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**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

Chapter 11

**DEBTOR’S NOTICE OF FILING THIRD
AMENDED PLAN OF REORGANIZATION
AND THIRD AMENDED DISCLOSURE
STATEMENT**

Judge: Hon. William J. Lafferty

Date: April 1, 2025

Time: 10:30 a.m.

Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612

The Roman Catholic Bishop of Oakland, a California corporation sole, and the debtor and debtor in possession (the “Debtor” or “RCBO”) in the above-captioned chapter 11 bankruptcy case (the “Chapter 11 Case”), submits this notice of filing of its *Debtor’s Third Amended Plan of Reorganization* [Docket No. 1830] (the “Third Amended Plan” and, as it may be modified, supplemented, or amended, the “Plan”), and *Third Amended Disclosure Statement for Debtor’s Third Amended Plan of Reorganization* [Docket



1 No. 1831] (the “Third Amended Disclosure Statement” and, as it may be modified, supplemented, or
2 amended, the “Disclosure Statement”). Redline documents which compare the Third Amended Plan and
3 Third Amended Disclosure Statement to the Second Amended versions of the Plan and Disclosure
4 Statement are attached hereto as **Exhibit A** and **Exhibit B**, respectively.

5 1. On May 8, 2023 (the “Petition Date”), the Debtor filed a voluntary chapter 11 petition in
6 this Court. Since then, the Debtor has been focused on its goals of providing fair and equitable
7 compensation for survivors of abuse and reorganizing to enable the Debtor to continue its mission to serve
8 the needs of the faithful within the Diocese of Oakland are the focal points of the Plan.

9 2. The Debtor has filed with this Court its original plan of reorganization and disclosure
10 statement, and two amendments thereto, as follows:

- 11 • November 8, 2024: Debtor’s Plan of Reorganization
12 [Docket No. 1444] and Disclosure Statement [Docket No.
13 1445]
- 14 • January 3, 2025: Debtor’s First Amended Plan of
15 Reorganization [Docket No. 1594] and First Amended
16 Disclosure Statement [Docket. No. 1595]
- 17 • February 18-19, 2025: Debtor’s Second Amended Plan of
18 Reorganization [Docket No. 1757] and Second Amended
19 Disclosure Statement [Docket. No. 1763]

20 3. In addition to these filings, the Debtor has met and conferred with the Committee numerous
21 times regarding the content of its proposed Disclosure Statement. This Court has conducted hearings on
22 the Debtor’s proposed Disclosure Statement, and has issued a *Memorandum Concerning Certain Issues*
23 *Raised During January 21, 2025 Hearing on Approval of Disclosure Statement* [Docket No. 1673].

24 4. The Debtor has mediated with all parties for more than one year seeking to achieve a
25 consensual resolution to this Chapter 11 Case. Between March and October 2024, the Committee and the
26 Debtor conducted not less than 15 mediation sessions with Judge Sontchi. Between June and November
27 8, 2024, the Debtor mediated with the Insurers and Judge Newsome and Tim Gallagher not less than five
28 times. More recently, the Debtor, the Committee and the Insurers, together with all three mediators,
attended a global mediation in San Francisco on February 24 and 25, at the offices of Debtor’s counsel.
The Debtor made a new plan proposal to the Committee which included materially increased cash

1 contributions and requested the Committee agree to a 30-day standstill in the Chapter 11 Case to provide
2 a further opportunity to try to reach agreement. The Committee would not agree to the requested standstill
3 and although the Committee has not formally rejected the Debtor's settlement proposal, it has not accepted
4 it.

5 5. The Debtor is willing to pay a cash settlement to the survivors which is fair and equitable,
6 including especially when viewed in light of other diocese outcomes. In addition, the Debtor has shared
7 with all parties and with this Court its cash forecast which confirms the Debtor cannot afford to continue
8 to pay the administrative costs of this Chapter 11 Case for much longer. And unfortunately, lessons learned
9 from other diocesan bankruptcy cases show that professionals – and not individual creditors – are the ones
10 who seemingly benefit financially from chapter 11 cases being extended for three, four and sometimes
11 more than five years. Counsel for the Committee has made statements to this Court praising the Debtor's
12 accelerated and transparent approach to discovery and investigation into the Debtor's assets which has
13 taken place in this Chapter 11 Case, and has stated the Committee's desire to set a new paradigm by
14 resolving this Chapter 11 Case sooner than other diocese cases. Unfortunately, the Committee's actions
15 in this case now belie that goal. For all of the litigation filed by the Committee against the Debtor (much
16 of which requested relief the Court has rejected), and despite the Debtor having produced to the Committee
17 documents and information voluntarily and without the need for the Committee to resort to motions to
18 compel against the Debtor, it appears to the Debtor the 9-member Committee is nowhere close to agreeing
19 to any resolution of the claims of 400+ sexual abuse survivors in this Chapter 11 Case.

20 6. The Debtor therefore files this Third Amended Plan and Third Amended Disclosure
21 Statement. The Debtor submits this Third Amended Disclosure Statement satisfies the requirements of the
22 Bankruptcy Code for approval. The Debtor therefore will seek approval of this form of its now Third
23 Amended Disclosure Statement at the April 1st hearing. The time has come for individual creditors to be
24 empowered to review the Debtor's proposed Plan and to decide for themselves whether to vote for or
25 against the Plan.

26 7. The Bankruptcy Code by its express terms permits a nonprofit debtor such as RCBO to
27 reorganize so long as the debtor meets the requirements of the Bankruptcy Code. It does not discriminate
28

1 between and among chapter 11 debtors based on what kinds of general unsecured claims are filed. The
2 Bankruptcy Code contains provisions for confirming a plan even if the plan is not accepted by all impaired
3 classes, as long as at least one impaired class of claims has accepted the plan. These so-called “cramdown”
4 provisions are set forth in section 1129(b) of the Bankruptcy Code. The Debtor will seek approval of *this*
5 *form* of its proposed Plan pursuant to 1129(b) if necessary and will demonstrate to this Court the Debtor’s
6 proposed Plan “does not discriminate unfairly” and is “fair and equitable.”

7 8. Finally and importantly, the abuse of children and vulnerable adults has no place in the
8 Diocese of Oakland, specifically, or the Roman Catholic Church, generally. The Debtor will do everything
9 in its power to prevent such abuse.

10
11 DATED: March 17, 2025

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/s/ Shane J. Moses

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EXHIBIT A

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10 **UNITED STATES BANKRUPTCY COURT**
11 **NORTHERN DISTRICT OF CALIFORNIA**
12 **OAKLAND DIVISION**

14 In re:
15 THE ROMAN CATHOLIC BISHOP OF
16 OAKLAND, a California corporation sole,
17 Debtor.

Case No. 23-40523 WJL
Chapter 11
Judge: Hon. William J. Lafferty
Date: TBD
Time: TBD
Place: United States Bankruptcy Court
1300 Clay Street
Courtroom 220
Oakland, CA 94612

21 **DEBTOR'S ~~SECOND~~THIRD AMENDED PLAN OF REORGANIZATION**

22 **DATED ~~FEBRUARY 18~~MARCH 17, 2025**

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1 **INTRODUCTION**

2 This ~~Second~~Third Amended Plan of Reorganization dated ~~February 18~~March 17, 2025 (as
3 amended, modified or supplemented from time to time, the “Plan”),¹ is proposed by The Roman
4 Catholic Bishop of Oakland, a California corporation sole, and the debtor and debtor in
5 possession (the “Debtor” or “RCBO”) in the above-captioned chapter 11 bankruptcy case (the
6 “Chapter 11 Case”). Holders of Claims (as those terms are defined below) may refer to the
7 Disclosure Statement (as defined below) for a summary and description of the Plan and a
8 discussion of the Debtor’s history, estate, assets, mission, operations, historical financial
9 information, and projections of future operations. The Debtor is the proponent of this Plan within
10 the meaning of Section 1129 of title 11 of the United States Code, as amended from time to time
11 and as in effect during the Chapter 11 Case (the “Bankruptcy Code”).

12 ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE
13 PLAN ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT
14 IN THEIR ENTIRETY BEFORE VOTING.

15 **ARTICLE I**
16 **DEFINITIONS AND RULES OF INTERPRETATION**

17 **1.1. Definitions.** As used in this Plan, unless defined in the above Introduction or
18 elsewhere in the Plan, capitalized terms shall have the meanings set forth in this Section 1.1. Any
19 term not otherwise defined herein but defined in the Bankruptcy Code or the Federal Rules of
20 Bankruptcy Procedure as amended from time to time and as in effect during the Chapter 11 Case
21 (the “Bankruptcy Rules”) will have the meaning given to that term in the Bankruptcy Code or the
22 Bankruptcy Rules, as applicable. The following definitions apply in this Plan:

23 1.1.1. “**Abuse**” means sexual conduct or misconduct, sexual abuse or
24 molestation, sexual exploitation, indecent assault and/or battery, rape, pedophilia, ephebophilia,
25 sexually related psychological or emotional harm, humiliation, anguish, shock, sickness, disease,
26 disability, dysfunction, or intimidation, any other sexual misconduct or injury, contacts or

27
28 ¹ For the avoidance of doubt, the terms “hereof” and/or “herein” as used in this Plan are
references to this entire Plan.

1 interactions of a sexual nature, including the use of photography, video, or digital media, or other
2 physical abuse or bullying without regard to whether such physical abuse or bullying is of a
3 sexual nature, between a child and an adult, between a child and another child, or between a
4 non-consenting adult and another adult, in each instance without regard to whether such activity
5 involved explicit force, whether such activity involved genital or other physical contact, and
6 whether there is or was any associated physical, psychological, or emotional harm to the child or
7 non-consenting adult.

8 1.1.2. **“Abuse Claim”** means any Claim relating to, in whole or in part, directly
9 or indirectly, an act of Abuse committed by any Person before the Effective Date for which the
10 Debtor, a Non-Debtor Catholic Entity, or any of their respective agents, employees, or
11 representatives is allegedly responsible. Except as otherwise provided herein, the term “Abuse
12 Claim” includes Unknown Abuse Claims and Trust Claims but not Abuse Related Contribution
13 Claims.

14 1.1.3. **“Abuse Claimant”** means a Holder of an Abuse Claim.

15 1.1.4. **“Abuse Claims Reviewer”** means the person identified in the Survivors’
16 Trust Documents to review all Abuse Claims and allocate to each Abuse Claim a percentage of
17 the Survivors’ Trust recovery pool based on numerical scaling factors (but not based on alleged
18 dollar value of the Claim), except for those Abuse Claims held by Abuse Claimants who have
19 elected to receive an Immediate Payment, in accordance with the procedures set forth in the
20 Survivors’ Trust Documents.

21 1.1.5. **“Abuse Insurance Policies”** means any insurance policy alleged in the
22 Coverage Action or in any Abuse Claim Litigation (as defined in Section 9.8.4 of the Plan) to
23 provide insurance coverage for any Abuse Claim.

24 1.1.6. **“Abuse Related Contribution Claim”** means any Person’s Claim against
25 any other Person for contribution, indemnity, equitable indemnity, subrogation, or equitable
26 subrogation, or reimbursement, or any other indirect or derivative recovery, arising because such
27 Person has paid or defended against any Abuse Claim including but not limited to a joint
28

1 tortfeasor or the like, but excluding any claim by an Insurer for contribution or similar relief.

2 1.1.7. “**Administrative Expense Claim**” means any right to payment constituting
3 a cost or expense of administration of the Chapter 11 Case under Sections 503(b) and 507(a)(1) of
4 the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses
5 of preserving the Estate of the Debtor, any actual and necessary costs and expenses of the
6 Debtor’s operations, and any indebtedness or obligations incurred or assumed by the Debtor in
7 connection with the conduct of its business, but not including Fee Claims, Cure Claims, or
8 U.S. Trustee Fees. Administrative Expense Claims are further described in in Section 3.1 below.

9 1.1.8. “**Administrative Expense Claims Bar Date**” means the date that is
10 45 days after the Effective Date.

11 1.1.9. “**Adventus**” means a California nonprofit public benefit corporation that is
12 one of the Contributing Non-Debtor Catholic Entities.

13 1.1.10. “**Affiliate**” shall have the meaning set forth in Section 101(2) of the
14 Bankruptcy Code.

15 1.1.11. “**Allowed**” means, with respect to any Claim, except as otherwise provided
16 herein: (a) a Claim that is evidenced by a Proof of Claim Filed by the applicable Claims Bar
17 Date, (b) a Claim for which a Proof of Claim is or shall not be required to be Filed under the Plan,
18 the Bankruptcy Code, or a Final Order of the Court, (c) a Claim that is listed in the Schedules as
19 not contingent, not unliquidated, and not disputed, and for which no Proof of Claim has been
20 timely Filed, (d) a Claim Allowed pursuant to the Plan or a Final Order of the Court; provided,
21 however, that with respect to a Claim described in clauses (a), (b), and (c) above, such Claim
22 shall be considered Allowed only if no objection to its allowance has been made before the
23 Claims Objection Deadline or within such time fixed by the Plan, the Bankruptcy Code, the
24 Bankruptcy Rules, or the Court (except with respect to a Trust Claim whose Holder elects the
25 Litigation Option, in which case any such Trust Claim shall only be considered Allowed (i)
26 following entry of a final judgment pursuant to a Final Order by a non-bankruptcy court of
27 competent jurisdiction as set forth in the Plan, (ii) upon the effective date of any Insurance
28

1 Settlement Agreement covering such Trust Claim for purposes of such settlement only, or (iii)
2 upon the effective date of any settlement agreement between the Holder of such Trust Claim and
3 one or more Non-Settling Insurers pursuant to or following which settlement such Holder reverts
4 from the Litigation Option to the Distribution Option for purposes of the Distribution Option
5 only).

6 1.1.12. **“Assigned Insurance Interests”** means all rights, claims, interests,
7 benefits, responsibilities and obligations of the Debtor in the Non-Settling Insurer Policies,
8 subject to the terms hereof including without limitation Articles VIII and IX of the Plan and the
9 provisions of the Plan concerning the Litigation Option.

10 1.1.13. **“Assumed Employee Benefit Plans”** means any written contracts,
11 agreements, policies, programs, and plans (including any related trust or other funding vehicle)
12 governing any obligations relating to compensation, reimbursement, indemnity, health care
13 benefits, disability benefits, deferred compensation benefits, travel benefits, vacation and sick
14 leave benefits, paid time off, savings, severance benefits, retirement benefits, welfare benefits,
15 relocation programs, life insurance, and accidental death and dismemberment insurance,
16 including written contracts, agreements, policies, programs, and plans for bonuses and other
17 incentives or compensation for the current and former officers, employees, and priests, as
18 applicable, of the Debtor, but excluding the Priest Long-Term Care Plan and the SERP.

19 1.1.14. **“Assumption Objection”** means an objection to assumption or cure of an
20 Executory Contract, as described in ~~Section [7.2.1], below~~ [Sections 7.2.2 and 7.2.3 herein](#).

21 1.1.15. **“Avoidance Actions”** means any and all rights to recover or avoid
22 transfers or Liens under Chapter 5 of the Bankruptcy Code or otherwise, including
23 Sections 506(d), 541, 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code, or
24 otherwise under the Bankruptcy Code or under similar or related state or federal statutes and
25 common law, including all preference, fraudulent conveyance, fraudulent transfer, and/or other
26 similar avoidance claims, rights, and causes of action, whether or not litigation has been
27 commenced as of the Effective Date to prosecute such Avoidance Actions; subject, however, to
28

1 any releases thereof provided in this Plan, the Confirmation Order, or any other Final Order of the
2 Bankruptcy Court.

3 1.1.16. **“Ballot”** means any form of ballot approved by the Bankruptcy Court for
4 each Class of Claims entitled to vote on the Plan, as sent to all creditors entitled to vote on the
5 Plan, whereby such creditors may indicate their vote to accept or reject the Plan.

6 1.1.17. **“Bankruptcy Court”** means the United States Bankruptcy Court for the
7 Northern District of California, Oakland Division, having jurisdiction over the Chapter 11 Case.

8 1.1.18. **“Bar Date Order”** means the *Order Establishing Deadlines for Filing*
9 *Proofs of Claim and Approving the Form and Manner of Notice Thereof* [Docket No. 293],
10 entered by the Bankruptcy Court on July 25, 2023, and as [expressly amended and as](#) may be
11 expressly amended from time to time.

12 1.1.19. **“Business Day”** means any day other than a Saturday, Sunday, or any
13 “legal holiday” as defined in Bankruptcy Rule 9006(a).

14 1.1.20. **“Cash”** means the legal tender of the United States of America, or its
15 equivalent.

16 1.1.21. **“Cathedral Property”** means the parcel of real estate described on
17 Schedule 1.1.21, ~~the parcel~~ owned as of the Petition Date by CCCEB.

18 1.1.22. **“Cause of Action”** means any action, claim, cause of action, controversy,
19 demand, right, action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment,
20 account, defense, offset, power, privilege, license, and franchise of any kind or character
21 whatsoever, whether known, unknown, contingent or non-contingent, matured or unmatured,
22 suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or
23 unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition
24 Date, in contract or in tort, in law, or in equity or pursuant to any other theory of law. For the
25 avoidance of doubt, “Cause of Action” includes: (a) any right of setoff, counterclaim, or
26 recoupment and any claim for breach of contract or for breach of duties imposed by law or in
27 equity; (b) the right to object to Claims; (c) any Claim pursuant to Section 362 or Chapter 5 of the
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1 Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress, and any other
2 defenses set forth in Section 558 of the Bankruptcy Code; (e) any state or foreign law fraudulent
3 transfer or similar claim; (f) any cause of action asserted by the Debtor in the Coverage Action;
4 and (g) any cause of action described on the Debtor's Schedules or Statements of Financial
5 Affairs.

6 1.1.23. "**CCCEB Note**" means that certain Promissory Note dated as of April 16,
7 2009, payable by CCCEB to the Debtor, as amended, modified, or restated including by that
8 certain Amendment #1 to Promissory Note dated as of January 1, 2014, by and between the
9 Debtor and CCCEB, and that certain Amendment #1 to Promissory Note dated as of February 1,
10 2017, by and between the Debtor and CCCEB.

11 1.1.24. "**CCCEB Settlement**" means the transaction described in Section 12.3 of
12 the Plan, as set forth in the CCCEB Settlement Documents.

13 1.1.25. "**CCCEB Settlement Documents**" means all documents necessary to
14 effectuate the CCCEB Settlement as of the Effective Date.

15 1.1.26. "**Channeled Claim**" means any Abuse Claim and/or any Claim, excluding
16 Opt-Out Abuse Claims, against a Released Party or any Settling Insurer arising from, in
17 connection with, or related to an Abuse Claim, or any of the Abuse Insurance Policies issued by
18 any Settling Insurers, including Abuse Related Contribution Claims, but not including (a) an
19 Abuse Claim against any Person who personally committed an act or acts of Abuse resulting in a
20 Claim against the Debtor or Contributing Non-Debtor Catholic Entity; or (b) any Claim
21 (including any Abuse Claim) held by a Non-Settling Insurer against any Released Party other than
22 the Debtor or the Reorganized Debtor.

23 1.1.27. "**Channeling Injunction**" means the injunction imposed pursuant to
24 Section 13.12 of this Plan and the Confirmation Order.

25 1.1.28. "**Churches**" means the individual Catholic churches within the Diocese of
26 Oakland, each of which is part of the corporation sole that is the Debtor, and each of which is
27 listed on Schedule 1.1.28 attached hereto.
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1 1.1.29. “**Claim**” shall have the meaning set forth in Section 101(5) of the
2 Bankruptcy Code.

3 1.1.30. “**Claims Bar Date**” means, including without limitation for Claims arising
4 under Section 503(b)(9) of the Bankruptcy Code, and in accordance with the terms of the Bar
5 Date Order, (i) for all Claims other than Claims of Governmental Units, September 11, 2023, at
6 5:00 p.m. Pacific Time, and (ii) for Claims of Governmental Units, November 6, 2023, at
7 5:00 p.m. Pacific Time.

8 1.1.31. “**Claims Objection Deadline**” means, except as to Non-Settling Insurers,
9 the deadline for objecting to a Claim, which shall be on the date that is the later of: (a) 12 months
10 after the Effective Date, and (b) such other period of limitation as may be specifically fixed by the
11 Debtor or the Reorganized Debtor, as applicable, or by an order of the Court for objecting to such
12 Claims. For the avoidance of doubt, the Claims Objection Deadline shall not apply to
13 Non-Settling Insurers who agree to defend against any Abuse Claim Holder who elects the
14 Litigation Option as set forth in Section 5.2.2 and Articles VIII and IX hereof.

15 1.1.32. “**Claims Register**” means the official register of Claims maintained by the
16 Debtor or Reorganized Debtor, as applicable.

17 1.1.33. “**Class**” means a category of Holders of Claims as set forth in Section 2.3
18 of this Plan, under Section 1122(a) of the Bankruptcy Code.

19 1.1.34. “**Committee**” means the Official Committee of Unsecured Creditors
20 appointed in the Chapter 11 Case on May 23, 2023.

21 1.1.35. “**Confirmation**” means the entry of the Confirmation Order on the docket
22 of the Chapter 11 Case.

23 1.1.36. “**Confirmation Order**” means a Final Order of the Bankruptcy Court
24 confirming the Plan under Section 1129 of the Bankruptcy Code.

25 1.1.37. “**Contributing Non-Debtor Catholic Entity**” means a Non-Debtor
26 Catholic Entity that contributes assets to the Survivors’ Trust on or after the Effective Date
27 pursuant to Section 9.3 of the Plan.
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1.1.38. “**Coverage Action**” means the proceeding captioned *In re: The Roman Catholic Bishop of Oakland Insurance Adversary Proceeding Litigation*, Case Nos. 3:24-cv-00709-JSC & 3:24-cv-00711-JSC (N.D. Cal.) and all adversary proceedings consolidated thereunder.

1.1.39. “**Coverage Claims**” means all Claims against a Non-Settling Insurer under or relating to the policies issued by such Non-Settling Insurer.

1.1.40. “**Creditor**” shall have the meaning set forth in Section 101(10) of the Bankruptcy Code.

1.1.41. “**Cure Amount**” means all amounts, including an amount of \$0.00, required to cure any monetary default under any Executory Contract or Unexpired Lease (or any lesser amount agreed to by the counterparty to an Executory Contract or Unexpired Lease of the Debtor) to be assumed by the Debtor under Sections 365 or 1123 of the Bankruptcy Code.

1.1.42. “**Cure Claim**” means a monetary Claim arising out of the Debtor’s default(s) under any Executory Contract or Unexpired Lease at the time such contract or lease is assumed by the Debtor pursuant to Section 365 of the Bankruptcy Code.

1.1.43. “**Debtor**” shall have the meaning set forth in the Introduction hereof.

1.1.44. “**Disallowed**” means, with respect to any Claim, a Claim or any portion thereof that: (a) has been disallowed by a Final Order, (b) is listed on the Schedules as having a value of zero dollars or as contingent, disputed, or unliquidated and as to which no Proof of Claim or request for payment of an Administrative Expense Claim was timely filed or deemed timely filed pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law or this Plan, (c) is not listed on the Schedules and as to which no Proof of Claim or request for payment of an Administrative Expense Claim was timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Court or otherwise deemed timely filed under applicable law or this Plan, (d) has been withdrawn by agreement of the Debtor and the Holder thereof, or (e) has been withdrawn by the Holder thereof. Any Claim or portion of a Claim not

1 Disallowed shall be either Allowed or Disputed as provided in the Plan.

2 1.1.45. **“Disclosure Statement”** means the *Amended Disclosure Statement for*
3 *Debtor’s Amended Plan of Reorganization* (as amended, supplemented, or modified from time to
4 time) filed in the Chapter 11 Case, including all exhibits and schedules thereto and references
5 therein that relate to the Plan, and that is prepared and distributed in accordance with the
6 Bankruptcy Code, the Bankruptcy Rules, and any other applicable law.

7 1.1.46. **“Disputed”** means, with reference to any Claim: (i) a Claim as to which
8 an objection has been filed and which objection has not either been withdrawn, determined by a
9 Final Order, or otherwise finally resolved pursuant to the Plan; or (ii) a Claim specifically stated
10 herein to be Disputed.

11 1.1.47. **“District Court”** means the United States District Court for the Northern
12 District of California, Oakland Division, having jurisdiction over the Coverage Action.

13 1.1.48. **“Effective Date”** means the date of the first Business Day after
14 Confirmation of the Plan on which all conditions precedent to the effectiveness of the Plan have
15 either been (a) satisfied or (b) waived pursuant to Sections 10.2 and 10.3 of the Plan, respectively.

16 1.1.49. **“Entity”** shall have the meaning set forth in Section 101(15) of the
17 Bankruptcy Code.

18 1.1.50. **“Estate”** means the estate created for the Debtor in this Chapter 11 Case
19 under Section 541 of the Bankruptcy Code.

20 1.1.51. **“Exculpated Parties”** means each of the following in their capacity as
21 such, to the extent permitted under applicable Ninth Circuit law, including without limitation
22 *Blixseth v. Credit Suisse*, 961 F.3d 1074 (9th Cir. 2020): (a) the Exit Facility Lender, (b) the
23 Debtor, including the Churches, (c) the Reorganized Debtor, including the Churches, (d) the
24 Committee, (e) the Committee’s members, (f) each Contributing Non-Debtor Catholic Entity,
25 (g) the College of Consultors of the Diocese of Oakland and each of its members, (h) The
26 Diocese of Oakland Finance Council and each of its members, (i) the Presbyteral Council of the
27 Diocese of Oakland and each of its members, (j) the ~~Meditators~~Mediators, (k) the Unknown
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1 Abuse Claims Representative, and (l) for each of the foregoing, their respective officers,
2 directors, agents, employees, equity holders, attorneys, financial advisors, accountants, and other
3 duly authorized employed Professionals in this Chapter 11 Case.

4 1.1.52. “**Exculpation**” means the treatment of an Exculpated Party under, or the
5 effect of, the Exculpation Clause.

6 1.1.53. “**Exculpation Clause**” means Section 13.6 of this Plan.

7 1.1.54. “**Executory Contract**” means a contract to which the Debtor is a party that
8 is subject to assumption or rejection under Sections 365 or 1123 of the Bankruptcy Code.

9 1.1.55. “**Executory Contract Cure Schedule**” means a schedule that may be, but
10 is not required to be, filed by the Debtor as part of the Plan Supplement, setting forth the amount
11 the Debtor asserts is required to be paid pursuant to Section 365(b)(1) of the Bankruptcy Code in
12 connection with the Debtor’s assumption of any Executory Contract.

13 1.1.56. “**Executory Contract Rejection Schedule**” means a schedule that may be,
14 but is not required to be, filed by the Debtor as part of the Plan Supplement, identifying any
15 Executory Contracts to be rejected by the Debtor as of the Effective Date of the Plan.

16 1.1.57. “**Exit Facility**” means the new senior secured lending facility that RCBO
17 will enter into [with the Exit Facility Lender](#) on the Effective Date, the form of which shall be
18 included in the Plan Supplement.

19 1.1.58. “**Exit Facility Documents**” means the documents evidencing the Exit
20 Facility.

21 1.1.59. “**Exit Facility Lender**” means the Roman Catholic Cemeteries of the
22 Diocese of Oakland (“**RCC**”), the Entity financing the Exit Facility.

23 1.1.60. “**Fee Claim**” means a Claim under Sections 328, 330, 331, 503, or 1103 of
24 the Bankruptcy Code for compensation of a Professional or other Entity for services provided to
25 the Debtor or Committee, or expenses incurred in the course of providing services to the Estate,
26 during the Chapter 11 Case.

27 1.1.61. “**File,**” “**Filed,**” or “**Filing**” means file, filed, or filing with the Bankruptcy
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1 Court in the Chapter 11 Case or the Coverage Action.

2 1.1.62. “**Final Decree**” means the decree contemplated under Bankruptcy
3 Rule 3022.

4 1.1.63. “**Final Order**” means an order or judgment of the Bankruptcy Court (or
5 any other court) entered by the Bankruptcy Court (or any other court) on the docket in the
6 Chapter 11 Case (or the docket of such other court), which has not been reversed, stayed,
7 modified, amended, or vacated, and as to which: (a) the time to appeal, petition for *certiorari*, or
8 move for a new trial, stay, reargument, or rehearing has expired and as to which no appeal,
9 petition for *certiorari*, or motion for new trial, stay, reargument, or rehearing shall be pending, or
10 (b) if an appeal, writ of *certiorari*, new trial, stay, reargument, or rehearing thereof has been
11 sought, such order or judgment of the Bankruptcy Court (or other court) shall have been affirmed
12 by the highest court to which such order was appealed, or *certiorari* shall have been denied, or a
13 new trial, stay, reargument, or rehearing shall have been denied or resulted in no modification of
14 such order, and the time to take any further appeal, petition for *certiorari*, or move for a new trial,
15 stay, reargument, or rehearing shall have expired, as a result of which such order shall have
16 become final in accordance with Bankruptcy Rule 8002; provided, however, that the possibility
17 that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under
18 the Bankruptcy Rules, may be filed relating to such order shall not cause an order not to be a
19 Final Order.

20 1.1.64. “**Governmental Unit**” shall have the meaning set forth in Section 101(27)
21 of the Bankruptcy Code.

22 1.1.65. “**Holder**” means a Person or Entity with ownership or legal control of a
23 Claim, including without limitation an Abuse Claim.

24 1.1.66. “**Immediate Payment**” means a one-time distribution of \$50,000 paid to
25 the ~~Holder of an Abuse Claim~~ Claimant from the Survivors’ Trust, paid by the Survivors’ Trustee
26 without objection as set forth in the Plan and to the exclusion of such Holder’s (a) right to any
27 further distributions from the Survivors’ Trust and (b) right to pursue an Abuse Claim against any
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1 Non-Settling Insurers or other parties.

2 1.1.67. **“Impaired”** means, with respect to a Class of Claims, a Class of Claims
3 that is not Unimpaired.

4 1.1.68. **“Insurance Assignment”** means the transaction described in Section 8.1
5 of the Plan, subject to the terms of the Plan, the Abuse Insurance Policies, and applicable law.

6 1.1.69. **“Insurance Recoveries”** means the rights to any proceeds of an Abuse
7 Insurance Policy, whether pursuant to the policy outright, an Insurance Settlement Agreement, or
8 a judgment, award, decree, or other court or administrative order.

9 1.1.70. **“Insurance Settlement Agreement”** means any settlement agreement
10 between (i) the Debtor and any Settling Insurer, if executed and approved by a final,
11 non-appealable order of the Bankruptcy Court before the Effective Date, or (ii) the Survivors’
12 Trust and any Settling Insurer, if executed after the Effective Date.

13 1.1.71. **“Insurers”** means the defendants in the Coverage Action. For the
14 avoidance of doubt, this term, whether or not qualified with “Settling” or “Non-Settling,” shall
15 include the California Insurance Guarantee Association.

16 ~~1.1.72. **“Livermore Property”** means the real property owned by Adventus
17 having a street address of 3658 Las Colinas Road, Livermore, California, and bearing the legal
18 description set forth on Schedule 1.1.72 attached hereto.~~

19 1.1.72. ~~1.1.73.~~ **“Mediators”** means, individually and collectively: (i) the
20 Honorable Christopher Sontchi (Ret.), Sontchi, LLC; (ii) Jeffrey Krivis, Mediation Offices of
21 Jeffrey Krivis; (iii) Timothy Gallagher, The Gallagher Law Group; and (iv) the Honorable
22 Randall J. Newsome (Ret.), Randall Newsome ADR.

23 1.1.73. ~~1.1.74.~~ **“Non-Abuse Litigation Claims”** means Claims arising out of
24 litigation pending against the Debtor prior to the Petition Date asserting Causes of Action
25 unrelated to Abuse.

26 1.1.74. ~~1.1.75.~~ **“Non-Abuse Litigation Reserve”** means the Cash reserve to be
27 established by the Reorganized Debtor pursuant to Section 12.7.2 of the Plan to pay Non-Abuse
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Litigation Claims.

1.1.75. ~~1.1.76.~~ “**Non-Debtor Catholic Entity**” means any of the following: RCC, the Oakland Parochial Fund (~~“OPF”~~), Roman Catholic Welfare Corporation of Oakland (or any school it managed, manages, operated or operates) (“RCWC”), Lumen Christi Academies of the Roman Catholic Diocese of Oakland, The Catholic Cathedral Corporation of the East Bay (“CCCEB”), The Oakland Society for the Propagation of the Faith, Catholic Charities of the Diocese of Oakland, Inc. (d/b/a Catholic Charities of the East Bay), Catholic Church Support Services (d/b/a Catholic Management Services), Furrer Properties, Inc., Adventus, Catholic Foundation for the Diocese of Oakland, Christ the Light Cathedral Corporation, or any religious order.

1.1.76. ~~1.1.77.~~ “**Non-Settling Insurer**” means any defendant in the Coverage Action that is not a Settling Insurer.

1.1.77. ~~1.1.78.~~ “**Non-Settling Insurer Policy**” means any Abuse Insurance Policy issued by a Non-Settling Insurer.

~~1.1.79. “OPF Claim” means the Class 8 Claim of OPF.~~

1.1.78. ~~1.1.80.~~ “**Opt-Out Abuse Claim**” means any Abuse Claim against a Contributing Non-Debtor Catholic Entity for which the Holder of such Abuse Claim either (i) pursuant to Section 6.2 of the Plan, timely returned a Ballot in which the Holder affirmatively opted out of the releases provided by the Plan by checking the appropriate box on such Ballot or (ii) did not timely return a Ballot.

1.1.79. ~~1.1.81.~~ “**Person**” shall have the meaning set forth in Section 101(41) of the Bankruptcy Code.

1.1.80. ~~1.1.82.~~ “**Petition Date**” means May 8, 2023, the date on which the Chapter 11 Case commenced in the Bankruptcy Court.

1.1.81. ~~1.1.83.~~ “**Plan Documents**” means this Plan, the Plan Supplement, all appendices and exhibits to the forgoing, the CCCEB Settlement Documents, the Survivors’ Trust Documents, the Confirmation Order, and any other documents created, executed, or entered into

1 pursuant to the Plan.

2 1.1.82. ~~1.1.84.~~ **“Plan Supplement”** means the compilation of documents and
3 forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified
4 from time to time in accordance with the terms hereof and the Bankruptcy Code and the
5 Bankruptcy Rules), to be Filed no later than five (5) Business Days before the Voting Deadline,
6 and additional documents or amendments to previously Filed documents, Filed before the
7 Effective Date as amendments to the Plan Supplement, including without limitation the
8 following: (a) the Exit Facility Documents, (b) the Schedule of Assumed Executory Contracts
9 and Unexpired Leases, (c) the CCCEB Settlement Documents, (d) the form of the Survivors’
10 Trust Agreement, and (e) the form of the Survivors’ Trust Distribution Plan.

11 1.1.83. ~~1.1.85.~~ **“Post-Confirmation Notice List”** means the list of Persons or
12 Entities to receive notice of matters after the Confirmation Date, specifically: (a) the
13 Reorganized Debtor; (b) the Survivors’ Trustee; (c) the Office of the United States Trustee;
14 (d) Persons against whom relief is sought; and (e) Persons who request notice of such matters
15 through a written request that is filed with the Bankruptcy Court and served on the Debtor not
16 earlier than the Confirmation Date.

17 1.1.84. ~~1.1.86.~~ **“Priest Long-Term Care Plan”** means the long-term care plan
18 maintained by the Debtor for priests employed by the Debtor, Churches, and Non-Debtor
19 Catholic Entities.

20 1.1.85. ~~1.1.87.~~ **“Priority Tax Claim”** means any Claim of a Governmental Unit
21 under Section 507(a)(8) of the Bankruptcy Code.

22 1.1.86. ~~1.1.88.~~ **“Priority Unsecured Claim”** means any Claim against the Debtor
23 that is entitled to priority in right of payment under Section 507(a) of the Bankruptcy Code, other
24 than an Administrative Expense Claim or a Priority Tax Claim.

25 1.1.87. ~~1.1.89.~~ **“Professional”** means any Entity employed by the Debtor, the
26 Committee, or the Estate in the Chapter 11 Case under Sections 327 or 1103 of the Bankruptcy
27 Code, any of the Mediators, or any Person or Entity seeking compensation or reimbursement of
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1 expenses under Section 503(b)(4) of the Bankruptcy Code.

2 1.1.88. ~~1.1.90.~~ “**Proof of Claim**” means a Claim, along with any supporting
3 documentation, Filed against the Debtor in the Chapter 11 Case.

4 1.1.89. ~~1.1.91.~~ “**Rejection Claim**” means a Claim for rejection damages arising
5 out of the rejection of an Executory Contract or Unexpired Lease by the Debtor, whether the
6 rejection occurs through an order of the Bankruptcy Court approving a motion to reject an
7 Executory Contract or Unexpired Lease or through confirmation of this Plan or any other
8 chapter 11 plan.

9 1.1.90. ~~1.1.92.~~ “**Rejection Claims Bar Date**” means, as to a particular Rejection
10 Claim, the date that is 60 calendar days following the entry of an order rejecting an Executory
11 Contract or Unexpired Lease, the rejection of which gave rise to the Rejection Claim.

12 1.1.91. ~~1.1.93.~~ “**Released Parties**” means collectively: (a) the Debtor, (b) the
13 Reorganized Debtor, (c) the Churches, none of whom are separately incorporated from the Debtor
14 and whose releases under the Plan shall be one and the same as, and not separate from or in
15 addition to, the releases of the Debtor and Reorganized Debtor, (d) the Contributing Non-Debtor
16 Catholic Entities, but each only as to the Abuse Claims for which it receives a Release under
17 Section 13.9 of the Plan, and (e) with respect to each of the foregoing Persons and Entities in
18 clauses (a) through (d), such Person and their, or such Entity and its, current and former directors,
19 managers, officers, employees, predecessors, successors, assigns, managed accounts or funds,
20 agents, advisory board members, financial advisors, partners, attorneys, accountants, investment
21 bankers, consultants, and other professionals; provided, however, this term expressly excludes
22 (i) any Person accused of committing a physical act of Abuse upon ~~a Holder of~~ an Abuse
23 ~~Claim~~ Claimant or their predecessor(s)-in-interest, (ii) any Non-Debtor Catholic Entity that is not
24 a Contributing Non-Debtor Catholic Entity, and (iii) any Catholic diocese or archdiocese other
25 than the Debtor or Reorganized Debtor.

26 1.1.92. ~~1.1.94.~~ “**Releases**” means the release of any Claim or Cause of Action in
27 favor of Released Parties as set forth in Section 13.9 of the Plan given by the persons or entities
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1 listed in subparagraphs (a) through (c) of this section of the Plan (collectively, the “**Releasing**
2 **Parties**”): (a) the Released Parties; (b) all Holders of Class 4 Abuse Claims or Class 5 Unknown
3 Abuse Claims that timely return a Ballot but do not affirmatively opt out of the releases provided
4 by the Plan by checking the appropriate box on the Ballot indicating that they opt not to grant the
5 releases provided in the Plan; and (c) with respect to each of the foregoing Persons and Entities in
6 clauses (a) and (b), such Person and their, or such Entity and its, current and former directors,
7 managers, officers, employees, equity holders (regardless of whether such interests are held
8 directly or indirectly), interest holders, predecessors, successors, and assigns, subsidiaries,
9 affiliates, managed accounts or funds, and each of their respective current and former equity
10 holders, officers, directors, managers, principals, shareholders, members, management
11 companies, fund advisors, employees, agents, advisory board members, financial advisors,
12 partners, attorneys, accountants, investment bankers, consultants, representatives, and other
13 professionals. For the avoidance of doubt, (i) “Releasing Parties” excludes Non-Settling Insurers
14 and (ii) Non-Settling Insurers are not giving any Releases to Released Parties under the Plan.

15 1.1.93. ~~1.1.95.~~ “**Reorganized Debtor**” means the Debtor upon the occurrence of
16 the Effective Date and thereafter.

17 1.1.94. ~~1.1.96.~~ “**Reserved Amount**” means, as to each Holder of a Trust Claim
18 who elects the Litigation Option pursuant to Section 9.8.4 hereof, the amount of Cash the
19 Survivors’ Trustee holds in reserve on account of such Holder’s Trust Claim pending the
20 resolution of the Abuse Claim Litigation commenced by such Holder.

21 1.1.95. ~~1.1.97.~~ “**Schedules**” means, to the extent required, the schedules of assets
22 and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of
23 financial affairs Filed by the Debtor under Section 521 of the Bankruptcy Code, as the same may
24 have been amended, modified, or supplemented from time to time.

25 1.1.96. ~~1.1.98.~~ “**Secured**” means, when referring to a Claim, a Claim: (a) secured
26 by a lien on property in which the Estate has an interest, which lien is valid, perfected, and
27 enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject
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1 to setoff pursuant to Section 553 of the Bankruptcy Code, to the extent of the value of the
2 Creditor's interest in an Estate's interest in such property or to the extent of the amount subject to
3 setoff, as applicable, as determined pursuant to Section 506(a) of the Bankruptcy Code; or
4 (b) otherwise Allowed by the Plan as a Secured Claim.

5 1.1.97. ~~1.1.99.~~ "SERP" means the Diocese of Oakland Priests Supplemental
6 Retirement Plan.

7 1.1.98. ~~1.1.100.~~ "Settling Insurer" means any defendant in the Coverage Action
8 with whom (i) the Debtor has executed a settlement agreement as of the Effective Date, or (ii) the
9 Survivors' Trust executes a settlement agreement after the Effective Date.

10 1.1.99. ~~1.1.101.~~ "Survivors' Trust" means the trust created for the benefit of
11 ~~Holder of Allowed Class 4 and Class 5 Claims (the "the Survivors' Trust Beneficiaries")~~ in
12 accordance with this Plan, the Confirmation Order, and the Survivors' Trust Agreement.

13 1.1.100. ~~1.1.102.~~ "Survivors' Trust Advisory Committee" means the
14 Entity created under Section 9.1.3 of the Plan.

15 1.1.101. ~~1.1.103.~~ "Survivors' Trust Agreement" means the agreement
16 establishing the Survivors' Trust in conformity with the provisions of the Plan approved in the
17 Confirmation Order and entered into by the Reorganized Debtor on behalf of the Survivors' Trust
18 Beneficiaries and the Survivors' Trustee on the Effective Date, pursuant to the terms of the Plan.
19 A copy of the form of the Survivors' Trust Agreement shall be Filed with the Plan Supplement.

20 1.1.102. ~~1.1.104.~~ "Survivors' Trust Assets" means collectively, whether
21 contributed on or after the Effective Date, and including all proceeds thereof, (i) the Debtor Cash
22 Contribution, (ii) all Non-Debtor Catholic Entity Contributions, (iii) ~~the Livermore Property,~~
23 ~~as-is, where-is, (iv)~~ any proceeds of Insurance Settlement Agreements realized by the Debtor
24 (before the Effective Date) or the Survivors' Trust (after the Effective Date), and ~~(v)~~ (iv) the
25 Assigned Insurance Interests.

26 1.1.103. "Survivors' Trust Beneficiaries" means Holder of Allowed Class 4
27 and Class 5 Claims.

1 1.1.104. ~~1.1.105.~~ “Survivors’ Trust Distribution Plan” means the plan and
2 guidelines for distributing liquid assets of the Survivors’ Trust to ~~Holder~~ of Abuse
3 ~~Claims~~ Claimants and Unknown Abuse Claims, the form of which shall be filed with the Plan
4 Supplement.

5 1.1.105. ~~1.1.106.~~ “Survivors’ Trust Documents” means all documents
6 necessary to establish and administer the Survivors’ Trust, including without limitation the
7 Survivors’ Trust Agreement and the Survivors’ Trust Distribution Plan.

8 1.1.106. ~~1.1.107.~~ “Survivors’ Trustee” means the person appointed as
9 trustee of the Survivors’ Trust in accordance with the terms of the Plan, the order confirming the
10 Plan, and the Survivors’ Trust Documents, or any of their successors.

11 1.1.107. ~~1.1.108.~~ “Tax Code” means the Internal Revenue Code of 1986, as
12 amended.

13 1.1.108. ~~1.1.109.~~ “Trust Claimant” means the Holder of a Trust Claim.

14 1.1.109. ~~1.1.110.~~ “Trust Claims” means the Abuse Claims of Holders who
15 have not elected to receive an Immediate Payment, which Claims shall be reviewed and allocated
16 a percentage of the Survivors’ Trust recovery pool based on numerical scaling factors (but not
17 based on alleged dollar value of the Claim) by the Abuse Claims Reviewer pursuant to the
18 procedures set forth in the Survivors’ Trust Documents.

19 1.1.110. ~~1.1.111.~~ “U.S. Trustee” means the Office of the United States
20 Trustee for Region 17, which includes the Northern District of California.

21 1.1.111. ~~1.1.112.~~ “U.S. Trustee Fees” means quarterly fees owed to the
22 U.S. Trustee under 28 U.S.C. § 1930(a)(6).

23 1.1.112. ~~1.1.113.~~ “Unexpired Lease” means a lease of nonresidential real
24 property to which the Debtor is a party that is subject to assumption or rejection under
25 Sections 365 or 1123 of the Bankruptcy Code.

26 1.1.113. ~~1.1.114.~~ “Unimpaired” means, with respect to a Class of Claims, a
27 Claim that is unimpaired within the meaning of Section 1124 of the Bankruptcy Code, including
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1 without limitation through payment in full in Cash.

2 [1.1.114.](#) ~~1.1.115.~~ **“Unknown Abuse Claim”** means an Abuse Claim arising
3 out of an alleged act of sexual abuse that occurred on or before the Effective Date for which
4 (a) no Proof of Claim was Filed or deemed timely Filed on or before the Claims Bar Date, or (b) a
5 Proof of Claim was Filed after the Claims Bar Date or otherwise submitted to the Survivors’
6 Trustee, if such Abuse Claim was not untimely under California state law (*e.g.* not discovered or
7 reasonably discoverable before the Claims Bar Date, or subject to a new law re-opening the
8 claims window).

