foregoing is
13 true and correct to the best of my information, knowledge, and belief.

14 Executed on September 4, 2024, at Oakland, California.

15
16 /s/ Attila Bardos
17 Attila Bardos
18
19
20
21
22
23
24
25
26
27
28