9 [1.1.115.](#) ~~1.1.116.~~ **“Unknown Abuse Claims Representative”** means the
10 Person or Entity appointed by the Court to represent the interests of Holders of Unknown Abuse
11 Claims, including without limitation for actions to be taken on behalf of Holders of Unknown
12 Abuse Claims under this Plan.

13 [1.1.116.](#) ~~1.1.117.~~ **“Unknown Abuse Claims Reserve”** means the reserve
14 established on the Effective Date pursuant to the Survivors’ Trust Documents for the benefit of
15 Holders of Class 5 Claims.

16 [1.1.117.](#) ~~1.1.118.~~ **“Unsecured”** means a Claim, including without limitation
17 an Abuse Claim or Unknown Abuse Claim, that is not an Administrative Claim, Fee Claim,
18 Priority Claim, Priority Tax Claim, or Secured Claim.

19 [1.1.118.](#) ~~1.1.119.~~ **“Voting Deadline”** means the date that is fourteen
20 (14) calendar days before the hearing on Confirmation of the Plan.

21 **1.2. Construction of Terms**

22 1.2.1. The singular of any of the foregoing definitions includes the plural and vice
23 versa where the context so requires, “includes” and “including” are not limiting, “may not” is
24 prohibitive and not permissive, and “or” is not exclusive.

25 1.2.2. A term used in the Plan, whether or not capitalized, that is not defined in
26 the Plan but that is used in the Bankruptcy Code or the Bankruptcy Rules has the meaning
27 assigned to the term in the Bankruptcy Code or Bankruptcy Rules, as applicable.
28

1 1.2.3. The headings in the Plan are for convenience of reference only and shall
2 not limit or otherwise affect the provisions of the Plan.

3 **1.3. Appendices and Plan Documents.**

4 All Plan Documents and appendices to the Plan are incorporated into this Plan by
5 reference and are a part of this Plan as if set forth in full herein. The documents contained in the
6 exhibits and the Plan Supplement shall be approved by the Bankruptcy Court pursuant to the
7 Confirmation Order. Holders of Claims or their counsel may inspect a copy of the Plan
8 Documents, once filed, in the Office of the Clerk of the Bankruptcy Court during normal business
9 hours, or may obtain a copy of the Plan Documents by sending a written request to the following
10 email address: RCBOInfo@veritaglobal.com.

11 **ARTICLE II**
12 **SUMMARY OF CLASSIFICATION OF CLAIMS**

13 **2.1. Claims Provided For Herein.** Various types of Claims are defined or described in
14 this Plan. This Plan is intended to deal with all Claims against the Debtor or property of the
15 Debtor or the Debtor’s Estate of whatever character, whether or not with recourse, contingent or
16 non-contingent, liquidated or unliquidated, and whether or not previously Allowed by the
17 Bankruptcy Court pursuant to Section 502 of the Bankruptcy Code, which arise in any manner or
18 from any event or circumstance arising before the Effective Date. However, only those Claims
19 Allowed pursuant to Section 502 of the Bankruptcy Code will receive any distribution under this
20 Plan. All Claims against the Debtor will be discharged without any distribution, recovery,
21 recourse, or residual interest or right to the extent not expressly included in any Class or
22 otherwise provided any treatment hereunder.

23 **2.2. Unclassified Claims.** All Claims except Administrative Expense Claims, Priority
24 Tax Claims, Fee Claims, U.S. Trustee Fee Claims, and Cure Claims (collectively, the
25 “Unclassified Claims”) are placed in the Classes listed in this Article II. In accordance with
26 Section 1123(a)(1) of the Bankruptcy Code, the Unclassified Claims, as described in Article III of
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1 this Plan, have not been classified and thus are excluded from the Classes summarized in
2 Section 2.3 and Article IV of the Plan.

3 **2.3. Claims Classification.** A Claim is classified in a particular Class only to the
4 extent that the Claim qualifies within the description of that Class and is classified in other
5 Classes to the extent that any remainder of the Claim qualifies within the description of such
6 other Classes. For purposes of this Plan, the Classes of Claims against the Debtor shall be as
7 follows:

Class	Class Description	Status	Voting Rights
Class 1	RCC Secured Claim	Unimpaired	Non-voting Deemed to accept
Class 2	Priority Unsecured Claims, other than non-classified claims set forth in Article III	Unimpaired	Non-voting Deemed to accept
Class 3	General Unsecured Claims	Impaired	Eligible to vote
Class 4	Abuse Claims	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	Impaired	Eligible to vote
Class 7A	Abuse Related Contribution Claims Related to Class 4 Claims	No recovery	Non-voting Deemed to reject
Class 7B	Abuse Related Contribution Claims Related to Class 5 Claims	No recovery	Non-voting Deemed to reject
Class 8	OPF Claim	Impaired	Eligible to vote

21 **ARTICLE III**
22 **TREATMENT OF UNCLASSIFIED CLAIMS: ADMINISTRATIVE CLAIMS,**
23 **PRIORITY TAX CLAIMS AND UNITED STATES TRUSTEE'S FEES**

24 The following Claims shall not be classified hereunder but shall be entitled to the
25 treatment set forth in this Article.

26 **3.1. Administrative Expense Claims**

27 3.1.1 *Treatment of Administrative Expense Claims.* Except to the extent a
28 Holder of an Allowed Administrative Expense Claim agrees to less favorable treatment with

1 respect to such Allowed Administrative Expense Claim, each Holder of an Allowed
2 Administrative Expense Claim shall receive, on account of and in full and complete settlement,
3 release and discharge of, and in exchange for, such Claim, payment of Cash in an amount equal to
4 such Allowed Administrative Expense Claim on or as soon as reasonably practicable after the
5 later of: (a) the Effective Date; (b) the first Business Day after the date that is thirty (30) calendar
6 days after the date such Administrative Expense Claim becomes an Allowed Administrative
7 Expense Claim; (c) such other date(s) as such Holder and the Debtor or the Reorganized Debtor
8 shall have agreed; or (d) such other date ordered by the Bankruptcy Court; provided, however,
9 Allowed Administrative Expense Claims arising in the ordinary course of the Debtor's operations
10 during the Chapter 11 Case may be paid by the Debtor or the Reorganized Debtor (as applicable)
11 in the ordinary course of business and in accordance with the terms and conditions of the
12 particular agreements governing such obligations, course of dealing, course of operations, or
13 customary practice.

14 3.1.2 *Administrative Expense Claims Bar Date.* Except as provided for herein
15 or in any order of the Bankruptcy Court, and subject to Section 503(b)(1)(D) of the Bankruptcy
16 Code, Holders of Administrative Expense Claims, other than a Fee Claim or a Claim for
17 U.S. Trustee Fees, accruing on or before the Confirmation Date must file and serve on the Debtor
18 requests for the payment of such Claims not previously Allowed by a Final Order in accordance
19 with the procedures specified in the Confirmation Order, on or before the Administrative Expense
20 Claims Bar Date, or such Claims shall be automatically Disallowed, forever barred from
21 assertion, and unenforceable against the Debtor or the Reorganized Debtor, the Estate, or their
22 property without the need for any objection or further notice to, or action, order, or approval of
23 the Bankruptcy Court, and any such Claims shall be deemed fully satisfied, released, and
24 discharged. Administrative Expense Claims representing obligations incurred by the Debtor or
25 Reorganized Debtor (as applicable) after the date and time of the entry of the Confirmation Order
26 shall not be subject to application to the Bankruptcy Court and may be paid by the Debtor or
27 Reorganized Debtor (as applicable) in the ordinary course of business and without Bankruptcy
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1 Court approval.

2 **3.2. Priority Tax Claims.** The legal and equitable rights of Holders of Priority Tax
3 Claims are Unimpaired under the Plan. Except to the extent a Holder of an Allowed Priority Tax
4 Claim agrees to less favorable treatment, each Holder of an Allowed Priority Tax Claim shall
5 receive on account of and in full and complete settlement, release and discharge of, and in
6 exchange for, such Allowed Priority Tax Claim, Cash in an amount equal to such Allowed
7 Priority Tax Claim on, or as soon thereafter as is reasonably practicable, the later of: (a) the
8 Effective Date, to the extent such Claim is an Allowed Priority Tax Claim on the Effective Date;
9 (b) the first Business Day after the date that is thirty (30) days after the date such Priority Tax
10 Claim becomes an Allowed Priority Tax Claim; and (c) the date such Allowed Priority Tax Claim
11 is due and payable in the ordinary course as such obligation becomes due; provided, however,
12 that the Debtor and Reorganized Debtor each reserves the right to prepay all or a portion of any
13 such amounts at any time under this option without penalty or premium.

14 **3.3. Fee Claims.** All Professionals or other Entities requesting the final allowance and
15 payment of a Fee Claim for services rendered during the period from the Petition Date to and
16 including the Effective Date shall File final applications for allowance and payment of such Fee
17 Claims no later than the first Business Day that is forty-five (45) days after the Effective Date.
18 Objections to any Fee Claim must be Filed and served on the Reorganized Debtor and the
19 applicable Professional no later than the first Business Day that is 30 days after the Filing of the
20 final fee application that relates to the Fee Claim (unless otherwise agreed by the Debtor or the
21 Reorganized Debtor, as applicable, and the Professional requesting allowance and payment of a
22 Fee Claim). An Allowed Fee Claim, including any amounts previously held back by Order of the
23 Bankruptcy Court, shall be paid in full, in Cash, in such amounts as are Allowed by the
24 Bankruptcy Court no later than the first Business Day that is twenty-one (21) calendar days after
25 the entry of a Final Order Allowing the Fee Claim. The Reorganized Debtor is authorized to pay
26 compensation for services rendered or reimbursement of expenses incurred by its Professionals
27 after the Effective Date in the ordinary course and without the need for Bankruptcy Court
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1 approval. Unless otherwise directed by the Bankruptcy Court, all Professionals filing final fee
2 applications shall comply with the *Order Appointing Fee Examiner and Establishing Procedures*
3 *for Review of Interim and Final Fee Applications Filed by Estate Professionals* [Docket
4 No. 1122] entered in the Chapter 11 Case, including any subsequent amendments.

5 **3.4. Cure Claims.** Cure Claims shall be paid in full in accordance with, and at such
6 times as are set forth in, Section 7.2 of the Plan.

7 **3.5. United States Trustee Fees.** To the extent any U.S. Trustee Fees have become
8 due before the Effective Date and have not previously been paid, then such fees shall be paid
9 pursuant to 11 U.S.C. § 1129(a)(12) and 28 U.S.C. § 1930. Any U.S. Trustee Fees relating to the
10 period from and after the Effective Date shall be paid as provided in Section ~~12.8.4~~ of the Plan.

11 **ARTICLE IV**
12 **TREATMENT OF CLASSIFIED CLAIMS**

13 **4.1. Class 1 – Secured Claim of RCC**

14 4.1.1 *Description.* Class 1 shall consist of the Allowed Secured Claim of
15 RCC.

16 4.1.2 *Treatment.* Except to the extent RCC agrees to less favorable treatment
17 of its Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange
18 for its Allowed Secured Claim, RCC shall receive reinstatement under Section 1124 of the
19 Bankruptcy Code.

20 4.1.3 *Impairment and Voting.* Class 1 is Unimpaired under the Plan. Each
21 Holder of a Class 1 Claim is conclusively presumed to have accepted the Plan under
22 Section 1126(f) of the Bankruptcy Code and is not entitled to vote on the Plan.

23 **4.2. Class 2 – Priority Unsecured Claims**

24 4.2.1 *Description.* Class 2 shall consist of all Allowed Priority Unsecured
25 Claims, other than non-classified claims set forth in Article III.

26 4.2.2 *Treatment.* Except to the extent a Holder of an Allowed Priority
27 Unsecured Claim agrees to less favorable treatment of such Claim, in full and final satisfaction,
28

1 settlement, release, and discharge of and in exchange for such Allowed Priority Unsecured Claim,
2 each such Holder shall receive payment in Cash in an amount equal to such Allowed Priority
3 Unsecured Claim, payable on or as soon as reasonably practicable after the later of (a) the
4 Effective Date, (b) the date when such Priority Unsecured Claim becomes an Allowed Priority
5 Unsecured Claim, or (c) the date on which the Holder of such Priority Unsecured Claim and the
6 Debtor or Reorganized Debtor, as applicable, shall otherwise agree in writing.

7 4.2.3 *Impairment and Voting.* Class 2 is Unimpaired under the Plan. Each
8 Holder of a Class 2 Claim is conclusively presumed to have accepted the Plan under
9 Section 1126(f) of the Bankruptcy Code and is not entitled to vote on the Plan.

10 **4.3. Class 3 – General Unsecured Claims**

11 4.3.1 *Description.* Class 3 shall consist of all Allowed General Unsecured
12 Claims. Class 3 does not include Abuse Claims.

13 4.3.2 *Treatment.* Except to the extent a Holder of an Allowed General
14 Unsecured Claim (including an Allowed Rejection Claim) agrees to less favorable treatment, in
15 full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed
16 General Unsecured Claim, each such Holder shall receive payment in Cash from the general
17 operating revenues of the Reorganized Debtor in an amount equal to such Allowed General
18 Unsecured Claim, payable no later than the later of (a) the date that is one year after the Effective
19 Date, (b) the date that is twenty-one (21) days after the date when such General Unsecured Claim
20 becomes an Allowed General Unsecured Claim, or (c) the date on which the Holder of such
21 General Unsecured Claim and the Reorganized Debtor shall otherwise agree in writing.

22 4.3.3 *Impairment and Voting.* Class 3 is Impaired under the Plan. Each
23 Holder of a Class 3 Claim is entitled to vote to accept or reject the Plan.

24 **4.4. Class 4 – Abuse Claims**

25 4.4.1 *Description.* Class 4 shall consist of all Allowed Abuse Claims, other
26 than Unknown Abuse Claims.

27 4.4.2 *Treatment.* This Plan creates the Survivors' Trust to fund payments to
28

1 Holders of Allowed Abuse Claims entitled to such payments under the Plan and the Survivors'
2 Trust Documents. Except to the extent a Holder of an Allowed Abuse Claim agrees to less
3 favorable treatment of such Claim, in full and final satisfaction, settlement, release, and discharge
4 of and in exchange for such Allowed Abuse Claim, each such Holder shall receive their allocable
5 share of the Survivors' Trust Assets at the time and in the manner set forth in Articles VIII and IX
6 hereof and the Survivors' Trust Documents. It is intended that any payment on an Allowed
7 Abuse Claim will constitute payment for damages on account of personal physical injuries or
8 sickness arising from an occurrence, within the meaning of Section 104(a)(2) of the Tax Code.

9 4.4.3 *Impairment and Voting.* Class 4 Claims are Impaired under the Plan.
10 Each Holder of a Class 4 Claim is entitled to vote to accept or reject the Plan.

11 **4.5. Class 5 – Unknown Abuse Claims**

12 4.5.1 *Description.* Class 5 shall consist of all Allowed Unknown Abuse
13 Claims.

14 4.5.2 *Treatment.* The Unknown Abuse Claims Reserve shall be established on
15 the Effective Date pursuant to the Survivors' Trust Documents. Except to the extent a Holder of
16 an Allowed Unknown Abuse Claim agrees to less favorable treatment of such Claim, in full and
17 final satisfaction, settlement, release, and discharge of and in exchange for such Allowed
18 Unknown Abuse Claim, each such Holder shall receive their allocable share of the Unknown
19 Abuse Claims Reserve at the time and in the manner set forth in Articles VIII and IX hereof and
20 the Survivors' Trust Documents. It is intended that any payment on an Allowed Unknown Abuse
21 Claim will constitute payment for damages on account of personal physical injuries or sickness
22 arising from an occurrence, within the meaning of Section 104(a)(2) of the Tax Code.

23 4.5.3 *Impairment and Voting.* Class 5 Claims are Impaired under the Plan.
24 The Unknown Abuse Claims Representative is entitled to vote to accept or reject the Plan on
25 behalf of all Holders of Class 5 Claims and shall submit a single Ballot on behalf of all such
26 Holders.

27 **4.6. Class 6 – Non-Abuse Litigation Claims**

28

1 4.6.1 *Description.* Class 6 shall consist of all Allowed Non-Abuse Litigation
2 Claims.

3 4.6.2 *Treatment.* This Plan creates the Non-Abuse Litigation Reserve to fund
4 payments to Holders of Allowed Non-Abuse Litigation Claims in accordance with Section 12.7
5 of the Plan. Except to the extent a Holder of an Allowed Non-Abuse Litigation Claim agrees to
6 less favorable treatment of such Claim, in full and final satisfaction, settlement, release, and
7 discharge of and in exchange for such Allowed Non-Abuse Litigation Claim, each such Holder
8 shall receive their allocable share of the Non-Abuse Litigation Reserve.

9 4.6.3 *Impairment and Voting.* Class 6 Claims are Impaired under the Plan.
10 Each Holder of a Class 6 Claim is entitled to vote to accept or reject the Plan.

11 **4.7. Class 7A – Abuse Related Contribution Claims Related to Class 4 Claims**

12 4.7.1 *Description.* Class 7A shall consist of all Abuse Related Contribution
13 Claims against the Debtor arising out of a Class 4 Claim.

14 4.7.2 *Treatment.* Any Holder of a Class 7A Claim who is also a Contributing
15 Non-Debtor Catholic Entity shall be deemed to have waived its Class 7A Claim against the
16 Debtor, Reorganized Debtor, the Estate, the Survivors' Trust, and any Settling Insurer in
17 exchange for the Release and Exculpation provided by this Plan. Any Holder of a Class 7A
18 Claim who is not a Contributing Non-Debtor Catholic Entity shall have its Class 7A Claim
19 Disallowed.

20 4.7.3 *Impairment and Voting.* Class 7A Claims are Impaired under the Plan.
21 Holders of Class 7A Claims shall not receive a distribution under this Plan and are therefore
22 deemed to reject the Plan.

23 **4.8. Class 7B – Abuse Related Contribution Claims Related to Class 5 Claims**

24 4.8.1 *Description.* Class 7B shall consist of all Abuse Related Contribution
25 Claims against the Debtor arising out of a Class 5 Claim.

26 4.8.2 *Treatment.* Any Holder of a Class 7B Claim who is also a Contributing
27 Non-Debtor Catholic Entity shall be deemed to have waived its Class 7B Claim against the
28

1 Debtor, Reorganized Debtor, the Estate, the Survivors' Trust, and any Settling Insurer in
2 exchange for the Release and Exculpation provided by this Plan. Any Holder of a Class 7B
3 Claim who is not a Contributing Non-Debtor Catholic Entity shall have its Class 7B Claim
4 Disallowed.

5 4.8.3 *Impairment and Voting.* Class 7B Claims are Impaired under the Plan.
6 Holders of Class 7B Claims shall not receive a distribution under this Plan and are therefore
7 deemed to reject the Plan.

8 ~~4.9. Class 8—OPF Claim~~

9 ~~4.9.1 Description~~

10 ~~Class 8 shall consist of the Allowed OPF Claim.~~

11 ~~4.9.2 Treatment. Except to the extent OPF agrees to less favorable treatment, in~~
12 ~~full and final satisfaction, settlement, release, and discharge of and in exchange for the Allowed~~
13 ~~OPF Claim, the Reorganized Debtor shall pay the Allowed Class 8 Claim in full and in Cash,~~
14 ~~without interest. Payment on the Allowed OPF Claim shall commence on or before the date that~~
15 ~~is ten (10) years after the Effective Date. Payments shall be made on a schedule and on such~~
16 ~~terms as may be agreed by the Reorganized Debtor and OPF; provided, however, the Allowed~~
17 ~~OPF Claim shall be paid in full no later than the date that is thirty (30) years after the Effective~~
18 ~~Date.~~

19 ~~4.9.3 Impairment and Voting. Class 8 Claims are Impaired under the Plan. Each~~
20 ~~Holder of a Class 8 Claim is entitled to vote to accept or reject the Plan.~~

21 **ARTICLE V**
22 **DISPUTED CLAIMS AND CLAIM DISTRIBUTIONS**

23 5.1. *Single Claim.* Except as otherwise provided by this Plan, a Person that holds
24 multiple Allowed Claims based on the same indebtedness or obligation shall be deemed to have
25 only one Allowed Claim against the Estate in an amount equal to the largest of all such similar
26 Claims for the purposes of voting and distribution under the Plan.

27 5.2. *Claims Objections.*
28

1 5.2.1 *Who May Object.* Subject to the terms of this Section 5.2, any party in
2 interest shall be entitled to object to Claims to the extent permitted under Section 502(a) of the
3 Bankruptcy Code, and the Holder of any Claim to which an objection is made is entitled to assert
4 their defenses to such objection.

5 5.2.2 *Objections to Abuse Claims.* All parties in interest reserve the right to
6 object, in the Bankruptcy Court, to Abuse Claims pursuant to Section 502(a) of the Bankruptcy
7 Code, and ~~Holder~~s of Abuse ~~Claims~~ Claimants may reserve their defenses to such objections. All
8 parties in interest, including without limitation the Non-Settling Insurers, reserve the right to
9 object to any Proofs of Claim based on any applicable defense arising under the Bankruptcy Code
10 (including untimeliness and any injunction barring late or unfiled claims); provided, however,
11 (i) any determination of the dollar amount of liability, and any defense based upon
12 non-bankruptcy law, shall be made in a court of competent jurisdiction as determined under
13 applicable non-bankruptcy law, and (ii) all determinations regarding coverage shall be made in a
14 court of competent jurisdiction or such other venue as the affected parties (including without
15 limitation any Non-Settling Insurer) may agree. The Non-Settling Insurers shall be entitled to
16 defend against any Abuse Claim in the non-bankruptcy court system based upon any of the
17 objections that could otherwise have been asserted in the Chapter 11 Case.

18 5.2.3 *Time for Objections.* The Reorganized Debtor and the Survivors' Trust
19 may File an objection to any Claim at any time through the closing of the Chapter 11 Case. For
20 all other parties in interest except with respect to Non-Settling Insurers as set forth in Section
21 1.1.30, an objection to a Claim must be Filed on or before the Claims Objection Deadline. As set
22 forth in Section 1.1.30, the Claims Objection Deadline does not apply to the Non-Settling Insurers
23 who agree to defend against any Abuse Claim Holder who elects the Litigation Option as set forth
24 in Section 5.2.2 and Articles VIII and IX hereof.

25 5.2.4 *Disputed Claim.* Upon the filing of an objection to a Claim, the Claim
26 shall be a Disputed Claim.
27
28

1 **5.3. Treatment of Disputed Claims.** Until such time as an unliquidated Claim,
2 contingent Claim, or unliquidated or contingent portion of a Claim becomes Allowed or is
3 Disallowed, such Claim will be treated as a Disputed Claim for all purposes related to Plan
4 distributions. No distribution shall be made on account of any Disputed Claim unless and until
5 all objections to such Disputed Claim have been settled or withdrawn or have been determined by
6 an order which has become a non-appealable order, and the Disputed Claim has become an
7 Allowed Claim. In the event that Disputed Claims in Class 2 or Class 3 are pending at the time
8 of a distribution under the Plan, the Reorganized Debtor shall maintain a reasonable reserve for
9 such Disputed Claims. No distribution of such reserved funds for a Disputed Claim shall be
10 made until such Disputed Claim has been resolved by order of the Court or compromise
11 consistent with the terms of the Plan and the Bankruptcy Code. Distributions for Disputed
12 Claims in Class 4 or Class 5 shall be as provided in the Survivors' Trust Distribution Plan and/or
13 other Survivors' Trust Documents.

14 **5.4. Late-Filed Claims.** Proofs of Claim required to be submitted, but which are not
15 submitted, on or before their applicable Claims Bar Date, or which are not otherwise deemed
16 timely and/or Allowed by order of the Court, shall receive no distribution under this Plan. Such
17 Claims shall be deemed Disallowed Claims and shall be expunged. The submission of a Ballot
18 shall not constitute an amendable informal Proof of Claim or an amendment to a previously filed
19 Proof of Claim or scheduled Claim. Any amendment to an otherwise timely filed Proof of Claim
20 must be Filed on or before the Confirmation Date, provided that the foregoing shall not waive or
21 modify the right of any party in interest to object to amendment of a Claim before the
22 Confirmation Date. The Unknown Abuse Claims Representative need not submit or File a Proof
23 of Claim on behalf of Holders of Class 5 Claims as a prerequisite to vote on the Plan or for any
24 Class 5 Claims to be deemed Allowed. Holders of Class 5 Claims, if any, shall submit their
25 Claims in accordance with the procedure for submitting Unknown Abuse Claims under the Trust
26 Documents.

1 **5.5. Claim Estimation.** To effectuate distributions pursuant to the Plan and avoid
2 undue delay in the administration of the Plan, the Reorganized Debtor or the Survivors' Trustee,
3 as applicable, shall have the right to seek an order of the Court pursuant to Section 502(c) of the
4 Bankruptcy Code as to any Disputed Claim, estimating or limiting: (i) the amount that must be
5 withheld from or reserved for distribution purposes on account of such Disputed Claim, (ii) the
6 amount of such Claim for allowance or disallowance purposes, or (iii) the amount of such Claim
7 for any other purpose permitted under the Bankruptcy Code. Whether any such Claim is subject
8 to estimation pursuant to Section 502(c) of the Bankruptcy Code, and the timing and procedures
9 for such estimation proceedings, if any, shall be determined by the Court pursuant to applicable
10 law.

11 **5.6. No Distribution to Disallowed Claims.** Notwithstanding any provision herein to
12 the contrary, no distribution shall be made on account of any Claim which (i) is not an Allowed
13 Claim in whole or in part, or (ii) has otherwise been deemed or determined to be a Disallowed
14 Claim.

15 **5.7. Timing of Distributions to Allowed Claims.**

16 **5.7.1 Next Business Day.** Whenever any distribution to be made pursuant to
17 the Plan would otherwise be due on a day other than a Business Day, such distribution shall be
18 due on the immediately succeeding Business Day.

19 **5.7.2 Timeliness.** Any distribution to be made by the Reorganized Debtor
20 pursuant to the Plan or agreements entered into pursuant to the Plan, or by the Survivors' Trust
21 pursuant to the Plan or Survivors' Trust Documents or agreements entered into pursuant to either,
22 shall be deemed to have been timely made if made within fifteen (15) days after the time therefor
23 specified in the Plan or such other agreements between the Holder of a Claim and the Debtor,
24 Reorganized Debtor, or Survivors' Trust, as applicable. No additional interest shall accrue or be
25 paid with respect to any distribution as a consequence of such distribution not having been made
26 on the date specified therefor herein. For the avoidance of doubt, this section does not modify the
27 terms of assumed Executory Contracts or Unexpired Leases of non-residential real property.
28

1 **5.8. Transfers of Claims.** As of the close of business on the Confirmation Date, there
2 shall be no further changes in the record Holders of Claims for purposes of distributions under the
3 Plan unless the Reorganized Debtor (as to all Claims other than Class 4 and Class 5 Claims) or
4 the Survivors' Trustee (as to Class 4 and Class 5 Claims) otherwise agree. Neither the
5 Reorganized Debtor nor the Survivors' Trustee shall have any obligation to recognize any
6 unapproved transfer of Claims occurring after the Confirmation Date.

7 **5.9. Prepayment.** Notwithstanding anything to the contrary herein or in the Plan
8 Documents, the Reorganized Debtor may prepay all or any portion of an Allowed Claim payable
9 by the Reorganized Debtor or a note issued by the Debtor or Reorganized Debtor in payment of
10 an Allowed Claim at any time without charge or penalty.

11 **5.10. Delivery of Distributions.** Distributions to Holders of Allowed Claims, other than
12 Class 4 or Class 5 Claims, will be sent to (i) the addresses set forth in any written notice of
13 address change delivered to the Debtor or the Reorganized Debtor after the date of any related
14 Proof of Claim; (ii) the address set forth on such Holder's Proof of Claim Filed with the Court;
15 (iii) the address set forth on the Schedules, if no Proof of Claim has been filed and no notice of
16 change of address has been received; or (iv) the last known address reflected in the Debtor's
17 books and records. Distributions to Abuse Claimants and Unknown Abuse Claimants from the
18 Survivors' Trust Assets will be made in accordance with the Survivors' Trust Documents.

19 **5.11. Unclaimed Distributions.** If a Holder of an Allowed Claim cannot be located
20 after reasonable effort, or otherwise fails to accept a distribution within ninety (90) days
21 following the date of such distribution, then the distribution to such Holder shall be canceled and
22 there shall be no further distributions required with respect to such Claim.

23 **5.12. No Interest.** Unless otherwise specifically provided for in the Plan, by applicable
24 law (including Section 506(b) of the Bankruptcy Code), or agreed to by the Debtor or the
25 Reorganized Debtor (as applicable): (i) interest shall not accrue or be paid on any Claim, and no
26 Holder of any Claim shall be entitled to interest accruing on and after the Petition Date on
27 account of any Claim; and (ii) without limiting the foregoing, interest shall not accrue on or be
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1 paid on any Disputed Claim in respect of the period from the Effective Date to the date a final
2 distribution is made when and if such Disputed Claim becomes an Allowed Claim.

3 **5.13. Provisions Governing Unimpaired Claims.** Except as otherwise provided in the
4 Plan, nothing will affect the Debtor's or the Reorganized Debtor's rights and defenses with
5 respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal
6 and equitable defenses to, or setoffs or recoupments against, such Unimpaired Claims.

7 **5.14. Additional Terms Regarding Class 4 and Class 5 Claims.** Except as otherwise
8 provided herein, terms for resolution of and distribution in connection with Abuse Claims in
9 Class 4 or Class 5 shall be as provided in the Survivors' Trust Documents. For the avoidance of
10 doubt, (i) any such ~~Holder of an Abuse~~ Claim Claimant shall not recover in the aggregate from the
11 Survivors' Trust and any Non-Settling Insurer an amount greater than the amount of the judgment
12 issued by the applicable court of competent jurisdiction on the underlying Abuse Claim, (ii) any
13 such ~~Holder of an Abuse~~ Claim Claimant is not barred by this Section 5.14 from seeking
14 extracontractual damages under the holding of *Hand v. Farmers Ins. Exchange*, 23 Cal. App.4th
15 1847 (1994) ("*Hand*"), and (iii) all defenses and the rights of any Non-Settling Insurer to oppose
16 any such claim by ~~a Holder of an Abuse~~ Claim Claimant under *Hand* are fully preserved,
17 including that *Hand* is not a correct statement of applicable law and that it would not apply to any
18 such asserted claim.

19 **ARTICLE VI**

20 **VOTING ON THE PLAN**

21 **6.1. Voting Classes.** Only Holders of Claims in Classes 3, 4, 5, and 6, ~~and 8~~ are
22 Impaired and entitled to vote to accept or reject the Plan. Class 1 and 2 Claims are Unimpaired,
23 and the Holders of such Claims are presumed to accept the Plan. Class 7A and 7B Claims are
24 Impaired, and Holders of such Claims are presumed to reject the Plan. A Class shall have
25 accepted this Plan if this Plan is accepted by at least two-thirds in the aggregate dollar amount,
26 and more than one-half in number of Holders, of the Allowed Claims of such Class that have
27 voted to either accept or reject the Plan.
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6.2. Option to Opt-Out of Releases. The Ballot for each Holder of a Class 4 Claim and the Unknown Abuse Claims Representative on behalf of all Holders of Class 5 Claims shall include a section whereby such Holder may elect to opt out of the Releases provided under Section 13.9 of this Plan. Any Holder of a Claim who returns a Ballot on or before the Voting Deadline but does not affirmatively opt out of such Releases by checking the appropriate box on such Holder's Ballot shall be deemed to have consented to and granted such Releases.

6.3. Elimination of Vacant Classes. Any Class of Claims that does not have a Holder of an Allowed Claim or a Claim temporarily Allowed by the Bankruptcy Court for purposes of voting as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to Section 1129(a)(8) of the Bankruptcy Code.

6.4. Effect of Objections. If an objection to a Claim is filed before the deadline established for voting on the Plan, the Holder of such Claim cannot vote and any Ballot submitted by such Holder shall not be counted unless the Court, after notice and hearing, either overrules the objection or orders that the Claim be Allowed for voting purposes.

**ARTICLE VII
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

7.1. Prior Orders. All orders of the Court entered in the Chapter 11 Case authorizing the assumption or rejection of Executory Contracts or Unexpired Leases pursuant to Section 365 of the Bankruptcy Code are hereby ratified.

7.2. Assumption of Contracts and Unexpired Leases.

7.2.1 Contracts to be Assumed. The following Executory Contracts shall be assumed as of the Effective Date, pursuant to Section 365 of the Bankruptcy Code, by confirmation of this Plan. Entry of the Confirmation Order shall constitute approval, pursuant to Sections 365(a) and 1123 of the Bankruptcy Code, for the assumption of each Executory Contract assumed under this Section 7.2. Each Executory Contract assumed by the Debtor will re-vest in and be fully enforceable by the Reorganized Debtor in accordance with its terms, except as such

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

3 7.2.1.1 *Employee Benefits:* On the Effective Date, all Assumed
4 Employee Benefit Plans are deemed to be, and shall be treated as, Executory Contracts
5 under this Plan, and shall be assumed as of the Effective Date. All outstanding payments
6 which are accrued and unpaid as of the Effective Date pursuant to the Assumed Employee
7 Benefit Plans shall be made by the Reorganized Debtor on the later of (i) the Effective
8 Date, (ii) as soon as practicable thereafter, or (iii) when otherwise due under the
9 applicable Assumed Employee Benefit Plan. Such assumption shall have the effect of
10 curing and reinstating the rights of the employee beneficiaries, and shall result in the full
11 release and satisfaction of any Claims and Causes of Action against the Debtor or defaults
12 by the Debtor arising under any Assumed Employee Benefit Plan at any time before the
13 Effective Date. Any Proofs of Claim filed with respect to an Assumed Employee Benefit
14 Plan shall be deemed Disallowed Claims and expunged, without further notice to or
15 action, order, or approval of the Bankruptcy Court.

16 7.2.1.2 *Assumption of Other Contracts:* Except for any Executory
17 Contract: (i) previously rejected by order of the Bankruptcy Court, (ii) subject to a
18 pending motion to reject before the Bankruptcy Court, (iii) previously expired or
19 terminated pursuant to its own terms, or (iv) treated otherwise under this Plan, each
20 Executory Contract entered into by the Debtor prior to the Petition Date shall be assumed,
21 unless and except as otherwise provided in the Plan, Confirmation Order, or Insurance
22 Settlement Agreement.

23 7.2.2 *Cure Amount and Payment.* As to each assumed Executory Contract,
24 unless an Assumption Objection is filed no later than the deadline set forth below, the cure
25 amount required under Section 365(b)(1) of the Bankruptcy Code shall be the amount set forth on
26 the Executory Contract Cure Schedule, as it may be amended from time to time prior to
27 Confirmation, or no payment if such Executory Contract is not listed on the Executory Contract
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1 Cure Schedule (for the avoidance of doubt, unless a different amount is set forth on the Executory
2 Contract Cure Schedule, the Debtor contends that no cure payment is required). Such payment
3 shall be made by the Debtor in full in Cash on the later of the Effective Date or when any
4 Assumption Objection regarding the cure amount for the applicable Executory Contract is
5 resolved by the Bankruptcy Court, or on such other terms as the parties to each such Executory
6 Contract may otherwise agree.

7 **7.2.3 Objections to Assumption and Cure.** Any Person who is a party to an
8 Executory Contract assumed under the Plan must File with the Court and serve upon interested
9 parties an Assumption Objection. An Assumption Objection shall be accompanied by a
10 declaration or other sufficient evidence setting forth the basis for any objection to assumption of
11 that party's Executory Contract or Unexpired Lease, including without limitation as to the cure
12 amount, on or before the later of: (i) the deadline set for filing of objections to confirmation of
13 the Plan, or (ii) seven (7) days after the filing of the Executory Contract Cure Schedule (or any
14 amendment thereto affecting such executory contract). Any Entity that fails to timely file and
15 serve an Assumption Objection will be deemed to waive any and all objections to the proposed
16 assumption of its Executory Contract. A hearing on the Assumption Objections will take place at
17 the hearing on Confirmation, or as soon thereafter as the Court is available.

18 **7.3. Rejection of CCCEB Lease.** In connection with and contingent upon the
19 execution of the CCCEB Settlement, the Unexpired Lease between the Debtor and CCCEB in
20 effect as of the Petition Date, together with any other contracts or agreements between the Debtor
21 and CCCEB related to use or possession of the Cathedral Property, shall be rejected as of the
22 Effective Date.

23 **7.4. Rejection of Contracts.**

24 **7.4.1 Rejected Contracts.** Any Executory Contract or Unexpired Lease
25 specifically identified in the Executory Contract Rejection Schedule shall be rejected as of the
26 Effective Date. Entry of the Confirmation Order shall constitute the approval, pursuant to
27 Section 365(a) of the Bankruptcy Code, of the rejection of such Executory Contracts and
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1 Unexpired Leases pursuant to the provisions of the Plan.

2 7.4.2 *Bar Date for Rejection Claims.* Any Claim arising out of the rejection of
3 an Executory Contract or Unexpired Lease shall be a Disallowed Claim and forever barred and
4 shall not be enforceable against the Debtor, the Reorganized Debtor, the Estate, or the Survivors'
5 Trust and shall not be entitled to any distribution under the Plan, unless a Proof of Claim for such
6 rejection Claim is filed and served on the Reorganized Debtor within twenty-one (21) days after
7 the later of (a) the entry of an order of the Court approving the rejection of the Executory Contract
8 or Unexpired Lease or (b) the Confirmation Date; provided that nothing contained in this Plan
9 shall extend any deadline previously approved by the Court for a Person to file a Proof of Claim
10 with respect to any Executory Contract or Unexpired Lease previously rejected in the Chapter 11
11 Case.

12 7.4.3 *Treatment of Rejection Claims.* Any Claim arising from the rejection of
13 an Executory Contract or Unexpired Lease shall be classified and treated as a Class 3 General
14 Unsecured Claim against the Debtor.

15 **ARTICLE VIII** 16 **INSURANCE ASSIGNMENT AND OTHER INSURANCE MATTERS**

17 **8.1. *The Insurance Assignment.*** Subject to the rights of the Non-Settling Insurers set
18 forth herein, including Sections 8.2 and 8.3 of this Plan, in addition to the Debtor Cash
19 Contribution and contributions from Contributing Non-Debtor Catholic Entities being paid to the
20 Survivors' Trust, the Assigned Insurance Interests shall be automatically and without further act
21 or deed assigned and transferred to the Survivors' Trust on the Effective Date (the "Insurance
22 Assignment") and the Insurance Assignment shall become effective. The Insurance Assignment
23 shall not be construed as an assignment of the Non-Settling Insurer Policies but rather an
24 assignment of the Debtor's rights and interests in the Non-Settling Insurer Policies for the
25 ~~Holder~~~~s of~~ Abuse ~~Claims~~Claimants to directly receive proceeds and remedies for Coverage
26 Claims available under the Non-Settling Insurers' Abuse Insurance Policies, notwithstanding any
27 anti-assignment provision in or incorporated into any such Abuse Insurance Policy. Upon the
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1 assignment of the Assigned Insurance Interests to the Survivors' Trust, ~~Holder~~^{of Abuse}
2 ~~Claims~~^{Claimants}, and only such Holders, shall have the right to either receive a distribution of
3 their individual allocable shares of contributions to the Survivors' Trust, pursue all available
4 insurance coverage and remedies for Coverage Claims under the Non-Settling Insurer Policies
5 pursuant to, and in accordance with, applicable law and the terms of the Non-Settling Insurer
6 Policies, or both, all as set forth in Article IX hereof. Upon the assignment of the Assigned
7 Insurance Interests to the Survivors' Trust, recourse to the Released Parties shall be limited to the
8 Assigned Insurance Interests and any other rights or interests expressly granted to the Survivors'
9 Trust under this Plan. In furtherance of the Insurance Assignment:

10 8.1.1. The Insurance Assignment is made free and clear of all Claims, liens,
11 encumbrances, or Causes of Action of any nature whatsoever pursuant to Section 363(f) of the
12 Bankruptcy Code, except for rights and defenses of the Non-Settling Insurers, including available
13 limits of liability for coverage of certain types of claims under one or more of the Abuse
14 Insurance Policies that may have been reduced by certain prepetition payments made by an
15 Insurer under any of the Abuse Insurance Policies.

16 8.1.2. The Survivors' Trust shall be solely responsible for satisfying, to the extent
17 required under applicable law or the Abuse Insurance Policies, any premiums, deductibles,
18 self-insured retentions, and fronting obligations arising in any way out of any and all Abuse
19 Claims.

20 8.1.3. Upon the effectiveness of the Insurance Assignment, the Survivors' Trust
21 shall have whatever obligations, if any, that exist under the Abuse Insurance Policies under
22 applicable law, including without limitation all notice obligations required under the Abuse
23 Insurance Policies and applicable law pertaining to Abuse Claims.

24 8.1.4. The Insurance Assignment is absolute upon entry of the Confirmation
25 Order, and conditioned upon the occurrence of the Effective Date, and requires no further action
26 by the Released Parties, the Survivors' Trust, the Bankruptcy Court, the Non-Settling Insurers, or
27 any other Entity.
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1 8.1.5. The Insurance Assignment shall be governed by, and construed in
2 accordance with, the Bankruptcy Code and the laws of the state of California, without regard to
3 conflict of law principles.

4 8.1.6. Subject to the terms hereof, the Insurance Assignment shall be effective to
5 the maximum extent permissible under applicable law and the terms of the Abuse Insurance
6 Policies.

7 **8.2. Insurance Coverage for Abuse Claims.**

8 8.2.1. As set forth in Article IX of this Plan, ~~Holder of Abuse~~ Claims Claimants
9 who do not elect to receive an Immediate Payment may seek to have their claim satisfied by
10 electing either (i) the Distribution Option (defined in Section 9.8.4 hereof), or (ii) for the purpose
11 of recovering from one or more Non-Settling Insurers under their respective Insurance Policies,
12 the Litigation Option (defined in Section 9.8.4 hereof). Absent agreement of the applicable
13 Non-Settling Insurer(s), the ~~Holder of an Abuse~~ Claim Claimant may only litigate coverage of
14 such Holder's Abuse Claim under the Non-Settling Insurer's Abuse Insurance Policy(ies) by
15 electing the Litigation Option. Only the applicable ~~Holder of an Abuse~~ Claim Claimant may seek
16 recovery for such Abuse Claim against a Non-Settling Insurer pursuant to an Abuse Insurance
17 Policy issued by such Non-Settling Insurer and the Insurance Assignment to the Survivor's Trust
18 is subject to the exclusive rights of such Holders.

19 8.2.2. After Confirmation, any ~~Holder of an Abuse~~ Claim Claimant who elects the
20 Litigation Option, i.e. to pursue the Holder's Claim in the non-bankruptcy court system against
21 the Debtor as a nominal party only or (only to the extent permitted under applicable
22 non-bankruptcy law) a Non-Settling Insurer, solely for the purpose of recovering from one or
23 more Non-Settling Insurers under their respective Insurance Policies, shall be granted leave to
24 pursue such Claim by filing in the Chapter 11 Case a written statement of intent to do so by
25 electing the Litigation Option (which may be filed under a pseudonym if the claimant's name has
26 not been previously publicly identified, *provided* that (i) the notice otherwise adequately
27 identifies the relevant Claim including the case number for the pending litigation and (ii) the
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1 claimant or his or her counsel notifies the Non-Settling Insurers of the claimant's actual name).
2 After the expiration of ninety (90) days following the filing of such written statement, such
3 ~~Holder of an Abuse Claim~~Claimant may continue to pursue such Claim in a separate action filed
4 in a non-bankruptcy court of competent jurisdiction as determined by applicable law, solely to
5 seek a recovery from Abuse Insurance Policies. Affected Non-Settling Insurers shall have the
6 right (and the obligation, to the extent so provided under their respective Abuse Insurance
7 Policy(ies)), to defend such Claim, consistent with the terms of their Abuse Insurance Policies
8 and applicable non-bankruptcy law. Such affected Non-Settling Insurers are also granted leave to
9 defend against Abuse Claims and take other actions authorized in their respective Abuse
10 Insurance Policies in response to Abuse Claims, including paying settlements to which the
11 affected Non-Settling Insurers agree or any judgments. The Debtor (including the estate and the
12 Reorganized Debtor) and the Survivors' Trust will cooperate in the defense of any such claim to
13 the extent provided under the applicable Abuse Insurance Policy or Policies and as requested by
14 an affected Non-Settling Insurer. Nothing in this Section 8.2.2 shall diminish or alter the rights of
15 ~~a Holder of an Abuse Claim~~Claimant who elects the Litigation Option to receive a distribution
16 from the Survivors' Trust pursuant to Section 9.8.4 herein.

17 8.2.3. If the ~~Holder of an Abuse Claim~~Claimant elects the Litigation Option then,
18 among other things, (1) the rights of affected Non-Settling Insurers to defend or associate in the
19 defense of such Abuse Claims shall be fully preserved so that a Non-Settling Insurer who has
20 offered to, or has an obligation to, defend may do so, and (2) the rights of affected Non-Settling
21 Insurers to assert all coverage defenses and issues in any insurance recovery action (under Cal.
22 Ins. Code § 11580 or otherwise) shall also be fully preserved. In any such insurance recovery
23 action (under Cal. Ins. Code § 11580 or otherwise), ~~Holders of Abuse Claims~~Claimants shall
24 have no greater or lesser rights than the Debtor, including as to any findings of fact, conclusions
25 of law, or rulings issued in connection with the Coverage Action or any other coverage litigation
26 between the Debtor or the Survivors' Trust and any of the Insurers. To the extent any applicable
27 Non-Settling Insurer elects not to defend an Abuse Claim in the non-bankruptcy court system
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1 after receiving proper notice and opportunity to do so, the ~~Holder of an~~ Abuse ~~Claim~~Claimant
2 shall be entitled to seek a default judgment against the Debtor as nominal party only, solely to
3 allow such ~~Holder of an~~ Abuse ~~Claim~~Claimant to then pursue insurance rights under Cal. Ins.
4 Code § 11580 in accordance with the provisions in the Plan.

5 8.2.4. If ~~a Holder of an~~ Abuse ~~Claim~~Claimant elects the Litigation Option,
6 liquidates its Claim, and obtains a final judgment by a Final Order against a Non-Settling Insurer,
7 such Non-Settling Insurer shall pay the amount of the judgment directly to the Holder of such
8 Claim in accordance with, and subject to, the provisions of the Plan. The ~~Holder of an~~ Abuse
9 ~~Claim~~Claimant shall have the exclusive right to liquidate such Holder's Abuse Claim under the
10 Litigation Option and pursue Coverage Claims against a Non-Settling Insurer.

11 **8.3. Preservation of the Rights of Non-Settling Insurers.**

12 8.3.1. With respect to Non-Settling Insurers, nothing in the Plan, the Plan
13 Documents, the Confirmation Order, or the Survivors' Trust Documents, including any provision
14 that purports to be preemptory or supervening, shall in any way operate to, or have the effect of,
15 impairing, altering, supplementing, changing, expanding, decreasing, or modifying (i) the terms
16 and conditions of any Abuse Insurance Policy, (ii) the rights and obligations of the Debtor (or its
17 Estate) and any Non-Settling Insurers (and third-party claims administrators) under any of the
18 Abuse Insurance Policies, or (iii) the coverage or benefits provided under the Abuse Insurance
19 Policies; provided, however, that because the Non-Settling Insurers would solely be potentially
20 financially responsible for payment of Abuse Claims (and the Debtor would have no such
21 potential financial responsibility), the provisions of Cal. Civil Code § 2860 entitling an insured to
22 appointment of independent counsel in certain circumstances shall not apply to any claims
23 pursued by ~~Holders of~~ Abuse ~~Claims~~Claimants against the Debtor (as a nominal party only) or the
24 Survivors' Trust in the non-bankruptcy court system for the purpose of recovering from
25 Non-Settling Insurers.

26 8.3.2. With respect to the Non-Settling Insurers, notwithstanding any provision in
27 the Plan, the Plan Documents, the Confirmation Order, or the Survivors' Trust Documents,
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1 nothing contained in any such documents or in this paragraph shall impose, or shall be deemed or
2 construed to impose, any obligation on any Non-Settling Insurer to provide a defense for, settle,
3 or pay any judgment with respect to, any Abuse Claim. Rather, a Non-Settling Insurer's
4 obligations, if any, with respect to an Abuse Claim shall be determined solely by and in
5 accordance with the applicable Abuse Insurance Policy or Abuse Insurance Policies issued by that
6 Non-Settling Insurer subject to applicable non-bankruptcy law. Nothing in the Plan, the Plan
7 Documents, the Confirmation Order, or the Survivors' Trust Documents shall diminish or impair,
8 or be deemed to diminish or impair, the rights of any Non-Settling Insurer to defend any Abuse
9 Claim or to assert any claim, defense, right, or counterclaim in connection with any Abuse Claim
10 or Abuse Insurance Policy in accordance with applicable law; provided, however, that any claim
11 or counterclaim for Contribution (as defined in Section 8.4 hereof) against a Settling Insurer shall
12 be addressed as provided herein.

13 8.3.3. For all issues relating to insurance coverage concerning Non-Settling
14 Insurers, the provisions, terms, conditions, and limitations of the applicable Abuse Insurance
15 Policies shall control, subject to applicable non-bankruptcy law.

16 8.3.4. A Non-Settling Insurer's obligation, if any, with respect to an Abuse Claim
17 shall be determined solely by and in accordance with the applicable Abuse Insurance Policy or
18 Abuse Insurance Policies issued by that Non-Settling Insurer subject to applicable
19 non-bankruptcy law. Liability with respect to any Abuse Claim for purposes of any recovery
20 against an Abuse Insurance Policy will be determined pursuant to applicable non-bankruptcy law.

21 8.3.5. With respect to the Non-Settling Insurers, for purposes of establishing the
22 value of any Abuse Claim for purposes of recovery from, or coverage under, any Abuse Insurance
23 Policy issued by a Non-Settling Insurer, no determination made in the Chapter 11 Case, nor any
24 determinations made by the Abuse Claims Reviewer or Survivors' Trustee concerning any Abuse
25 Claim at any time, shall be binding on or against a Non-Settling Insurer, nor shall any party
26 (including any ~~Holder of an Abuse Claim~~ Claimant against the Debtor) offer into evidence, or
27 seek to admit into evidence, any such alleged determination in any tort actions pursued by
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1 ~~Holder~~ of Abuse ~~Claim~~ Claimants against the Debtor (as a nominal party only) or the Survivors'
2 Trust in the non-bankruptcy court system for the purpose of recovering from Non-Settling
3 Insurers, except for the limited purpose of establishing the amount of any credit to which Debtor
4 (as a nominal party) may be entitled to offset any verdict in favor of ~~a holder of~~ an Abuse
5 ~~Claim~~ Claimant.

6 8.3.6. The determination of, qualification and estimation of Claims, and the
7 payment of Survivors' Trust distributions is not an admission of liability by the Debtor or
8 Reorganized Debtor (as applicable), any Non-Settling Insurer, the Survivors' Trust, or any other
9 Person with respect to any Abuse Claims and has no *res judicata* or collateral estoppel effect on
10 any Non-Settling Insurer, the Debtor, the Survivors' Trust, or any other Person, except that such
11 determination may be introduced for the limited purpose of establishing the amount of any credit
12 to which the Debtor (as a nominal party) or the Survivors' Trust may be entitled to offset any
13 verdict in favor of ~~a Holder of~~ an Abuse ~~Claim~~ Claimant.

14 8.3.7. Neither the Abuse Claims Reviewer's nor Survivors' Trustee's review of
15 an Abuse Claim and determination of qualification, nor anything in the Survivors' Trust
16 Documents (including any action or decision pursuant to the Survivors' Trust Documents,
17 including any estimation of Claims or payment of distributions), shall constitute a trial or an
18 adjudication on the merits, or evidence of liability or damages, in any litigation with the
19 Non-Settling Insurer or any other Person.

20 8.3.8. With respect to Non-Settling Insurers, nothing in the Plan, the Plan
21 Documents, the Confirmation Order, or the Survivors' Trust Documents shall, under any theory,
22 (a) constitute a trial, a judgment, an adjudication on the merits, or evidence establishing the
23 liability (in the aggregate or otherwise) or obligation of the Debtor or the Survivors' Trust with
24 respect to any Abuse Claim, (b) constitute a trial, a judgment, an adjudication on the merits, or
25 evidence (or be introduced as evidence) establishing the liability of any Non-Settling Insurer in
26 current or subsequent litigation for any Claim, including, without limitation, any Abuse Claim, or
27 under any Abuse Insurance Policy, (c) constitute, or be deemed to constitute (or be introduced to
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1 support) a determination of the reasonableness of the amount of any Claim, including any Abuse
2 Claim, either individually or in the aggregate with other Claims, (d) be deemed to grant to any
3 Person or Entity any right to sue any Non-Settling Insurer directly, in connection with a Claim,
4 including any Abuse Claim, or any Abuse Insurance Policy, that such Person or Entity did not
5 otherwise have under applicable non-bankruptcy law, (e) constitute a finding or determination (or
6 be introduced to support a finding or determination) that the Debtor is a named insured, additional
7 insured, or insured in any other way under any Abuse Insurance Policy, (f) constitute a finding or
8 determination (or be introduced to support a finding or determination) that any Insurer in fact
9 issued any alleged Abuse Insurance Policy or that any alleged Abuse Insurance Policy has any
10 particular terms or conditions, (g) constitute a finding or determination (or be introduced to
11 support a finding or determination) that any Insurer has any defense or indemnity obligation with
12 respect to any Claim or Abuse Claim, or (h) constitute a finding or determination (or be
13 introduced to support a finding or determination) on any matter at issue or which may be raised as
14 an issue in any action, including the Coverage Action. In addition, no payment made in
15 accordance with the Plan shall be, or be deemed to be, a waiver of any rights of any Non-Settling
16 Insurer under any Abuse Insurance Policy.

17 8.3.9. Other than with respect to the effectiveness of the Insurance Assignment
18 contemplated by the Plan (if necessary) and the findings necessary to confirm the Plan under
19 Section 1129 of the Bankruptcy Code for such purpose only, no Non-Settling Insurer shall be
20 bound in any current or future litigation concerning an Abuse Claim or an Abuse Insurance Policy
21 by any factual findings or conclusions of law issued in connection with Confirmation of the Plan,
22 and no such findings of fact or conclusions of law shall have any *res judicata* or collateral
23 estoppel effect on any Claim, defense, right, offset, or counterclaim that has been asserted or that
24 may be asserted in any current or subsequent litigation concerning an Abuse Claim or an Abuse
25 Insurance Policy. Non-Settling Insurers shall retain, and be permitted to assert, (i) all of their
26 insurance coverage defenses subject to applicable non-bankruptcy law in connection with Abuse
27 Claims notwithstanding any provision of the Plan, the Plan Documents, or the Confirmation
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1 Order, provided, however, no Non-Settling Insurer may assert the Insurance Assignment as a
2 defense to any Coverage Claim nor challenge the efficacy or validity of the Insurance
3 Assignment, and (ii) all of the Debtor's defenses to liability, both legal and equitable, in
4 connection with any asserted Abuse Claim, and the Non-Settling Insurers' rights to assert all such
5 underlying defenses and insurance coverage defenses in connection with Abuse Claims will not
6 be impaired in any way by the Plan, the Plan Documents, the Confirmation Order, or the
7 Survivors' Trust Documents, but shall be subject to applicable non-bankruptcy law.

8 8.3.10. Any disputes regarding a Non-Settling Insurer's liability for Abuse Claims
9 and/or coverage therefor under any Abuse Insurance Policy shall be resolved under applicable
10 non-bankruptcy law in a court of competent jurisdiction or such other venue as the affected
11 parties (including the Non-Settling Insurer(s)) may agree.

12 8.3.11. Nothing herein shall limit the ability of any Non-Settling Insurer to agree to
13 different terms or treatment of its Abuse Insurance Policies as part of a consensual settlement
14 with the Debtor, Survivors' Trust, and/or ~~Holders of Abuse Claims~~ Claimants.

15 8.3.12. Any Non-Settling Insurer's legal, equitable, or contractual rights and
16 obligations relating to the Abuse Insurance Policies issued by such Non-Settling Insurer shall be
17 determined under applicable non-bankruptcy law. Nothing in the Plan shall be construed to
18 impair or diminish the Debtor's or any Non-Settling Insurer's legal, equitable, or contractual
19 rights or obligations under any Abuse Insurance Policy including, but not limited to, the ability to
20 negotiate resolution of any dispute; provided, however, (a) that because Non-Settling Insurers
21 would solely be potentially financially responsible for payment of Abuse Claims (and the Debtor
22 would have no such potential financial responsibility), the provisions of Cal. Civil Code § 2860
23 entitling an insured to appointment of independent counsel in certain circumstances shall not
24 apply to any claims pursued by ~~Holders of Abuse Claims~~ Claimants against the Debtor (as a
25 nominal party only) in the non-bankruptcy court system for the purpose of recovering from
26 Debtor (as a nominal party) and (b) neither the Debtor (including the Estate and the Reorganized
27 Debtor) nor the Survivors' Trust shall have the right to (i) direct or interfere with a Non-Settling
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1 Insurer's defense of a tort action asserting an Abuse Claim, or (ii) settle an Abuse Claim without
2 the consent of all affected Non-Settling Insurers; provided, however, that at the Reorganized
3 Debtor's election and at its sole expense, the Reorganized Debtor may appoint its own counsel
4 ("Reorganized Debtor Counsel") to represent the Bishop in the defense of any action by ~~a Holder~~
5 ~~of an Abuse~~ ~~Claim~~ Claimant against the Debtor (as a nominal party only). Any such Reorganized
6 Debtor Counsel shall cooperate and coordinate with defense counsel appointed by the
7 Non-Settling Insurers to represent the Debtor in such action, and the Reorganized Debtor's
8 election to appoint Reorganized Debtor Counsel shall not constitute direction of or interference
9 with a Non-Settling Insurer's defense of a tort action asserting an Abuse Claim. The
10 Non-Settling Insurers reserve all policy defenses and claims, including without limitation all
11 rights, claims, and defenses concerning cooperation, offsets, recoupments, deductions,
12 deductibles, self-insured retentions, and all rights, claims, and defenses provided in their policies.
13 For the avoidance of doubt, if the ~~Holder of an Abuse~~ ~~Claim~~ Claimant has elected the Immediate
14 Payment or the Distribution Option (defined in Section 9.8.4 hereof), nothing in this Section
15 8.3.12 shall restrict the Survivors' Trust from resolving or making a distribution on account of
16 such Abuse Claim without the consent of any Non-Settling Insurer for purposes of the Immediate
17 Payment or Distribution Option.

18 8.3.13. Except as expressly stated herein, any coverage issues involving the
19 Non-Settling Insurers or the Abuse Insurance Policies issued by the Non-Settling Insurers shall be
20 determined in accordance with applicable non-bankruptcy law. All positions and arguments with
21 respect to available coverage under such Abuse Insurance Policies shall be fully preserved for
22 assertion by the Non-Settling Insurers and Abuse Claimants in any litigation of coverage issues.
23 Subject to the terms of the Plan, the Non-Settling Insurers and ~~Holders of Abuse~~
24 ~~Claims~~ Claimants reserve their rights, if any, to (i) bring proceedings concerning the application
25 and interpretation of the terms of the Abuse Insurance Policies and rights thereunder, as well as
26 whether defense and/or indemnity are owed under the Abuse Insurance Policies, and (ii) oppose
27 any such proceeding commenced by any other person or entity in any court of appropriate
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1 jurisdiction as determined under applicable non-bankruptcy law; provided, however, because the
2 Debtor will have received a discharge under the Plan, any effort to collect from Abuse Insurance
3 Policies issued by the Non-Settling Insurers to satisfy an Abuse Claim after Confirmation of the
4 Plan shall be sought individually by the applicable ~~Holder of an Abuse Claim~~ Claimant after such
5 Holder's Claim has been liquidated as provided herein. Any disputes regarding a Non-Settling
6 Insurer's liability for Abuse Claims (after such Abuse Claim has been liquidated under the
7 provisions set forth above) and/or coverage therefor under Abuse Insurance Policies shall be
8 resolved under applicable non-bankruptcy law in a court of competent jurisdiction or such other
9 venue as the affected parties (including the Non-Settling Insurer(s)) may agree.

10 8.3.14. The limitations in this Section 8.3 are for the benefit of the Non-Settling
11 Insurers to preserve their ability to assert the Debtor's defenses to Abuse Claims as well as
12 Non-Settling Insurers' own coverage defenses. For the avoidance of doubt, the Debtor (and the
13 Reorganized Debtor, as applicable) reserves its right to enforce the Plan, including without
14 limitation its discharge, and to the benefits of any settlements reached with Settling Insurers,
15 provided that the foregoing will not limit the protections afforded to the Non-Settling Insurers
16 herein. All parties in interest in this Chapter 11 Case shall retain the right to enforce the Claims
17 Bar Date Order (as amended) and all confidentiality orders issued in the Chapter 11 Case.

18 8.3.15. The foregoing provisions of Section 8.3 hereof shall be incorporated into
19 the Confirmation Order.

20 **8.4. Scope of Plan Injunctions.** Any injunction under the Plan or Confirmation Order
21 shall not enjoin a Non-Settling Insurer's right to assert any Claims against the Survivors' Trust
22 for contribution, subrogation, indemnification, reimbursement, or other similar Cause of Action
23 (collectively, "Contribution") for any Settling Insurer's alleged share or equitable share relating to
24 the defense and/or indemnity obligation for any Abuse Claim, or for any Cause of Action released
25 in any Insurance Settlement Agreements. If a Non-Settling Insurer asserts it has (a) Contribution
26 Claims directly or indirectly arising out of or in any way relating to such Non-Settling Insurer's
27 payment of loss on behalf of the Debtor or defense expenses incurred in any action that should
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1 have been paid by or are otherwise attributable to a Settling Insurer related to any Abuse Claim or
2 (b) rights to recover any self-insured retentions/obligations and/or deductibles (collectively,
3 “Payment Obligations”) in connection with its payment of defense and/or indemnity related to an
4 Abuse Claim, then (i) such Contribution Claims or Payment Obligations may be asserted as a
5 setoff, defense, or counterclaim against any Abuse Claimant and/or the Survivors’ Trust in any
6 insurance action or insurance recovery action (under Cal. Ins. Code § 11580 or otherwise)
7 involving such Non-Settling Insurer and (ii) to the extent such Contribution Claims or Payment
8 Obligations are determined to be valid, the liability (if any) of such Non-Settling Insurer to the
9 holder of the Abuse Claim or the Survivors’ Trust shall be reduced by the amount of such
10 Contribution Claims or Payment Obligations, provided that if any such Contribution Claim
11 exceeds the liability of such Non-Settling Insurer to the Survivors’ Trust, the Non-Settling Insurer
12 does not waive any excess claim and may seek affirmative recovery from the Survivors’ Trust.
13 To the extent payment of a self-insured retention is a condition to a Non-Settling Insurer’s
14 obligation to provide defense or indemnity under applicable non-bankruptcy law and the
15 Non-Settling Insurer’s applicable insurance policies, the failure of the Survivors’ Trust to pay
16 such self-insured retention to the Non-Settling Insurer shall result in the Non-Settling Insurer
17 having the right to argue that such failure of payment is a complete defense to any claim for
18 coverage by the Non-Settling Insurer to, or related to, any claim for recovery of insurance from
19 the Non-Settling Insurer.

20 **8.5. *Non-Settling Insurers’ Contribution Claims Against Settling Insurers.*** In any
21 Action, including the Coverage Action, involving the ~~Holder of an Abuse~~ Claim Claimant and one
22 or more Non-Settling Insurers, where a Non-Settling Insurer has asserted, asserts, or could assert
23 any Contribution Claim against any of the Settling Insurers or the Survivors’ Trust, and such
24 Contribution Claims are determined by the court presiding over such Claims to be valid, then any
25 judgment or award obtained against such Non-Settling Insurer by such ~~Holder of an Abuse~~
26 Claim Claimant shall be automatically reduced by the amount, if any, that the Survivors’ Trust or
27 any of the Settling Insurers is liable to pay such Non-Settling Insurer as a result of the
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1 Non-Settling Insurer's Contribution Claim, so that the Contribution Claim is thereby satisfied and
2 extinguished; provided, however, that, as against the Survivors' Trust (as successor to the
3 Debtor), a Non-Settling Insurer may only assert any such Contribution Claim for the payment of
4 deductible or self-insured retention. The Settling Insurers shall be required to cooperate in good
5 faith with the Debtor, the Reorganized Debtor, and/or the Survivors' Trust to take commercially
6 reasonable steps to defend against any Contribution Claim by a Non-Settling Insurer.

7 **8.6. Cooperation.** The Survivors' Trust and the Debtor (including the Estate and the
8 Reorganized Debtor) shall have the obligation as provided in the Abuse Insurance Policies to
9 cooperate with the Non-Settling Insurers with respect to the investigation and defense of Abuse
10 Claims pursuant to the terms of the Non-Settling Insurers' respective Abuse Insurance Policies,
11 including with respect to preserving any documents relevant to liability or coverage disputes,
12 making documents and witnesses available to the Non-Settling Insurers concerning such disputes,
13 and maintaining privilege with regard to the defense. The Reorganized Debtor and its agents will
14 not voluntarily waive any privilege under applicable non-bankruptcy law applicable to documents
15 or communications related to alleged Abuse Claims (collectively, "Privileged Communications").
16 Without limiting the generality of the foregoing, neither the Reorganized Debtor nor its agents
17 shall provide the Survivors' Trust or any ~~Holder of an Abuse Claim~~ Claimant with any Privileged
18 Communications, absent the express consent of all affected Non-Settling Insurers or a court order
19 compelling such a production. The Reorganized Debtor shall provide prompt notice of any
20 requests and/or motions to compel disclosure of Privileged Communications and cooperate with
21 affected Insurers with respect to the same. The Non-Settling Insurers reserve all coverage
22 defenses with respect to any current or future failure to cooperate. The Debtor and the Survivors'
23 Trust reserve all rights under the applicable Abuse Insurance Policies of the Non-Settling
24 Insurers. The terms of the Plan (including Articles VIII and IX hereof) constitute a voluntary
25 agreement by the Non-Settling Insurers to the Insurance Assignment, and such terms shall not be
26 deemed to be an involuntary order to that effect.
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1 **8.7. Reductions In Non-Settling Insurers' Liability.** No ~~Holder of an~~ Abuse
2 ~~Claim~~Claimant who elects the Litigation Option shall recover in the aggregate from the
3 Survivors' Trust and any Non-Settling Insurer an amount greater than the total amount of the
4 judgment entered by the applicable court of competent jurisdiction on such Holder's underlying
5 Abuse Claim, subject to the terms of Section 5.14 herein. A Non-Settling Insurer shall have all
6 rights available under non-bankruptcy law to assert, seek, and enforce any right to offset, recoup,
7 or otherwise reduce its liability on any such entered judgment, including without limitation all
8 rights available under non-bankruptcy law to assert, seek, and recover on such claims against the
9 Survivors' Trust.

10 **8.8. Settling Insurers.**

11 8.8.1 *Pre-Confirmation Insurance Settlement Agreements.* If, before
12 Confirmation, an Insurer enters into an Insurance Settlement Agreement with the Debtor under
13 which the Insurer would become a Settling Insurer under this Plan upon entry of the Confirmation
14 Order, the Debtor shall file with the Plan Supplement providing for any provisions required by the
15 proposed Settling Insurer, and agreed to by the Debtor, to be made a part of this Plan. Any such
16 provisions set forth in the Plan Supplement shall be deemed incorporated into this Section as part
17 of the Plan. Any Insurer that becomes a Settling Insurer shall receive the treatment as may be
18 provided in any Insurer Settlement Agreement approved by a Final Order. Each Insurance
19 Settlement Agreement is effective and binding upon all Persons who have notice, and any of the
20 foregoing Persons' successors and assigns, upon the entry of a Final Order approving the
21 Insurance Settlement Agreement and satisfaction of all conditions precedent, provided that such
22 settlement shall not affect the rights of any remaining Non-Settling Insurers. Payments by each
23 Settling Insurer to the Survivors' Trust, and the releases by the Debtor and/or the Contributing
24 Non-Debtor Catholic Entities of each Settling Insurer, pursuant to the Insurance Settlement
25 Agreements shall occur and/or be effective according to the terms of each such agreement. The
26 Insurance Settlement Agreements shall survive the Confirmation and the Effective Date. The
27 rights of the parties under any Insurance Settlement Agreement shall be determined exclusively
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1 under the applicable Insurance Settlement Agreement and those provisions of the Final Order
2 approving such Insurance Settlement Agreement, the Plan, and the Confirmation Order.

3 8.8.2 *Sale Free and Clear.* Each Settling Insurer Abuse Insurance Policy shall
4 be sold to the issuing Settling Insurer, pursuant to Sections 105, 363, and 1123 of the Bankruptcy
5 Code, free and clear of all liens and Claims of all Persons, to the extent provided for in each
6 applicable Insurance Settlement Agreement, provided that such sale shall not affect the rights of
7 any remaining Non-Settling Insurers.

8 8.8.3 *Timing.* The injunctions, releases, and discharges to which any Settling
9 Insurer is entitled pursuant to such Insurance Settlement Agreement, the Plan, the Confirmation
10 Order, the Final Order approving the Insurance Settlement Agreement, and the Bankruptcy Code
11 shall become effective pursuant to the terms of such Insurance Settlement Agreement.

12 8.8.4 *Contribution Claims of Settling Insurers.* Each Settling Insurer agrees
13 that it will not pursue any Abuse Related Contribution Claim that it might have against any other
14 Insurer (a) whose Contribution Claim against Settling Insurers is satisfied and extinguished
15 entirely; or (b) that does not make an Abuse Related Contribution Claim against the Settling
16 Insurers, or any of them. If, in the future, a Non-Settling Insurer releases its Abuse Related
17 Contribution Claims, if any such exist, that it may have against the Settling Insurers, then such
18 released Settling Insurer shall release its Abuse Related Contribution Claims against such
19 releasing Insurer. If any Non-Settling Insurer asserts a Claim directly against the Survivors' Trust
20 arising from or concerning the one or more Settling Insurers' Abuse Insurance Policies, any
21 Abuse Related Contribution Claim of the Settling Insurers shall be transferred to the Survivors'
22 Trust, and the Survivors' Trust shall be authorized to assert the Contribution Claims of such
23 Settling Insurer against such Non-Settling Insurer.

24 **ARTICLE IX**
25 **THE SURVIVORS' TRUST**

26 **9.1. *Creation of the Survivors' Trust, Appointment of Survivors' Trustee, and***
27 ***Survivors' Trust Advisory Committee.***

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9.1.1 *Establishment and Purpose of the Survivors' Trust.* On the Effective Date, the Survivors' Trust shall be established in accordance with the Survivors' Trust Documents. The Survivors' Trust will, upon its creation, and without limitation: (1) assume liability for all Abuse Claims, including without limitation Unknown Abuse Claims, of the Debtor, Contributing Non-Debtor Catholic Entities, and any Settling Insurers; and (2) receive, hold, administer, liquidate, and distribute the Survivors' Trust Assets in accordance with this Plan and the Survivors' Trust Documents. The Survivors' Trust shall administer, process, settle, resolve, liquidate, satisfy, and make Trust Distributions in such a way that ~~Holder~~ of Abuse ~~Claims~~ Claimants are treated equitably and in a substantially similar manner, subject to the applicable terms of the Plan Documents and the Survivors' Trust Documents. From and after the Effective Date, (x) the Abuse Claims and Unknown Abuse Claims against the Debtor and (y) Claims against any Settling Insurer for or relating to insurance coverage in connection with such Claims, shall be channeled to the Survivors' Trust pursuant to the Channeling Injunction set forth in Section 13.12 of the Plan and may be asserted only and exclusively against the Survivors' Trust. The Survivors' Trust shall have no liability for Non-Abuse Litigation Claims. Holders of Non-Abuse Litigation Claims shall have no recourse to the Survivors' Trust with respect to such Claims.

9.1.2 *Qualified Settlement Fund.* The Survivors' Trust is intended to qualify as a "qualified settlement fund" pursuant to Section 468B of the Tax Code and the regulations promulgated thereunder (the "Treasury Regulations"). The Debtor shall be the "transferor" within the meaning of Treasury Regulation Section 1.468B-1(d)(1). The Survivors' Trustee shall be the "administrator" of the Survivors' Trust within the meaning of Treasury Regulation Section 1.468B-2(k)(3).

9.1.3 *Survivors' Trust Advisory Committee.* As set forth in the Survivors' Trust Documents, there shall be established the Survivors' Trust Advisory Committee, which shall be initially comprised of five (5) members selected by the Committee and formed as of the Effective Date. Except with respect to Insurance Settlement Agreements entered into by the

1 Survivors' Trust after the Effective Date and certain other matters set forth in the Survivors' Trust
2 Documents, the Survivors' Trust Advisory Committee is intended to be consultative in nature and
3 assist the Survivors' Trustee in the independent exercise of the Survivors' Trustee's duties.

4 **9.2. Appointment and Powers of the Survivors' Trustee.** On the Confirmation Date,
5 the Bankruptcy Court shall appoint the Survivors' Trustee to serve in accordance with, and who
6 shall have the functions and rights provided in, the Survivors' Trust Documents. Any successor
7 Survivors' Trustee shall be appointed in accordance with the terms of the Survivors' Trust
8 Documents. For purposes of the Survivors' Trustee performing his or her duties and fulfilling his
9 or her obligations under the Survivors' Trust and the Plan, the Survivors' Trust and the Survivors'
10 Trustee shall be deemed to be "parties in interest" within the meaning of Section 1109(b) of the
11 Bankruptcy Code. The Survivors' Trustee shall have such powers and duties as are set forth in
12 the Survivors' Trust Documents, including without limitation the following:

13 9.2.1 *Survivors' Trustee as Fiduciary.* The Survivors' Trustee shall be deemed
14 to be a fiduciary of the Survivors' Trust under the terms of the Survivors' Trust Agreement and
15 shall have all rights, powers, authority, responsibilities, and benefits under California law
16 specified in the Plan and as reflected in the Survivors' Trust Agreement, including commencing,
17 prosecuting or settling causes of action, enforcing contracts, and asserting Claims, defenses,
18 offsets and privileges. If there is any inconsistency or ambiguity between the Confirmation Order
19 and the Survivors' Trust Agreement with respect to Trustee's authority to act, the provisions of
20 the Survivors' Trust Agreement shall control.

21 9.2.2 *Liquidation of Survivors' Trust Assets.* The Survivors' Trustee shall
22 liquidate and convert to Cash the Survivors' Trust Assets, make timely distributions, and not
23 unduly prolong the duration of the Survivors' Trust. The Survivors' Trustee may also abandon
24 any property which the Survivors' Trustee determines in the Survivors' Trustee's reasonable
25 discretion to be of *de minimis* value or of more burden than the value of the Survivors' Trust.

26 9.2.3 *Protection of Survivors' Trust Assets.* The Survivors' Trustee shall
27 protect and enforce the rights in and to the Survivors' Trust Assets under the Survivors' Trust
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1 Documents.

2 9.2.4 *Bank Accounts of the Survivors' Trust.* The Survivors' Trustee may open
3 and maintain bank accounts on behalf of the Survivors' Trust to deposit funds in and draw checks
4 on the bank accounts as appropriate under the Survivors' Trust Documents. Notwithstanding
5 anything herein to the contrary, the Survivors' Trustee may open and maintain bank accounts on
6 behalf of the Survivors' Trust after Confirmation but before the Effective Date.

7 9.2.5 *Insurance.* The Survivors' Trustee shall obtain all reasonably available
8 insurance coverage with respect to any property that is, or may in the future become, a Survivors'
9 Trust Asset.

10 9.2.6 *Taxes.* The Survivors' Trustee may request an expedited determination
11 of taxes of the Survivors' Trust under Section 505(b) of the Bankruptcy Code for all returns filed
12 for, or on behalf of, the Survivors' Trust for all taxable periods through the dissolution of the
13 Survivors' Trust.

14 9.2.7 *Settlements With Non-Settling Insurers.* The Survivors' Trustee shall be
15 authorized to enter into consensual settlements with one or more Non-Settling Insurers on and
16 after the Effective Date, covering some or all of the Abuse Claims insured thereby, provided that
17 such settlements shall not impair the rights of any other Non-Settling Insurers, including those
18 rights set forth herein. Approval requirements, if any, for such settlements shall be as specified in
19 the Survivors' Trust Agreement. No settlement (whether in the Plan or otherwise) as among any
20 of the Debtor, its Estate, the Survivors' Trust, and ~~Holder of an Abuse Claim~~ Claimant, and the
21 Settling Insurers, including payment obligations, shall bind a Non-Settling Insurer in any way
22 without its consent.

23 **9.3. *Property and Funding of the Survivors' Trust.*** The Survivors' Trust shall be
24 funded with (i) aggregate Cash contributions from the Debtor and Reorganized Debtor (as
25 applicable) of \$~~103~~115 million, (ii) any Cash contributions from a Contributing Non-Debtor
26 Catholic Entity pursuant to Section 9.3.2 hereof, (iii) ~~title to the Livermore Property, on an as-is,~~
27 ~~where-is basis, (iv)~~ any proceeds held by the Debtor or the Reorganized Debtor on account of
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1 Insurance Settlement Agreements as set forth in this Section 9.3, and (iv) the Assigned
2 Insurance Interests. These contributions to the Survivors' Trust shall be made according to the
3 schedule set forth in this Section 9.3. The Debtor Cash Contribution (as defined in this
4 Section 9.3) and any Non-Debtor Catholic Entity Contribution (as defined in this Section 9.3)
5 shall be made in respect of the uninsured exposure of the Debtor and any Contributing
6 Non-Debtor Catholic Entities for Abuse Claims (including Unknown Abuse Claims), including,
7 but not limited to, years in which no Non-Settling Insurer Policies are available and, to the extent
8 required under applicable law, when a self-insured retention or deductible must be satisfied to
9 access potential coverage under Non-Settling Insurer Policies. The Debtor Cash Contribution and
10 any Non-Debtor Catholic Entity Contributions are not, and shall not be construed as, a discharge
11 and/or release of any Abuse Claim (including any Unknown Abuse Claim) covered or alleged to
12 be covered under any of the Non-Settling Insurer Policies. Notwithstanding the foregoing, the
13 Debtor and any Contributing Non-Debtor Catholic Entity shall have no further financial
14 obligations under this Plan or the Plan Documents to Holders of Allowed Abuse Claims (except,
15 in the case of any Contributing Non-Debtor Catholic Entity, with respect to Holders of Opt-Out
16 Abuse Claims as set forth in Section 6.2 hereof), including Allowed Unknown Abuse Claims,
17 other than the obligations required to be paid to the Survivors' Trust in Section 9.3 hereof.

18 9.3.1 *Debtor Cash Contribution.* On the Effective Date of the Plan, the Debtor
19 shall transfer \$63 million in good and available funds to the Survivors' Trust using wiring
20 instructions provided by the Survivors' Trustee (the "Initial Debtor Contribution"). The Initial
21 Debtor Contribution will consist of (i) approximately \$53 million in Cash received through the
22 Exit Facility, and (ii) approximately \$10 million in non-restricted Cash held by the Debtor. The
23 Survivors' Trust shall also receive Cash from the Debtor as set forth below (collectively, the
24 "Additional Debtor Contributions") and together with the Initial Debtor Contribution, the "Debtor
25 Cash Contribution");

26 9.3.1.1 ~~On~~ No later than the date that is one year after the Effective
27 Date, the Debtor shall transfer \$10 million in good and available funds to the Survivors'
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1 Trust using wiring instructions provided by the Survivors' Trustee.

2 9.3.1.2 ~~On~~No later than the date that is two years after the Effective
3 Date, the Debtor shall transfer \$10 million in good and available funds to the Survivors'
4 Trust using wiring instructions provided by the Survivors' Trustee.

5 9.3.1.3 ~~On~~No later than the date that is three years after the
6 Effective Date, the Debtor shall transfer \$10 million in good and available funds to the
7 Survivors' Trust using wiring instructions provided by the Survivors' Trustee.

8 9.3.1.4 ~~On~~No later than the date that is four years after the Effective
9 Date, the Debtor shall transfer \$10 million in good and available funds to the Survivors'
10 Trust using wiring instructions provided by the Survivors' Trustee.

11 9.3.1.5 No later than the date that is five years after the Effective
12 Date, the Debtor shall transfer \$12 million in good and available fund to the Survivors'
13 Trust using wiring instructions provided by the Survivors' Trustee.

14 9.3.2 *Contributions from Non-Debtor Catholic Entities.* Any Non-Debtor
15 Catholic Entity against whom the Holder of a Class 4 Claim has asserted liability in connection
16 with an Abuse Claim may become a Contributing Non-Debtor Catholic Entity by contributing
17 Cash or other assets to the Survivors' Trust in exchange for Releases by such Holders of Class 4
18 Claims.

19 9.3.2.1 *Roman Catholic Welfare Corporation of Oakland.* RCWC
20 shall contribute Cash to the Survivors' Trust in an aggregate amount that is contingent on
21 the number of Releases it secures from those Holders of Class 4 Claims and Class 5
22 Claims who have asserted liability against RCWC in connection with an Abuse Claim
23 ("RCWC Claimants"). RCWC shall transfer a total of ~~\$14,250,000.00~~28,500,000.00 (the
24 "RCWC Cash Contribution") to the Survivors' Trust, as follows: \$2,000,000.00 on the
25 Effective Date, ~~\$3,000,000.00~~4,000,000.00 on the date that is one year after the Effective
26 Date, ~~\$3,000,000.00~~4,000,000.00 on the date that is two years after the Effective Date,
27 ~~\$3,000,000.00~~6,000,000.00 on the date that is three years after the Effective Date, ~~and~~

1 ~~\$3,250,000.00~~6,000,000.00 on the date that is four years after the Effective Date, and
2 \$6,500,000.00 on the date that is five years after the Effective Date; provided, however, if
3 less than 100% of all RCWC Claimants grant RCWC a release pursuant to Section 13.9 of
4 the Plan, then the RCWC Cash Contribution, and each of its installments set forth in this
5 Section 9.3.2.2, shall be reduced by a percentage proportional to the percentage of RCWC
6 Claimants who either opt out of granting RCWC such release or fail to return a Ballot. By
7 way of illustration only, if 80% of RCWC Claimants grant RCWC a release pursuant to
8 Section 13.9 of the Plan, RCWC shall only contribute 80% of the aggregate RCWC Cash
9 Contribution, or ~~\$11,400,000.00~~22,800,000.00, to the Survivors' Trust, in installments of
10 ~~\$1,600,000.00~~3,200,000.00 on the Effective Date, ~~\$2,400,000.00~~3,200,000.00 on the first,
11 and second, and third anniversaries of the Effective Date, \$4,800,000.00 on the third and
12 fourth anniversaries of the Effective Date, and ~~\$2,600,000.00~~5,200,000.00 on the
13 ~~fourth~~fifth anniversary of the Effective Date.

14 9.3.2.2 *Other Contributing Non-Debtor Catholic Entities.* Should
15 any other Non-Debtor Catholic Entity become a Contributing Non-Debtor Catholic Entity
16 between the filing of this Plan and the date of the filing of the Plan Supplement, the Plan
17 Supplement shall set forth the amount of Cash contributed by any such Non-Debtor
18 Catholic Entity (or, if the Contribution is not in Cash, the nature and approximate
19 Cash-value of the contribution by any such Non-Debtor Catholic Entity) and shall set
20 forth the extent to which such Non-Debtor Catholic Entity's contribution is conditioned
21 on the number of Releases it receives from Holders of Class 4 and Class 5 Claims
22 asserting liability against such Non-Debtor Catholic Entity in connection with an Abuse
23 Claim.

24 9.3.2.3 *Release by Holders of Class 5 Claims.* For purposes of
25 calculating the percentage of Releases under Section 13.9 hereof received by a
26 Non-Debtor Catholic Entity, the Unknown Abuse Claims Representative shall count as a
27 single Holder, and each Holder of a Class 4 Claim shall count as a single Holder.
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1 9.3.3 *Separate Contributions.* Any contribution to the Survivors' Trust by a
2 Contributing Non-Debtor Catholic Entity shall be in addition to and separate from the Debtor
3 Cash Contribution.

4 ~~9.3.4 *Livermore Property.* The Debtor, through its affiliate Adventus, shall~~
5 ~~transfer ownership of the Livermore Property to the Survivors' Trust on the Effective Date.~~
6 ~~Adventus shall be treated as a Contributing Non-Debtor Catholic Entity under the Plan.~~

7 9.3.4 ~~9.3.5~~ *Insurance Settlement Agreements.*

8 9.3.4.1 ~~9.3.5.1~~ *Pre-Effective Date.* In addition to the Debtor Cash
9 Contribution, any Cash received by the Debtor on or before the Effective Date in
10 connection with an Insurance Settlement Agreement shall be transferred to the Survivors'
11 Trust on the Effective Date and shall be part of the Survivors' Trust Assets.

12 9.3.4.2 ~~9.3.5.2~~ *Post-Effective Date.* After the Effective Date, the
13 Survivors' Trustee may enter into such Insurance Settlement Agreements as in the
14 Survivors' Trustee's business judgment and in accordance with the Survivors' Trust
15 Documents the Survivors' Trustee deems necessary and beneficial to the Survivors' Trust.
16 To the extent the Survivors' Trustee enters into an Insurance Settlement Agreement that
17 covers the Abuse Claim of a Trust Claimant who elected the Litigation Option and
18 commenced an Abuse Claim Litigation (each as defined in Section 9.8.4 hereof) (a
19 "Settling Trust Claimant"), (i) such Abuse Claim Litigation shall be promptly dismissed
20 to the extent the Settling Trust Claimant is seeking a determination of, and the availability
21 of Insurance Recoveries for, the liability of a Released Party on account of the Settling
22 Trust Claimant's Abuse Claim, (ii) within thirty (30) days after receipt of the Cash
23 consideration of such Insurance Settlement Agreement, the Survivors' Trust shall pay the
24 Settling Trust Claimant an amount equivalent to 50% of the Settling Trust Claimant's
25 then-existing Reserved Amount, calculated based on the value of the Survivors' Trust
26 Assets immediately before receipt of such Cash consideration from the Insurance
27 Settlement Agreement, (iii) the Settling Trust Claimant shall be deemed to have rescinded
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1 their election of the Litigation Option in favor of the Distribution Option and the
2 Survivors' Trustee shall be deemed to have consented to such rescission, each in
3 accordance with Section 9.8.4.7 of the Plan, and (iv) the remaining Cash realized by the
4 Survivors' Trust on account of the Insurance Settlement Agreement shall be added to the
5 Survivors' Trust Assets. Thereafter, Settling Trust Claimants shall be treated as having
6 elected the Distribution Option in all respects and shall be entitled to receive *pro rata*
7 distributions from the Survivors' Trust Assets in accordance with the terms of this Plan
8 and the Survivors' Trust Documents.

9 9.3.5 ~~9.3.6~~ *Assignment of Assigned Insurance Interests.* On the Effective Date,
10 the Insurance Assignment described in Article VIII of the Plan shall become effective.

11 9.3.6 ~~9.3.7~~ *Use of Survivors' Trust Assets.* The Survivors' Trust Assets shall
12 be used in accordance with and for the purposes set forth in the Survivors' Trust Documents,
13 including without limitation to pay Abuse Claims and reasonable expenses of the Survivors'
14 Trust and to pursue and execute Insurance Settlement Agreements. Notwithstanding anything
15 herein to the contrary, no monies and/or assets comprising the Survivors' Trust Assets that are
16 transferred, granted, assigned, or otherwise delivered to the Survivors' Trust shall be used for any
17 purpose other than in accordance with the Plan and the Survivors' Trust Documents.

18 9.3.7 ~~9.3.8~~ *No Insurer Reimbursement Obligation.* The Non-Settling Insurers
19 shall not be liable for or obligated to reimburse any contribution to the Plan made by the Debtor
20 and its Estate, nor shall the Survivors' Trust be authorized to seek such recovery.

21 **9.4. Unknown Abuse Claims Reserve.** Upon the Effective Date, the Survivors' Trust
22 shall segregate \$5,000,000.00 (Five Million Dollars and Zero Cents) of the Initial Debtor
23 Contribution into the Unknown Abuse Claims Reserve. The Unknown Abuse Claims Reserve
24 shall be maintained for the greater of (i) ~~four~~five years after the Effective Date, and (ii) resolution
25 of all Unknown Abuse Claims submitted to the Survivors' Trustee within ~~four~~five years after the
26 Effective Date. On that date, the remaining funds in the Unknown Abuse Claims Reserve will be
27 de-segregated and returned to the Survivors' Trust's general accounts, and neither the Debtor,
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1 Reorganized Debtor, Survivors' Trust, nor any Settling Insurer shall have any more liability for
2 any Unknown Abuse Claim.

3 **9.5. Vesting.** On the Effective Date, all Survivors' Trust Assets shall vest in the
4 Survivors' Trust, and the Debtor, Reorganized Debtor, Contributing Non-Debtor Catholic
5 Entities, and Settling Insurers shall be deemed for all purposes to have transferred all of their
6 respective interests in the Survivors' Trust Assets to the Survivors' Trust. On the Effective Date,
7 or as soon as practicable thereafter, the Reorganized Debtor, any other Released Party, and
8 Settling Insurers, as applicable, shall take all actions reasonably necessary to transfer any
9 Survivors' Trust Assets to the Survivors' Trust. Upon the transfer of control of Survivors' Trust
10 Assets in accordance with this paragraph, the Debtor, Reorganized Debtor, Contributing
11 Non-Debtor Catholic Entities, and the Settling Insurers shall have no further interest in the
12 Survivors' Trust Assets except as otherwise explicitly provided in this Plan.

13 **9.6. Survivors' Trust Assumption of Liabilities for Abuse Claims.** The transfer to,
14 vesting in and assumption by the Survivors' Trust of the Survivors' Trust Assets as contemplated
15 by the Plan shall, as of the Effective Date, discharge all obligations and liabilities of and bar any
16 recovery or action against the Released Parties for or in respect of all Abuse Claims (including
17 Unknown Abuse Claims). The Confirmation Order shall provide for such discharge. Subject to
18 Article VIII hereof and the rights of ~~Holders of Abuse Claims~~ Claimants who elect the Litigation
19 Option, the Survivors' Trust shall, as of the Effective Date, assume sole and exclusive
20 responsibility and liability for all Abuse Claims against the Released Parties, and such Claims
21 shall be paid by the Survivors' Trust from the Survivors' Trust Assets or as otherwise directed in
22 the Survivors' Trust Documents and Articles VIII and IX hereof. From and after the Effective
23 Date, all Abuse Claims against the Released Parties shall be considered Channeled Claims
24 subject to the Channeling Injunction under Section 105(a) of the Bankruptcy Code and the
25 provisions of the Plan and the Confirmation Order. Subject to the foregoing, from and after the
26 Effective Date, the Released Parties shall not have any obligation with respect to any liability of
27 any nature or description arising out of, relating to, or in connection with any Abuse Claims.
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1 **9.7. Right to Elect to Receive an Immediate Payment.** Holder of Abuse
2 ~~Claimants~~Claims may elect to receive the Immediate Payment from the Survivors' Trust by
3 checking the appropriate box on their respective Ballots. Only ~~Holder~~ of Abuse
4 ~~Claims~~Claimants who return a Ballot and who affirmatively check the box on their Ballot
5 indicating they wish to receive the Immediate Payment shall be entitled to receive the Immediate
6 Payment. If a ~~Holder~~ of an Abuse ~~Claim~~Claimant elects to receive the Immediate Payment, the
7 payment will be made within thirty (30) days after the Effective Date. After receipt of the
8 Immediate Payment, the ~~Holder~~ of an Abuse ~~Claim~~Claimant shall not be entitled to any further
9 distributions from the Survivors' Trust and shall not be entitled to pursue any Abuse Claim
10 against the Non-Settling Insurers or any other party. If a Person submitted, or is the Holder of,
11 more than one Abuse Claim and such Holder elects to receive the Immediate Payment, such
12 Holder shall only be entitled to one Immediate Payment on account of all of their Abuse Claims,
13 shall not be entitled to any further distributions from the Survivors' Trust, and shall not be
14 entitled to pursue any Abuse Claim against the Non-Settling Insurers or any other party.

15 **9.8. Method of Determination of Abuse Claims and Rights of Abuse Claimants to**
16 **Choose to Accept a Distribution or to Pursue Litigation.** After the Effective Date, every Trust
17 Claim held by an Abuse Claimant shall be reviewed and allocated a percentage of the recovery
18 pool based on numerical scaling factors (but not based on alleged dollar value of the Claim) by
19 the Abuse Claims Reviewer in order to determine the distribution to each such Holder in
20 accordance with the terms of the Survivors' Trust Documents.

21 **9.8.1 Notice of Initial Determination.** Based on the percentage allocation
22 determined by the Abuse Claims Reviewer, the Survivors' Trustee shall provide a determination
23 of the distribution to which each Holder of each Trust Claim is entitled (the "Initial
24 Determination"), in accordance with the terms of the Survivors' Trust Documents. Each Holder
25 of a Trust Claim will receive a notice containing the Initial Determination, including a projected
26 recovery based on the anticipated available assets of the Survivors' Trust at the time of the Initial
27 Determination.
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9.8.2 *Right to Appeal Notice of Initial Determination.* Within thirty (30) days of receipt of the notice of the Initial Determination, each Holder of a Trust Claim shall have the right to request an additional review of the Initial Determination by the Abuse Claims Reviewer and shall be allowed to submit additional documentation or information that such Claimant believes should be considered. The Abuse Claims Reviewer shall provide a subsequent determination (the “Review Determination”), as provided for in the Survivors’ Trust Documents. If requested, the Review Determination shall be the “Final Determination” for purposes of such Holder’s distributions from the Survivors’ Trust. If the Review Determination is not requested, the outcome of the Initial Determination shall be the Final Determination. For the avoidance of doubt, no determination will be made in the Chapter 11 Case concerning the alleged dollar value of an Abuse Claim for purposes of unsettled Insurance. Neither the Abuse Claims Reviewer’s or Survivors’ Trustee’s review of an Abuse Claim and determination of qualification, nor the Survivors’ Trust’s estimation of Claims or payment of distributions, shall constitute a trial, an adjudication on the merits, or evidence of liability or damages in any litigation with the Non-Settling Insurer or any other Person.

9.8.3 *Distributions to Trust Claimants from the Survivors’ Trust.* Subject to the Survivors’ Trust Documents, the following procedures will govern distributions to Trust Claimants from the Survivors’ Trust:

9.8.3.1 Within 30 days of the Abuse Claims Reviewer’s completion of all Review Determinations, the Survivors’ Trustee shall make a projection of anticipated distributions to each Holder of a Trust Claim. This amount may differ from the Initial Determination after accounting for Review Determinations.

9.8.3.2 The Survivors’ Trustee will make an initial distribution (the “Initial Distribution”) to each Trust Claimant, except for those Trust Claimants who elect the Litigation Option (defined in Section 9.8.4). Any Trust Claimant who does not timely elect the Litigation Option (defined in Section 9.8.4) shall automatically be deemed to have elected to receive a distribution from the Survivors’ Trust under this Section 9.8.3

1 (the “Distribution Option”). The Initial Distribution shall be comprised of each such Trust
2 Claimants’ *pro rata* share of the Survivors’ Trust Assets existing on that date, less (i)
3 reasonable reserves for the Survivors’ Trust and (ii) all reserves made pursuant to Section
4 9.8.4.1 hereof, in each case to be determined by the Survivors’ Trustee in accordance with
5 the Survivors’ Trust Documents (the “Initial Reserve”). ~~The Survivors’ Trustee may, but~~
6 ~~need not, wait until the liquidation of the Livermore Property to make the Initial~~
7 ~~Distribution.~~

8 9.8.3.3 Upon the receipt of additional contributions into the
9 Survivors’ Trust, including from sales of real property owned by the Survivors’ Trust, the
10 Survivors’ Trustee shall make further distributions (the “Additional Distributions”) to the
11 Trust Claimants who ~~elected (or who~~ are deemed to have elected (or who later changed
12 their election from the Litigation Option to) the Distribution Option ~~in accordance with~~
13 ~~this Section of the Plan~~ and the Survivors’ Trust Documents, less such appropriate
14 reserves (the “Additional Reserves”).

15 9.8.3.4 After (i) the final resolution of all Trust Claims, including
16 with respect to the Trust Claimants who selected the Litigation Option, and (ii) all
17 Survivors’ Trust Assets are monetized, the Survivors’ Trustee shall make a final
18 distribution to the Trust Claimants who elected (or who are deemed to have elected) the
19 Distribution Option (the “Final Distribution”), which shall include previously withheld
20 reserves and any reallocated funds. If, after 180 days from the date of the Final
21 Distribution, there are any funds which are not claimed by the Trust Claimant, such
22 unclaimed funds shall be returned to the Reorganized Debtor.

23 9.8.4 *Right to Elect Litigation Against Non-Settling Insurers and Other*
24 *Parties.* Irrespective of whether a Trust Claimant has requested an additional review of the Initial
25 Determination by the Abuse Claims Reviewer, within ninety (90) days after receiving the notice
26 of the Initial Determination of the Trust Claimant’s Trust Claim, such Trust Claimant may elect
27 to pursue litigation against the Debtor (as a nominal party only), Non-Settling Insurers and/or
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1 other parties (excluding the Debtor or Reorganized Debtor as appropriate) (the “Abuse Claim
2 Litigation” and, the election of the Abuse Claim Litigation, the “Litigation Option”) by filing the
3 notice described in Section 8.2.2 of the Plan. Trust Claimants who do not timely make an
4 election will be deemed to have chosen to forego the Litigation Option and to ~~receive an Initial~~
5 ~~Distribution (the “have elected the Distribution Option”).~~

6 9.8.4.1 In the event a Trust Claimant elects the Litigation Option,
7 the Reserved Amount to be held by the Survivor’s Trustee on account of such Trust
8 Claimant shall be the amount of such Trust Claimant’s Final Determination. As the
9 Survivors’ Trust receives additional Cash (including, without limitation, on account of the
10 Debtor Cash Contributions, RCWC Cash Contributions, Insurance Settlement
11 Agreements, other contributions of Cash, or proceeds from the liquidation of any of the
12 Survivors’ Trust Assets), the Survivors’ Trustee shall increase the Reserved Amount on
13 account of such Trust Claimant commensurately.

14 9.8.4.2 The liability, if any, of the Survivors’ Trust to a Trust
15 Claimant who elects the Litigation Option shall be limited to the Reserved Amount for
16 such Trust Claimant, even if the Trust Claimant obtains a judgment by a Final Order
17 through the Abuse Claim Litigation (the “Litigation Judgment”) that is higher than the
18 Reserved Amount.

19 9.8.4.3 In the case of a Trust Claimant who obtains a Litigation
20 Judgment that is lower than the Reserved Amount for such Trust Claimant, the
21 distribution from the Survivors’ Trust to such Trust Claimant shall be capped at the
22 amount of the Litigation Judgment; provided, however, that such distribution from the
23 Survivors’ Trust shall be further reduced by the amount of any liability for the Litigation
24 Judgment that is apportioned to (i) one or more defendants in the Abuse Claim Litigation
25 other than any of the Released Parties, and/or (ii) any Non-Settling Insurer on account of
26 such Non-Settling Insurer’s coverage obligations under an Abuse Insurance Policy, if any,
27 subject to such Non-Settling Insurer’s rights to Contribution and other rights under this
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1 Plan and the applicable Abuse Insurance Policy(ies). The difference between a Trust
2 Claimant's Reserved Amount and the reduced distribution to such Trust Claimant from
3 the Survivors' Trust shall be reallocated for distribution to Trust Claimants in their
4 *pro rata* share.

5 9.8.4.4 In the case of a Trust Claimant who obtains a Litigation
6 Judgment that is higher than the Reserved Amount for such Trust Claimant, the
7 distribution from the Survivors' Trust to such Trust Claimant shall be the lower of: (a) the
8 Reserved Amount or (b) the amount of such Litigation Judgment less any liability for the
9 Litigation Judgment apportioned to (i) any defendants in the Abuse Claim Litigation other
10 than any of the Released Parties and/or (ii) any Non-Settling Insurer on account of such
11 Non-Settling Insurer's coverage obligations under an Abuse Insurance Policy, if any,
12 subject to such Non-Settling Insurer's rights to Contribution and other rights under this
13 Plan and the applicable Abuse Insurance Policy(ies). The difference between a Trust
14 Claimant's Reserved Amount and the reduced distribution to such Trust Claimant from
15 the Survivors' Trust shall be reallocated for distribution to Trust Claimants who elected
16 the Distribution Option in their *pro rata* share.

17 9.8.4.5 If a Trust Claimant obtains a Litigation Judgment for which
18 all liability is assigned in the aggregate to (i) defendants in the Abuse Claim Litigation
19 other than the Released Parties and/or (ii) one or more Non-Settling Insurers, any party
20 found liable for payment to such Trust Claimant shall pay that judgment directly to such
21 Trust Claimant. The Trust Claimant shall have no further claims against the Survivors'
22 Trust. The Survivors' Trustee shall reallocate the Reserved Amount on account of such
23 Trust Claimant's Trust Claim for distribution to Trust Claimants who elected the
24 Distribution Option in their *pro rata* share.

25 9.8.4.6 If, pursuant to Section 9.8.4, a Trust Claimant who received
26 a Litigation Judgment is entitled to a distribution from the Survivors' Trust, the Survivors'
27 Trustee shall make any such distribution from the Survivors' Trust Assets to such Trust
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1 Claimant not later than thirty (30) days after the Survivors' Trustee receives notice of
2 entry of the Trust Claimant's Litigation Judgment in the Abuse Claim Litigation. If the
3 Survivors' Trust is not a formal notice party in the Abuse Claim Litigation filed by such
4 Trust Claimant, it shall be the burden of the Trust Claimant to serve the Survivors'
5 Trustee with notice of entry of the Trust Claimant's Litigation Judgment in the Abuse
6 Claim Litigation.

7 9.8.4.7 Upon written notice to the Survivors' Trustee, subject to the
8 Survivors' Trustee's sole and absolute discretion, a Trust Claimant who selected the
9 Litigation Option may rescind that election in favor of the Distribution Option and shall
10 be treated, for all purposes under the Plan, as having selected the Distribution Option.
11 Notwithstanding the foregoing, the Survivors' Trustee shall consent to such rescission if
12 such written notice of rescission is given prior to entry of an order of dismissal or a final
13 judgment by a Final Order in the Abuse Claim Litigation in favor of a Released Party.

14 9.8.4.8 Trust Claimants electing the Distribution Option rather than
15 the Litigation Option shall be eligible for Additional Distributions and any Final
16 Distribution, in each case as determined by the Survivors' Trustee in accordance with the
17 Survivors Trust Documents but may not later change their election to the Litigation
18 Option.

19 9.8.4.9 Following final resolution of the last Abuse Claim
20 Litigation, the Survivors' Trustee will make the Final Distribution as set forth in
21 Section 9.8.3.4 above.

22 9.8.5 *Reporting Requirement.* The Survivors' Trustee shall report to the
23 Reorganized Debtor, on a quarterly basis, or upon reasonable request, (i) the date on which each
24 ~~Holder of an Abuse Claim~~Claimant is notified of their award under the Survivors' Trust
25 Distribution Plan, (ii) whether each ~~Holder of an Abuse Claim~~Claimant has elected the Immediate
26 Payment, the Distribution Option, or the Litigation Option, and (iii) any modification made by
27 any ~~Holder of an Abuse Claim~~Claimant to their treatment status.
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9.9. Compensation and Reimbursement of Expenses to Survivors' Trustee and Survivors' Trust Professionals. The Survivors' Trustee shall be entitled to compensation as provided for in the Survivors' Trust Documents. The Survivors' Trustee may retain and reasonably compensate, without Bankruptcy Court approval and without the consent of the Reorganized Debtor, counsel and other Professionals as reasonably necessary to assist in the duties of the Survivors' Trustee subject to the terms of the Survivors' Trust Documents. All fees and expenses incurred in connection with the foregoing shall be payable from the Survivors' Trust, as provided for in the Survivors' Trust Documents.

9.10. Excess Survivors' Trust Assets. After the payment of all Abuse Claims that are entitled to a distribution from the Survivors' Trust and all expenses of the Survivors' Trust Expenses, all remaining Assets in the Survivors' Trust shall be transferred to the Reorganized Debtor concurrent with the termination of the Survivors' Trust pursuant to the Survivors' Trust Documents.

9.11. Indemnification of Debtor, Reorganized Debtor, and Contributing Non-Debtor Catholic Entities. The Survivors' Trust shall indemnify and hold harmless the Debtor, Reorganized Debtor, and the Contributing Non-Debtor Catholic Entities from and against any and all Abuse Claims, as well as indemnify and reimburse such parties for all fees, costs and expenses related to Abuse Claims (including such fees, costs and expenses incurred in connection with discovery), to the extent set forth in this Plan and the Survivors' Trust Documents. The Survivors' Trust shall not have any obligation to indemnify any Person accused of committing a physical act of Abuse against ~~a Holder of an Abuse Claim or such Holder's~~ Claimant or such Abuse Claimant's predecessor(s)-in-interest.

9.12. Modification of Survivors' Trust Documents. The Survivors' Trust Documents may not be amended or modified without the consent of the Reorganized Debtor. The Reorganized Debtor shall also have consent rights with respect to the appointment of any successor Survivors' Trustee and Survivors' Trust Advisory Committee members, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the indemnification

1 obligations of the Survivors' Trust described in this Plan as to any Released Party may not be
2 amended or modified without the consent of such Released Party and no such amendment shall
3 affect the rights of any remaining Non-Settling Insurers.

4 **ARTICLE X**
5 **CONDITIONS TO CONFIRMATION AND EFFECTIVENESS OF THE PLAN**

6 **10.1. Conditions to Confirmation.** The following are conditions precedent to
7 Confirmation of this Plan that must be (i) satisfied, or (ii) waived, subject to Court approval:

8 10.1.1. A Final Order, finding the Disclosure Statement contains adequate
9 information pursuant to Section 1125 of the Bankruptcy Code, shall have been entered by the
10 Court.

11 10.1.2. The Plan, Plan Supplement, Disclosure Statement, Survivors' Trust
12 Documents, and any other Plan Documents are in a form acceptable to the Debtor and
13 Contributing Non-Debtor Catholic Entities. Except as to the Debtor, all such documents shall be
14 deemed acceptable to each of the foregoing Persons unless such Person Files a written objection
15 to confirmation of the Plan.

16 10.1.3. The proposed Confirmation Order is acceptable to the Debtor and
17 Contributing Non-Debtor Catholic Entities. Except as to the Debtor, all such documents shall be
18 deemed acceptable to each of the foregoing Persons unless such Person Files a written objection
19 to the form of the proposed Confirmation Order.

20 10.1.4. The Confirmation Order approves the Channeling Injunction and
21 Exculpation Clause.

22 10.1.5. The Confirmation Order approves the release of, and releases, all
23 Contributing Non-Debtor Catholic Entities to the extent provided in the Plan.

24 10.1.6. The Confirmation Order shall include findings of fact that: (i) the release
25 of each of the Contributing Non-Debtor Catholic Entities is fair and necessary to the Debtor's
26 reorganization and reorganization is unlikely without that Entity's release; (ii) sufficient identity
27 of interests exists between the Debtor and the released Contributing Non-Debtor Catholic Entities
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1 such that a suit against any of the released Contributing Non-Debtor Catholic Entities is a suit
2 against the Debtor or will deplete Estate assets; (iii) all consideration given by a released
3 Contributing Non-Debtor Catholic Entity provides significant and critical funding for this Plan
4 constituting a substantial contribution to the success of the Plan; and (iv) released Contributing
5 Non-Debtor Catholic Entities would not make a substantial contribution absent the benefits they
6 obtain from the third-party releases.

7 10.1.7. The Confirmation Order shall include a finding of fact that the Debtor,
8 each of the Contributing Non-Debtor Catholic Entities, any Settling Insurers, and each of their
9 respective present and former members, officers, directors, employees, advisors, attorneys, and
10 agents acted in good faith within the meaning of and with respect to all of the actions described in
11 Section 1125(e) of the Bankruptcy Code and are, therefore, not liable for the violation of any
12 applicable law, rule, or regulation governing such actions.

13 10.1.8. The Confirmation Order in a form consistent with the foregoing shall be
14 entered in the Chapter 11 Case.

15 **10.2. Conditions to Effectiveness.** The following are conditions precedent to the
16 Effective Date that must be (i) satisfied, or (ii) waived, subject to Court approval (for the
17 avoidance of doubt, the Effective Date is not conditioned on resolution of any litigation or
18 assumption of any Unexpired Leases or Executory Contracts):

19 10.2.1. The Confirmation Order shall have been entered and shall be a Final Order
20 in a form reasonably acceptable to the Debtor, and there shall be no stay or injunction that would
21 prevent the occurrence of the Effective Date. The Debtor in its sole discretion may waive the
22 requirement that the Confirmation Order be a Final Order.

23 10.2.2. There shall have been no material amendments to the Plan or Confirmation
24 Order.

25 10.2.3. The Debtor and all other necessary parties shall have executed all
26 documents and entered into all agreements as may be necessary in connection with the Exit
27 Facility described in Article XI of the Plan.
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1 10.2.4. The Debtor, the Survivors' Trustee, and any other necessary parties shall
2 have executed all documents necessary for formation of the Survivors' Trust, and for the
3 Survivors' Trustee to administer and operate the Survivors' Trust.

4 ~~10.2.5. All approvals necessary to effectuate the transfer of the Livermore Property~~
5 ~~to the Survivors' Trust have been obtained.~~

6 10.2.5. ~~10.2.6.~~ Transfer of funds to the Survivors' Trust for all initial contributions
7 to the Survivors' Trust shall have been made, and the proof thereof provided to the Debtor and
8 the Survivors' Trustee.

9 10.2.6. ~~10.2.7.~~ All other actions, authorizations, filings, consents, and approvals
10 required (if any), including but not limited to canonical approvals, shall have been obtained,
11 effected, or executed in a manner acceptable to the Debtor and remain in full force and effect or,
12 if waivable, waived by the Person or Persons entitled to the benefit thereof.

13 10.2.7. ~~10.2.8.~~ All other actions, documents, and agreements necessary to
14 implement and effectuate the Plan shall have been effected or executed.

15 10.2.8. ~~10.2.9.~~ The statutory fees owing to the United States Trustee as of the
16 deadline for payment immediately preceding the Effective Date shall have been paid in full.

17 **10.3. Waiver of Conditions.** The conditions to Confirmation set forth in Section 10.1 or
18 the Effective Date set forth in Section 10.2 may be waived, in whole or in part, by the Debtor,
19 subject to approval of the Court, provided that Sections 10.2.3 and 10.2.4 are not waivable. The
20 failure to satisfy any material condition to Confirmation or the Effective Date may be asserted by
21 the Debtor in its sole discretion so long as such failure was not primarily caused by any action or
22 inaction by the Debtor. The failure of the Debtor to exercise any of the foregoing rights shall not
23 be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right,
24 which may be asserted at any time.

25 **10.4. Revocation of the Plan.** If Confirmation does not occur, an order denying
26 Confirmation is entered by the Court, or if the Plan does not become effective, then the Plan shall
27 be null and void, and nothing contained in the Plan or Disclosure Statement shall: (a) constitute a
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1 waiver or release of any Claims against the Debtor; (b) constitute a waiver or release of any right,
2 claim or cause of action of the Debtor; (c) constitute an admission of any fact or legal conclusion
3 by the Debtor or any other Person; (d) prejudice in any manner the rights of the Debtor or any
4 other party in any related or further proceedings; or (e) constitute a settlement, implicit or
5 otherwise, of any kind whatsoever.

6 **ARTICLE XI**
7 **EXIT FINANCING**

8 **11.1. The Exit Facility.** On the Effective Date, the Reorganized Debtor shall enter into
9 the Exit Facility with the Exit Facility Lender. Confirmation of the Plan shall be deemed
10 approval of the Exit Facility, the transactions contemplated thereby, and all actions to be taken,
11 undertakings to be made, and obligations to be incurred by the Reorganized Debtor in connection
12 therewith. Upon entry of the Confirmation Order, the Debtor and Reorganized Debtor (as
13 applicable) shall be authorized to execute and deliver those documents necessary or appropriate
14 to obtain the Exit Facility, including the Exit Facility Documents, without further notice to or
15 order of the Court, act or action under applicable law, regulation, order, or rule or vote, consent,
16 authorization, or approval of any Person, subject to such modifications as the Debtor and the Exit
17 Facility Lender may deem to be necessary to consummate the Exit Facility. Proceeds of the Exit
18 Facility shall be used to fund the Initial Debtor Contribution and the operations of the
19 Reorganized Debtor.

20 **11.2. Effect of the Exit Facility.** On the Effective Date, the Exit Facility shall constitute
21 legal, valid, binding and authorized indebtedness and obligations of the Reorganized Debtor,
22 enforceable in accordance with its terms and such indebtedness and obligations (and the
23 transactions effectuated to implement the Exit Financing) shall not be and shall not be deemed to
24 be, enjoined or subject to discharge, impairment, release or avoidance under the Plan, the
25 Confirmation Order or on account of the confirmation or consummation of the Plan. On the
26 Effective Date, all the liens and security interests granted in accordance with the Exit Facility
27 Documents shall be legal, valid, binding upon the Reorganized Debtor, enforceable in accordance
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1 with their respective terms, and no obligation, payment, transfer or grant of security under the
2 Exit Facility Documents shall be stayed, restrained, voidable, or recoverable under the
3 Bankruptcy Code or under any applicable law or subject to any defense, reduction, recoupment,
4 setoff or counterclaim. Such liens and security interests shall be deemed automatically perfected
5 on the Effective Date without the need for the taking of any further filing, recordation, approval,
6 consent or other action, and such liens and security interests shall not be enjoined or subject to
7 discharge, impairment, release, avoidance, recharacterization or subordination (including
8 equitable subordination) for any purposes whatsoever and shall not constitute preferential
9 transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy
10 law.

11 **11.3. Authorization.** On the Effective Date, the Reorganized Debtor and the Exit
12 Facility Lender shall be authorized to make all filings and recordings, obtain all governmental
13 approvals and consents, and take any other actions necessary to establish and perfect such liens
14 and security interests under the provisions of the applicable state, federal, or other law (whether
15 domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation
16 Order (it being understood that perfections shall occur automatically by virtue of the entry of the
17 Confirmation Order and any such filings, recordings, approvals, and consents shall not be
18 required), and the Reorganized Debtor shall thereafter cooperate to make all other filings and
19 recordings that otherwise would be necessary under applicable law to give notice of such liens
20 and security interests to third parties.

21 **ARTICLE XII**
22 **MEANS FOR IMPLEMENTING THE PLAN**

23 **12.1. Revesting.**

24 12.1.1 *Revesting of Property in the Reorganized Debtor.* On the Effective Date,
25 all property of the Estate as defined in Section 541 of the Bankruptcy Code, including any Causes
26 of Action, shall revert in the Reorganized Debtor, free and clear of all liens and encumbrances
27 and all Claims, rights, interests, and entitlements. Thereafter, the Reorganized Debtor may use,
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1 sell, transfer or exchange such property in its discretion, subject to any restriction or limitation set
2 forth in the Plan.

3 12.1.2 *Obtaining Credit.* At any time after the Effective Date the Reorganized
4 Debtor may obtain credit in its sole discretion without approval of the Bankruptcy Court.

5 12.1.3 *No Waiver.* No claim, right, Cause of Action, or other property of the
6 Estate shall be deemed waived or otherwise forfeited by the Debtor's failure to identify such
7 property in the Schedules or the Disclosure Statement accompanying the Plan.

8 **12.2. *Non-Monetary Commitment to Healing and Reconciliation.*** In order to further
9 promote healing and reconciliation, and in order to continue efforts to protect children and
10 vulnerable adults and to prevent Abuse from occurring in the future, the Reorganized Debtor
11 shall, as of the Effective Date (unless a different date is provided in the Confirmation Order),
12 continue the non-monetary measures outlined in Article IV(G) of the Disclosure Statement
13 entitled "Debtor's Mission to Effect Reconciliation and Compensation," which non-monetary
14 measures are expressly incorporated herein.

15 **12.3. *CCCEB Settlement.*** Upon the occurrence of the Effective Date, the CCCEB
16 Settlement, in accordance with the CCCEB Settlement Documents, shall become effective. The
17 CCCEB Settlement shall include the following terms:

18 12.3.1. In full and complete satisfaction of all obligations under the CCCEB Note,
19 CCCEB shall transfer to RCBO on the Effective Date fee simple title to the Cathedral Property,
20 together with all improvements thereon and all tangible personal property owned by CCCEB and
21 located on or used in connection with operation of the Cathedral Property.

22 12.3.2. CCCEB shall assign to RCBO, and RCBO shall assume all obligations of
23 CCCEB under, all current contracts related to maintenance, operation, and security of the
24 Cathedral Property, provided that RCBO may decline to assume any such contract following
25 reasonable diligence review, and further provided that to the extent any such contracts are not
26 assignable under their terms or applicable law or assignment would constitute a breach under the
27 terms of such contract, RCBO may instead, at its election, fund CCCEB's obligations for
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1 payment under any such contracts.

2 12.3.3. Funds in deposit accounts in the name of or controlled by CCCEB for
3 operation of the Cathedral Property shall, at RCBO's election, be transferred to RCBO, or
4 otherwise used for operating expenses related to the Cathedral Property or otherwise to pay the
5 debts of CCCEB.

6 12.3.4. CCCEB shall assign to RCBO, and RCBO shall assume all obligations
7 under the existing leases and user agreements with tenants and other users of the Cathedral
8 Property, including (i) that certain License and Services Agreement dated as of January 1, 2020,
9 with RCC regarding the mausoleum on the Cathedral Property; (ii) that certain Commercial
10 Office Lease Agreement with RCC dated as of April 3, 2024; (iii) that certain Lease Agreement
11 with the Order of Malta Clinic of Northern California dated January 25, 2008, and amended
12 February 10, 2023; and (iv) agreements for use of Cathedral Property space with RCWC, and the
13 Cathedral of Christ the Light parish Church.

14 12.3.5. CCCEB shall have no further obligation or liability of any kind for the debt
15 evidenced by the CCCEB Note, or in connection with the CCCEB Note.

16 12.3.6. The Debtor and CCCEB shall agree to such other terms, not inconsistent
17 with the Plan, as are necessary or desired to complete the CCCEB Settlement.

18 **12.4. Treatment of Actions and Causes of Action.** On the Effective Date, all Causes of
19 Action held by the Estate or the Debtor other than those included in the Survivors' Trust Assets
20 shall be deemed fully vested in the Reorganized Debtor. Pursuant to Section 1123(b)(3) of the
21 Bankruptcy Code, the Reorganized Debtor shall retain and have the exclusive authority and
22 standing to prosecute, enforce, pursue, sue on, settle or compromise any and all Causes of Action
23 (including Avoidance Actions), arising before the Effective Date, including all Causes of Action
24 of a trustee and debtor-in-possession under the Bankruptcy Code, but not including the Coverage
25 Action, Assigned Insurance Interests, and any other Causes of Action expressly released or
26 compromised as part of or pursuant to the Plan or by other order of the Bankruptcy Court entered
27 prior to the Effective Date. The Reorganized Debtor shall also retain and may prosecute and
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1 enforce all defenses, counterclaims, and rights that have been asserted or could be asserted by the
2 Debtor against or with respect to all Claims asserted against the Debtor or property of the Estate.
3 Failure to specifically identify potential Causes of Action in the Plan shall not be deemed a
4 waiver of any such Cause of Action by the Debtor, Reorganized Debtor, or the Survivors' Trust.

5 **12.5. Continued Existence.** From and after the Effective Date, the Debtor shall
6 continue in existence as the Reorganized Debtor in accordance with applicable law for all
7 purposes, including, among other things, (a) enforcing and prosecuting claims, interests, rights,
8 and privileges of the Debtor including, without limitation, prosecuting Causes of Action,
9 (b) resolving Disputed Claims, (c) administering the Plan, (d) filing appropriate tax returns and
10 refund requests, and (e) performing all such other acts and conditions required by and consistent
11 with consummation of the Plan.

12 **12.6. The Survivors' Trust.** On the Effective Date, the Survivors' Trust shall be
13 created, as provided in Article IX of the Plan.

14 **12.7. Post-Effective Date Prosecution of Non-Abuse Litigation Claims.**

15 12.7.1 *Relief from the Automatic Stay.* Effective upon the Effective Date,
16 Holders of Class 6 Claims are granted relief from the automatic stay of Section 362 of the
17 Bankruptcy Code solely for the purpose of continuing to prosecute their Class 6 Claim in a court
18 of competent jurisdiction (each, a "Class 6 Action"), including but not limited to litigating such
19 action through entry of a judgment, prosecution of any appeals and/or settlement of such action,
20 subject to the terms and conditions set forth herein. All Holders of Class 6 Claims shall be
21 permitted, but not required, to liquidate their Class 6 Action in a court of competent jurisdiction
22 in accordance with 28 U.S.C. § 157(b)(2)(B).

23 12.7.2 *Non-Abuse Litigation Reserve.* No less than sixty (60) days after the
24 Effective Date, the Reorganized Debtor shall establish the Non-Abuse Litigation Reserve and
25 fund it with \$750,000.00.

26 12.7.3 *Sources of Recovery for Non-Abuse Litigation Claims.* Notwithstanding
27 any provision to the contrary in the Plan Documents, Holders of Class 6 Claims shall be entitled
28

1 to prosecute and/or settle their respective Class 6 Action, provided that each such Holder shall be
2 limited to recovering from (i) the proceeds of any applicable insurance policy which provides
3 coverage, or could provide coverage, with respect to such Class 6 Claim and (ii) its *pro rata*
4 portion of the Non-Abuse Litigation Reserve; provided, however, no Holder of a Class 6 Claim
5 may recover more than \$250,000.00 from the Non-Abuse Litigation Reserve. Effective upon the
6 Effective Date, Holders of Class 6 Claims shall be otherwise barred and enjoined from seeking
7 recovery on any judgment or settlement obtained in their respective Class 6 Action from the
8 assets of the Debtor, Reorganized Debtor, Contributing Non-Debtor Catholic Entities, Survivors'
9 Trust, and any other party receiving a release under this Plan.

10 12.7.4 *Insurance Coverage for Non-Abuse Litigation Claims.* All parties,
11 including, but not limited to, any insurer under any insurance policy alleged to provide coverage
12 of a Class 6 Claim, reserve and expressly do not waive any of their rights, remedies and/or
13 defenses with respect to any Class 6 Claim. If any insurer denies and/or disclaims coverage of a
14 Class 6 Claim, the Debtor or Reorganized Debtor (as applicable) shall reasonably cooperate at the
15 sole cost of the Holder of such Class 6 Claim to assign to that Holder the right to pursue and
16 receive the proceeds of any applicable coverage under such Insurer's Abuse Insurance Policy or
17 Abuse Insurance Policies. Nothing contained herein shall be deemed a representation or warranty
18 concerning the availability, scope or interpretation of any insurance coverages which may or may
19 not exist for Class 6 Claims.

20 **12.8. *Bankruptcy Procedure and Transition.***

21 12.8.1 *Notice Required Post-Confirmation.* Except as otherwise specifically
22 provided in this Plan, notice of Filings in the Bankruptcy Court after the Confirmation Date,
23 including fee applications, shall be required to be given only to Persons or Entities on the
24 Post-Confirmation Notice List. Consistent with the Local Rules of the Bankruptcy Court, no
25 other form of service shall be required on parties receiving service through ECF.

26 12.8.2 *Post-Confirmation Matters.* Except as otherwise specified herein,
27 matters arising after the Confirmation Date and subject to the Court's retained jurisdiction may be
28

1 initiated in the same manner and with the same effect as if the Chapter 11 Case was pending
2 before the Bankruptcy Court and the Plan had not been confirmed. Subject to the provisions of
3 the Plan and the Bankruptcy Code governing compensation of Professionals, and except as
4 provided in Article XIII of the Plan, every party to such a matter shall bear its own attorneys' fees
5 and costs in connection therewith.

6 12.8.3 *Dissolution of the Committee.* On the Effective Date, the Committee
7 shall be dissolved and the Committee and its members, as of the Effective Date, shall be
8 discharged of and from all further authority, duties, responsibilities, and obligations related to,
9 arising from and in connection with the Chapter 11 Case.

10 12.8.4 *Statutory Fees.*

11 12.8.4.1 The Reorganized Debtor shall continue to pay all
12 U.S. Trustee Fees accruing on or before the earlier of (i) the closing of the Chapter 11
13 Case, and (ii) December 31, 2026. Should the Chapter 11 Case remain open through
14 January 1, 2027 or later, the Survivors' Trust shall pay all U.S. Trustee Fees accruing on
15 or after that date until the Chapter 11 Case is closed. All U.S. Trustee Fees shall be paid
16 at the rate in effect at the time such fees come due.

17 12.8.4.2 Solely for purposes of calculating U.S. Trustee Fees on
18 account of the amounts to be funded by the Debtor to the Survivors' Trust, such amounts
19 shall be considered distributions from the Debtor pursuant to 28 U.S.C. § 1930(a)(6) on
20 the date of such distributions.

21 12.8.4.3 Contributions by any party to the Survivors' Trust other than
22 the Debtor, including without limitation a Contributing Non-Debtor Catholic Entity or a
23 Settling Insurer, shall not be considered distributions by or on behalf of the Debtor or
24 Reorganized Debtor for purposes of calculating U.S. Trustee Fees.

25 12.8.4.4 Distributions from the Survivors' Trust shall not be
26 considered distributions by or on behalf of the Debtor or Reorganized Debtor for purposes
27 of calculating U.S. Trustee Fees.
28

1 12.8.5 *Post-Confirmation Reporting.* The Reorganized Debtor shall file with
2 the Bankruptcy Court post-confirmation quarterly reports in a form consistent with Bankruptcy
3 Code § 1106(a)(7), Bankruptcy Rule 2015(a)(5), and 28 C.F.R. § 58.8 until the earliest of the
4 Chapter 11 Case being closed, dismissed, or converted to a case under Chapter 7 of the
5 Bankruptcy Code.

6 **12.9. *Post-Petition Deposits.***

7 12.9.1 *Closing of Utility Deposit Account.* As of the Effective Date, the
8 Reorganized Debtor shall be authorized to close the Adequate Assurance Account, as defined in
9 the *Final Order Establishing Adequate Assurance Procedures With Respect to The Debtor's*
10 *Utility Providers* [Docket No. 114], and retain all funds held therein.

11 12.9.2 *Other Deposits.* From and after the Effective Date, the Reorganized
12 Debtor may, at its election, demand the refund of any deposit provided to a Person other than a
13 utility after the Petition Date or may offset the amount of such deposit, at the Reorganized
14 Debtor's election, against either post-Effective Date billings or against distributions to the holder
15 of such deposit on account of its Allowed Claims, or otherwise take any actions permitted by law
16 to obtain recovery of such deposit; for the avoidance of any doubt, the foregoing supersedes any
17 pre- or post-petition agreement between the holder of such deposit and the Debtor.

18 **12.10. *Other Actions.*** On and after the Effective Date, the Reorganized Debtor shall be
19 authorized to take such actions as are reasonably necessary to complete and effectuate the terms
20 of this Plan, subject only to the specific limitations contained in this Plan, the Bankruptcy Code or
21 Bankruptcy Rules, and any order of the Court.

22 **12.11. *General Settlement.*** Pursuant to Sections 105 and 1123 of the Bankruptcy Code
23 and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and
24 other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall
25 constitute a good faith compromise and settlement of all Claims and controversies resolved
26 pursuant to the Plan, including without limitation the CCCEB Settlement. On or before the
27 Effective Date, the Bankruptcy Court will have approved, by Final Order, such compromises, and
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1 the Bankruptcy Court's findings will constitute its determination that such compromises and
2 settlements are in the best interests of the Debtor, the Estate, ~~Holder~~s of Abuse ~~Claims~~Claimants
3 (including Unknown Abuse Claims), Holders of other Claims, and other parties in interest, and
4 are fair, equitable, and within the range of reasonableness. To the extent a separate Final Order is
5 not entered on or before the Confirmation Date, the entry of the Confirmation Order will
6 constitute the Final Order approving the compromises and settlements hereunder.

7 **12.12. Closing of the Case.** As soon as reasonably practicable when the Reorganized
8 Debtor deems appropriate, consistent with the provisions of this Plan, the Bankruptcy Code
9 including without limitation Section 350 of the Bankruptcy Code, the Bankruptcy Rules including
10 without limitation Bankruptcy Rule 3022, and the Local Rules of this Court, the Reorganized
11 Debtor shall file and serve an application for entry of a Final Decree closing the Chapter 11 Case,
12 together with a proposed Final Decree. A Final Decree may be entered before the Survivors'
13 Trust is fully administered, and the expectation that the Survivors' Trust will make further
14 distributions shall not be a basis for delaying entry of a Final Decree. Entry of a Final Decree
15 closing the Chapter 11 Case shall, whether or not specified therein, be without prejudice to the
16 right of the Reorganized Debtor, the United States Trustee, the Survivors' Trustee, or any other
17 party in interest to reopen the Chapter 11 Case for any matter over which the Bankruptcy Court or
18 the District Court has retained jurisdiction under this Plan. Any Final Decree or order closing this
19 Chapter 11 Case will provide that the Bankruptcy Court or the District Court, as appropriate, will
20 retain (a) jurisdiction to enforce, by injunctive relief or otherwise, the Confirmation Order, any
21 other orders entered in this Chapter 11 Case, and the obligations created by this Plan and the Plan
22 Documents; and (b) all other jurisdiction and authority granted to it under this Plan and the Plan
23 Documents.

24 **ARTICLE XIII**
25 **EFFECT OF PLAN CONFIRMATION**

26 **13.1. Binding Effect of Confirmation.** As of the Confirmation Date, but subject to
27 occurrence of the Effective Date, the provisions of this Plan shall be binding on and inure to the
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1 benefit of the Debtor, the Estate, all Holders of Claims against the Debtor, and all other Persons
2 or Entities whether or not such Persons or Entities have accepted this Plan. The rights, benefits,
3 and obligations of any Person or Entity named or referred to in the Plan will be binding on, and
4 will inure to the benefit of, the executors, administrators, successors and assigns of each Person
5 or Entity (as applicable), whether or not they have accepted the Plan.

6 **13.2. Ratification.** Subject to all ~~of~~ the terms of this Plan, the Confirmation Order shall
7 be deemed to ratify all transactions effectuated by the Debtor during the pendency of the
8 Chapter 11 Case to the extent occurring pursuant to an order of the Court.

9 **13.3. Discharge of Claims.** Under Section 1141(d) of the Bankruptcy Code, and except
10 as otherwise specifically provided in the Plan or in any agreement or document executed pursuant
11 to the Plan, the distributions, rights, and treatment of Claims and Causes of Action in the Plan
12 shall be in complete satisfaction, discharge, and release, as of the Effective Date, of Claims and
13 Causes of Action that arose prior to the Effective Date, whether known or unknown, against the
14 Debtor (including for the avoidance of doubt the Churches) or any of its assets or properties,
15 including without limitation (i) any demands, liabilities, and Causes of Action that arose before
16 the Effective Date, (ii) any liability to the extent such Claims relate to services performed by
17 employees of the Debtor before the Effective Date and that arise from a termination of
18 employment, (iii) any contingent or non-contingent liability on account of representations or
19 warranties issued on or before the Effective Date, and (iv) all debts of the kind specified in
20 Sections 502(g), 502(h), or 502(i) of the Bankruptcy Code. Any default by the Debtor with
21 respect to any Claim existing immediately before or on account of the filing of the Chapter 11
22 Case shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial
23 determination of the discharge of all Claims subject to the Effective Date occurring. Nothing in
24 this Section 13.3 shall prohibit ~~a Holder of an Abuse~~ ClaimClaimant from exercising the
25 Litigation Option to pursue recovery from any applicable Non-Settling Insurer Abuse Insurance
26 Policy in accordance with this Plan.

27 **13.4. Confirmation Injunction.**
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1 Except as expressly provided in the Plan or the Confirmation Order, as of the Effective
2 Date all Holders of Claims of any nature whatsoever against or in the Debtor or any of its assets
3 or properties based upon any act, omission, transaction, occurrence, or other activity of any nature
4 that occurred before the Effective Date shall be precluded and permanently enjoined from
5 prosecuting or asserting any such discharged Claim against the Debtor or the Reorganized Debtor
6 or the property of the Debtor or Reorganized Debtor. In accordance with the foregoing, except as
7 expressly provided in the Plan or the Confirmation Order, the Confirmation Order shall be a
8 judicial determination of discharge or termination of all Claims, and other debts and liabilities
9 against or in the Debtor pursuant to Sections 105, 524 and 1141 of the Bankruptcy Code, and
10 such discharge shall void any judgment obtained against the Debtor at any time to the extent such
11 judgment relates to a discharged Claim.

12 **13.5. Injunction Against Interference with the Plan.** Upon the entry of the
13 Confirmation Order, all Holders of Claims and other parties in interest, along with their
14 respective present or former affiliates, employees, agents, officers, directors, attorneys, or
15 principals, shall be enjoined from taking any actions to interfere with the implementation or
16 consummation of this Plan.

17 **13.6. Exculpation.** Subject to the occurrence of the Effective Date, to the fullest
18 extent permissible under applicable law and without affecting or limiting either the releases
19 by the Debtor or the Releases by ~~Holders of Abuse~~ ~~Claims~~ Claimants, and except as
20 otherwise specifically provided in the Plan or the Confirmation Order, none of the
21 Exculpated Parties shall have or incur any liability to any Holder of a Claim or any other
22 Person for any act or omission in connection with, related to, or arising out of, the
23 Chapter 11 Case, the Plan, the pursuit of Confirmation of the Plan, the negotiation and
24 consummation of the Plan, or the administration of the Chapter 11 Case and the Plan, the
25 property to be distributed under the Plan, the administration of the Survivors' Trust Assets
26 and the Survivors' Trust by the Survivors' Trustee, or any other related agreement, or any
27 restructuring transaction, contract, instrument, release, or other agreement or document
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1 created or entered into during the Chapter 11 Case in connection with the Chapter 11 Case,
2 or upon any other act or omission, transaction, agreement, event, or other occurrence
3 related or relating to the foregoing, and each Exculpated Party hereby is exculpated from
4 any claim or Cause of Action related to the foregoing; provided, however, that the foregoing
5 shall not operate as an exculpation, waiver or release for (i) any express contractual
6 obligation owing by any such Person or Entity, (ii) willful misconduct or gross negligence,
7 and (iii) with respect to Professionals, liability arising from claims of professional
8 negligence which shall be governed by the standard of care otherwise applicable to
9 professional negligence claims under applicable non-bankruptcy law, and, in all respects,
10 the Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to
11 their duties and responsibilities under the Plan; provided further that nothing in the Plan
12 shall, or shall be deemed to, release the Exculpated Parties, or exculpate the Exculpated
13 Parties with respect to, their respective obligations or covenants arising pursuant to the
14 Plan.

15 **13.7. Injunction Related to Exculpation.** As of the Effective Date, all Holders of
16 Claims that are the subject of Section 13.6 are, and shall be, expressly, conclusively, absolutely,
17 unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred and enjoined from
18 taking any of the following actions against any Exculpated Party and, solely to the extent
19 provided by Section 1125(e) of the Bankruptcy Code, any Entity described in Section 1125(e) or
20 its or their property or successors or assigns on account of or based on the subject matter of such
21 Claims, whether directly or indirectly, derivatively or otherwise: (a) commencing, conducting or
22 continuing in any manner, directly or indirectly, any suit, action or other proceeding (including
23 any judicial, arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching
24 (including any prejudgment attachment), collecting, or in any way seeking to recover any
25 judgment, award, decree, or other order; (c) creating, perfecting or in any way enforcing in any
26 matter, directly or indirectly, any lien or encumbrance; and/or (d) setting off, seeking
27 reimbursement or contributions from, or subrogation against, or otherwise recouping in any
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1 manner, directly or indirectly, any amount against any liability or obligation that is discharged
2 under Section 13.3 or exculpated under Section 13.6.

3 **13.8. Releases by the Debtor.** As of the Effective Date, except for the rights that
4 remain in effect from and after the Effective Date to enforce the Plan and the Confirmation
5 Order, pursuant to Section 1123(b) of the Bankruptcy Code, for good and valuable
6 consideration, the adequacy of which is hereby confirmed, including the service of the
7 Released Parties and Settling Insurers, and each of them, to facilitate and implement the
8 reorganization of the Debtor, as an integral component of the Plan, the Debtor, the
9 Reorganized Debtor, and the Estate shall, and shall be deemed to, expressly, conclusively,
10 absolutely, unconditionally, irrevocably, and forever release and discharge each and all of
11 the Released Parties and Settling Insurers of and from any and all Causes of Action
12 (including Avoidance Actions), any and all other Claims, obligations, rights, demands, suits,
13 judgments, damages, debts, remedies, losses and liabilities of any nature whatsoever
14 (including any derivative claims or Causes of Action asserted or that may be asserted on
15 behalf of the Debtor, the Reorganized Debtor, or the Estate), whether liquidated or
16 unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or
17 unforeseen, existing or hereinafter arising, in law, equity, contract, tort or otherwise, based
18 on or relating to, or in any manner arising from, in whole or in part, any act, omission,
19 transaction, event, or other circumstance taking place or existing on or before the Effective
20 Date (including before the Petition Date) in connection with or related to the Debtor, the
21 Reorganized Debtor, the Estate, their respective assets and properties, the Chapter 11 Case,
22 the Plan Documents, and any related agreements, instruments, and other documents
23 created or entered into before or during the Chapter 11 Case, the pursuit of entry of the
24 Confirmation Order, the administration and implementation of the Plan, including the
25 distribution of property under the Plan, or any other related agreement, or upon any other
26 act or omission, transaction, agreement, event, or other occurrence taking place on or
27 before the Effective Date related or relating to the foregoing. Notwithstanding anything to
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1 the contrary in the foregoing, the releases set forth in this Section 13.8 shall not be
2 construed as releasing any post-Effective Date obligations of any Person or Entity under the
3 Plan or any document, instrument, or agreement executed to implement the Plan or
4 reinstated under the Plan.

5 **13.9. Releases by ~~Holders-of-Abuse~~ ClaimsClaimants .** As of the Effective Date,
6 except for the rights that remain in effect from and after the Effective Date to enforce the
7 Plan and the Confirmation Order, pursuant to Section 1123(b) of the Bankruptcy Code, for
8 good and valuable consideration, the adequacy of which is hereby confirmed, including the
9 service of the Released Parties to facilitate and implement the reorganization of the Debtor,
10 as an integral component of the Plan, and except as otherwise expressly provided in the
11 Plan or the Confirmation Order, to the maximum extent permitted under applicable law, as
12 such law may be extended subsequent to the Effective Date, all ~~Holders-of-Abuse~~
13 ClaimsClaimants (including without limitation Unknown Abuse Claims and any Abuse
14 Claims that are Disputed Claims) that timely return a Ballot but do not affirmatively opt
15 out of the Releases pursuant to Section 6.2 of the Plan, shall, and shall be deemed to,
16 expressly, conclusively, absolutely, unconditionally, irrevocably, and forever discharge and
17 release each and all of the Released Parties and their respective property and successors
18 and assigns of and from all Abuse Claims and any and all Claims and Causes of Action
19 whatsoever, whether known or unknown, asserted or unasserted, derivative or direct,
20 foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether
21 for tort, fraud, contract, veil piercing or alter-ego theories of liability, successor liability,
22 contribution, indemnification, joint liability, or otherwise, arising from or related in any
23 way to such Abuse Claims.

24 **13.10. Injunction Related to Releases.** As of the Effective Date, and except as set
25 forth in Articles VIII and IX hereof for ~~Holders-of-Abuse~~ ClaimsClaimants who elect the
26 Litigation Option to sue the Debtor (as a nominal party only), all ~~Holders-of-Abuse~~
27 ClaimsClaimants that are the subject of Section 13.9 hereof are, and shall be, expressly,
28

1 conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained,
2 prohibited, barred and enjoined from taking any of the following actions against any
3 Released Party or its property or successors or assigns on account of or based on the
4 subject matter of such Claims, whether directly or indirectly, derivatively or otherwise:

5 (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit,
6 action or other proceeding (including any judicial, arbitral, administrative or other
7 proceeding) in any forum; (b) enforcing, attaching (including, without limitation, any
8 prejudgment attachment), collecting, or in any way seeking to recover any judgment,
9 award, decree, or other order; (c) creating, perfecting or in any way enforcing in any
10 matter, directly or indirectly, any lien or encumbrance; and/or (d) setting off, seeking
11 reimbursement or contributions from, or subrogation against, or otherwise recouping in
12 any manner, directly or indirectly, any amount against any liability or obligation that is
13 discharged under Section 13.3 of the Plan or released under Section 13.9 of the Plan.

14 **13.11. Disallowed Claims.** On and after the Effective Date, the Debtor and the
15 Reorganized Debtor shall be fully and finally discharged of any and all liability or obligation on
16 any and all Disallowed Claims, and any order Disallowing a Claim that is not a Final Order as of
17 the Effective Date solely because of an Entity's right to move for reconsideration of such Order
18 pursuant to Section 502 of the Bankruptcy Code or Bankruptcy Rule 3008 shall nevertheless
19 become and be deemed to be a Final Order on and as of the Effective Date. The Confirmation
20 Order, except as otherwise provided herein, shall constitute an order Disallowing all Claims to
21 the extent such Claims are not allowable under any provision of Section 502 of the Bankruptcy
22 Code, including time-barred Claims, and Claims for unmatured interest.

23 **13.12. Channeling Injunction.** IN CONSIDERATION OF THE UNDERTAKINGS
24 UNDER THIS PLAN BY THE RELEASED PARTIES, THEIR CONTRIBUTIONS TO
25 THE SURVIVORS' TRUST, AND OTHER CONSIDERATION AND TO FURTHER
26 PRESERVE AND PROMOTE THE AGREEMENTS AMONG THE RELEASED
27 PARTIES AND THE SETTLING INSURERS AND TO SUPPLEMENT WHERE
28

1 NECESSARY THE INJUNCTIVE EFFECT OF THE DISCHARGE AS PROVIDED IN
2 SECTIONS 524 AND 1141 OF THE BANKRUPTCY CODE, AND PURSUANT TO
3 SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE:

4 13.12.1. ANY AND ALL CHANNELED CLAIMS, INCLUDING
5 WITHOUT LIMITATION UNKNOWN ABUSE CLAIMS, ARE CHANNELED INTO
6 THE SURVIVORS' TRUST AND SHALL BE TREATED, ADMINISTERED,
7 DETERMINED, RESOLVED AND PAID IN THE AMOUNTS AS PROVIDED BY THE
8 SURVIVORS' TRUST DISTRIBUTION PLAN AND PROCEDURES ESTABLISHED
9 UNDER THIS PLAN AND THE SURVIVORS' TRUST AGREEMENT AS THE SOLE
10 AND EXCLUSIVE REMEDY FOR ALL HOLDERS OF CHANNELED CLAIMS; AND

11 13.12.2. EXCEPT AS SET FORTH IN ARTICLES VIII AND IX
12 HEREOF FOR ~~HOLDERS OF ABUSE CLAIMS~~CLAIMANTS WHO ELECT THE
13 LITIGATION OPTION TO SUE THE DEBTOR (AS A NOMINAL PARTY ONLY), ALL
14 PERSONS WHO HELD OR ASSERTED, HOLD OR ASSERT, OR MAY IN THE
15 FUTURE HOLD OR ASSERT ANY CHANNELED CLAIMS ARE HEREBY
16 PERMANENTLY STAYED, ENJOINED, BARRED AND RESTRAINED FROM
17 TAKING ANY ACTION, DIRECTLY OR INDIRECTLY, FOR THE PURPOSES OF
18 ASSERTING, ENFORCING, OR ATTEMPTING TO ASSERT OR ENFORCE ANY
19 CHANNELED CLAIM AGAINST THE RELEASED PARTIES AND THE SETTLING
20 INSURERS, INCLUDING: (i) COMMENCING OR CONTINUING IN ANY MANNER
21 ANY ACTION OR OTHER PROCEEDING OF ANY KIND WITH RESPECT TO ANY
22 CHANNELED CLAIM AGAINST ANY OF THE RELEASED PARTIES OR SETTLING
23 INSURERS OR AGAINST THE PROPERTY OF ANY OF THE RELEASED PARTIES
24 OR SETTLING INSURERS; (ii) ENFORCING, ATTACHING, COLLECTING OR
25 RECOVERING, BY ANY MANNER OR MEANS, FROM ANY OF THE RELEASED
26 PARTIES OR THE PROPERTY OF ANY OF THE RELEASED PARTIES OR
27 SETTLING INSURERS, ANY JUDGMENT, AWARD, DECREE, OR ORDER WITH
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1 RESPECT TO ANY CHanneled CLAIM AGAINST ANY OF THE RELEASED
2 PARTIES OR SETTling INSURERS; (iii) CREATING, PERFECTING OR
3 ENFORCING ANY LIEN OF ANY KIND RELATING TO ANY CHanneled CLAIM
4 AGAINST ANY OF THE RELEASED PARTIES OR SETTling INSURERS OR THE
5 PROPERTY OF THE RELEASED PARTIES OR SETTling INSURERS;
6 (iv) ASSERTING, IMPLEMENTING OR EFFECTUATING ANY CHanneled CLAIM
7 OF ANY KIND AGAINST ANY OBLIGATION DUE ANY OF THE RELEASED
8 PARTIES OR SETTling INSURERS, ANY OF THE RELEASED PARTIES OR
9 SETTling INSURERS, OR THE PROPERTY OF ANY OF THE RELEASED PARTIES
10 OR SETTling INSURERS; (v) TAKING ANY ACT, IN ANY MANNER, IN ANY
11 PLACE WHATSOEVER, THAT DOES NOT CONFORM TO, OR COMPLY WITH,
12 THE PROVISIONS OF THIS PLAN OR THE SURVIVORS' TRUST DOCUMENTS;
13 AND (vi) ASSERTING OR ACCOMPLISHING ANY SETOFF, RIGHT OF INDEMNITY,
14 SUBROGATION, CONTRIBUTION OR RECOUPMENT OF ANY KIND AGAINST
15 ANY OBLIGATION DUE TO ANY OF THE RELEASED PARTIES OR SETTling
16 INSURERS.

17 ***13.13. Provisions Relating to the Channeling Injunction.***

18 13.13.1 *Modifications.* The Channeling Injunction is a permanent injunction. It
19 shall not be modified, dissolved, or terminated.

20 13.13.2 *Non-Limitation.* Nothing in the Plan or the Survivors' Trust Documents
21 shall or shall be construed in any way to limit the scope, enforceability, or effectiveness of the
22 Channeling Injunction or the assumption by the Survivors' Trust of all liability with respect to the
23 Abuse Claims.

24 13.13.3 *Bankruptcy Rule 3016 Compliance.* The Debtor's compliance with the
25 requirements of Bankruptcy Rule 3016 shall not constitute or be deemed to constitute an
26 admission that the Plan provides for an injunction against conduct not otherwise enjoined under
27 the Bankruptcy Code.
28

1 13.13.4 *No Duplicative Recovery.* In no event shall any ~~Holder of an Abuse~~
2 ~~Claim~~Claimant be entitled to receive any payment, reimbursement, or restitution from any
3 Released Party under any theory of liability for the same loss, damage, or other Abuse Claim that
4 is reimbursed by the Survivors' Trust or is otherwise based on the same events, facts, matters, or
5 circumstances that gave rise to the applicable Abuse Claim. This provision does not prohibit a
6 Holder of Abuse Claim from pursuing recovery from Non-Settling Insurers for coverage of an
7 Abuse Claim, subject to Articles VIII and IX hereof.

8 **13.14. Effect of Channeling Injunction.** The Channeling Injunction is an integral part of
9 this Plan and is essential to this Plan's consummation and implementation. It is intended that the
10 channeling of the Channeled Claims as provided in Section 13.12 of the Plan shall inure to the
11 benefit of the Released Parties and the Settling Insurers. In any action to enforce the injunctive
12 provisions of Section 13.12 of the Plan against a Holder of a Claim whereby it is held by a Final
13 Order that such Holder willfully violated the terms of Section 13.12 of the Plan, the moving party
14 may seek an award of costs including reasonable attorneys' fees against such Holder, and such
15 other legal or equitable remedies as are just and proper, after notice and a hearing. The
16 Channeling Injunction does not bar claims against any Non-Settling Insurer except to the extent a
17 Non-Settling Insurer becomes a Settling Insurer.

18 **13.15. Exclusion Regarding Non-Settling Insurers.** **NOTWITHSTANDING THE**
19 **FOREGOING, AND FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS**
20 **ARTICLE XIII (INCLUDING THE RELEASES, INJUNCTIONS, AND**
21 **EXCULPATIONS) LIMITS THE RIGHTS OF A NON-SETTLING INSURER AS SET**
22 **FORTH IN, OR PRESERVED BY, THE PLAN, INCLUDING (I) ARTICLES VIII AND**
23 **IX AND (II) THE RIGHTS OF ANY INSURER (INCLUDING NON-SETTLING**
24 **INSURERS) TO ASSERT ANY CLAIMS FOR REINSURANCE UNDER**
25 **REINSURANCE CONTRACTS OR CLAIMS UNDER RETROCESSIONAL**
26 **CONTRACTS AGAINST THE SETTLING INSURERS AND OTHER INSURANCE**
27 **COMPANIES. FURTHERMORE, THE NON-SETTLING INSURERS ARE NOT**
28

1 GRANTING (NOR SHALL THEY BE SUBJECT TO) ANY THIRD-PARTY RELEASE,
2 INJUNCTION, OR EXCULPATION COVERING ANY NON-DEBTOR PERSON OR
3 ENTITY AND THEY SHALL BE DEEMED TO HAVE OPTED OUT OF ANY SUCH
4 RELEASE, INJUNCTION, OR EXCULPATION.

5 ARTICLE XIV
6 MODIFICATION

7 **14.1. Modification of the Plan.**

8 14.1.1. To the fullest extent permitted under Section 1127 of the Bankruptcy Code,
9 the Plan may be altered, amended or modified by the Debtor (or Reorganized Debtor as
10 appropriate) at any time prior to its substantial consummation.

11 14.1.2. In the event of any modification, alteration or amendment on or before
12 Confirmation, any votes to accept or reject this Plan shall be deemed to be votes to accept or
13 reject this Plan as modified, unless the Court finds that the modification, alteration or amendment
14 materially and adversely affects the rights of parties in interest which have cast said votes.

15 **14.2. Correction of Defects.** Following the Effective Date, the Reorganized Debtor may
16 initiate a proceeding or motion in the Court in order to remedy any defects or omissions, or to
17 reconcile any inconsistencies, in the Plan or the Confirmation Order, upon notice of such
18 proceedings or motion served on all parties listed in the Post-Confirmation Notice List and any
19 other parties who may be materially and adversely affected.

20 **14.3. Savings Clause.** Any minor defect or inconsistency in the Plan may be corrected
21 or amended by the Confirmation Order.

22 **14.4. Remedy of Defects.** After the Effective Date, the Reorganized Debtor may, with
23 approval of the Court, and so long as it does not materially and adversely affect the interests of
24 Holders of Claims, remedy any defect or omission or reconcile any inconsistencies in the Plan or
25 in the Confirmation Order in such manner as may be necessary to carry out the purposes and
26 effect of the Plan and in form and substance satisfactory to the Reorganized Debtor.

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ARTICLE XV
RETENTION OF JURISDICTION

15.1. Scope of the Bankruptcy Court's Retained Jurisdiction. The Bankruptcy Court shall retain and have jurisdiction over the Chapter 11 Case for all purposes provided by the Bankruptcy Code, including for the following purposes:

15.1.1. To hear and determine motions for the assumption or rejection of Executory Contracts or Unexpired Leases, if any are pending on the Effective Date and not otherwise determined by Confirmation, and the allowance of Claims resulting therefrom.

15.1.2. To grant full and complete relief upon the request of the Reorganized Debtor.

15.1.3. To determine any and all objections to the allowance of Claims and to allow, disallow, estimate, liquidate, or determine any Claim, except with respect to Abuse Claims whose Holders select the Litigation Option pursuant to Section 9.8.4 hereof and subject to the terms of Section 5.2.2 and Articles VIII and IX hereof.

15.1.4. To determine any and all applications for compensation and reimbursement of expenses and any other fees and expenses authorized to be paid or reimbursed under the Bankruptcy Code or the Plan which accrued on or prior to the Confirmation Date.

15.1.5. To determine any and all applications, adversary proceedings and contested or litigated matters (a) that may be pending on the Effective Date, except as provided in the Confirmation Order; or (b) which shall be commenced on or after the Effective Date and be properly before the Bankruptcy Court.

15.1.6. To consider any modifications of the Plan, any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order, to the extent authorized by the Bankruptcy Code.

15.1.7. To implement the provisions of the Plan and to issue orders in aid of execution of the Plan to the extent authorized by Section 1142 of the Bankruptcy Code.

15.1.8. To resolve any disputes and otherwise hear such additional matters brought

1 by the Survivors' Trustee or otherwise related to the Survivors' Trust Assets or to the fulfillment
2 of the Survivors' Trustee's duties pursuant to the Plan and the Survivors' Trust Documents.

3 15.1.9. To hear and determine disputes arising in connection with the
4 interpretation, implementation or enforcement of the Plan.

5 15.1.10. To enter a Final Decree and orders reopening the Chapter 11 Case
6 as appropriate after entry of a Final Decree, *provided that* the Bankruptcy Court shall retain
7 jurisdiction to enter an order terminating the Survivors' Trust and discharging the Survivors'
8 Trustee in accordance with the terms of the Survivors' Trust, notwithstanding the issuance of the
9 Final Decree and closing of the Chapter 11 Case and without the necessity of reopening the
10 Chapter 11 Case.

11 15.1.11. To hear any other matter consistent with the Bankruptcy Code.

12 **15.2. Failure of Bankruptcy Court to Exercise Jurisdiction.** If the Bankruptcy Court
13 abstains from exercising or declines to exercise jurisdiction or is otherwise without jurisdiction
14 over any matter arising out of the Chapter 11 Case, including matters set forth in this Article XV,
15 such lack of jurisdiction will not diminish, control, prohibit, or limit the exercise of jurisdiction
16 by any other court having competent jurisdiction with respect to such matter.

17 **ARTICLE XVI**
18 **MISCELLANEOUS PROVISIONS**

19 **16.1. Enforcement.** The Reorganized Debtor may take such actions, including the
20 initiation of proceedings or the prosecution of a motion, as may be reasonably necessary in order
21 to interpret or enforce the purposes and intent of the Plan.

22 16.1.1 *Forum for Enforcement.* Subject to the retained jurisdiction of the
23 Bankruptcy Court, any motion or proceeding to enforce the Plan may be brought before the
24 Bankruptcy Court or any other court of competent jurisdiction.

25 16.1.2 *Expenses of Enforcement.* In the event that any action, motion, contested
26 matter, complaint, answer, counterclaim, cross-claim or other action is filed or taken by the
27 Reorganized Debtor either in the Bankruptcy Court or otherwise, in order to enforce or interpret
28

1 any terms of the Plan or the Confirmation Order, or any order or agreement made in
2 implementation of the Plan, the prevailing party in such matter (as determined by a court of
3 competent jurisdiction) shall be entitled to recover from any opposing party its expenses,
4 including reasonable attorneys' fees and costs, incurred in such matter.

5 **16.2. Exemption from Certain Transfer Taxes and Recording Fees.** Pursuant to
6 Section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of a security, or the
7 making or delivery of an instrument of transfer under the Plan may not be taxed under any law
8 imposing a stamp tax or similar tax. The taxes from which such transfers are exempt include
9 stamp taxes, recording taxes, sales and use taxes, transfer taxes, and other similar taxes.

10 **16.3. Effectuating Documents.** The Debtor or the Reorganized Debtor, as the case may
11 be, is authorized to execute, deliver, file, or record such contracts, instruments, releases, and other
12 agreements or documents and take such actions as may be necessary or appropriate to implement,
13 effectuate, and further evidence the terms and conditions of the Plan and any notes or interests
14 issued pursuant to the Plan.

15 **16.4. Governing Law.** Unless a rule of law or procedure is supplied by federal law,
16 including the Bankruptcy Code and the Bankruptcy Rules, the laws of the State of California
17 (without reference to its conflict of law rules) will govern the construction and implementation of
18 the Plan and any agreement, documents, and instruments executed in connection with the Plan
19 unless otherwise specifically provided in such agreements, documents, or instruments.

20 **16.5. Integration.** The provisions of this Plan and the Confirmation Order shall
21 supersede any and all prior agreements, documents, understandings, written or otherwise, in
22 respect of any Claim, and the treatment or satisfaction thereof, except as provided in any order of
23 the Court. All such prior agreements, documents or understandings are merged herein, and no
24 Person may thereafter pursue or prosecute any Claim or demand arising out of or pertaining to
25 such superseded agreements, documents or understandings as against the Debtor or Reorganized
26 Debtor.

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DATED: ~~February 18~~ March 17, 2025

THE ROMAN CATHOLIC BISHOP OF OAKLAND

By: /s/ Attila Bardos
Attila Bardos
Chief Financial Officer

Presented by:
FOLEY & LARDNER LLP
Thomas F. Carlucci
Shane J. Moses
Ann Marie Uetz
Matthew D. Lee
Geoffrey S. Goodman
Mark C. Moore

/s/Shane J. Moses
Shane J. Moses

*Counsel for the Debtor
and Debtor in Possession*

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Schedule 1.1.21

Legal Description of Cathedral Property Parcel

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LEGAL DESCRIPTION OF LAND - CATHEDRAL

Real property in the City of Oakland, County of Alameda, State of California, described as follows:

Parcel 2, Parcel Map 6031, filed March 4, 1991 in Book 196, Pages 41 and 42 of Maps, Alameda County Records.

APN: 008 -0653-024

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Schedule 1.1.28
Schedule of Churches

Church Listing

Church Names	City
HOLY SPIRIT/NEWMAN HALL CHURCH	BERKELEY
ST. MARY MAGDALEN CHURCH	BERKELEY
CATHEDRAL OF CHRIST THE LIGHT	OAKLAND
ST. THERESA CHURCH	OAKLAND
ST. PATRICK MISSION	CROCKETT
ST. BARNABAS CHURCH	ALAMEDA
ST. JOSEPH BASILICA	ALAMEDA
ST. AMBROSE CHURCH	BERKELEY
OUR LADY OF GRACE CHURCH	CASTRO VALLEY
TRANSFIGURATION CHURCH	CASTRO VALLEY
ST. RAYMOND PENAFORT CHURCH	DUBLIN
CORPUS CHRISTI CHURCH	FREMONT
HOLY SPIRIT CHURCH	FREMONT
ST. JAMES THE APOSTLE CHURCH	FREMONT
ST. JOSEPH CHURCH	FREMONT
OUR LADY OF GUADALUPE CHURCH	FREMONT
ALL SAINTS CHURCH	HAYWARD
ST. BEDE CHURCH	HAYWARD
ST. CLEMENT CHURCH	HAYWARD
ST. JOACHIM CHURCH	HAYWARD
ST. CHARLES BORROMEIO CHURCH	LIVERMORE
ST. MICHAEL CHURCH	LIVERMORE
ST. EDWARD CHURCH	NEWARK
ST. AUGUSTINE CHURCH	OAKLAND
ST. BENEDICT CHURCH	OAKLAND
ST. BERNARD CHURCH	OAKLAND
ST. ELIZABETH CHURCH	OAKLAND
ST. LEO THE GREAT CHURCH	OAKLAND
OUR LADY OF LOURDES CHURCH	OAKLAND
ST. MARGARET MARY CHURCH	OAKLAND
ST. PATRICK CHURCH	OAKLAND
SACRED HEART CHURCH	OAKLAND
CORPUS CHRISTI CHURCH	PIEDMONT
CATHOLIC COMMUNITY of PLEASANTON	PLEASANTON
CHURCH OF THE ASSUMPTION	SAN LEANDRO
OUR LADY OF GOOD COUNSEL	SAN LEANDRO
ST. FELICITAS CHURCH	SAN LEANDRO
ST. LEANDER CHURCH	SAN LEANDRO
ST. JOHN THE BAPTIST CHURCH	SAN LORENZO
OUR LADY OF THE ROSARY CHURCH	UNION CITY
ST. ANNE CHURCH	UNION CITY
ST. IGNATIUS OF ANTIOCH CHURCH	ANTIOCH
IMMACULATE HEART of MARY CHURCH	BRENTWOOD
ST. AGNES CHURCH	CONCORD
ST. BONAVENTURE CHURCH	CONCORD

Church Listing

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Church Names	City
ST. FRANCIS OF ASSISI CHURCH	CONCORD
QUEEN OF ALL SAINTS CHURCH	CONCORD
ST. ROSE OF LIMA CHURCH	CROCKETT
ST. ISIDORE CHURCH	DANVILLE
ST. JEROME CHURCH	EL CERRITO
ST. JOHN THE BAPTIST CHURCH	EL CERRITO
ST. CALLISTUS CHURCH	EL SOBRANTE
ST. PERPETUA CHURCH	LAFAYETTE
ST. CATHERINE OF SIENA CHURCH	MARTINEZ
ST. MONICA CHURCH	MORAGA
ST. ANTHONY CHURCH	OAKLEY
SANTA MARIA CHURCH	ORINDA
ST. JOSEPH CHURCH	PINOLE
CHURCH OF THE GOOD SHEPHERD	PITTSBURG
OUR LADY QUEEN OF THE WORLD	BAY POINT
ST. PETER MARTYR CHURCH	PITTSBURG
CHRIST THE KING CHURCH/ST. STEPHEN CHURCH	PLEASANT HILL/WALNUT CREEK
OUR LADY OF MERCY CHURCH	POINT RICHMOND
ST. CORNELIUS CHURCH	RICHMOND
ST. DAVID OF WALES CHURCH	RICHMOND
ST. PATRICK CHURCH	RODEO
ST. JOAN OF ARC CHURCH	SAN RAMON
ST. ANNE CHURCH	WALNUT CREEK
ST. JOHN VIANNEY CHURCH	WALNUT CREEK
ST. MARY CHURCH	WALNUT CREEK
DIVINE MERCY CHURCH	OAKLAND DIVIMERCC
ST. MARK CHURCH	RICHMOND
ST. ANTHONY	MARY HELP OF CHRISTIANS
ST. COLUMBA CHURCH	OAKLAND
ST. JARLATH CHURCH	OAKLAND
ST. LOUIS BERTRAND	OAKLAND
MOST HOLY ROSARY CHURCH	ANTIOCH
ST. JOSEPH THE WORKER CHURCH	BERKELEY
ST. ANNE CHURCH	BYRON
ST. PAUL CHURCH	SAN PABLO
ST. PHILIP NERI	ST. ALBERT THE GREAT CHURCH ALAMEDA

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Schedule 1.1.72

Legal Description of Livermore Property

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~~LEGAL DESCRIPTION LIVERMORE PROPERTY~~

~~REAL Property in the Unincorporated Area, County of Alameda, State of California, described as follows:~~

~~Commencing at [h] Southeasterly comer of that certain 0.157 of an acre parcel of land described in the deed to the State of California recorded September 30, 1952 in Volume 6837, Page 111, Official Records of Ala da County; thence North 2° 26' 15" East, 10.11 feet to the Northerly line of said parcel; thence along said Northerly line South 83° 57' 10" west, 684.28 feet; thence South 1° 31' 50" East, 40.12 feet;;hence North 83° 57' 10" East, 583.02 feet; thence along a tangent curve to the right with a radius of 0 feet, through an angle of 61° 36' 54" an arc distance of 53.77 feet to the Westerly line of that cert in 0.047 of an acre, pareel of land conveyed to the State of California by deed recorded June I,,1953 in Volume 7043, Page 61, Official Records of Alameda County; thence along said Westerly South 2° 26' 15" West, 212.44 feet; thence South 86° 42' 45" East, 25.00 feet; thence South 3° 17' 15" West, 43.00 feet to a point distant North 3° 17' 15" East, 237.00 feet from Engineer's Stati4n 690 + 70.00 on the "A4" line of the Department of Public Works' survey for the State freeway, in Alameda County, road IV Ala 5 F; thence South 86° 42' 45" East, 15.64 feet; thence North 2° 26' 15' East, 318.86 feet; thence North 83° 57' 10" East, IO. 11 feet to the to the point of commencement;~~

~~As described in the Relinquishment of State Highway in the County of Alameda recorded June 10, 1956, Book 806(, Page 455, and being a portion of Las Colinas Road.~~

~~FIRST AMERICAN TITLE~~

Summary report: Litera Compare for Word 11.7.0.54 Document comparison done on 3/17/2025 9:03:58 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: nd://4914-8017-5142/1/RCBO - Debtor's Third Amended Plan of Reorganization.docx	
Modified DMS: nd://4914-8017-5142/4/RCBO - Debtor's Third Amended Plan of Reorganization.docx	
Changes:	
Add	220
Delete	339
Move From	3
Move To	3
Table Insert	0
Table Delete	1
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	566

EXHIBIT B

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15 San Francisco, CA 94104-1520

16 *Counsel for the Debtor
17 and Debtor in Possession*

18
19 **UNITED STATES BANKRUPTCY COURT**
20 **NORTHERN DISTRICT OF CALIFORNIA**
21 **OAKLAND DIVISION**

22 In re:
23
24 THE ROMAN CATHOLIC BISHOP OF
25 OAKLAND, a California corporation sole,
26
27 Debtor.

28 Case No. 23-40523
Chapter 11
Judge: Hon. William J. Lafferty

29 **SECONDTHIRD AMENDED DISCLOSURE STATEMENT FOR**
30 **DEBTOR'S SECONDTHIRD AMENDED PLAN OF REORGANIZATION**

31 **NOTE: THIS DISCLOSURE STATEMENT IS BEING PRESENTED TO THE**
32 **COURT FOR APPROVAL, BUT HAS NOT YET BEEN APPROVED BY THE**
33 **BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION**
34 **WITHIN THE MEANING OF SECTION 1125(A) OF THE**
35 **BANKRUPTCY CODE**

1 **IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT¹**

2 THE ROMAN CATHOLIC BISHOP OF OAKLAND, A CALIFORNIA CORPORATION
3 SOLE, THE DEBTOR AND DEBTOR IN POSSESSION IN THE ABOVE-CAPTIONED CHAPTER
4 11 CASE (THE “DEBTOR” OR “RCBO”) SEEKS CONFIRMATION OF THE DEBTOR’S
5 ~~SECOND~~THIRD AMENDED PLAN OF REORGANIZATION (THE “PLAN”). A COPY OF THE
6 PLAN IS ATTACHED TO THIS DOCUMENT AS **EXHIBIT A**.

7 THIS DISCLOSURE STATEMENT (THE “DISCLOSURE STATEMENT”), THE PLAN,
8 THE PLAN SUPPLEMENT, THE ACCOMPANYING BALLOTS, AND RELATED MATERIALS
9 ARE BEING FURNISHED BY THE DEBTOR, AS THE PLAN PROPONENT, PURSUANT TO
10 SECTIONS 1125 AND 1126 OF TITLE 11 OF THE UNITED STATES CODE (THE
11 “BANKRUPTCY CODE”) AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY
12 PROCEDURE, IN CONNECTION WITH THE DEBTOR’S SOLICITATION OF VOTES TO
13 ACCEPT THE PLAN.

14 THE PLAN PROVIDES FOR THE REORGANIZATION OF THE DEBTOR’S FINANCIAL
15 AFFAIRS, FOR DISTRIBUTIONS TO CREDITORS HOLDING ALLOWED CLAIMS FROM THE
16 DEBTOR’S ASSETS, THE ASSETS OF CONTRIBUTING NON-DEBTOR CATHOLIC ENTITIES,
17 AND THE CONTRIBUTIONS OF SETTLING INSURERS, IF ANY, AND FOR THE CLAIMS
18 AGAINST NON-SETTLING INSURERS TO BE ASSIGNED TO THE SURVIVORS’ TRUST (AS
19 DEFINED HEREIN). THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE
20 SUBJECT TO MATERIAL CONDITIONS PRECEDENT, SOME OF WHICH MAY NOT BE
21 SATISFIED. THERE IS NO ASSURANCE THAT THESE CONDITIONS WILL BE SATISFIED
22 OR WAIVED.

23 ALL HOLDERS OF CLAIMS AGAINST THE DEBTOR ARE ENCOURAGED TO READ
24 AND CAREFULLY CONSIDER THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING ALL
25 EXHIBITS AND INCLUDING THE “RISK FACTORS TO BE CONSIDERED” IN ARTICLE XVIII.

26 IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE
27 DATE OF THE PLAN OCCURS, ALL HOLDERS OF CLAIMS AGAINST THE DEBTOR
28 (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS WHO DO NOT
29 SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN OR WHO ARE NOT ENTITLED TO
30 VOTE ON THE PLAN, EXCEPT AS OTHERWISE PROVIDED IN THE PLAN) WILL BE BOUND
31 BY THE TERMS OF THE PLAN AND THE TRANSACTIONS DESCRIBED IN THE PLAN.

32 NO PERSON MAY GIVE ANY INFORMATION ON BEHALF OF THE DEBTOR
33 REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN, OTHER
34 THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, EXCEPT
35 FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS (THE “COMMITTEE”)
36 CONSISTENT WITH ITS OBLIGATIONS ARISING UNDER 11 U.S.C. § 1103(c)(3). ALL OTHER
37 STATEMENTS REGARDING THE PLAN AND THE TRANSACTIONS CONTEMPLATED
38 THEREIN, WHETHER WRITTEN OR ORAL, ARE UNAUTHORIZED.

39 THIS DISCLOSURE STATEMENT IS DESIGNED TO PROVIDE ADEQUATE
40 INFORMATION TO ENABLE HOLDERS OF IMPAIRED CLAIMS AGAINST THE DEBTOR

41 ¹ Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meanings
42 ascribed to them in the Debtor’s ~~Second~~Third Amended Plan of Reorganization [Docket No. ~~1757~~]
43 (the “Plan”).

1 (THAT ARE ENTITLED TO VOTE AS DESCRIBED HEREIN) TO MAKE AN INFORMED
2 JUDGMENT ON WHETHER TO ACCEPT OR REJECT THE PLAN. ALL CREDITORS ARE
3 ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN
4 IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN
5 SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE
6 QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN FILED
7 CONTEMPORANEOUSLY HERewith, OTHER EXHIBITS ANNEXED HERETO, AND OTHER
8 DOCUMENTS REFERENCED AS FILED WITH THE BANKRUPTCY COURT PRIOR TO THE
9 END OF THE SOLICITATION PERIOD FOR THE PLAN. NO MATERIALS OTHER THAN THE
10 ACCOMPANYING MATERIALS ATTACHED HERETO OR REFERENCED HEREIN HAVE
11 BEEN APPROVED BY THE BANKRUPTCY COURT OR THE PLAN PROPONENT FOR USE IN
12 SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN. SUBSEQUENT TO THE DATE
13 HEREOF, THERE CAN BE NO ASSURANCE THAT: (I) THE INFORMATION AND
14 REPRESENTATIONS CONTAINED HEREIN REMAIN MATERIALLY ACCURATE, OR (II)
15 THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

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THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION
CONTAINED IN THIS DISCLOSURE STATEMENT OR IN ANY EXHIBIT, EXCEPT AS
EXPRESSLY INDICATED IN THIS DISCLOSURE STATEMENT OR IN ANY EXHIBIT. THIS
DISCLOSURE STATEMENT WAS COMPILED FROM INFORMATION OBTAINED BY THE
DEBTOR FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE
DEBTOR'S KNOWLEDGE, INFORMATION, AND BELIEF. THE DEBTOR'S RESPECTIVE
PROFESSIONALS HAVE NOT INDEPENDENTLY VERIFIED ALL OF THE INFORMATION
SET FORTH IN THIS DISCLOSURE STATEMENT AND ARE NOT RESPONSIBLE FOR ANY
INACCURACIES THAT MAY BE CONTAINED IN THIS DISCLOSURE STATEMENT OR THE
PLAN.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS
OF THE DATE HEREOF, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL
NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE
INFORMATION IS CORRECT AT ANY TIME SUBSEQUENT TO THIS DATE, AND THE
DEBTOR UNDERTAKES NO DUTY TO UPDATE THE INFORMATION.

PERSONS OR ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING,
SELLING, OR TRANSFERRING CLAIMS AGAINST THE DEBTOR SHOULD EVALUATE THIS
DISCLOSURE STATEMENT IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED,
AND SHOULD BE AWARE THAT ACTUAL DISTRIBUTIONS MAY VARY FROM THE
ESTIMATES CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT AND THE RELATED DOCUMENTS ARE THE ONLY
DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION
WITH THE SOLICITATION OF VOTES ACCEPTING OR REJECTING THE PLAN. NO
REPRESENTATIONS ARE AUTHORIZED BY THE BANKRUPTCY COURT CONCERNING
THE DEBTOR, THE DEBTOR'S BUSINESS OPERATIONS, THE VALUE OF THE DEBTOR'S
ASSETS, OR THE VALUES OF ANY BENEFITS OFFERED PURSUANT TO THE PLAN, EXCEPT
AS EXPLICITLY SET FORTH IN THIS DISCLOSURE STATEMENT OR ANY OTHER
DISCLOSURE STATEMENT OR OTHER DOCUMENT APPROVED FOR DISTRIBUTION BY
THE BANKRUPTCY COURT. HOLDERS OF CLAIMS SHOULD NOT RELY UPON ANY
REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN,
OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE
OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN,

~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF
REORGANIZATION

1 AND NOTHING STATED IN THIS DISCLOSURE STATEMENT SHALL CONSTITUTE AN
2 ADMISSION OF ANY FACT OR LIABILITY BY ANY PERSON OR BE ADMISSIBLE IN ANY
3 PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PERSON, OR BE DEEMED
CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON THE
DEBTOR, ANY RELEASED PARTY, OR HOLDERS OF CLAIMS.

4 THIS DISCLOSURE STATEMENT IS FORWARD-LOOKING. FORWARD- LOOKING
5 STATEMENTS ARE STATEMENTS OF EXPECTATIONS, BELIEFS, PLANS, OBJECTIVES,
6 ASSUMPTIONS, PROJECTIONS, AND FUTURE EVENTS OF PERFORMANCE. AMONG
7 OTHER THINGS, THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING
8 STATEMENTS WITH RESPECT TO ANTICIPATED FUTURE PERFORMANCE OF THE
9 DEBTOR AND A TRUST TO BE CREATED FOR THE BENEFIT OF HOLDERS OF ABUSE
10 CLAIMS, AS WELL AS ANTICIPATED FUTURE DETERMINATIONS OF CLAIMS AND
11 DISTRIBUTIONS ON CLAIMS. THESE STATEMENTS, ESTIMATES, AND PROJECTIONS
12 MAY OR MAY NOT PROVE TO BE CORRECT. ACTUAL RESULTS COULD DIFFER
13 MATERIALLY FROM THOSE REFLECTED IN THESE FORWARD-LOOKING
14 UNCERTAINTIES DUE TO A WIDE VARIETY OF SIGNIFICANT BUSINESS, LEGAL, AND
15 ECONOMIC RISKS, INCLUDING, AMONG OTHERS, THOSE DESCRIBED IN THIS
DISCLOSURE STATEMENT. THE PLAN PROPONENT UNDERTAKES NO OBLIGATION TO
UPDATE ANY FORWARD-LOOKING STATEMENT. NEW FACTORS EMERGE FROM TIME
TO TIME AND IT IS NOT POSSIBLE TO PREDICT ALL FACTORS, NOR CAN THE IMPACT
OF ALL FACTORS BE ASSESSED.

16 HOLDERS OF CLAIMS SHOULD NOT CONSTRUE THE CONTENTS OF THIS
17 DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX
18 ADVICE. EACH HOLDER SHOULD CONSULT WITH THEIR OWN LEGAL, BUSINESS,
19 FINANCIAL, AND TAX ADVISORS WITH RESPECT TO ANY MATTERS CONCERNING THIS
20 DISCLOSURE STATEMENT, THE SOLICITATION OF VOTES TO ACCEPT THE PLAN, THE
21 PLAN, AND THE TRANSACTIONS CONTEMPLATED BY THE PLAN.

22 **[THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY ORDER OF THE**
23 **BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION OF A KIND AND**
24 **IN SUFFICIENT DETAIL TO ENABLE HOLDERS OF CLAIMS TO MAKE AN INFORMED**
25 **JUDGMENT WITH RESPECT TO VOTING TO ACCEPT OR REJECT THE PLAN.]**
26 HOWEVER, THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT
27 DOES NOT CONSTITUTE A RECOMMENDATION OR DETERMINATION BY THE
28 BANKRUPTCY COURT AS TO THE MERITS OF THE PLAN. EACH HOLDER OF A CLAIM
ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN SHOULD READ THIS DISCLOSURE
STATEMENT AND THE PLAN (INCLUDING ALL EXHIBITS AND SCHEDULES TO THE PLAN
AND DISCLOSURE STATEMENT) IN THEIR ENTIRETY BEFORE VOTING.

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1 **RECOMMENDATION AND CONCLUSION9190**

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~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF REORGANIZATION

- 1 **EXHIBITS:**
- 2 A—PLAN OF REORGANIZATION
- 3 B—LIQUIDATION ANALYSIS
- 4 C—FINANCIAL PROJECTIONS
- 5 D—LOAN TERM SHEET
- 6 E—RCWC PLAN FUNDING COMMITMENT
- 7 F—SURVIVORS’ TRUST DOCUMENTS
- 8 G—COMMITTEE LETTER

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ARTICLE I

EXECUTIVE SUMMARY

The Debtor is responsible for coordinating the mission of the Roman Catholic Church within the geographical boundary of the Diocese of Oakland. Beginning in the late Twentieth Century, it came to light that some people working for ~~and/or~~ associated with the Roman Catholic Church—priests, bishops, laypersons, and volunteers—had been sexually abusing children and vulnerable adults for decades. This crisis shocked the world. It also exposed Church institutions worldwide, including the Debtor, to significant tort liability. As will be described in greater detail, the Debtor filed bankruptcy as a means of managing its liability for these depraved actions against some of the most vulnerable members of society.

Providing fair and equitable compensation for survivors of Abuse and reorganizing to enable the Debtor to continue its mission to serve the needs of the faithful within the Diocese of Oakland are the focal points of the Plan. The tragedy of the Abuse by those purporting to do the missionary work of the Church is impossible to overstate. Instead of fulfilling this mission, these perpetrators inflicted harm and suffering. The Abuse was and is inexcusable. It not only deeply impacted the survivors, but it also affected the faithful and the community the Debtor serves.

A. Survivors’ Trust Assets / Plan Contributions

i. Contributions from the Debtor and Other Contributing Entities.

To compensate the victims and survivors of sexual abuse, the Plan establishes a Survivors’ Trust funded with the Survivors’ Trust Assets. The Survivors’ Trustee will liquidate the Survivors’ Trust Assets and distribute the proceeds to the Holders of Abuse Claims and Unknown Abuse Claims, pursuant to the procedures contained in the Survivors’ Trust Distribution Plan (part of the Survivors’ Trust Documents attached hereto as Exhibit F).²

On the Plan’s Effective Date (the date after confirmation when the Plan becomes Effective), the Plan will create a Survivors’ Trust for the purpose of paying distributions to Holders of Class 4 and Class 5 Claims, which are the two Classes of Abuse Claims under the Plan. The Survivors’ Trust will be funded with (a) \$103.115 million in cash contributed by the Debtor, ~~(b) a contribution of real estate which the Debtor believes is worth between approximately \$43 million and \$81 million (or more) if it is entitled for residential development, and (c) \$14.25 over a five-year period and (b) \$28.5 million in cash contributed by RCWC contingent on the number of Releases it secures from those Holders of Class 4 Claims and Class 5 Claims who have asserted liability against RCWC in connection with an Abuse Claim.³ (described further below).~~ The Debtor will also contribute and assign to the Survivors’ Trust the rights and obligations of the Debtor in the Non-Settling Insurer Policies.

² Distributions to ~~Holders of Abuse Claims~~ Claimants may be subject to fee agreements between Holders of Abuse Claims and their legal counsel. The Debtor has no information on any such agreements. Legal counsel to Holders of Abuse Claims are obligated to comply with Rules 1.5 and 1.5.1 of the California Rules of Professional Conduct and Cal. Bus. & Prof. Code § 6147 in connection with any fees charged to Holders of Abuse Claims.

~~³ Provided, however, if less than 100% of all RCWC Claimants grant RCWC a release pursuant to Section 13.9 of the Plan, then the RCWC Cash Contribution, and each of its installment payments, shall be reduced by a percentage proportional to the percentage of RCWC Claimants who opt out of granting RCWC such Release.~~

1 More specifically, the Survivors' Trust will receive the following contributions from the Debtor
2 and RCWC (together, the "Contributing Entities") on the following schedule:

- 3 • On the Effective Date:
 - 4 ○ From the Debtor: \$63.0 million in cash
 - 5 ~~○ From the Debtor (via Adventus): the Livermore Property~~
 - 6 ○ From RCWC: \$2.0 million in cash
- 7 • On the first anniversary of the Effective Date: \$10.0 million from the Debtor and ~~\$3.04.0~~
8 million from RCWC;
- 9 • On the second anniversary of the Effective Date: \$10.0 million from the Debtor and ~~\$3.04.0~~
10 million from RCWC;
- 11 • On the third anniversary of the Effective Date: \$10.0 million from the Debtor and ~~\$3.06.0~~
12 million from RCWC; ~~and;~~
- 13 • On the fourth anniversary of the Effective Date: \$10.0 million from the Debtor and ~~\$3.256~~
14 million from RCWC; ~~and~~
- 15 • On the fifth anniversary of the Effective Date: \$12.0 million from the Debtor and \$6.5
16 million from RCWC.

17 Contributions of any kind by the Contributing Entities are referred to as the "Contributing Entities'
18 Contributions," the cash component of which is the "Contributing Entities' Cash Contributions."

19 The Debtor Cash Contribution to the Survivors' Trust will be facilitated in part by a \$55 million
20 loan from RCC. The remaining Debtor Cash Contribution will come from unrestricted cash including
21 without limitation unrestricted cash raised from the sale of real estate owned by the Debtor or Adventus,
22 one of the Non-Debtor Catholic Entities, as described in more detail below. The RCWC Cash
23 Contribution will come from unrestricted cash including unrestricted cash raised from the sale of real
24 estate owned by RCWC and is based on the number of Abuse Claims asserting liability against it that do
25 not affirmatively "opt out" of the third-party releases.

26 The Contributing Entities' Cash ~~contributions~~Contributions to the Survivors' Trust ~~are anticipated~~
27 ~~to will~~ be not less than ~~\$117.25 million.~~ ~~The Debtor believes the Livermore Property is worth between~~
28 ~~\$43 million and up to approximately \$81 million or more if it is entitled for residential development, such~~
29 ~~that the sale of the Livermore Property by the Survivors' Trustee could~~ the Debtor's aggregate contribution
30 of \$115.0 million. RCWC is not a debtor in the Chapter 11 Case, meaning it must make a contribution to
31 the Debtor's reorganization in order to receive the benefits of the releases being granted by consenting
32 Holders of Class 4 and Class 5 Claims pursuant to Section 13.9 of the Plan. RCWC is willing to contribute
33 ~~such amount following its sale~~ \$28.5 million to the Survivors' Trust ~~Assets.~~ ⁴~~Adventus holds title to the~~
34 ~~Livermore Property. The Livermore Property is located at 3658 Las Colinas Road, Livermore, CA. The~~
35 ~~Livermore Property consists of approximately 122.5 acres of vacant land with no on-site improvements.~~
36 ~~It is currently zoned for agricultural use. The Debtor's estimated valuation of the Livermore Property~~
37 ~~assumes the property is entitled for the construction of single-family homes. The Debtor has engaged~~
38 ~~with City of Livermore officials and staff regarding the entitlement process for many years but cannot~~
39 ~~guarantee that such entitlement efforts will ultimately be successful. If the Livermore Property is~~
40 ~~ultimately not entitled for the construction of single-family homes, then total possible creditor recoveries~~
41 ~~under the Plan may be materially less than projected.~~ in return for releases from 100% of those Abuse

42 ⁴ ~~As discussed in the Committee Letter attached hereto as Exhibit G, the Committee contests this valuation.~~

1 Claimants asserting liability against RCWC or one of its member schools in their Proofs of Claim
2 submitted in this Chapter 11 Case. If less than 100% of all RCWC Claimants grant RCWC a release
3 pursuant to Section 13.9 of the Plan, then the RCWC Cash Contribution, and each of its installment
4 payments, shall be reduced by a percentage proportional to the percentage of RCWC Claimants who opt
5 out of granting RCWC such Release. An example contribution scenario is described in Section 9.3.2.1 of
6 the Plan and Article VII.E.2.a herein.

7 The Debtor shall also contribute any proceeds held by the Debtor or the Reorganized Debtor on
8 account of any Insurance Settlement Agreements finalized and effectuated prior to the Effective Date, if
9 any, and the Assigned Insurance Interests, all as set forth in Article VIII and Sections 9.3.4 and 9.3.5 and
10 9.3.6 of the Plan. ~~RCWC will make a similar contribution of Assigned Insurance Interests alongside its~~
11 ~~Cash Contribution. Contributions of any kind by the Contributing Entities are referred to as the~~
12 ~~“Contributing Entities’ Contributions,” the cash component of which is the “Contributing Entities’ Cash~~
13 ~~Contributions.”~~

14 **ii. Why the Contributions from the Debtor and Other Contributing Entities Support a**
15 **Finding That The Plan Is Fair And Equitable**

16 The Debtor firmly believes the Contributing Entities’ Contributions, in the aggregate, accomplish
17 the dual goals of fairly compensating Holders of Abuse Claims and allowing the Debtor to continue its
18 mission to serve the Catholic faithful and those who need its services and ministries in the East Bay area.
19 The basis for this belief is three-fold.

20 First, the Contributing Entities’ Contributions exceed, in the aggregate and on a per-Abuse Claim
21 basis, the equivalent contributions from debtors in recent diocesan bankruptcy cases the Debtor believes
22 are comparable to this diocesan bankruptcy case.

23 Second, the Plan maximizes the Debtor’s assets available to pay creditors while allowing the
24 Debtor to continue its mission, as described more fully below. The Debtor believes it is using the most it
25 is able to use from its assets available to pay creditors and that the remaining assets are needed to allow
26 the Debtor to continue its mission. Perhaps most materially, the Plan reflects the Debtor’s willingness to
27 make deep sacrifices by liquidating assets in order to compensate survivors of sexual abuse in a way that
28 is fair and equitable pursuant to Section 1129(b)(2) of the Bankruptcy Code. ~~In order to pay the entire~~
29 ~~Debtor Cash Contribution, and to repay RCC for the loan it will make to the Debtor in support of the Plan,~~
30 ~~the Debtor will be forced to sell a significant amount of its real estate holdings, including some property~~
31 ~~on which an existing Church currently sits and operates, and including both vacant and non-vacant land.~~
32 ~~The funding for the Plan includes the Debtor liquidating all eleven vacant real estate parcels titled in the~~
33 ~~name of the Debtor, and liquidating portions of seventeen additional real estate parcels titled in the name~~
34 ~~of the Debtor, as described below. The Debtor will also utilize the Debtor-owned portions of twelve full~~
35 ~~sites on which Churches currently sit and operate either as primary or secondary locations. The Debtor~~
36 ~~will also liquidate seven residential homes and Adventus will liquidate one residential home, currently~~
37 ~~used in connection with its ministry, and contribute the proceeds to the Reorganized Debtor as described~~
38 ~~below. Furrer Properties, Inc. will also liquidate the property known as Cooper’s Mortuary including a~~
39 ~~four-unit apartment building (three total parcels of real estate) and contribute the proceeds to the~~
40 ~~Reorganized Debtor as described below.~~The Plan contemplates the following contributions from the
41 Debtor, totaling \$115 million:

- The \$63 million Initial Debtor Contribution (to be paid to the Survivors’ Trust on the Effective Date) reflects the maximum amount cash the Debtor can contribute to the Survivors’ Trust on the Effective Date while allowing the Debtor to continue its mission.

- The Debtor will obtain a loan of \$55 million from RCC on the Effective Date. This is the largest amount RCC is willing and able to loan to the Debtor. RCC is the only viable and realistic exit financing party available to the Debtor.
- \$53 million of the RCC loan will be transferred to the Survivors' Trust on the Effective Date. The balance of the exit facility loan from RCC will be used to fund the Reorganized Debtor's operations.
- The remaining \$10 million of the Initial Debtor Contribution will be paid from cash reserves set aside to pay creditors or from the sale of real estate as described below.
- The \$~~40~~52 million dollars to be contributed by the Reorganized Debtor to the Survivors' Trust during the ~~four~~five years following the Effective Date reflects the maximum amount of cash the Debtor can contribute to the Survivors' Trust while allowing the Reorganized Debtor to continue its mission. The Reorganized Debtor will meet its contribution obligations – which include the \$~~40~~52 million dollars to be contributed to the Survivors' Trust and the amounts needed to service the existing and contemplated debt obligations to RCC – by selling real estate (including some Church property and including both vacant and non-vacant land). During each of the four years following the Effective Date, the Reorganized Debtor will transfer to the Survivors' Trust \$10 million dollars of proceeds from the sale of such real estate. In the fifth year, the Reorganized Debtor will transfer \$12 million of proceeds. The Reorganized Debtor will supplement contributions to the Survivors' Trust with additional unrestricted cash if necessary to meet its commitment to contribute \$~~40~~52 million dollars to the Survivors' Trust during the ~~four~~five years following the Effective Date.

More specifically, the Reorganized Debtor will liquidate the following real estate to support the funding of the Plan:

- The Reorganized Debtor will either utilize as collateral for the loan RCC will make to the Debtor in support of the Plan or liquidate all ~~eleven~~twelve vacant real estate parcels titled in the name of the Debtor which are not part of a larger parcel containing a Church or ministry-related building.
- The Reorganized Debtor will either utilize as collateral for the loan RCC will make to the Debtor in support of the Plan or liquidate vacant portions of ~~seventeen~~eighteen real estate parcels titled in the name of the Debtor which the Debtor has determined may be liquidated while allowing the Debtor to continue its mission, even though they are each part of a larger parcel which includes a Church or ministry-related building which is currently operating.
- The Reorganized Debtor will either utilize as collateral for the loan RCC will make to the Debtor in support of the Plan or liquidate the Debtor-owned portions of twelve real property locations on which Churches currently operate either as primary or secondary locations.
- The Reorganized Debtor will liquidate seven residential homes and Adventus will liquidate one residential home and contribute the proceeds to the Reorganized Debtor, all of which are currently used in connection with the Debtor's ministry.
- Furrer Properties, Inc. will liquidate the three parcels of property on which Cooper's Mortuary operates and which includes a four-unit apartment building (three total parcels of real estate) and contribute the proceeds to the Reorganized Debtor.

- If necessary to use as a source of collateral for the RCC loan, RCBO will utilize other real estate currently being used in support of the Debtor's ministry.

Previous versions of the Plan required the Debtor to transfer title of certain real property owned by Adventus to the Survivors' Trust. The real property is located at 3658 Las Colinas Road, Livermore, California (the "Livermore Property"). Adventus would have approved the transfer of the Livermore Property to the Debtor upon confirmation of the Plan, and the Debtor would have in turn transferred the Livermore Property to the Survivors' Trust on the Effective Date. The Livermore Property consists of approximately 122.5 acres of vacant land with no on-site improvements. It is currently zoned for agricultural use. The Debtor believes the Livermore Property is worth between \$43 million and up to approximately \$81 million or more if it is entitled for residential development, such that the sale of the Livermore Property by the Survivors' Trustee could have increased the Survivors' Trust Assets by that amount (and perhaps more).³

~~The Livermore Property to be contributed by the Debtor to the Survivors' Trust on the Effective Date hands over to the Survivors' Trust what the Debtor believes is the most valuable single real estate asset available to the Debtor (through its affiliate, Adventus, which will approve the transfer if the Plan is confirmed).~~ The Debtor has spent considerable time working with the City of Livermore to permit the Livermore Property to be developed for residential use. This work is ongoing. ~~If the Debtor (or the Survivors' Trust) succeeds, the sale~~ On or about February 23, 2025, the Livermore City Council unanimously approved a request by the city's planning staff to negotiate a housing development agreement in relation to the Livermore Property. The Debtor hopes that these negotiations will lead to a re-zoning of the Livermore Property ~~will dramatically increase the amount available to pay Abuse Claims. If to allow residential use. The Committee, however, informed the Debtor and the Bankruptcy Court that it opposed the transfer of the Livermore Property is ultimately not entitled for the construction of single-family homes, then total possible creditor recoveries under the Plan may be materially less than projected.~~ to the Survivors' Trust, claiming the property was of uncertain value and objecting to the Survivors' Trust having to complete the re-entitlement process in order to increase the property's value. The Debtor removed the Livermore Property from the list of Survivors' Trust Assets. The Debtor will continue working to re-entitle the Livermore Property after the Effective Date. The Debtor is considering whether the Livermore Property could be used as collateral for the RCC loan, provided that Adventus would be willing to use the property for that purpose.

Third, many of the Debtor's assets are either necessary for it to maintain basic operations – including for Churches within the Diocese of Oakland – or were donated to the Debtor for a specific, restricted purpose. Because the Debtor is a charitable entity, California law imposes limitations on the use of property donated subject to a restriction on use. See Cal. Bus. and Prof. Code § 17510.8 ("acceptance of charitable contributions by a charity . . . establishes a charitable trust and a duty on the part of the charity . . . to use those charitable contributions for the declared charitable purposes for which they are sought"). Consequently, the Debtor may not use assets donated for a specific purpose for any other purpose. In other words, the Debtor cannot use assets donated for the purpose of corporal works of mercy (e.g. feeding the hungry, sheltering the homeless, visiting the sick or imprisoned), to pay operational expenses, or to pay its creditors. Many of the Debtor's cash assets are restricted in this manner.

Based on the foregoing, the Plan reflects the Debtor's careful analysis of its real estate assets, including how each asset contributes to the Debtor's mission and measures that would need to be taken to make those each asset salable, and inherently depends on the sale or encumbering of certain real estate. Some of the real estate to be sold will be vacant or mostly-vacant land adjacent to one of the Churches. Some of the real estate to be sold will include land on which Churches presently sit and operate. In the

³ As discussed in the Committee Letter attached hereto as Exhibit G, the Committee contests this valuation.

1 case of the latter, this means those locations would not be used for church services or any other aspects of
2 the Catholic faith and mission after they are sold.

3 The Debtor recognizes the sale of valuable real property, particularly “full sites” currently used in
4 the Debtor’s ministry, is a painful outcome for the Debtor and many Catholics. Nonetheless, the Debtor
5 is making this sacrifice voluntarily for the benefit of Survivors in this bankruptcy case. The sale of real
6 property on which a Church currently sits and operates, or which is used in its ministry, would not happen
7 in a forced liquidation under chapter 7 of the Bankruptcy Code. Under applicable U.S. Supreme Court and
8 Ninth Circuit case law, the Debtor cannot be forced to sell real estate on which it operates one of the
9 Churches. *See Security Farms v. Gen. Teamsters, Warehouseman and Helpers Union, Local 890 (In re*
10 *Gen. Teamsters, Warehouseman and Helpers Union, Local 890)*, 265 F.3d 865, 877 (9th Cir. 2001); *see*
11 *also Hosanna-Tabor Evangelical Lutheran Church and School v. E.E.O.C.*, 565 U.S. 171, 188-190) (in
12 the context of the ministerial exception to federal employment discrimination laws, First Amendment
13 Religion Clauses prohibit “government interference with an internal church decision that affects the faith
14 and mission of the church itself”). Here the Debtor is willing to sell some of its property, including Church
15 property, pursuant to a confirmed Plan ~~in order~~ to achieve the dual goals of this Chapter 11 Case.

10 **iii. Potential Settling Insurer Contributions and the Insurance Assignment.**

11 The Plan provides that Non-Settling Insurers may become Settling Insurers and provides for
12 settlement proceeds resulting therefrom to be used to further supplement recoveries to Trust Claims. To
13 the extent no settlement with a particular Non-Settling Insurer is achieved, the Plan establishes a
14 framework for post-confirmation litigation for Trust Claimants seeking recovery from Non-Settling
15 Insurers through the Litigation Option.

16 The Debtor engaged in extensive and tireless mediation with the Insurers over the Insurance
17 Assignment. The Debtor and Insurers have reached agreement on a term sheet that would allow the Debtor
18 to assign its rights and obligations under the Abuse Insurance Policies, but not the Policies themselves, to
19 the Survivors’ Trust upon the Effective Date. The Plan – chiefly, but not exclusively, Article VIII of the
20 Plan – reflect, in the Debtor’s view, the agreed-upon term sheet.⁵⁴

21 As set forth in detail below, there are significant unresolved legal issues with respect to the
22 Insurance Assignment. The Debtor strongly encourages all Holders of Abuse Claims to refer to the Risk
23 Factors section below, specifically Article XVIII(A), regarding the relative positions of the parties.

19 **iv. Potential Additional Contributions.**

20 The Plan further provides that other Non-Debtor Catholic Entities (in addition to ~~Adventus and~~
21 RCWC), such as religious orders, may make contributions and receive treatment similar to ~~Adventus and~~
22 RCWC. All such parties (including ~~Adventus and~~ RCWC) are referred to as the “Contributing Non-
23 Debtor Catholic Entities.” Collectively, ~~the Cash, property, and insurance contributions to any tangible or~~
24 ~~intangible assets held by~~ the Survivors’ Trust ~~from all parties~~ are referred to herein as the “Survivors’
25 Trust Assets.”

26 On the Effective Date, the Survivors’ Trust will segregate \$5.0 million of the Initial Debtor
27 Contribution into the Unknown Abuse Claims Reserve for the benefit of Holders of Class 5 Claims.

28 ⁵⁴ As discussed in the Committee Letter, the Committee does not support the agreement between the
Debtor and the Insurers embodied herein.

B. Comparison to Other Diocesan/Religious Order Cases

The Debtor believes the treatment proposed in the Plan is fair and equitable to its creditors and represents a greater recovery—on a claimant-by-claimant basis—based on contributions from the Debtor itself when compared with prior, similar bankruptcy cases.⁶⁵ At Confirmation the Debtor will ~~put~~ ~~on~~ ~~present~~ ~~unassailable~~ evidence demonstrating ~~same~~ ~~this~~.

~~The following chart demonstrates potential average per-Claim distributions assuming: 1) stated values of the Contributing Entities' Cash Contributions plus the stated range of value for the Livermore Property, and 2) approximately 345 unique Abuse Claims will ultimately receive distributions:~~

Contributing Entities' Cash Contribution	Livermore Property Value	Total Debtor/RCWC Contribution Value	Average Per-Claim Distribution
\$117.25 million	NONE	\$117.25 million	\$339,855
\$117.25 million	\$43.0 million	\$160.25 million	\$464,492
\$117.25 million	\$81.0 million	\$198.25 million	\$574,637

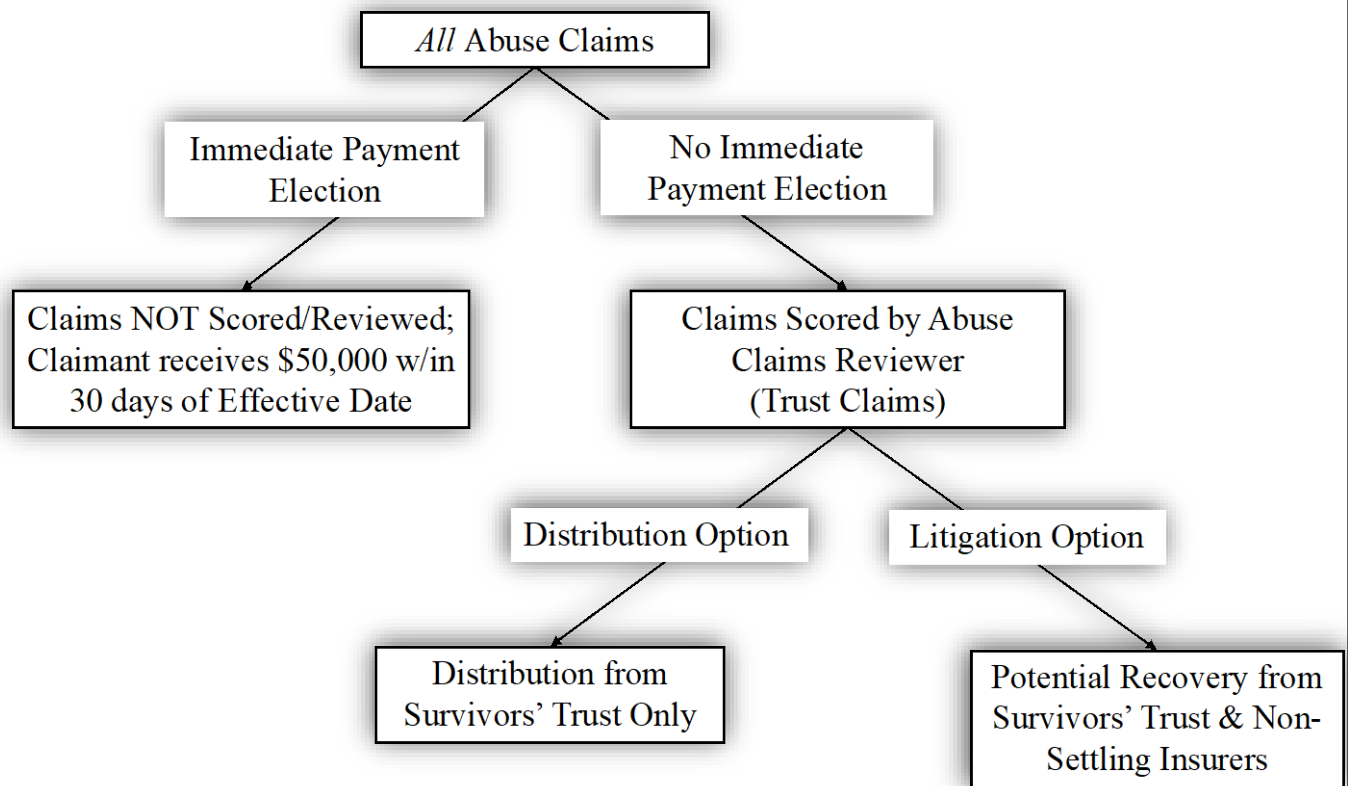
Assuming: 1) the stated values of the Contributing Entities' Cash Contributions, and 2) approximately 345 unique Abuse Claims will ultimately receive distributions, the average per Claim distribution to Holders of Class 4 Claims is \$401,449.28 (based on available cash contributions of \$138,500,000.00). It is not possible to calculate an average per claim distribution to Holders of Class 5 Claims (Unknown Abuse Claims). Holders of Class 5 Claims will be eligible to receive their pro rata share of the Unknown Abuse Claims Reserve (\$5,000,000.00) within the first five years after the Effective Date. Thereafter, any remaining amount from the Unknown Abuse Claims Reserve will be absorbed into the Survivors' Trust Assets and made available for distribution to Holders of Class 4 Claims in accordance with the terms of the Plan. In addition, these potential average per-Claim distributions do not include: 1) the value of the Assigned Insurance Interests and potential associated recoveries, including by Abuse Claimants who select the Litigation Option under Section 9.8.4 of the Plan, 2) possible settlements with Settling Insurers prior to the Effective Date of the Plan, if any, and 3) additional possible contributions from other Contributing Non-Debtor Catholic Entities besides RCWC.

Because the Immediate Payment Option pays less (\$50,000) than the projected per-claimant average values under the Plan, every Abuse Claimant that elects ~~that option~~ the Immediate Payment Option increases the projected per-claimant average for all other Abuse Claimants. By way of example, assuming total cash contributions of \$138,500,000, if ten Abuse Claimants elect the Immediate Payment Option, the per Claim distribution increases to \$411,940.30. If twenty-five claimants elect the Immediate Payment Option, the per Claim distribution increases to \$428,906.25. The tradeoff, as described below, is that Abuse Claimants electing the Immediate Payment Option: 1) receive their payment within 30 days of the Effective Date of the Plan, and 2) do not have their Abuse Claims scored or reviewed in any way.

C. Plan Mechanics

The following subsections outline the decisions Abuse Claimants make under the Plan regarding their potential distributions from the Survivors' Trust. Those decisions (and the outcomes therefrom) can be represented graphically as follows:

⁶⁵ As discussed in the Committee Letter, the Committee disagrees with this assertion.



i. Immediate Payments.

The Plan provides the option for Abuse Claimants to elect to receive an Immediate Payment within 30 days of the Effective Date in the amount of \$50,000. If an Abuse Claimant elects to receive an Immediate Payment, all recovery on their Abuse Claim is limited to the Immediate Payment. For the avoidance of doubt, an Abuse Claimant who elects to receive an Immediate Payment shall not be permitted to seek any additional recovery on account of the Abuse Claim from any other party, including Non-Settling Insurers. Correspondingly, Abuse Claims of Claimants that elect the Immediate Payment will not be scored or subject to Claim objections.

ii. Initial Determination / Claims Scoring.

After the Effective Date, the Abuse Claims Reviewer will score all remaining Abuse Claims (defined as “Trust Claims”) and issue a letter to each Holder of such Claims (“Trust Claimants”) regarding the scoring of their specific Claim (the “Initial Determination”). The purpose of the scoring is to calculate each Trust Claimant’s *pro rata* share of projected distributions. The Initial Determination will include a projected total recovery for the Trust Claimant based on the anticipated Survivors’ Trust Assets available for distribution. The purpose of the Initial Determination is to provide information about *projected* distributions to Trust Claimants. Actual distributions may change based on, among other things, ~~the value of the Livermore Property when sold and~~ recoveries for Litigation Claimants from Non-Settling Insurers that free up additional funds for Distribution Claimants.

As set forth in the Trust Distribution Plan, the scoring process works as follows:

- First, the Abuse Claims Reviewer applies Initial Criteria to determine whether any incurable defects exist with respect to a Trust Claim. These criteria include whether the Trust Claim was timely submitted, substantially completed and signed, is duplicative of another Trust Claim, or was previously resolved through litigation or settlement;
- Second, the Abuse Claims Reviewer applies General Criteria intended to determine whether the Trust Claim adequately describes the alleged abuse, alleged perpetrator, location of abuse, and legal liability of the Debtor or another party; and,
- Third, the Abuse Claims Reviewer applies Evaluation Factors to score the claim on a scale from 1-100. The Evaluation Factors include the nature of the abuse (in terms of duration, frequency, level of severity and degree of intrusiveness, etc.), the impact of the abuse (in terms of mental and physical health, spiritual well-being, interpersonal relationships, etc.); prior recoveries, if any, from other parties; and the claimant’s involvement in bringing the abuse to light for the benefit of all Trust Claimants.

After scoring each Trust Claim, the Abuse Claims Reviewer will calculate the value of an individual “point.” The point value will be determined by dividing (a) the total dollars available for distribution to Trust Claims by (b) the total of points among the individual Trust Claims. For example:

- Assume there are 345 claimants holding Trust Claims with an average score of 50 points per claim.
- 50 points per claim multiplied by 345 claims yields 17,250 total points.
- Assuming a total distributable amount of \$~~198.25~~138.5 million (~~the projected “high” value set forth in the chart above for all contributions~~), each point would be valued at \$~~11,493~~8,028.99 (\$~~198.25~~138.5 million divided by 17,250 points, ~~rounded to the nearest dollar~~).

Accordingly, Trust Claims assigned 25, 50, and 75 points would receive projected total recoveries of \$~~287,325~~200,724.75, \$~~574,650~~401,449.50, and \$~~861,975~~602,174.25 from the Survivor’s Trust, respectively.

Following receipt of the Initial Determination, Trust Claimants get 30 days to request re-review of the Initial Determination by the Abuse Claims Reviewer with the option to submit additional documentation or information that such Claimant believes should be considered (the “Review Determination”). If sought, the Review Determination shall be the “Final Determination.” If no Review Determination is sought, the Initial Determination shall be the Final Determination.

iii. Distribution Option vs. Litigation Option.

All Trust Claimants will have 90 days from issuance of ~~the~~their respective Initial Determination to elect one of two paths as to their Trust Claim: 1) acceptance of a distribution solely from the Survivors’ Trust (the “Distribution Option”), or 2) pursuit of litigation that could yield recovery from an insurer, if any (the “Litigation Option”). Claimants that do not make an election will be deemed to have chosen the Distribution Option.

On the 91st day following issuance of ~~the~~all Initial Determinations by the Abuse Claims Reviewer, the Survivors’ Trustee will know: 1) how many Trust Claimants chose the Distribution Option (“Distribution Claimants”), and 2) how many Trust Claimants chose the Litigation Option (“Litigation Claimants”). Following resolution of the last Review Determination, the Survivors’ Trustee will know

1 the total number of points of Trust Claims and be able to project *pro rata* shares of anticipated distributions
2 to Trust Claimants.

3 At that point:

4 For Trust Claimants that chose the Distribution Option:

- 5 • The Survivors' Trustee will make his Initial Distribution, which shall be comprised of such
6 Trust Claimant's *pro rata* share of the Survivors' Trust Assets existing on that date, less
7 reasonable reserves for the Survivors' Trust. ~~This will likely not include the proceeds from
8 the sale of the Livermore Property at that time.~~
- 9 • ~~Following sale of the Livermore Property (if it did not occur prior to the Initial Distribution)~~
10 ~~or upon~~ Upon receipt of additional Cash Contributions, the Survivors' Trustee will make
11 such Additional Distributions as are necessary and appropriate, which shall be comprised
12 of such Trust Claimant's *pro rata* share thereof, less reasonable reserves for the Survivors'
13 Trust. Whether and when to make Additional Distributions prior to the Final Distribution
14 shall be within the discretion of the Survivors' Trustee.

15 For Trust Claimants that chose the Litigation Option:

- 16 • The Survivors' Trust shall reserve the amount of the projected distribution based on the
17 Final Determination pending the outcome of the litigation. As the Survivors' Trust
18 receives additional Cash Contributions ~~or the proceeds from the sale of the Livermore
19 Property~~, the Survivors' Trust shall increase the reserve commensurately (the "Reserved
20 Amount").
- 21 • The Trust Claimant shall be allowed to resume or institute (as appropriate) litigation against
22 the Debtor (in name only) to establish coverage liability and damages for the Trust
23 Claimant's Abuse Claim as against the applicable Non-Settling Insurer(s). As to the
24 liability of the Debtor (as assumed by the Survivors' Trust):
 - 25 ○ If the litigation yields a judgment against the Debtor (in name only) (the "Judgment
26 Amount") that is lower than the Reserved Amount, the Judgment Amount
27 controls. Any excess in the reserve will be reallocated for payment to Distribution
28 Claimants.
 - If the litigation yields a Judgment Amount against the Debtor (in name only) that
is higher than the Reserved Amount, the Reserved Amount controls.
- If the litigation yields a judgment covered by insurance, the amount of such coverage shall
be paid by the responsible Insurer(s) directly to such Trust Claimant following recovery.
- Following resolution of each Litigation Option case, the Survivors' Trustee will make
a Litigation Distribution to each such Litigation Claimant in an amount equal to the lesser
of: 1) the Reserved Amount, or 2) the Judgment Amount, both amounts being subject to
reasonable reserves.
 - If: 1) the Survivors' Trust subsequently receives additional Survivors' Trust Assets
that would have increased the reserve for a Litigation Claimant, and 2) the
Litigation Distribution was less than the Judgment Amount, the Survivors' Trustee
can make additional Litigation Distributions to such claimant up to the Judgment

1 Amount, *provided however*, that in no event can a Litigation Claimant receive more
2 than the total amount of his or her judgment from all sources.

- 3 ○ Any excess in the reserve for a Litigation Claimant will be reallocated for payment
4 to all Distribution Claimants in their *pro rata* share.

5 Following resolution of the last Trust Claim of the last Trust Claimant that chose the Litigation
6 Option, the Survivors' Trustee will make ~~his~~the Final Distribution to Distribution Claimants, which shall
7 be comprised of such Trust Claimants' ~~pro-rata~~*pro rata* shares of all remaining Survivors' Trust Assets,
8 including reserves.

9 **D. Non-Monetary Commitment to Healing and Reconciliation**

10 The final key aspect of the Plan is the continuation of the Debtor's Mission to Effect Reconciliation
11 and Compensation, which constitutes its non-monetary commitment pursuant to the Plan. Bishop shares
12 the conviction of His Holiness Pope Francis, expressed on February 2, 2015, that "everything possible must
13 be done to rid the Church of the scourge of the sexual abuse of minors and to open pathways of reconciliation
14 and healing for those who were abused ..." As such the Bishop, on behalf of himself and the Debtor, pledges
15 and agrees to continue the good work outlined in Article IV(G), below.

16 The abuse of children and vulnerable adults has no place in the Diocese of Oakland, specifically,
17 or the Roman Catholic Church, generally. The Debtor will do everything in its power to prevent such
18 abuse.

19 **ARTICLE II**

20 **GENERAL INFORMATION**

21 On May 8, 2023, (the "**Petition Date**"), the Debtor filed a voluntary chapter 11 petition with the
22 Bankruptcy Court. Since the Petition Date, the Debtor has remained in possession of its assets and has
23 continued to own, operate, and manage its affairs pending the approval of a plan of reorganization in
24 accordance with the provisions of the Bankruptcy Code.

25 On May 23, 2023, the U.S. Trustee appointed the Committee in this Chapter 11 Case pursuant to
26 section 1102 of the Bankruptcy Code. The Committee is comprised of individuals who assert claims of
27 sexual abuse against the Debtor. The individual members of the Committee are represented by counsel
28 that collectively represent approximately forty-five percent (45%) of all Abuse Claimants who have
asserted Abuse Claims against the Debtor.

The Plan sets forth, among other things, the proposed treatment of Claims and other interests in
accordance with the Bankruptcy Code. This Disclosure Statement is intended to explain the Plan and
provide such information to Holders of Claims as may be deemed material, important, and necessary so
that they may make reasonably informed decisions in exercising their right to vote for acceptance of the
Plan. A copy of the Plan is included with this Disclosure Statement as **Exhibit A**. If the Plan and this
Disclosure Statement are not consistent, the terms of the Plan control. Capitalized terms used in this
Disclosure Statement but not otherwise defined herein shall have the meanings ascribed to them in the
Plan.

The Plan provides for the financial restructuring of the Debtor and the resolution of all, or
substantially all, Claims against the Debtor, including, without limitation, the resolution of all Abuse
Claims against the Debtor.

1 **A. Releases and Exculpations**

2 The Contributions set forth in the Plan are the result of extensive negotiations regarding, among
3 other things, the extent of liability faced by each entity, the ability of each entity to pay, and insurance
4 coverage available for the types of Claims being satisfied through the Survivors' Trust. In exchange for
5 the contributions to the Survivors' Trust, (a) the Debtor and Reorganized Debtor, (b) the Contributing
6 Non-Debtor Catholic Entities, (c) the Settling Insurers, if any, and (d) each of the foregoing Persons'
7 respective Related Persons shall receive the benefit of certain releases, exculpation (to the extent permitted
8 under applicable Ninth Circuit law including without limitation *Blixseth v. Credit Suisse*, 961 F.3d 1074
9 (9th Cir. 2020)), and injunctions, which are summarized below, and set forth more specifically later in
10 this Disclosure Statement and in the Plan.

11 **Exculpation.** The Plan provides certain exculpation
12 provisions which are typical and customary in chapter 11 plans. The
13 provisions provide that the (a) the Exit Facility Lender, (b) the
14 Debtor, including the Churches, (c) the Reorganized Debtor,
15 including the Churches, (d) the Committee, (e) the Committee's
16 members, (f) each Contributing Non-Debtor Catholic Entity, (g) the
17 College of Consulters of the Diocese of Oakland and each of its
18 members, (h) The Diocese of Oakland Finance Council and each of
19 its members, (i) the Presbyteral Council of the Diocese of Oakland
20 and each of its members, (j) the ~~Meditators~~Mediators, (k) the
21 Unknown Abuse Claims Representative, and (l) for each of the
22 foregoing, their respective officers, directors, agents, employees,
23 equity holders, attorneys, financial advisors, accountants,
24 representatives, and other duly authorized employed Professionals
25 in this Bankruptcy Case, will be released from certain of their acts
26 and omissions that occurred from the Petition Date through Effective
27 Date, or in preparation of the Chapter 11 Case. None of these parties
28 will be exculpated from claims arising from the gross negligence,
willful misconduct, fraud, or breach of the fiduciary duty of loyalty.

Releases. The Plan provides that the Released Parties (as
defined therein), will be granted releases and a channeling
injunction regarding certain claims, including all Abuse Claims. If
the Plan is confirmed, Abuse Claimants will not be able to recover
directly from or pursue further litigation against such parties,
including the Contributing Non-Debtor Catholic Entities, and Abuse
Claimants' recoveries on account of their Abuse Claims will be
limited by the terms of the Plan.

Injunctions. The Plan provides for certain injunctions,
including a channeling injunction which will channel certain
Claims, including all Abuse Claims against the Debtor or any of the
Contributing Non-Debtor Catholic Entities, into the Survivors'
Trust. This means that any holder of a Claim that is channeled will
no longer be permitted to pursue their Claim except as set forth in
the Plan.

The exculpations, releases, and injunctions contained in the Plan are an integral part of the Debtor's
overall restructuring efforts and were an essential element of the negotiations among the parties and in
obtaining the support of the Debtor and the Contributing Non-Debtor Catholic Entities for the Plan. **Each
Holder of an Abuse Claim has the ability to be exempted from the releases and channeling**

1 injunction provisions of the Plan relating to the Contributing Non-Debtor Catholic Entities by
2 affirmatively withholding consent or “opting out” of such releases and injunctions on the Abuse
3 Claim Ballot. Opting out of the releases for Contributing Non-Debtor Catholic Entities, specifically
4 RCWC, does not change the proposed treatment for any Holder of an Abuse Claim. As described
5 above, however, it may change the amount contributed by RCWC to the Survivors’ Trust Assets.

6 ~~You~~ An Abuse Claimant may be deemed to ~~grant~~ have granted releases to ~~third parties~~ third-
7 party Contributing Non-Debtor Catholic Entities under the Plan. An Abuse Claimant
8 ~~is~~ Claimant is deemed under the Plan to have consented to the release of the Contributing Non-
9 Debtor Catholic Entities pursuant to Section 13.9 of the Plan if: 1) ~~you return~~ the Abuse Claimant
10 returns a ballot voting for or against the Plan, and 2) ~~you do~~ the Abuse Claimant does not check the
11 box indicating ~~that you~~ they opt out of the third-party release in favor of Contributing Non-Debtor
12 Catholic Entities. An Abuse Claimant ~~that~~ does not return a ballot will not be deemed
13 to release the Contributing Non-Debtor Catholic Entities.

14 If the Plan is confirmed by the Bankruptcy Court and the Effective Date occurs, all Holders
15 of Claims against the Debtor, including all Abuse Claimants, will be bound the by the terms of the
16 Plan and the transactions contemplated thereby, including the release provisions contained therein
17 (including Holders of Claims who do not submit Ballots to accept or reject the Plan or who are not
18 entitled to vote on the Plan, but excluding Holders of Abuse Claims who are entitled to, and
19 affirmatively do, opt out of the release and channeling injunction provisions contained in the Plan).

20 The Plan further provides that ~~the Holders of~~ Allowed Administrative Expense Claims, Priority
21 Tax Claims, Non-Tax Priority Claims, Professional Fee Claims, and Secured Claims, ~~and General~~
22 ~~Unsecured Claims~~ will be paid in full as set forth herein, that all General Unsecured Claims will be paid
23 by the Reorganized Debtor over the course of one year following the Effective Date, that all Abuse Claims
24 will be channeled to the Survivors’ Trust, that the Debtor will be able to restructure its financial affairs,
25 and that the Reorganized Debtor will be able to continue the mission and ministry of the Catholic Church,
26 including through its work with the elderly, poor, incarcerated, vulnerable populations, and the Catholic
27 community as a whole, and to address the spiritual needs of those harmed by the Abuse crisis.

28 In the opinion of the Debtor, the treatment of Claims under the Plan provides an opportunity for
greater recovery for Creditors than that which is likely to be achieved under other alternatives.
Accordingly, the Debtor believes that confirmation of the Plan is in the best interests of, and
provides the highest and most expeditious recoveries to, Holders of Claims against the Debtor. All
creditors entitled to vote, therefore, are urged to vote to accept the Plan.

As set forth in the Committee Letter and throughout this Disclosure Statement, the
Committee does not support this Plan.

B. Summary of Voting Procedures

1. **Vote Solicitation and Deadline.**

To be counted, your Ballot must be received, pursuant to the following instructions, by
Kurtzman Carson Consultants, LLC dba Verita Global (“Verita”), on or before **5:00 p.m. (prevailing
Pacific Time) on _____, 2025** (the “Voting Deadline”):

If by first class mail, overnight courier or hand delivery:

The Roman Catholic Bishop of Oakland – Ballot Processing c/o Verita
222 N. Pacific Coast Highway, 3rd Floor
El Segundo, CA 90245

~~SECOND~~ THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~ THIRD AMENDED PLAN OF
REORGANIZATION

1 **By electronic, online submission:**

2 Please visit <https://www.veritaglobal.net/rcbo/>. Click on the “E-Ballot”
3 section of the Debtor’s website and follow the directions on your Ballot to
4 submit your E-Ballot. If you choose to submit your Ballot via Verita’s E-
Ballot system, you should not also return a hard (paper) copy of your
Ballot.

5 **IMPORTANT NOTE: You will need a unique E-Ballot ID Number that will be**
6 **provided with your Ballot.**

7 **IF YOU HOLD A CLAIM ENTITLED TO VOTE:**

8 Please (i) complete the information requested on the Ballot; (ii) sign, date, and indicate your vote to accept
9 or reject the Plan; and (iii) return the completed Ballot in the enclosed pre-addressed, postage-paid
envelope, or by one of the other methods described above, so that it is actually received by Verita on or
before the Voting Deadline.

10 **DO NOT RETURN ANY INVOICES, DEBT INSTRUMENTS, NOTES, OR**
11 **CERTIFICATES THAT YOU MAY HAVE WITH YOUR BALLOT.**

12 **ANY BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE**
13 **COUNTED, NOR WILL ANY BALLOTS RECEIVED BY TELECOPY OR EMAIL BE**
ACCEPTED.

14 **IF YOU HAVE QUESTIONS REGARDING THE BALLOT, DID NOT RECEIVE A**
15 **RETURN ENVELOPE WITH YOUR BALLOT, DID NOT RECEIVE AN ELECTRONIC COPY**
16 **OF THE DISCLOSURE STATEMENT AND THE PLAN, OR NEED PHYSICAL COPIES OF**
17 **THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE DEBTOR’S**
18 **SOLICITATION AND CLAIMS AGENT, VERITA, BY EMAIL AT**
19 **RCBOINFO@VERITAGLOBAL.COM OR BY CALLING (888)-733-1425 (U.S./CANADA) OR**
20 **(310)-751-2631 (INTERNATIONAL) AND REQUESTING TO SPEAK WITH A MEMBER OF**
21 **THE DEBTOR’S BALLOTING TEAM.**

22 2. **Importance of Your Vote.**

23 Your vote is important. The Bankruptcy Court defines acceptance by a Class of Claims as
24 acceptance of at least two-thirds in amount and a majority in number of Allowed Claims in the Class that
25 vote. Only the Ballots of those Holders of Claims who actually vote are counted for purposes of
determining whether a Class voted to accept the Plan. Your failure to vote will leave to others the decision
to accept or reject the Plan.

26 3. **Third-Party Release Opt-Out for Abuse Claimants**

27 If you are the Holder of an Abuse Claim in Class 4 or Class 5, the Ballot includes a checkbox
28 allowing you to opt-out of the non-debtor releases. If you wish to opt-out of the release provided under
[Section 13.9 of the Plan](#) to non-debtor parties, you must check the box on the Ballot indicating that you
wish to opt-out and return the Ballot by the Voting Deadline set forth above. [If you do not return a Ballot,](#)
[you will not be deemed to have opted out of the third-party release in Section 13.9 of the Plan.](#)

IF YOU HOLD AN ABUSE CLAIM AND RETURN THE BALLOT CASTING A VOTE
IN FAVOR OF OR AGAINST THE PLAN, YOU WILL BE DEEMED TO CONSENT TO THE
THIRD-PARTY RELEASE IN THE PLAN AND DESCRIBED IN SECTION III.F AND

~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF
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1 **ARTICLE XIII, BELOW, UNLESS YOU CHECK THE OPT-OUT BOX ON THE BALLOT. ANY**
2 **ATTEMPT TO OPT-OUT OF THE RELEASES THROUGH A DIFFERENT METHOD WILL**
3 **NOT BE EFFECTIVE.**

3 **C. Overview of Chapter 11**

4 Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter
5 11, a debtor is authorized to reorganize its business for the benefit of itself and its creditors. In addition
6 to permitting rehabilitation of a debtor, another goal of chapter 11 is to promote equality of treatment for
7 similarly situated creditors and interest holders with respect to any distribution of a debtor's assets.

8 The commencement of a chapter 11 case creates an estate that comprises all of the legal and
9 equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may
10 continue to operate its business and remain in possession of its property as a "debtor in possession." Upon
11 filing a petition for chapter 11 relief and during the pendency of a case, the Bankruptcy Code imposes an
12 automatic stay against creditors' attempts to collect or enforce, through litigation or otherwise, claims
13 against the debtor. The automatic stay provisions of section 362 of the Bankruptcy Code, unless modified
14 by court order, will generally prohibit or restrict attempts by creditors to collect or enforce any claims that
15 arose prior to the commencement of the chapter 11 case against the debtor.

16 The Bankruptcy Code provides for the formation of an official committee of unsecured creditors
17 in a chapter 11 case to represent the interests of Creditors in the case. On May 23, 2023, the United States
18 Trustee appointed the Committee in the Chapter 11 Case to represent the interests of the Debtor's
19 unsecured creditors, including Holders of Abuse Claims. Each of the members of the Committee asserted
20 a claim for sexual abuse against the Debtor.

21 The principal objective of a chapter 11 reorganization is the confirmation of a plan of
22 reorganization. The plan sets forth the means for satisfying the claims of creditors and other stakeholders.
23 The plan and a disclosure statement that contains information necessary to allow creditors, shareholders,
24 and members to evaluate the plan are sent to creditors, shareholders and members whose claims or
25 interests are impaired, who then vote to accept or reject the plan.

26 A class of claims is entitled to vote to accept or reject a plan if the class is "impaired" by the plan.
27 Section 1124 of the Bankruptcy Code provides generally that a claim is impaired if the legal, equitable,
28 or contractual rights of the claim are altered.

29 A plan may be confirmed under section 1129(a) of the Bankruptcy Code if each class of claims or
30 interests is not impaired by the plan or if each class has voted to accept the plan. Votes will be counted
31 only with respect to claims: (a) that are listed on the debtor's schedules other than as disputed, contingent,
32 or unliquidated; or (b) for which a proof of claim was filed on or before the claim filing deadline set by
33 the Bankruptcy Court for the filing of proofs of claim. However, any vote by a holder of a claim will not
34 be counted if the claim has been disallowed or is the subject of an unresolved objection, absent an order
35 from the Bankruptcy Court allowing the claim for voting purposes. A class of claims has accepted a plan
36 if voting creditors that hold at least two-thirds in amount and more than one-half in number of the allowed
37 voting claims in the class have voted to accept the plan. Pursuant to Bankruptcy Rule 3018(a), Class 4
38 Claims shall be estimated at \$1.00 for voting purposes only. The actual amount payable on account of
39 Class 4 or Class 5 Claims will be determined pursuant to the Survivors' Trust Distribution Plan.

40 A ~~holder~~Holder of a Disputed Claim is not entitled to vote on the Plan unless such Claim is
41 temporarily Allowed by the Debtor, or by an order of the Bankruptcy Court, in an estimated amount that
42 it deems proper for the purpose of voting to accept or reject the Plan. In other words, only holders of
43 Allowed Claims that are in Class 3 (General Unsecured Claims), Class 4 (Abuse Claims), Class 5
44 (Unknown Abuse Claims), or Class 6 (Non-Abuse Litigation Claims), ~~or Class 8 Claim (OPF Claim)~~ may

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1 vote to accept or reject the Plan. A Claim (a) to which an objection has been Filed by the Debtor or any
2 other party in interest that is pending at the time of the Confirmation Hearing, or (b)(i) that is listed on the
3 Debtor's Schedules as disputed, unliquidated, or contingent, and (ii) with respect to which a superseding
4 proof of claim has not been Filed, is not an Allowed Claim for voting purposes, unless the Claim is settled
5 by agreement or the Bankruptcy Court Allows the Claim (in whole or in part) by Final Order. Upon
6 request of a party in interest, the Bankruptcy Court may temporarily Allow or estimate a Disputed Claim
7 for the purpose of voting on the Plan. In addition, a vote may be disregarded if the Bankruptcy Court
8 determines that the acceptance or rejection of the Plan by the Claim Holder is not solicited or procured in
9 good faith or in accordance with the provisions of the Bankruptcy Code.

10 If an impaired class votes to reject the plan, the proponent of the plan may seek to "cram down"
11 the plan by confirming it under section 1129(b) of the Bankruptcy Code. A plan proponent may cram
12 down a plan upon a rejecting class only if at least one impaired class has voted to accept the plan, the plan
13 does not discriminate unfairly, and the plan is fair and equitable with respect to each impaired class that
14 has not voted to accept the plan. **The Debtor believes that the Plan will satisfy the foregoing
15 requirements as to any rejecting Class of Claims and can therefore be confirmed despite any such
16 rejection by any Class.**

17 Voting on the Plan by each Holder of a Claim in an Impaired Class is important. After carefully
18 reviewing the Plan and Disclosure Statement, each Holder of a Claim should vote on the enclosed ballot
19 either to accept or reject the Plan. Any ballot that does not appropriately indicate acceptance or rejection
20 of the Plan will not be counted. A ballot that is not received by the deadline will not be counted. If a
21 ballot is lost, damaged, or missing, a replacement ballot may be obtained by contacting the Debtor's
22 Claims and Noticing Agent, Verita, by email at RCBOInfo@veritaglobal.com or by calling (888)-733-
23 1425 (U.S./Canada) or (310)-751-2631 (international) and requesting to speak with a member of the
24 solicitation team.

25 Class 3 (General Unsecured Claims), Class 4 (Abuse Claims), Class 5 (Unknown Abuse Claims),
26 and Class 6 (Non-Abuse Litigation Claims) ~~and Class 8 (OPF Claim)~~ are Impaired under the Plan and are
27 entitled to vote on the Plan.

28 Class 1 (RCC Secured Claim) and Class 2 (Priority Unsecured Claims) are Unimpaired under the
Plan, projected to receive payment in full, and are conclusively deemed to accept the Plan. Accordingly,
they are not entitled to vote. Class 7A (Contribution and Indemnification Claims Related to Class 4
Claims) and Class 7B (Contribution and Indemnification Claims Related to Class 5 Claims) are Impaired
under the Plan, will not receive any distributions, and conclusively deemed to reject the Plan. Accordingly,
they are not entitled to vote.

Section 1129(a) of the Bankruptcy Code establishes several conditions for the confirmation of a
plan. These conditions are too numerous to be fully explained here. Parties are encouraged to seek
independent legal counsel to answer any questions concerning the chapter 11 process. Among the
conditions for plan confirmation is that either each holder of an impaired claim must accept the plan, or
the plan must provide at least as much value as would be received upon liquidation of a debtor's estate
under chapter 7 of the Bankruptcy Code. The Debtor believes the Plan satisfies all the applicable
requirements of section 1129(a) of the Bankruptcy Code.

The Bankruptcy Court has scheduled a Confirmation Hearing to consider approving the Plan
commencing on _____, 2025 at ____:____.m. (prevailing Pacific Time) at the United States Bankruptcy
Court for the Northern District of California, United States Courthouse, 1300 Clay Street, Courtroom 220,
Oakland, CA 94612. The Confirmation Hearing may be adjourned from time to time without further
notice other than by announcement in the Bankruptcy Court on the scheduled hearing date or upon the
Debtor filing a notice of adjournment.

**~~SECOND~~ THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~ THIRD AMENDED PLAN OF
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1 **D. Summary of Classification of Claims**

2 Detailed elsewhere in this Disclosure Statement are descriptions of the technical aspects of the
3 classification of Claims, the relative allocations of assets to Holders of such Claims, the methodology as
4 to how such assets are to be distributed, the risks inherent in the proposed Plan, and the applicable
5 bankruptcy and tax consequences of the Plan. However, a broad overview of what each class of creditors
6 is likely to receive under the Plan will be helpful for your consideration of whether you wish to accept or
7 reject the Plan.

8 The following is a summary of the classification of all Claims under the Plan. This summary is
9 qualified in its entirety by reference to the Plan:

Class	Class Description	Number of Claimants	Status	Voting Rights
Class 1	RCC Secured Claim	1	Unimpaired	Non-voting Deemed to accept
Class 2	Priority Unsecured Claims, other than non-classified claims set forth in Article III	36	Unimpaired	Non-voting Deemed to accept
Class 3	General Unsecured Claims	71	Impaired	Eligible to vote
Class 4	Abuse Claims	~345	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	Unknown	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	2	Impaired	Eligible to vote
Class 7A	Contribution and Indemnification Claims Related to Class 4 Claims	Unknown	No recovery	Non-voting Deemed to reject
Class 7B	Contribution and Indemnification Claims Related to Class 5 Claims	Unknown	No recovery	Non-voting Deemed to reject
Class 8	OPF Claim	1	Impaired	Eligible to vote

10 As discussed in the Liquidation Analysis attached hereto as **Exhibit B**, the Debtor estimates that
11 recoveries for Holders of Abuse Claims in Class 4 and Class 5 under the Plan will be greater than if the
12 Debtor were to liquidate under chapter 7 of the Bankruptcy Code because the total amount of assets
13 available for Distribution is greater under the Plan than in liquidation under chapter 7.

14 The Debtor's Liquidation Analysis is predicated on the premise that a "hypothetical liquidation"
15 must be a *possible* liquidation. This means a liquidation analysis ought not include assets which cannot be
16 used to pay creditors because including such assets distorts the outcome and would create confusion
17 concerning the comparison of how creditors are being paid under the Plan versus what creditors might be
18 paid in a liquidation which is legally *possible*. Under Ninth Circuit law, assets of the Debtor's estate that
19 cannot be legally made available for distribution to creditors should not be included in a hypothetical
20 liquidation under section 1129(a)(7)(A)(ii) of the Bankruptcy Code. *See Security Farms*, 265 F.3d at
21 877. Moreover, the decision on whether to operate a church at a particular location, or the decision
22 whether to sell real estate on which a church sits, is inherently an ecclesiastical decision which affects the

1 faith and mission of the Catholic Church. Under the Free Exercise Clause and Establishment Clause of
2 the First Amendment to the U.S. Constitution, these decisions are reserved for the Bishop alone and the
3 government may not interfere with or dictate those decisions. In other words, because: 1) the Debtor
4 cannot be forced into a chapter 7 liquidation proceeding under the Bankruptcy Code, and 2) the Debtor
5 cannot be forced to sell real estate on which it operates one of the Churches, the Liquidation Analysis
6 ~~does~~ should not contemplate such sales. The Debtor asserts this presents a more accurate view of potential
7 recoveries in a hypothetical liquidation scenario and provides appropriate context to whether the Plan is
8 in the best interests of Abuse Claimants, in particular. Notwithstanding this, the ~~Debtor will supplement~~
9 ~~this Second Amended Disclosure Statement with an additional liquidation analysis which is~~ Liquidation
10 Analysis attached hereto includes a “Supplemental Liquidation Analysis” premised on the liquidation of
11 all real estate titled in the name of the Debtor. ~~However~~ While this supplemental liquidation analysis is
12 provided for informational and disclosure purposes, the Debtor believes ~~such a liquidation analysis this~~
13 Supplemental Liquidation Analysis is not the appropriate measure ~~for~~ to evaluate the Plan in this Chapter
14 11 Case for the reasons stated above.

15 **As set forth in the Committee Letter, the Committee disputes the Debtor’s position regarding**
16 **forced liquidation in a hypothetical chapter 7 and believes additional property may be available for**
17 **creditors. Ultimately, the Court will decide whether to confirm the Plan or not. If the Court**
18 **disagrees with the Debtor’s position regarding forced liquidation in a hypothetical chapter 7, it may**
19 **not confirm the Plan.**

20 Additionally, the Cash Contributions and the Assigned Insurance Interests provided by the
21 Contributing Non-Debtor Catholic Entities will not be available to the Estate under chapter 7, nor would
22 be the Immediate Payment option present in the Plan.

23 The Debtor also believes that theoretical Distributions under a chapter 7 case would likely be
24 delayed due to the time it will take a chapter 7 trustee to assess the Debtor’s assets, review and analyze
25 Claims, and evaluate and litigate claims against third parties. The cost of litigation to determine the value
26 of the Abuse Claims asserted against the Debtor alone would cost tens of millions of dollars. Holders of
27 Allowed Claims entitled to vote to accept or reject the Plan should review the Liquidation Analysis
28 (including all footnotes thereto and documents referenced therein) and the Committee Letter in assessing
whether to vote to accept or reject the Plan.

29 **E. Disclosure Statement Enclosures**

30 Accompanying this Disclosure Statement are the following enclosures:

31 1. **Order Approving Disclosure Statement.**

32 A copy of the Order of the Bankruptcy Court dated _____, 2025, in which the
33 Bankruptcy Court approved this Disclosure Statement and, among other things, establishing procedures
34 for voting on the Plan, scheduling the Confirmation Hearing, and setting the deadline for objecting to
35 confirmation of the Plan (the “Disclosure Statement Order”).

36 2. **Notice of Confirmation Hearing.**

37 A copy of the notice of the deadline for submitting ballots to accept or reject the Plan and, among
38 other things, the date, time and place of the Confirmation Hearing, and the deadline for filing objections
to confirmation of the Plan (the “Confirmation Hearing Notice”).

39 3. **Ballot.**

1 Ballot(s) (and return envelope) for each respective Class entitled to vote, for voting to accept or
2 reject the Plan. See Article VI(B) below for an explanation of which Holders of Claims are entitled to
3 vote. The Ballot includes the Immediate Payment election for Holders of Class 4 Claims and a checkbox
4 allowing Holders of Class 4 Claims and the Unknown Abuse Claims Representative (on behalf of Class
5 5) to affirmatively opt-out of the Releases provided to non-debtors under the Plan.

6 ARTICLE III

7 QUESTIONS AND ANSWERS ABOUT THE DISCLOSURE STATEMENT AND PLAN

8 A. What is Chapter 11?

9 Chapter 11 is a form of bankruptcy under the Bankruptcy Code that involves a court-supervised
10 reorganization of a debtor's assets and liabilities. It is most used by businesses. The commencement of
11 a Chapter 11 case creates an "estate" comprised of any and all the legal and equitable interests of the
12 debtor as of the date of filing of its bankruptcy petition. The Bankruptcy Code provides that the Chapter
13 11 debtor may continue to operate and remain in possession of its property as a "debtor-in-possession."

14 Under Chapter 11, a debtor is authorized to reorganize for the benefit of itself and its creditors.
15 The principal objective of a Chapter 11 case is the confirmation and consummation of a Chapter 11 plan.
16 A plan sets forth the means for satisfying claims against a debtor. The Confirmation of a plan of
17 reorganization by a bankruptcy court binds the debtor, any issuer of securities under a plan of
18 reorganization, any person acquiring property under a plan of reorganization, any creditor of a debtor, and
19 any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable
20 provisions of the Bankruptcy Code. Subject to certain limited exceptions, a confirmation order discharges
21 a debtor from any debt that arose before the confirmation of such plan and provides for the treatment of
22 such debt in accordance with the terms of the confirmed plan of reorganization. Certain creditors of a
23 debtor are permitted to vote to accept or reject the plan.

24 B. Why is the Debtor sending me this Disclosure Statement?

25 Before soliciting acceptances of a Chapter 11 plan, section 1125 of the Bankruptcy Code requires
26 the preparation of a disclosure statement containing adequate information of a kind, and in sufficient
27 detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance
28 of the Plan and requires the debtor to share such disclosure statement with all creditors whose votes on
the plan are being solicited. On [____], 2025, the Bankruptcy Court entered an Order (the
"Disclosure Statement Order"), [Docket No. ____], that approves this Disclosure Statement as containing
adequate information within the meaning of section 1125 of the Bankruptcy Code and that establishes
certain dates, deadlines, and procedures in connection with the proposed Confirmation of the Plan.

29 C. Am I entitled to vote on the Plan?

30 Your ability to vote on the Plan depends on what type of Claim or Claims that you hold. Pursuant
31 to section 1122(a) of the Bankruptcy Code, each category of Claims has been ~~classified in~~ placed into a
32 given "Class," as set forth in Articles II – IV of the Plan. The following Classes of Claims are entitled to
33 vote on the Plan:

Class	Class Description	Status	Voting Rights
Class 3	General Unsecured Claims	Impaired	Eligible to vote
Class 4	Abuse Claims	Impaired	Eligible to vote

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Class 5	Unknown Abuse Claims	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	Impaired	Eligible to vote
Class 8	OPF Claim	Impaired	Eligible to vote

All other Classes of Claims are not entitled to vote and will not receive Ballots in connection with solicitation.

D. What is meant by “Confirmation” and “Effective Date”?

“Confirmation” refers to the Bankruptcy Court’s approval of the Plan. Confirmation of the Plan does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of the Plan, there are conditions that need to be satisfied or waived so that the Plan can become effective. Distributions to Holders of Allowed Claims will only be made on or after the date the Plan becomes effective—the “Effective Date.”

E. Does the Plan contain releases and permanent injunctions in favor of the Debtor and the Churches?

Yes. The Plan contains releases and permanent injunctions that relate to and affect the rights, Claims, and/or Causes of Action that Holders of Claims, including Holders of Abuse Claims, may have against the Debtor or Reorganized Debtor. Because the Churches are not separately incorporated legal entities, as a matter of California law they are not separate from the Debtor, and they do not own or hold a legal or equitable interest in property separate from the Debtor. Thus, the Churches are included in the releases and permanent injunction in favor of the Debtor and Reorganized Debtor, and the Churches are not receiving a release or permanent injunction separate from or in addition to the Debtor and Reorganized Debtor.

Before you vote, you should review the entire Disclosure Statement and Plan, including, but not limited to, its releases and injunctions.

F. Does the Plan contain releases and permanent injunctions in favor of Third Parties?

Yes. The Plan also contains releases and injunctions that relate to and affect the rights, Claims, and/or Causes of Action that “Releasing Parties” may have against entities who are not the Debtor or the Reorganized Debtor, as provided for in Article XIII of the Plan (the “Third-Party Releases and Third-Party Permanent Injunctions”). As discussed below, Holders of Abuse Claims who ~~vote to accept or reject the Plan~~ return their Ballot but do not affirmatively opt out of the releases provided by the Plan by checking the appropriate box on the Ballot indicating ~~that~~ they opt not to grant the third-party releases set forth in Section 13.9 of the Plan, are Releasing Parties. Before you vote, you should review the entire Disclosure Statement, Plan, and any Plan Supplement, including, but not limited to the provisions concerning the Third-Party Releases and Third-Party Permanent Injunctions.

“Released Parties” as defined in the Plan includes: (a) the Debtor, (b) the Reorganized Debtor (i.e., the Debtor after confirmation of the Plan), (c) the Churches (as discussed above, none of whom are separately incorporated from the Debtor and whose releases under the Plan shall be one and the same as, and not separate from or in addition to, the releases of the Debtor and Reorganized Debtor), (d) the Contributing Non-Debtor Catholic Entities, but each only as to the Abuse Claims for which it receives a Release under Section 13.9 of the Plan. In order to effectuate this release of the foregoing, “Released Parties” also includes each of their “current and former directors, managers, officers, employees,

1 predecessors, successors, assigns, managed accounts or funds, agents, advisory board members, financial
2 advisors, partners, attorneys, accountants, investment bankers, consultants, and other professionals.” The
3 Plan does not purport or attempt to release or grant permanent injunctions to any other diocese,
4 archdiocese, or religious organization that is not a Contributing Non-Debtor Catholic Entity. Presently,
5 RCWC ~~and Adventus are~~ is the only Contributing Non-Debtor Catholic ~~Entities~~ Entity under the Plan. The
6 Plan also expressly excludes from the release the perpetrators of abuse identified in Abuse Claims.

7
8
9 **G. As the Holder of an Abuse Claim, will I be bound by the Third-Party Releases and Third-Party Permanent Injunctions?**

10 All Holders of Abuse Claims who ~~vote to accept or reject the Plan~~ return their Ballot and who do
11 not affirmatively opt out of the releases provided by the Plan by checking the appropriate box on the Ballot
12 indicating that they opt not to grant the releases set forth in the Plan and returning such form to Debtor’s
13 claims and noticing agent, will be bound by the Third-Party Releases and Third-Party Permanent
14 Injunctions.

15
16
17 **H. As the Holder of any Claim other than an Abuse Claim, will I be bound by the Third-Party Releases and Third-Party Permanent Injunctions?**

18 Holders of Claims other than Class 4 or Class 5 Claims are not subject to the Third-Party Releases
19 and Third-Party Permanent Injunctions. ~~They~~ Such Holders will not be releasing claims against any non-
20 debtors.

21
22
23 **I. What is required for the Unknown Abuse Claims Representative to Opt-Out of the Third-Party Releases and Third-Party Permanent Injunctions?**

24 The Unknown Abuse Claims Representative shall cast a single Ballot with a single checkbox for
25 the opt-out on behalf of all Class 5 Claims. To the extent the Unknown Abuse Claims Representative
26 submits a Ballot (with the opt-out checkbox) on behalf of Class 5 Claims, they shall do so according to
27 the same procedures and deadlines as Holders of Class 4 Claims.

28
29 **J. Are there any Exculpation Provisions contained in the Plan?**

30 Yes. The Plan also contains provisions (the “Exculpation Clause,” as set forth and defined in the
31 Plan in Article 13.6) exculpating or limiting the liability of certain parties, including the Debtor, the
32 Reorganized Debtor, the Committee, and numerous other parties (the “Exculpated Parties,” as set forth
33 and defined in the Plan in Article ~~1.1.50~~ 1.1.51). The Exculpation Clause may affect the rights, Claims,
34 and/or Causes of Action of Holders of Claims, including Holders of Abuse Claims, in relation to the
35 Exculpated Parties. The Exculpated Parties shall receive the benefits of the Exculpation Clause to the
36 extent permitted under applicable Ninth Circuit law, including without limitation *Blixseth v. Credit Suisse*,
37 961 F.3d 1074 (9th Cir. 2020).

38
39 **K. Does the Plan contain Provisions Designed to Foster the Protection of Children from Sexual Abuse?**

40 Yes. The Plan’s Non-Monetary Commitment to Healing and Reconciliation reinforce and
41 continue the Debtor’s existing policies and procedures, as described herein, for the protection of children
42 and vulnerable adults.

43
44 **L. What is the Effect of the Plan on the Debtor’s Ongoing Religious and Charitable Endeavors?**

45 The Debtor is reorganizing under Chapter 11 of the Bankruptcy Code. Following Confirmation,
46 the Plan will be consummated on the Effective Date. On and after the Effective Date, the Reorganized

1 Debtor will continue its charitable, non-profit operations and, except as otherwise provided by the Plan,
2 may use, acquire, or dispose of property and compromise or settle any Non-Abuse Litigation Claims
3 without supervision or approval by the Bankruptcy Court, free of any restrictions of the Bankruptcy Code
or Bankruptcy Rules. Additionally, upon the occurrence of the Effective Date, all actions contemplated
by the Plan will be deemed authorized and approved.

4 **M. Is the Debtor Preserving Estate Causes of Action under the Plan?**

5 Yes, except to the extent such rights, Claims, Estate Causes of Action, defenses, and counterclaims
6 are otherwise dealt with in the Plan or are expressly and specifically released in connection with the Plan,
the Confirmation Order, or any settlement agreement approved during the Chapter 11 Case, the Plan
7 provides that, as of the Effective Date, the Reorganized Debtor reserves any and all rights, Claims, Estate
Causes of Action, defenses, and counterclaims of or accruing to the Debtor or Reorganized Debtor,
8 whether or not litigation relating thereto is pending on the Effective Date.

9 **ARTICLE IV**

10 **THE DEBTOR AND ITS OPERATIONS**

11 **A. Organization and Central Mission of the Roman Catholic Church**

12 The Roman Catholic Church follows an episcopal governance structure led by bishops who preside
13 over formal jurisdictions, or geographic areas, known as dioceses. The Pope, who serves as the Bishop
of Rome, is the global, spiritual leader of the Roman Catholic Church whose jurisdiction is called the Holy
See.

14 Each diocese is led by a bishop or archbishop who is responsible for reporting to the Holy See
15 regarding the diocese's religious and administrative functions. A diocese supports, serves, and provides
16 administrative functions to, among others, local churches (commonly known as "parishes") and various
other Catholic entities.⁷⁶ Bishops perform their canonical duties in accord with the Code of Canon Law
17 ("Canon Law"), which is the ecclesiastical law of the Roman Catholic Church.

18 Canon Law is the oldest continual legal system in the western world. Under Canon Law, a diocese
is "a portion of the people of God which is entrusted to a bishop for him to shepherd with the cooperation
19 of the presbyterium...." (Code of Canon Law, c. 369). As such, each diocese within the Roman Catholic
Church is inherently *territorial*, comprised of a specific geographic area and the faithful within it. A
20 diocese conducts its civil affairs for the practice of the Roman Catholic Church within that geographic
area and for the faithful within the area.

21 Also under Canon Law, every diocese is divided into distinct parts, known as parishes, which are
22 ecclesiastical entities consisting of communities of the faithful whose pastoral care is entrusted to a pastor
(*i.e.*, a priest) whom the bishop appoints to serve the parish to which he is assigned. CIC, cc. 374 §1, 515
§1.

23
24
25 ⁷⁶ There is another type of organization within the Catholic community known as a religious order.
26 Religious orders are largely autonomous and governed by the statutes and constitutions of the particular
order. The priests, religious women and brothers of religious orders do not normally report directly to or
27 take ultimate direction from diocesan bishops. The principal authority for supervising, reassigning or
punishing members of religious orders are the superiors of those orders.

1 Each diocese, and each parish within a diocese, is a separate public juridic person. *Id.*, cc. 573,
2 515 §3. The administration of property belonging to a juridic person pertains to its administrator, such as
3 the diocesan bishop over the property of a diocese, and the priest over the property of a parish. *Id.*, cc.
4 393, 532. Each such administrator is obligated to acquire, hold, administer, and/or alienate such property
5 in accordance with Canon Law (*id.*, c. 1257), which requires that property held by any juridic person—
6 diocese, parish, or otherwise—must be used for the purposes of the Roman Catholic Church. The bishop
7 is responsible for administering the property belonging to the diocese, and each pastor is responsible for
8 being the exclusive administrator of the property belonging to his parish. Similarly, the pastoral care of
9 the faithful across the entire diocese is entrusted to the bishop, whereas the pastoral care of the faithful
10 within each particular parish is entrusted to the pastor for the parish.

11 Clergy (or ordained clerics of the diocese) carry out the diocese’s spiritual mission through
12 celebration of the sacraments, provision of pastoral services to the laity (the non-ordained faithful of the
13 diocese), and performance of corporal and spiritual works of mercy for not only the laity but also for the
14 larger public. There are three levels of clergy within the Roman Catholic Church: the episcopate,
15 composed of bishops; the presbyterate, composed of priests ordained by bishops; and the diaconate,
16 composed of deacons who assist bishops and priests in a variety of ministerial roles.

17 The mission of the Roman Catholic Church is to share God’s love and mercy with all people. The
18 Roman Catholic Church does this through its charitable operations, as well as in the countless churches
19 where Catholics come together to worship across the world. The Roman Catholic Church also engages
20 diplomatic institutions like the United Nations in defense of human dignity for all people and in pursuit
21 of the common good.

22 **B. History of the Diocese of Oakland**

23 The Holy See established the Diocese of Oakland in 1962 from the eastern territory of the
24 Archdiocese of San Francisco. The territory of the Debtor spans roughly 1,467 square miles and
25 encompasses two counties, Alameda and Contra Costa. The Debtor is situated along the eastern shore of
26 the San Francisco Bay and the Debtor estimates it serves nearly 550,000 resident Catholics and assists
27 approximately 260,000 people through its ministry and charitable services.

28 On January 27, 1962, the Most Rev. Floyd Lawrence Begin, auxiliary bishop of the Debtor of
Cleveland, Ohio, was named the first Bishop of Oakland. His installation took place on April 28,
1962. The Debtor has had four other bishops, with its incumbent and fifth bishop, Most Reverend Michael
C. Barber, SJ (“Bishop Barber” or the “Bishop”) having been appointed on May 25, 2013.

The charitable history of the Debtor is born out of missionary origins. In 1772, Franciscan Friar
Juan Crespi celebrated Mass with Spanish explorers next to a swamp in what would become downtown
Oakland. Almost 25 years after that first Mass, Franciscan Fermín de Francisco Lasuén de Arasqueta
founded Mission San José. The mission was the only parish on the coast opposite San Francisco for the
next 64 years. In 1861, the now amalgamated parish of St. Mary of the Immaculate Conception opened.
In 1869, St. Paul’s parish in San Pablo was the second to open in the present diocese and was the first
parish in what is now Contra Costa County.

In 1840, the Holy See erected the “Diocese of the Two Californias” to recognize the growth of the
provinces of Alta and Baja California. In 1848, Alta California was ceded to the United States and the
Holy See split the Diocese of the Two Californias into American and Mexican sections, and the American
section was renamed the Diocese of Monterey.

In 1853, the Holy See established the Archdiocese of San Francisco from the northern territory of
the Diocese of Monterey. The territory that would eventually become the Diocese of Oakland was, at that
time, situated within the eastern part of the Archdiocese of San Francisco.

1 **C. Governance, Mission-Service Activities, and Structure of the Diocese of Oakland**

2 The Debtor is a corporation sole organized under the laws of the State of California. The Debtor
3 conducts its civil affairs under the laws of the State of California and the United States of America, and
4 in accordance with Canon Law.

5 None of the parish churches (the “Churches”) within the diocese are separately incorporated
6 entities under California law. To the extent the Bishop holds goods belonging to a parish—including, for
7 example, real and personal property—he does so in trust for the benefit of the applicable Church.
8 However, because the Churches are not separately incorporated legal entities, as a matter of California
9 law they are not separate from the Debtor, and they do not own or hold a legal or equitable interest in
10 property separate from the Debtor.

11 Bishop Barber has led the Debtor since he was ordained to the episcopacy and installed as Bishop
12 of Oakland on May 25, 2013. Bishop Barber has been an ordained priest for almost 40 years and has
13 served as a missionary abroad, a professor of theology, a seminary spiritual director and, from 1991-2018,
14 as a chaplain and officer in the U.S. Navy.

15 Bishop Barber is assisted in the management of the Debtor by both clergy and lay administrators
16 and staff, including the Diocesan Chancellor, Vicar General and Chief Financial Officer. As of the
17 Petition Date, the Debtor employed approximately 30 full-time and 42 part-time employees at the Debtor’s
18 central services office, which is also known as the “Chancery.” The Chancery is located in downtown
19 Oakland.

20 The diocese has 80 parishes and missions and is home to 159 diocesan priests, 160 religious priests,
21 35 extern priests, and 118 permanent deacons.

22 The Churches play a central role in the lives of Catholics living within the Debtor by administering
23 key aspects of the Catholic Faith, including baptism, education, communion, Mass, confirmation,
24 marriage, and bereavement, including last rites, funeral services and grief support. In this way, the
25 Churches provide the critical connection between the Debtor and the faithful from the beginning of life to
26 the end.

27 The Debtor serves one of the most ethnically diverse areas in the nation, where approximately 70%
28 of residents of Alameda County and approximately 59% of residents of Contra Costa County identify as
non-White. Alameda County, in particular, is home to more Asian residents than any other race or
ethnicity. The Debtor runs ethnic pastoral centers that serve communities from Brazil, China, Eritrea,
Ethiopia, Fiji, India, Indonesia, Kenya, Korea, Laos, Nigeria, Poland, Tonga and Vietnam. For some new
arrivals in Alameda and Contra Costa counties, the Roman Catholic Church is their community focal
point, a place they can find support and oftentimes necessary resources to begin their lives in the United
States.

Sunday celebrations within the Churches are celebrated in approximately 17 languages, with the
most common being English, Spanish, and Vietnamese. A number of Churches celebrate Mass using
multiple languages.

The Debtor provides resources, programming, spiritual leadership, and other key services and
support to local Catholics and the East Bay community at large, including substantial support for the poor
and for minority communities. The ministry of the Debtor is therefore critical to not only the faithful
within the diocese, but also to the public-at-large, including non-Catholics.

Most of the Churches in the diocese provide some sort of lay outreach to the poor in their local
community, e.g., St. Vincent de Paul, food pantries, temporary shelters and ministry to the sick. Lay

1 associations have also formed to engage on issues of immigrant rights, economic development, peace
2 building, and restorative justice.

3 Over one third of the Churches in the diocese are involved in some sort of grassroots faith-based
4 community organizing. This collaboration is most evident in the Debtor's work for affordable and
5 emergency housing and community organizing. In Contra Costa, eight Churches actively participate with
6 the Interfaith Council of Contra Costa ("I4C"), which is an interfaith coalition of congregations joining
7 together to promote social justice in their community. I4C member congregations also provide shelter
8 and social services to homeless families on a rotating basis. For instance, Christ the King in Pleasant Hill
9 provides shelter, food, and volunteer counselors to homeless families every winter. West Contra Costa
10 County and South Alameda County have similar interfaith coalitions that involve many Churches.

11 Chaplains serve five hospitals in the diocese. The remaining hospitals without assigned chaplains
12 are served by the Churches that include the hospitals within the geographic boundaries of their respective
13 parish. Most of those have established programs involving laity who visit Catholic patients daily and who
14 also visit shut-ins and individuals in convalescent facilities. There are 101 nursing homes and similarly
15 licensed care facilities that are served by the Debtor.

16 Each Church is encouraged to have a committee whose specific task is outreach to the sick and
17 housebound within the parish. Training for these individuals is provided at the parish level. Pastoral care
18 for doctors and nurses and other health care workers is ordinarily provided through the chaplains who
19 service the institutions where those individuals are working.

20 **D. The Debtor's Operations**

21 The Debtor's revenue streams include parish assessment revenue, which is dependent on donations
22 by parishioners through their respective Church; and the Bishop's Ministries Appeal ("BMA"), an annual
23 fundraising campaign that supports the Churches and diocesan ministries and programs. Funds raised
24 through the BMA are solicited specifically and restricted to fund the particular ministries and programs
25 that the BMA was designed to support and facilitate, including faith formation and evangelization,
26 Catholic Youth Organization sports, formation of priests to serve parishioners, care of the retired priests,
27 and meeting the unexpected needs of schools and Churches. In the ordinary course of business, the Debtor
28 also receives, among other revenue, rental revenue, events/programming revenue, revenue from the
Catholic Telemedia Network ("CTN"),⁸⁷ management fees, and unrestricted gifts, grants, and bequests
(collectively, "Other Chancery Revenues").

The Debtor provides support to and sometimes administers, among others, local Churches and
parish schools and other charitable, educational, and religious-service affiliates critical to the ministry of
the Roman Catholic Church within the Debtor.

The Debtor has a December 31st year end. On an unaudited based, for fiscal year 2022, ended
December 31, 2022, the Debtor had total revenue of approximately \$21.1 million. Of this amount,
approximately \$5.5 million was from parish assessments, \$2.7 million was from the BMA and \$2.3 million
was from other gifts, grants and bequests. Other revenue totaled approximately \$10.6 million, consisting
of rental income, insurance revenue, program revenue and income and dividends, among other

⁸⁷ Historically, the Debtor has received approximately \$2 million in voluntary grants from CTN. The
Debtor does not own an equity interest in CTN but has the right to designate 50% of the members of its
board. As reflected in the Financial Projections attached hereto, the Debtor anticipates continuing to
receive approximately \$2 million annually in grants from CTN on a go-forward basis, but there is no
guarantee such grants will continue, and the Debtor has no control over the making of such grants.

1 sources. The Debtor had total operating expenses of \$20.0 million, resulting in income from operations
2 of \$1.1 million before other non-operating income and expenses.

3 On an unaudited based, for fiscal year 2023, ended December 31, 2023, the Debtor had total
4 revenue of approximately \$19.0 million. Of this amount, approximately \$6.5 million was from parish
5 assessments, \$2.4 million was from the BMA and \$2.5 million was from other gifts, grants and
6 bequests. Other revenue totaled approximately \$7.6 million, consisting of rental income, net insurance
7 revenue, program revenue and income and dividends, among other sources. The Debtor had total
8 operating expenses of \$35.2 million (including professional fees), resulting in losses from operations of
9 \$16.24 million before other non-operating income and expenses.

10 **E. Mission Alignment Process**

11 In November 2020, Bishop Barber called for the formulation of a task force to assess how to meet
12 the challenges of declining Mass attendance, underutilized parish facilities and the declining number of
13 priests serving in the Diocese of Oakland. In March 2021, the Debtor formed a task force called the
14 Mission Alignment Process (MAP) Commission (the "Commission"). The Commission is composed of
15 15 members representing laity and clergy of the Debtor.

16 The Commission began meeting in April 2021 to evaluate and guide the Debtor in a process of
17 self-reflection and renewal. Data from the Churches, parishioners, schools, priests, and diocesan
18 demographics was analyzed, and a presentation was developed for the presbyterate of the Debtor. This
19 data included facts about parish-by-parish Mass attendance, the historical decline in priests serving in
20 parish ministry, and projections of a decline in the number of future priests under 70 years old for parish
21 ministry. Over a period of 14 months, a series of additional meetings with clergy and parish and school
22 lay leadership at the regional and deanery level were held and input was sought for dealing with these
23 challenges and increasing focus on Bishop Barber's three priorities – emphasizing the Sunday experience
24 of the Holy Eucharist, practicing the corporal and spiritual works of mercy, and forming missionary
25 disciples.

26 In November 2022 Bishop Barber arranged 14 meetings of priests to discuss the feedback from
27 the regional and deanery consultative meetings and to deliberate on a path forward for each deanery. This
28 path forward included consideration of clustering, merging, or closing of Churches. A cluster is where
two or more Churches remain separate and retain their names but share one or more priests and one
administration. A merger is where two or more parishes are combined to form one new parish while
consolidating membership, property and finances. Closures include selling, renting or using parish
properties for other purposes.

The work of the MAP Commission continues, and the Plan constitutes an extension of its work.
The information gained through the MAP has assisted the Debtor through its Chapter 11 Case in evaluating
resources to settle claims while ensuring that the Roman Catholic Church in the Diocese of Oakland can
emerge as an even more vibrant and faith-filled community.

23 **F. Affiliated Non-Debtor Catholic Entities**

24 Through common missions, the Debtor is affiliated with certain entities separately incorporated
25 under California law and which are not debtors in this Chapter 11 Case (each such affiliated incorporated
entity a "Non-Debtor Catholic Entity," and collectively, the "Non-Debtor Catholic Entities").

26 Analogous to a corporate headquarters, the Debtor provides certain administrative services to
27 optimize functional area expertise, staffing and centralized purchasing (e.g., in areas of background checks
28 and other human resource functions, accounting, and group purchasing of insurance) and programmatic
support services to certain Non-Debtor Catholic Entities in support of their religious, educational and

1 charitable missions. Each Non-Debtor Catholic Entity operates independently and accounts for its
2 operations separately.

3 **1. *The Roman Catholic Welfare Corporation of Oakland***

4 RCWC is a nonprofit religious corporation that oversees 32 elementary schools and two high
5 schools. The Catholic schools fulfill the threefold mission of Catholic education to (1) proclaim the
6 Gospel, (2) build community, and (3) serve the faithful and non-believers alike. RCWC initiates,
7 administers, and supervises the educational program and evangelization goals in the Catholic schools
8 located in the Debtor for which it has oversight responsibility. RCWC also coordinates accreditation,
9 policy development, curriculum, testing, and training for the approximately 1,400 teachers serving in those
10 schools. All the RCWC schools' real property is owned by RCWC. All schools are accredited by the
11 Western Association of Schools and Colleges, and Catholic schools generally have separate administration
12 from the Churches. Each school collects revenues, pays expenses, and conducts other operational and
13 financial matters of the school.

14 RCWC has its own board and has at all times maintained its own, separate bank accounts and had
15 its own financial statements. RCWC participates in the Debtor's benefits and insurance plans. RCWC
16 relies upon the Oakland Parochial Fund, Inc. to manage its investments.

17 **2. *Lumen Christi Academies of the Roman Catholic Diocese of Oakland***

18 Formally established in 2018 by Bishop Barber, the Lumen Christi Academies ("LCA") were
19 formed with the goal of creating an independent network of peer Catholic schools generally serving lower
20 income, urban students. It is LCA's charter to establish new governance models and pursue academic
21 innovation, efficient operations, and sustained investment in the professional development of teachers and
22 principals, all while delivering the highest quality Catholic education to its students. At present, LCA is
23 comprised of five culturally diverse elementary schools (*i.e.*, preschool through 8th grade) across the
24 Oakland and Contra Costa County area.

25 LCA participates in the Debtor's benefits and insurance plans. It has at all times maintained its
26 own board and separate bank accounts and had its own financial statements.

27 **3. *The Roman Catholic Cemeteries of the Diocese of Oakland***

28 The Roman Catholic Cemeteries of the Diocese of Oakland ("RCC"), a California corporation,
operates and administers all cemetery, mausoleum and mortuary services in the diocese. RCC operates
and administers six diocesan cemeteries, five diocesan mortuaries, two mausoleums and one crematory.
RCC owns no real property and all real property necessary to carry out its activities (burial, entombment,
and related services) is leased from the Debtor pursuant to ground leases or other appropriate lease forms.
RCC is obligated to provide for Catholic burial of the deceased, and to provide "perpetual care." This
obligation is central to the operating structure of the RCC cemeteries and is part of the contractual
arrangements for every interment.

Funds from every interment are set aside for a permanent maintenance fund to be held, invested,
and used to provide perpetual care. RCC has at all times segregated its funds from those of the Debtor
and has at all times maintained separate accounts. RCC holds and invests such segregated funds and also
bears the related obligation to provide perpetual care for the deceased.

RCC has its own board and audited financial statements. RCC participates in the Debtor's benefits
and insurance plans. RCC relies upon the Oakland Parochial Fund, Inc. to manage its investments.

4. *The Oakland Parochial Fund, Inc.*

**~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF
REORGANIZATION**

1 The Oakland Parochial Fund, Inc. (“OPF”) is a separately incorporated, non-regulated investment
2 fund organized for the purpose of offering the Churches and certain Affiliated Non-Debtor Catholic
3 Entities some administration and accounting functions and the opportunity, but not the obligation, to
4 professionally invest their funds. OPF serves as a non-profit fund manager for investments of the
5 Churches and RCWC (through its component schools, the “Schools”), to the extent they choose to
6 participate. OPF has its own board and audited financial statements. It has at all times maintained its
7 own, separate investment accounts, and has its own bank account. OPF relies on the Debtor for finance
8 and accounting services related to the closing of books and maintaining its accounting records.

9 The services provided by OPF are a continuation of deposit and investment management services
10 (the “Diocesan Investment Management Services”) previously provided by the Debtor. Before April 2023,
11 the Debtor managed certain deposits and investments of participating Churches and RCWC through the
12 Diocesan Investment Management Services, which consisted of two programs: (1) The Deposit and Loan
13 Fund program (the “DLF”), which held cash, investments, of participating Churches and Schools and
14 provided loans to participated Churches and Schools, and (2) the Investment/Endowment Pool (the
15 “Endowment Pool”) in which Churches and the Schools could separately invest funds with long-term
16 investment horizons in marketable securities.

17 Prior to 2023, the DLF was maintained in two accounts: a deposit bank account that held cash for
18 short-term liquidity needs of the Debtor, the Churches and RCWC Schools, and an investment account at
19 the Principal Financial Group (“Principal”) for funds beyond short-term cash needs. The Endowment
20 Pool was also maintained at, and accounted for by, Principal. As part of the DLF, the Debtor periodically
21 loaned Funds held in the DLF to individual Churches or Schools in connection with capital improvement
22 projects (the “Loan Program”).

23 The Debtor kept detailed book entry records of the funds held in the DLF for itself, the Churches,
24 and RCWC Schools, and provided quarterly statements to each participating Church and school. The
25 RCWC funds that the Debtor managed through the Diocesan Investment Management Services were
26 property of RCWC (*i.e.*, not property of the Debtor), and were held by the Debtor solely for the RCWC
27 and the Schools’ benefit. While the Debtor separately accounted for Church funds pursuant to Canon
28 Law, as a matter of Civil law the Churches are not separate from the Debtor.

In April 2023, the Debtor transitioned the Diocesan Investment Management Services to
OPF. While the transition of these services occurred shortly before the Petition Date, it was neither the
intent nor the result to move assets out of the reach of creditors that otherwise would have been available
to satisfy the liabilities of the Debtor.

To that end, in furtherance of the transition, the Debtor transferred the DLF and Endowment Fund
assets held for the benefit of the Churches and RCWC to OPF. While the total DLF and Endowment Fund
assets transferred to OPF were approximately \$106 million, \$14 million was in the form of Loan Program
receivables from Churches or Schools. Additionally, \$35 million from Church funds in the DLF was
loaned by OPF to the Debtor to fund this Chapter 11 Case (the “OPF Loan”). The net cash and investments
transferred to OPF pre-petition were therefore approximately \$57 million, of which approximately \$31
million was School funds belonging to RCWC, and the remaining approximately \$26 million was Church
funds. The \$31 million in School funds remains property of RCWC, as it was when previously held in
trust for RCWC by the Debtor through the Diocesan Investment Management Services.

As of November 30, 2024, total DLF cash and investments held by OPF for Churches were
approximately \$5.6 million, and total Church Endowment Pool investments were approximately \$15.7
million. Substantially all of these funds are subject to donor restrictions, and therefore not available for
payment of claims. As reflected in the Liquidation Analysis attached hereto, Church funds not subject to
donor restrictions are treated as property of the Debtor for purposes of the Plan, regardless of where held.

1 Functionally, OPF acts as a deposit and investment manager for the Churches and RCWC,
2 providing for efficient, professionally managed investment of Church and RCWC school assets. The
3 funds deposited with OPF and the investments it manages are held by OPF for the benefit of the depositing
4 Churches and RCWC schools. For the avoidance of doubt, where OPF holds funds for the benefit of the
5 Churches, such funds are held for the Debtor as a matter of civil law, because the Churches are not separate
6 from the Debtor under California law.

7 The Debtor's obligation ~~isto OPF for the OPF Loan is not~~ treated under the Plan ~~as the, and OPF
8 Claim, as defined in the Plan and classified in Class 8 under the Plan. As further described in the treatment
9 of Class 8 detailed below in Section IV.B.9., the OPF Claim is subordinated to other creditor claims, and
10 all payments thereunder are deferred for up to ten (10) years~~ is not entitled to receive any payment under
11 the Plan on account of the OPF Loan. OPF stipulated with the Debtor to withdraw OPF's general
12 unsecured claim in the Chapter 11 Case on February 28, 2025 [Docket No. 1784], and the Bankruptcy
13 Court entered an order approving that stipulation on March 3, 2025 [Docket No. 1796]. Nothing in the
14 Plan, however, prohibits the Debtor from making payments to OPF after the Effective Date of the Plan in
15 order to satisfy its obligations under Canon Law, provided any such payments do not otherwise violate
16 the terms of the Plan or applicable civil law.

17 5. *The Catholic Cathedral Corporation of the East Bay*

18 The Catholic Cathedral Corporation of the East Bay ("CCCEB") was formed, along with Christ
19 the Light Cathedral Corporation ("CLCC"), to conduct activities related to replacing the prior diocesan
20 cathedral, which was rendered seismically unsound by the 1989 Loma Prieta earthquake and ultimately
21 demolished. CLCC's purpose was to raise funds necessary for the costs of construction of a cathedral
22 center and land acquisition in connection therewith. All monies and properties gifted to CLCC were and
23 are restricted by the donors for use only in connection with the cathedral center. These monies and
24 properties are to be used only for this purpose by either CLCC or CCCEB. CCCEB has at all times
25 maintained its own, separate bank accounts and had its own financial statements.

26 Construction of the new cathedral, known as Cathedral of Christ the Light (the "Cathedral")
27 commenced in May 2005. The Cathedral project included a mausoleum, a chancery to serve
28 administrative offices, rectory, other administrative and services offices, conference facilities, and an open
29 plaza (collectively, with the Cathedral, the "Cathedral Center").

30 CCCEB currently holds legal title to the land and improvements constituting the Cathedral Center
31 and operates and maintains the Cathedral Center. The Debtor pays user fees to CCCEB for use of the
32 chancery administrative offices and rectory and provides finance and accounting services and support for
33 CCCEB. Other agreements between CCCEB and users of the Cathedral Center property include: (i) that
34 certain License and Services Agreement dated as of January 1, 2020, with RCC regarding the mausoleum
35 on the Cathedral Property; (ii) that certain Commercial Office Lease Agreement with RCC dated as of
36 April 3, 2024; (iii) that certain Lease Agreement with the Order of Malta Clinic of Northern California
37 dated January 25, 2008, and amended February 10, 2023; and (iv) agreements for use of Cathedral
38 Property space with RCWC, and the Cathedral of Christ the Light parish Church (the foregoing,
39 collectively, the "User Agreements").

40 In addition to donations and gifts, construction of the Cathedral Center was funded, in part, through
41 funds loaned to CCCEB by the Debtor. As of the Petition Date, CCCEB owed the Debtor \$41,856,598.19
42 (the "CCCEB Note") on account of funds loaned to it, which amount remains outstanding. The Plan
43 contemplates a settlement of CCCEB's outstanding obligations on the CCCEB Note through a settlement
44 (the "CCCEB Settlement") through which the Debtor will receive fee simple title to the Cathedral Center,
45 together with all improvements thereon and all tangible personal property owned by CCCEB and located
46 on or used in connection with the operation of the Cathedral Center, in full and complete satisfaction of
47

1 all obligations under the CCCEB Note. The terms of and basis for the CCCEB Settlement are discussed
2 in more detail in Section X.C., below.

3 **6. *The Oakland Society for the Propagation of the Faith***

4 The Oakland Society for the Propagation of the Faith (“SPOF”) provides support for Catholic
5 missionaries. SPOF is one of the four Pontifical Mission Societies, known in some countries as Missio.
6 This group of Catholic missionary societies is under the canonical jurisdiction of the Congregation for the
7 Evangelization of Peoples (Rome, Italy) and the Bishop of Rome (the Pope). Since 1922, the Pontifical
8 Mission Societies has been the Roman Catholic Church’s official support organization for overseas
9 mission. SPOF seeks to foster an even deeper spirit of universal mission. It strives to inform Catholics
10 of the life and the needs of the Roman Catholic Church in the missions and to encourage prayer and
11 financial help for those mission churches.

12 Through the offerings from Catholics worldwide, the SPOF provides ongoing support for the
13 pastoral and evangelizing programs of the Roman Catholic Church in Africa, Asia, the Pacific Islands and
14 remote regions of Latin America. This includes aid for religious communities in education,
15 evangelization, seminarians and catechist formation, catechetical work and the construction of churches
16 and chapels. Support is also provided for health care, social services, communication and transportation
17 needs for disaster and emergency relief when necessary.

18 SPOF relies on the Debtor for finance and accounting services related to the closing of books and
19 maintaining its accounting records. SPOF has at all times maintained its own, separate bank accounts and
20 had its own financial statements.

21 **7. *Catholic Charities of the Diocese of Oakland, Inc.***

22 Catholic Charities of the Diocese of Oakland, Inc., dba Catholic Charities of the East Bay
23 (“CCEB”) is a California not-for-profit corporation. CCEB is the social service arm of the Debtor. CCEB
24 helps vulnerable communities within Alameda and Contra Costa Counties by supporting children, youth,
25 families, and seniors and immigrants from crisis to stability to well-being.

26 Founded in 1935, CCEB provides hope and healing to vulnerable children, youth and families in
27 Alameda and Contra Costa Counties through compassionate services that transform lives and foster self-
28 sufficiency. CCEB works to address the root causes of poverty and issues of social justice. CCEB heeds
the call of the Pope to serve the vulnerable and services people in need regardless of religious belief, race,
national origin, gender or sexual orientation.

As the social service arm of the Debtor, CCEB is a nationally recognized leader in healing trauma
and providing evidence-based mental health services and restorative practices. CCEB is also nationally
accredited through the New York-based Council on Accreditation, demonstrating the implementation of
best practice standards in the field of human services in all aspects of CCEB’s programs, services,
management and administration.

CCEB has at all times maintained its own, separate bank accounts and had its own financial
statements.

8. *Catholic Church Support Services (dba Catholic Management Services)*

Catholic Church Support Services (“CCSS”), established January 1, 2014, is a California nonprofit
religious corporation that operates under the trade name of Catholic Management Services. CCSS
provides management services to Catholic dioceses throughout the United States, including Puerto Rico,
generally regarding their funeral and cemetery enterprises. CCSS provides general managerial

1 administration of the day-to-day operations of cemeteries, including marketing and branding support,
2 business development, and process and systems reviews under management services agreements.

3 CCSS has its own board and audited financial statements and has at all times maintained its own,
4 separate bank accounts. CCSS participates in the Debtor's benefits and insurance plans.

5 **9. *Furrer Properties Inc.***

6 Furrer Properties Inc. ("Furrer"), a California corporation and wholly-owned subsidiary of the
7 Debtor, is used by the Debtor to hold title in its real estate. Furrer holds select real estate assets that derive
8 rental property income from cemeteries, a four-unit rental property, and parking lot in Oakland. Its
9 financials are consolidated in the audited financials of the Debtor. Furrer maintains a separate bank
10 account administered by its agent, a property management company.

11 **10. *Adventus***

12 Adventus, a California nonprofit public benefit corporation, is used by the Debtor to hold title in
13 some limited real estate. Adventus' financials are consolidated into the audited financials of the Debtor.
14 Adventus has always maintained a separate bank account. ~~As noted above, Adventus is contributing the
15 Livermore Property, real property having a street address of 3658 Las Colinas Road, Livermore,
16 California, with the legal description set forth in the applicable exhibit to the Plan, to the Survivors' Trust
17 Assets.~~

18 **11. *Catholic Foundation for the Diocese of Oakland***

19 Catholic Foundation for the Diocese of Oakland ("Foundation") was formed in 2014 for the
20 purpose of fundraising for the Debtor's one and only diocesan-wide capital campaign initiated that year.
21 It is currently in the process of being wound down as the campaign concluded and funds raised and
22 collected have nearly all been distributed.

23 **G. The Debtor's Mission to Effect Reconciliation and Compensation**

24 The needs of survivors of clergy sexual abuse (the "Abuse Survivors") and the protection of
25 children have long been priorities of the Debtor. Since the 1990s, the Debtor has provided counseling,
26 therapy, support and outreach to Abuse Survivors.

27 More than a decade before the U.S. Conference of Catholic Bishops adopted in the Spring of 2002
28 the *Charter for the Protection of Children and Young People* (the "USCCB Charter"), the Debtor
29 established a "Sensitive Issues Committee" to assist the bishop in reviewing and handling allegations of
30 sexual abuse by persons acting in the name of the Roman Catholic Church. During that time, the Sensitive
31 Issues Committee assisted in the evaluation of the credibility of claims and made recommendations to the
32 bishop regarding assistance to Abuse Survivors, including monetary assistance, counseling and pastoral
33 care.

34 Following the USCCB Charter's adoption, the Sensitive Issues Committee was renamed the
35 Diocesan Review Board in 2003 and again updated to the Minor Diocesan Review Board in 2022 (the
36 "MDRB"). The MDRB actively functions today. Its five lay members (including an Abuse Survivor and
37 business consultant, a former district attorney, a social worker, a retired educational administrator, and a
38 lay pastoral associate) and three clergy members meet at least quarterly to assess allegations and make
39 recommendations on the handling of those allegations of sexual abuse of children and vulnerable adults
40 by clergy. This consultative body is critical to the work of the Debtor to address crimes against children
41 and vulnerable adults. As with the Sensitive Issues Committee, the MDRB works with Bishop Barber to

1 analyze and properly respond to claims so credibility can be determined and acted upon in the best interest
2 of the Abuse Survivor.

3 In line with the Charter and the mission and teachings of the Roman Catholic Church, the Debtor
4 offers (i) counseling, treatment, and programming for those who both claim to have been and have been
5 credibly found to be survivors of abuse by members of the clergy along with (ii) safe environment
6 scanning training and classes for prevention. These programs (collectively, the “Abuse Survivors’
7 Assistance and Safe Environment Programs”) are important and necessary to the Debtor’s ongoing
8 obligations and to its moral and ethical responsibility to support Abuse Survivors.

9 In 2004, the Debtor began developing specific training and background check programs that
10 provide a safe environment for parishioners and visitors to diocesan facilities (“Safe Environment”).
11 Through its Safe Environment programs, the Debtor ensures and requires the training of all adults –
12 whether volunteer or employed – who serve in the Debtor. The Debtor gives rigorous attention to training
13 materials and teaches adult parish and school leaders to facilitate the training program. Processes are also
14 in place to refer anyone with claims regarding clergy sexual abuse to law enforcement and Debtor
15 representatives for assistance.

16 All volunteers and employees over age 18 in any parish, school, or other diocesan site, regardless
17 of ministry, must be trained every three years in safe environment. All children in Catholic school or
18 parish faith formation programs must also be trained annually to recognize and report abuse. As part of
19 this process, the Office of Safe Environment conducts annual statistical audits of each location in the
20 diocese and trains the coordinators annually to ensure the policies are met and followed.

21 The Office of Safe Environment has continually improved the content of its trainings and, as online
22 platforms became available, former Bishop Cummins approved their use. In 2016, Bishop Barber moved
23 the training program to an online synchronous platform provided by The National Catholic Risk Retention
24 Group known as “Virtus,” an international leader in abuse awareness training. The Debtor now has local
25 safe environment coordinators in every parish and school.

26 The Debtor also operates an Office for Victims Assistance (“OVA”) and employs a Victims
27 Assistance Coordinator (“VAC”) to directly address the needs of Abuse Survivors and coordinate support
28 services for them. The goals of the OVA, as administered by the VAC, are to support Abuse Survivors
and their families through counseling, spiritual direction, and support groups. The OVA also arms Church
leaders with the tools to develop support, promote healing, and empower Abuse Survivors in the diocesan
community.

Through the OVA, and the hotline established by the Debtor, counseling and spiritual direction
are offered to Abuse Survivors of clergy abuse and their families and the Debtor is committed to reporting,
investigating, and responding to such claims. The Debtor also pays for Abuse Survivors to receive
psychological counseling and related medical treatment, including medications where appropriate
 (“Abuse Survivors’ Assistance”).

Abuse Survivors’ Assistance is available for any requesting individual who makes an allegation
of abuse by clergy or non-clergy affiliated with the Debtor. In some cases, the Debtor makes these
programs available to family members who have been affected by the abuse of a loved one.

Abuse Survivors’ Assistance is administered by psychologists, psychiatrists, licensed clinical
social workers, and licensed marriage and family therapists selected by the recipient (each a “Counselor”).
Before engaging a Counselor, the Debtor requires the Counselor to provide evidence that he or she is a
state-licensed mental health professional with at least a master’s degree in a relevant field. The Debtor
recommends Counselors who have a background in trauma therapy but does not require that background.
The Counselors are not employed by or otherwise affiliated with the Debtor.

1 Education on the issue of clergy sexual abuse is also a cornerstone of the Debtor's mission to
2 address and eradicate this problem. The Debtor actively educates clergy, Church employees and the
3 community around the realities of clergy sexual abuse through workshops and presentations aimed at
4 bringing awareness to the problem. This forum also provides opportunities for Abuse Survivors to tell
5 their stories to help effect change regarding clergy sexual abuse. The Debtor's ministry also includes
6 Abuse Survivors working together with priests and deacons regarding what it means to be sexually abused
7 by a member of the clergy.

8 Ultimately, the Debtor understands that in order to address the problem of clergy sexual abuse, it
9 must amplify the voice of Abuse Survivors and provide necessary resources to the public to understand
10 when and how to report incidents of abuse. The Debtor's website (www.oakdiocese.org) has five main
11 sections: Debtor, Bishop, Ministries, Giving and Survivors. The Survivors section contains five pages
12 full of resources, information and links to policies and procedures to further the cause of identifying,
13 addressing, reporting and responding to clergy sexual abuse. The website contains, among other things:

- 14 a. Contact information for the VAC, Chancellor and the number/email for the dedicated
15 Survivor Advocacy Hotline;
- 16 b. Information regarding the Debtor's Minor Diocesan Review Board and steps for reporting
17 abuse;
- 18 c. A parish infographic detailing the steps the Debtor will take to respond to and investigate
19 a claim of clergy sexual abuse;
- 20 d. Access to the Virtus registration and login in both English and Spanish, as well as retraining
21 instructions, so that safe environment training can be easily accomplished;
- 22 e. Policies related to *Background Screening and Training*, *Sexual Misconduct*, and *Minors*
23 *Volunteering or Working with Younger Children*;
- 24 f. Links to the *Code of Conduct Involving Interactions with Minors and Vulnerable Adults*
25 (in both Spanish and English), *Live Scan Requests* (for both employees and volunteers),
26 *Approved Safe Environment Curriculum for Children and Youth*, the forms for both schools
27 and churches regarding their *Safe Environment Reporting*, the *USCCB Charter for the*
28 *Protection of Children and Young People* and the *On Site Safe Environment Training*
Schedule; and
- g. The "Credibly Accused List" of diocesan priests, religious order priests, deacons and
brothers (as well as some priests from other dioceses who had worked in the Debtor) who
have been credibly accused of the sexual abuse of minors.

29 The Debtor, through its programs, offices, coordinators and trainings, is committed to serving
30 those affected by historical clergy sexual abuse and to prevent future abuse from occurring. The Debtor is
31 bound by the USCCB Charter, a comprehensive set of procedures originally established by the United
32 States Conference of Catholic Bishops in June 2002, and modified in 2005, 2011, and most recently in
33 2018. The purpose of the USCCB Charter is to address allegations of sexual abuse of minors by Catholic
34 clergy. The USCCB Charter also includes guidelines for reconciliation, healing, accountability, and
35 prevention of future acts of abuse.

36 Finally, the Debtor continues to support the No More Secrets Ministry ("NMSM"), which was
37 formed by survivors of clergy sexual abuse in 2000 with the mission to provide an opportunity for personal
38 sharing, prayerful reflection, and spiritual renewal. NMSM has joined forces with the VAC and Licensed

1 Clinical Social Workers, to further support survivors.to launch a new initiative called “**Lifting Survivors’**
2 **Voices at the Oakland Diocese.**” Its work has been ongoing for nearly a quarter of a century.

3 **The Plan provides ~~that~~ the Debtor shall continue these efforts as part of its Non-Monetary**
4 **Commitment to Healing and Reconciliation.**

5 **ARTICLE V**

6 **THE CHAPTER 11 CASE**

7 **A. Events Leading to the Chapter 11 Case**

8 In the State of California, there have been two “open window” periods allowing individuals under
9 civil law to bring claims for childhood sexual abuse which otherwise were barred due to the expiration of
10 the statute of limitations (prescription). In 2002, the California Legislature permitted certain expired
11 claims of childhood sexual abuse not only against the perpetrators but also against third-party defendants
12 (like the Churches) for a one-year period starting January 1, 2003 (the “First Legislation”). The Debtor
13 paid approximately \$56,000,000 to 52 plaintiffs in settlement of claims brought as part of the First
14 Legislation.

15 On October 13, 2019, Governor Gavin Newsom signed into law California Assembly Bill No. 218
16 (“AB 218”). AB 218 revived the statute of limitations for individuals to file civil lawsuits for childhood
17 sexual abuse. The passage of AB 218 allowed certain individuals to bring what had been time-barred
18 claims against individuals and entities for such claims through and including December 31, 2022. As of
19 May 4, 2023, there were approximately 332 separate, active lawsuits or mediation demands pending
20 against the Debtor filed by plaintiffs alleging sexual abuse by clergy or others associated with the Debtor
21 (the “State Court Actions”).

22 The Debtor had neither the financial means nor the practical ability to litigate all of the abuse
23 claims in state court. The Debtor commenced this Chapter 11 Case to allow all of the abuse claims to be
24 asserted and addressed in a single forum – the Bankruptcy Court – and to ensure that all meritorious abuse
25 claims be paid on a fair and equitable basis pursuant to an approved chapter 11 plan.

26 The Plan propounded by the Debtor will fairly and equitably compensate abuse survivors and will
27 also enable the Debtor to continue its mission to serve the needs of the faithful within the Diocese of
28 Oakland, and to continue to provide social services to numerous underserved people and groups in the
East Bay, regardless of their religious faith.⁹⁸

29 **B. Voluntary Petition**

30 On May 8, 2023 (the “Petition Date”), the Debtor filed a voluntary petition for chapter 11
31 bankruptcy relief under the Bankruptcy Code [Docket No. 1]. An immediate effect of the filing of the
32 Chapter 11 Case was the imposition of the automatic stay under section 362 of the Bankruptcy Code,
33 which, with limited exceptions, enjoined the commencement or continuation of: (1) all collection efforts
34 by creditors; (2) enforcement of liens against any assets of the Debtor; and (3) all litigation against the
35 Debtor.

36
37 ⁹⁸ As discussed in the Committee Letter, the Committee disagrees with this assertion.

1 The Debtor continues to operate its ministry and manage its properties as a debtor-in-possession
2 under sections 1107(a) and 1108 of the Bankruptcy Code. No trustee has been appointed in this Chapter
3 11 Case.

3 **C. First Day Relief**

4 On the Petition Date, the Debtor filed a number of motions and other pleadings (the “First Day
5 Motions”), the most significant of which are described below. The First Day Motions were proposed to
6 ensure the Debtor’s orderly transition into this Chapter 11 Case, to allow the Debtor to work with other
7 stakeholders to achieve a plan of reorganization that will fairly and equitably compensate abuse survivors
8 and will also enable the Debtor to continue its mission to serve the needs of the faithful within the diocese;
9 preserving the confidentiality of abuse survivors through special noticing procedures; continuing the
10 ministry of the Roman Catholic Church to the nearly 550,000 Catholics in the diocese; maintaining
11 employee compensation; maintaining the good will and morale of the priests, lay employees and others
12 who work on the programs and services provided by the Debtor; preserving and maximizing the Debtor’s
13 insurance assets to help provide fair and equitable compensation to abuse survivors; and maintaining
14 services for those Catholics and non-Catholics alike who benefit from the many critical services provided
15 by the charitable, educational and other service organizations affiliated with the Debtor.

11 The First Day Motions included:

- 12 • *Motion for an Order Authorizing and Approving Special Noticing and Confidentiality
13 Procedures* [Docket No. 6];
- 14 • *Motion for Interim and Final Orders Authorizing the Debtor to (I) Pay Certain Prepetition
15 Invoices for Abuse Survivors’ Assistance and Safe Environment Programs, and (II)
16 Continue its Prepetition Practice of Paying for Abuse Survivors’ Assistance and Safe
17 Environment Programs* [Docket No. 8];
- 18 • *Motion for Interim and Final Orders Authorizing the Debtor to (I) Pay Prepetition
19 Employee Wages, Salaries, Benefits and Other Related Items; (II) Reimburse Prepetition
20 Employee Business Expenses; (III) Continue Employee Benefit Programs; and (IV) Pay
21 All Costs and Expenses Incident to the Foregoing* [Docket No. 13];
- 22 • *Motion for an Order Establishing Adequate Assurance Procedures with Respect to
23 Debtor’s Utility Providers* [Docket No. 14];
- 24 • *Motion for Interim and Final Orders Authorizing the Debtor to (I) Continue Existing
25 Insurance Coverage and Satisfy Obligations Related Thereto, and (II) Renew, Amend,
26 Supplement, Extend or Purchase Insurance Policies in the Ordinary Course of Business*
27 [Docket No. 15]; and
- 28 • *Motion for Interim and Final Orders Authorizing the Debtor to (I)(A) Continue Existing
Cash Management System, (B) Honor Certain Prepetition Obligations Related to the Use
Thereof, (C) Continue Intercompany Arrangements, (D) Maintain Existing Bank Accounts
and Business Forms, and (E) Continue Use of Existing Credit Card Accounts; and (II)
Waive Certain Requirements of 11 U.S.C. 345(b)* [Docket No. 16].

25 The First Day Motions were granted, with certain adjustments or modifications to accommodate
26 points identified by the Bankruptcy Court, United States Trustee for Region 17 (the “U.S. Trustee”) and
27 other parties in interest.

1 **D. Retention of Advisors for the Debtor**

2 Soon after the commencement of the Chapter 11 Case, the Debtor obtained Bankruptcy Court
3 approval of the retention of:

- 4 (1) Foley & Lardner LLP as the Debtor's general bankruptcy counsel (*see* [Docket No. 145]);
5 (2) Alvarez & Marsal North America, LLC as the Debtor's restructuring advisor and expert
6 consultants regarding Abuse Claims (*see* [Docket No. 191]);
7 (3) Kurtzman Carson Consultants LLC as the Debtor's claims and noticing agent (*see* [Docket
8 No. 40]) and administrative advisor (*see* [Docket No. 146]); and
9 (4) Breall & Breall LLP as the Debtor's special insurance counsel (*see* [Docket No. 434]).

9 Subsequently, the Debtor also obtained Bankruptcy Court approval of the retention of VeraCruz
10 Advisory, LLC as financial consultant to the Debtor (*see* [Docket No. 1167]). The Debtor has also retained
11 ordinary course professionals pursuant to the *Order (I) Authorizing the Retention and Payment, Effective
12 as of the Petition Date, of Professionals Utilized by the Diocese in the Ordinary Course of Business and
13 (II) Granting Related Relief* [Docket No. 263].

12 **E. The Committee**

13 On May 23, 2023, the U.S. Trustee appointed the Committee in this Chapter 11 Case pursuant to
14 section 1102 of the Bankruptcy Code.

14 The Committee consists of the following members: (1) John-Norman Kalama Houo Ka Ikaika
15 Cobb; (2) Scott Brian Drescher; (3) Jason Jaye; (4) Jenna McCarthy; (5) Kelly O'Lague; (6) David
16 Sheltraw; (7) Judy Roberts; (8) Sherry Waterworth; and (9) Steven Woodall.

16 Since its appointment, the Committee has been actively involved with the Debtor in overseeing
17 the administration of the Chapter 11 Case as a fiduciary for all unsecured creditors of the Debtor in this
18 Chapter 11 Case and has consulted with the Debtor on various matters relevant to the Chapter 11 Case.
19 The Debtor has also discussed its business operations with the Committee and their advisors and has
20 negotiated with the Committee regarding actions and transactions outside of the ordinary course of
21 business. The Committee has participated actively in reviewing the Debtor's business operations,
22 operating performance and business plan.

20 The Committee has obtained Bankruptcy Court approval of the retention of:

- 21 (1) Lowenstein Sandler LLP as lead counsel to the Committee (*see* [Docket No. 205]);
22 (2) Keller Benvenuti Kim LLP as local counsel to the Committee (*see* [Docket No. 204]);
23 (3) Berkeley Research Group, LLC for the Committee (*see* [Docket No. 330]);
24 (4) Burns Bair LLP as special insurance counsel to the Committee (*see* [Docket No. 372]);
25 (5) Stout Risius Ross, LLC as expert consultant on valuation of Abuse Claims (*see* [Docket
26 No. 510]); and
27 (6) Douglas Wilson Companies as real estate consultant to the Committee (*see* [Docket No.
28 1332]).

1 **F. Further Motions in the Chapter 11 Case**

2 1. **Exclusivity**

3 During the first 120 days of a chapter 11 reorganization, a debtor retains the exclusive right to
4 submit a plan of reorganization and solicit votes for the plan. The exclusive period may be extended by
5 the bankruptcy court for periods not to exceed eighteen months in total. The Debtor has sought and been
6 granted four such extensions [Docket Nos. 388, 702, 1088 and 1306]. The last such extension extended
7 the period during which the Debtor had the exclusive right to file a chapter 11 plan, as provided in 11
8 U.S.C. § 1121(b) and (c)(2), through and including November 8, 2024, and the period during which the
9 Debtor has the exclusive right to solicit acceptance of a chapter 11 plan, as provided in 11 U.S.C. §
10 1121(c)(3), through and including January 8, 2025 (the “Exclusive Solicitation Period”). During the
11 Exclusive Solicitation Period, no competing plan may be filed.

8 2. **Removal**

9 On August 1, 2023, the Debtor filed *Debtor’s Motion for Entry of an Order, Pursuant to*
10 *Bankruptcy Rules 9006 and 9027, Enlarging the Period Within Which the Debtor May Remove Actions*
11 *Pursuant to 28 U.S.C. § 1452* [Docket No. 318] (the “First Motion”). Section 1452 permits the removal
12 of civil action claims that are related to a bankruptcy case and Rule 9027 creates the time period within
13 which notices of removal must be filed. The Debtor has requested ~~an extension~~ multiple extensions of this
14 period to provide it with additional time to determine whether to remove certain pending civil actions
15 related to this Chapter 11 Case. The Bankruptcy Court entered an order approving the Debtor’s requested
16 extension on August 22, 2023 [Docket No. 387] and entered orders approving the Debtor’s subsequent
17 requested extensions on February 2, 2024 [Docket No. 840] ~~and~~, August 23, 2024 [Docket No. 1305], and
18 March 3, 2025 [Docket No. 1797]. Presently, the removal period during which the Debtor may file notices
19 of removal of claims or causes of action in a civil proceeding—including the State Court Actions—is
20 extended through and including ~~February 3~~ August 1, 2025.

16 3. **Unexpired Leases of Nonresidential Real Property**

17 A debtor must assume or reject unexpired leases of nonresidential real property by the earlier of
18 (a) 120 days from the date of the petition, or (b) the date on which the ~~bankruptcy court~~ Bankruptcy Court
19 confirms the plan of reorganization, at which time a debtor will be considered to have rejected the leases.
20 A debtor, upon a showing of cause, may request that the bankruptcy court extend the time period in which
21 the debtor must make the decision by a period of 90 days. 11 U.S.C. § 365(d)(4)(B). In this Chapter 11
22 Case, the Debtor has sought and been granted four such extensions with respect to certain leases, including
23 the unexpired lease for the Debtor’s use of the Cathedral Center. (See Docket Nos. 367, 421, 640, 703,
24 883, 925, 1011, 1328, and 1345.) Presently, the time period within which the Debtor may assume or reject
25 the Cathedral Lease is extended through and including April 1, 2025, in accordance with section 365(d)(4)
26 of the Bankruptcy Code. On March 11, 2025, the Debtor requested a further extension of its deadline for
27 assuming or rejecting the Cathedral Lease, through October 1, 2025. [Docket No. 1825.] That request
28 remains pending as of the date hereof.

23 **G. Mediation**

24 On December 19, 2023, the Debtor and the Committee jointly filed the *Joint Motion for Entry of*
25 *an Order Referring Parties to Mediation, Appointing Mediators and Granting Related Relief* [Docket No.
26 705] (the “Mediation Motion”). On January 22, 2024, the Court entered an order referring the parties to
27 mediation, appointing the mediators agreed by the parties, and identifying the matters for mediation, both
28 as between the Debtor and the Committee, and between the Debtor and its insurers [Docket No. 810] (the
“Mediation Order”). The matters for mediation and the specifics of the mediation process are more fully
set forth in the Mediation Order.

1 The Committee and the Debtor each met individually with mediators Judge Christopher Sontchi
2 and Jeff Krivis, exchanged initial proposals, and participated in the first round of mediation on March 18
3 and 19, 2024. Additional in-person mediation sessions were held on April 15-16, May 13-14, and June
4 18-19. Counsel for the Debtor and Committee held virtual one-hour meetings approximately each week
5 in July. Further in-person mediation sessions with the Committee were held on August 13, September 10-
6 11 and 30, October 1 and 16-17, 2024. These sessions resulted in multiple proposals from each side
7 culminating in multiple written term sheets and/or proposals submitted by the Debtor and responses from
8 the Committee.

9 The Debtor commenced mediation with the Insurers in June 2024. Debtor's counsel met
10 independently with mediators Judge Randall Newsome and Tim Gallagher in March to prepare for the
11 mediation related to the Insurance Coverage Litigation (as defined below). Mediation sessions with both
12 the Committee and insurers were held in-person on June 18-19 and October 22. A virtual mediation was
13 held on October 31. The Debtor and the Insurers held a virtual mediation session on November 6. All
14 Insurers were represented at each mediation session. Throughout this process, the parties have expressed
15 their respective positions and expectations and have submitted information and mediation statements to
16 the insurance mediators.

17 Following the conclusion of the virtual mediation session on November 6, and immediately prior
18 to the filing of the Original Plan, the Debtor and Insurers reached agreement on the terms of the Insurance
19 Assignment, the creation of the Survivors' Trust, and the Litigation Option, all as embodied in the Plan.
20 This agreement was no small feat. The Debtor and Insurers have been adversaries throughout this Chapter
21 11 Case on numerous important issues. As set forth in the Committee Letter, the Committee did not join
22 in that agreement. The Debtor has not reached agreement with the Committee on any Plan terms, although
23 multiple aspects of the Plan align with the Committee's stated requests.

24 [On February 23-24, 2025, the Debtor, Committee, and Insurers held a further joint mediation
25 session in person in San Francisco with Mediators Sontchi, Gallagher, and Newsome. The mediation
26 ended without a resolution between the Debtor and Committee.](#)

27 **H. Bar Dates and Claims Process**

28 1. **Bar Dates**

On May 22, 2023, the Debtor filed its schedules of assets and liabilities, identifying the assets and
liabilities of its Estate [Docket No. 54] (as amended, restated or modified from time to time, the
"Schedules"), and also a statement of financial affairs [Docket No. 54] (as amended, restated or modified
from time to time, the "Statement"). The Debtor updated the Schedules with amendments on June 8, 2023
[Docket No. 102], June 21, 2023 [Docket No. 161] and December 22, 2023 [Docket No. 720]. The Debtor
updated the Statement with amendments on June 8, 2023 [Docket No. 103] and December 14, 2023
[Docket No. 693].

In addition, pursuant to an order dated July 25, 2023 [Docket No. 293] (the "Bar Date Order"), the
Bankruptcy Court established the following bar dates for the filing of Proofs of Claim in this Chapter 11
Case:

- i. the general bar date (the "General Bar Date") for all Claims, except as noted below,
of September 11, 2023, at 5:00 p.m. (prevailing Pacific Time);
- ii. a governmental bar date (the "Governmental Bar Date") for all Governmental Units
(as defined in section 101(27) of the Bankruptcy Code) of November 6, 2023, at
5:00 p.m. (prevailing Pacific Time);

- 1 iii. a bar date for Claims amended or supplemented by the Debtor’s amended
2 Schedules of on or before the later of (a) the General Bar Date or the Governmental
3 Bar Date (as applicable); and (b) 5:00 p.m. (prevailing Pacific Time) on the date
4 that is thirty (30) days after the date on which the Debtor provides notice of
5 previously unfiled schedules or an amendment or supplement to the schedules (the
6 “Amended Schedules Bar Date”); and
- 7 iv. a bar date for any Claims arising from or relating to the rejection of executory
8 contracts or unexpired leases (the “Rejection Damages Bar Date” and, together with
9 the General Bar Date, Governmental Bar Date, and Amended Schedules Bar Date,
10 the Bar Dates”) of on or before the later of (a) the General Bar Date or the
11 Governmental Bar Date (as applicable) and (b) 5:00 PM (prevailing Pacific Time)
12 on the date that is thirty (30) days after the entry of the order authorizing the
13 rejection of such executory contract or unexpired lease.

14 The Debtor provided notice of the Bar Dates as required by the Bar Date Order as reflected in
15 various Certificates and Supplemental Certificates of Service, *see, e.g.* Docket Nos. 333, 360, 385, and
16 419, and the *Certificate of Counsel Regarding Compliance with Certain Provisions in the Bar Date Order*
17 [Docket No. 334].

18 The Bar Date Order contemplated the submission by Claimants asserting Abuse Claims of an
19 optional supplement providing additional facts and background information regarding their abuse,
20 including the alleged perpetrator, location, frequency, and other circumstances. Claimants were also asked
21 to submit any filed state-court pleadings, if any. All of the information submitted in any proofs of claim
22 alleging an Abuse Claim or the optional supplement attached thereto was (and remains) subject to strict
23 confidentiality procedures and protections. The Debtor has taken every step within its power to protect
24 this information.

25 2. The Claims Review Process

26 The vast majority of non-duplicate Abuse Claims (approximately 91%) included the optional
27 supplement in one form or another alongside the ~~proof~~Proof of ~~claim~~Claim form itself. As part of the
28 Chapter 11 Case, the Debtors, with the assistance of its advisors, conducted a thorough review of the
29 Abuse Claims and optional supplements filed by Claimants asserting such claims. This review included
30 the identification of duplicate ~~claims~~Claims (most of which were either filed by multiple sets of counsel
31 for a given ~~claimant~~Claimant and are identical or amend a previously filed claim to provide the optional
32 supplement); ~~claims~~Claims that predate the formation of the Debtor in 1962; ~~claims~~Claims that assert
33 liability of a third party, such a religious order; ~~claims~~Claims that lack sufficient information for the
34 Debtor to ascertain its own liability; ~~claims~~Claims that were previously settled, such as in connection with
35 the First Legislation; or ~~claims~~Claims that did not correspond to a filed state-court complaint. The
36 Debtor’s review was intended to identify objective facts or circumstances asserted in the Abuse Claims,
37 as well as any gaps in same, and allowed the Debtor, in many cases, to use its own records to fill those
38 gaps.

39 As of ~~October 11~~March 9, 20242025, 422427 Abuse Claims were filed pursuant to the Bar Date
40 Order. Of that number, 3133 filed Abuse Claims are duplicative of other, timely filed claims. An
41 additional 58 Abuse Claims were filed after the Bar Date, no motion to deem such claims as timely has
42 been filed, and accordingly, such claims are untimely. After accounting for duplicative, untimely claims,
43 386 “unique” (non-duplicative, timely) claims remain. Of these 386 unique claims, the Debtor believes,
44 based on various factors identified in its review of the Abuse Claims, approximately 345 Abuse Claims
45 exist that may ultimately be entitled to distributions from the Survivors’ Trust. However, the Debtor has
46 not filed any objections to claims as of the filing of the Plan and understands that the provisions of the
47 Survivors’ Trust Distribution Plan will ultimately control which Claimants receive distributions and in
48

1 what amount. Nothing in the Plan or this Disclosure Statement attempts to disallow any Allowed Claims
2 or seeks a determination regarding allowance.

3 Many of the Abuse Claims are asserted to be of six-figure or seven-figure amounts, and many are
4 listed as having an unknown amount. The Abuse Claims present unique complexities of confidentiality,
5 valuation, procedure, and appropriate and equitable treatment of Claims. After the Debtor's careful
6 evaluation of all filed Claims with the assistance of the Debtor's advisors, the Debtor is confident that the
7 Plan establishes protocols to ensure that Allowed Abuse Claims are compensated through an expedited,
8 uniform claims process.

9 **I. Litigation Regarding Insurance Coverage for Abuse Claims**

10 The portfolio of insurance policies providing coverage for sexual abuse claims, maintained by the
11 Debtor over a period of several decades, is an essential asset of the Estate. This insurance coverage is a
12 critical part of the Debtor's Plan. Prior to the Petition Date, the Debtor tendered through its broker both
13 the Debtor's defense and indemnity of the claims asserted against the Debtor under the applicable
14 insurance policies to the associated carriers that issued those policies (the "Defendant Carriers").

15 Those Defendant Carriers that issued primary insurance policies received tender on behalf of the
16 Debtor and have agreed to provide a defense to the claims falling within the coverage period of each
17 primary insurance Defendant Carrier's insurance policy. However, the primary insurance Defendant
18 Carriers have failed to confirm they have any obligation to indemnify the Debtor for these claims. Those
19 Defendant Carriers that issued excess or umbrella policies received the tender on behalf of the Debtor
20 but improperly denied or failed to confirm coverage (including, without limitation, failure to provide both
21 defense and/or indemnity), or otherwise reserved rights to deny coverage based on various defenses and
22 exclusions, including by failing to recognize the exhaustion or substantial likelihood of exhaustion of
23 underlying insurance through payment, liquidation or other means and thereby requiring the excess
24 insurance to drop down and provide defense and/or indemnity to the Debtor.

25 As of the filing of this Chapter 11 Case, despite the Debtor's continuing efforts to obtain coverage
26 from the Defendant Carriers, the Defendant Carriers have reserved their rights to deny coverage and have
27 not agreed to indemnify the Debtor for any liability determinations. Some of the Defendant Carriers
28 agreed to reimburse the Debtor's defense costs for claims falling within the coverage periods of those
29 Defendant Carriers' insurance policies, but have not confirmed, and have reserved rights regarding, any
30 an indemnity obligation for those ~~claims~~Claims.

31 Because the Debtor and the Defendant Carriers were unable to reach a resolution regarding
32 coverage, on June 22, 2023, the Debtor initiated an adversary proceeding, captioned *The Roman Catholic*
33 *Bishop of Oakland v. Pacific Indemnity, et al.*, Adv. Pro. 23-04028 (the "Pacific Adversary"), and filed a
34 complaint for declaratory relief and breach of contract, seeking to liquidate the Debtor's claims against
35 numerous of its historical insurers [Docket No. 2]. On August 30, 2023, the Debtor initiated an additional
36 adversary proceeding, captioned *The Roman Catholic Bishop of Oakland v. Am. Home Assurance Co., et*
37 *al.*, Adv. Pro. 23-04037, and filed a complaint seeking declaratory relief and alleging breach of contract
38 against two additional insurers [Docket No. 1] (the "American Home Adversary" and, together with the
39 Pacific Adversary, the "Insurance Coverage Litigation").

40 Following an initial round of motions to dismiss in the Pacific Adversary, the Debtor filed its
41 second amended complaint in the Pacific Adversary on December 18, 2023 (Adv. Pro. 23-04028, [Docket
42 No. 161]), and its first amended complaint in the American Home Adversary on December 19, 2023 (Adv.
43 Pro. 23-04037, [Docket No. 13]). On January 12, 2024, the Debtor filed its third amended complaint in
44 Adv. Pro. 23-04028 [Docket No. 163] (the "Third Amended Complaint"). In response to the Third
45 Amended Complaint, the defendant insurers variously filed two motions to dismiss [Adv. Pro. 23-04028,
46
47
48

1 Docket Nos. 173, 175], a motion to dismiss and/or for more definite statement [*id.*, Docket No. 171]
2 (collectively, the “Motions to Dismiss”), and two answers [*id.*, Docket Nos. 164, 165].

3 The defendant insurers filed motions to withdraw the reference as to the Pacific Adversary on
4 February 2, 2024 (Adv. Pro. 23-04028 [Docket Nos. 188, 189]) and the American Home Adversary on
5 March 21, 2024 (Adv. Pro. 23-04037 [Docket No. 26]). The two adversary proceedings are now
6 consolidated before Judge Corley in the District Court, under District Court Case No. 3:24-cv-00709-JSC
7 (the “Insurance Coverage Litigation”).

8 The Motions to Dismiss were heard by the District Court on July 11, 2024. The District Court
9 granted the Motions to Dismiss with leave to amend, but in doing so made it clear that the action would
10 move forward. In fact, the District Court ordered that discovery in the cases continue even while the
11 Debtor prepared the amendment directed by the District Court, emphasizing that “discovery is open now.”
12 Insurance Coverage Litigation, Transcript of July 11, 2024, Hearing [Docket No. 103], at 36:22.) In
13 response to a request from certain insurer defendants that discovery not go forward pending an amended
14 complaint, the District Court stated: “You know what your reservation of rights are, what your potential
15 defenses are, so you know what discovery you need to do. I don't -- we're not slowing this down for the
16 pleading. Not going to do that.” *Id.*, at 37:17 – 38:8.

17 The Debtor filed further amended complaints on September 12, 2024 (*id.*, [Docket Nos. 111, 112])
18 and October 7, 2024 (*id.*, [Docket No. 125]) (Insurance Coverage Litigation Docket Nos. 111 and 125,
19 collectively, the “Current Amended Complaints”) following a court-ordered meet and confer regarding
20 the sufficiency of allegations. A further case management conference in the District Court occurred on
21 November 14, 2024.

22 Written discovery proceeded while the Motions to Dismiss the Third Amended Complaint were
23 pending and is ongoing. The Debtor issued written discovery requests to the insurer defendants on May
24 24, 2024. Thereafter, the Debtor met and conferred with the Defendant Carriers and exchanged letters
25 regarding the Debtor’s written discovery and the Defendant Carriers’ responses and objections thereto.
26 Some Defendant Carriers claim to have produced all responsive documents, while the Debtor still awaits
27 document productions from some Defendant Carriers. The Debtor continues to review these responses
28 and pursue documents. The Debtor has also responded to written discovery requests served by certain
29 Defendant Carriers and is working to respond to written discovery requests from other Defendant Carriers.

30 On May 29, 2024, the Debtor sent separate supplemental tender letters to the insurer defendants in
31 the Insurance Coverage Litigation, demanding they provide a defense for certain additional claims covered
32 by various policies issued to RCBO. Additionally, on May 30, 2024, the Debtor served separate policy
33 limits demand letters on behalf of RCBO to all the insurer defendants (except the California Insurance
34 Guarantee Association (“CIGA”). These letters demanded that each insurer indemnify RCBO in the
35 amount of the policy limits for each applicable insurance policy, and that each Insurer respond within 30
36 days confirming it would do so. The Debtor has received responses, although none included agreement
37 to indemnify the Debtor as requested and as required by the insurance policies.

38 The Debtor believes there is substantial value in the insurance policies that it purchased over many
39 decades. These assets are an important resource to further the Debtor’s goals of compensating Holders of
40 Abuse Claims. Any pre-Confirmation proceeds the Debtor wins in judgments in the Insurance Coverage
41 Litigation, or obtains through a negotiated resolution, will infuse the Estate with unrestricted cash assets,
42 which can be used to, among other things, contribute to Survivors’ Trust Assets. If the Insurance Coverage
43 Litigation is unresolved upon confirmation of the Plan, the Insurance Coverage Litigation will be
44 transferred to the Survivors’ Trust as part of the Assigned Insurance Interests. Subsequently, Trust
45 Claimants will have the right to pursue the Litigation Option, if they so elect, further augmenting their
46 own individual recoveries.

1 In light of the terms of the Plan and in order to conserve the resources of all parties involved, on
2 November 19, 2024, the Debtor filed a motion in the District Court requesting that the Insurance Coverage
3 Litigation be held in abeyance until such time as the Plan is confirmed or confirmation is denied.
4 Insurance Coverage Litigation [Docket No. 146] (the “Abeyance Motion”). Following a hearing on
5 January 16, 2025, the District Court granted the Abeyance Motion, and ordered that the Insurance
6 Coverage action is stayed, except as to discovery, pending further order of the District Court [Docket No.
7 166] (the “Abeyance Order”). Pursuant to the Abeyance Order, the parties ~~are to file~~ filed a joint update
8 regarding the status of discovery and of the Chapter 11 Case on March 3, 2025. [Docket No. 171.]

9 **J. Original Debtor Plan and Disclosure Statement**

10 On November 8, 2024, the Debtor filed *Debtor’s Plan of Reorganization* [Docket No. 1444] (the
11 “Original Plan”) and accompanying *Disclosure Statement for the Debtor’s Plan of Reorganization*
12 [Docket No. 1445] (the “Original Disclosure Statement”).

13 On November 13, 2024, the Debtor filed *Motion for Order (I) Approving Disclosure Statement;*
14 *and (II) Establishing Procedures for Plan Solicitation, Notice, and Balloting* [Docket No. 1453] (the
15 “Approval Motion”). The Committee objected to approval of the Disclosure Statement on various bases,
16 arguing that Survivors (and other creditors) should not even get the chance to express their opinion by
17 voting. Among other things, the Committee also requested that, should the Bankruptcy Court ultimately
18 approve the Disclosure Statement, the confirmation hearing in this case be delayed significantly to allow
19 certain alternatives that the Committee prefers to proceed.

20 On December 18, 2024, the Bankruptcy Court conducted an initial hearing on the Approval Motion
21 and related matters, ~~and continued hearings.~~ The Debtor filed an amended Plan and Disclosure Statement
22 on January 3, 2025, and the Bankruptcy Court held additional hearings on the amended Plan and
23 Disclosure Statement on January 16, 21, and 30, 2025. Following the hearing on January 30, 2025, the
24 Bankruptcy Court, at the Debtor’s request, set a further hearing for March 3, 2025, and directed the Debtor
25 to file a further amended Plan and Disclosure Statement not later than February 18, 2025. The Debtor
26 filed a further amended Plan and Disclosure Statement on February 18, 2025. The March 3, 2025 hearing
27 was converted to a status conference, at which the Debtor informed the Bankruptcy Court it intended to
28 file a further revised Plan and Disclosure Statement on March 17, 2025.

19 **K. The Committee’s Alternate Vision of Case Resolution**

20 Following the filing of the Original Disclosure Statement, on November 14, 2024, the Committee
21 sent a “Demand Letter” to the Debtor’s professionals, notifying the Debtor that the Committee intended
22 to pursue certain avoidance action claims against OPF and the Churches if the Debtor declined to do so.
23 In an effort to discern the Committee’s intent, the Debtor’s counsel called Committee’s counsel to confer
24 on the Demand Letter and the purported claims alleged therein. However, after one conference call, and
25 without receiving the Debtor’s refusal to pursue any derivative claims, the Committee filed its first
26 derivative standing motion on November 20, 2024, seeking standing to pursue avoidance actions against
27 OPF and the Churches (the “First Standing Motion”).

28 The First Standing Motion was just the first of a bevy of filings by the Committee has made in an
attempt to derail the Debtor’s Plan and bend the Debtor to its will. Also on November 20, the Committee
filed its first adversary proceeding complaint against the Debtor, OPF, and various Churches seeking (i)
declaratory relief that the real property Churches and funds are property of the estate and (ii) substantive
consolidation of the Debtor and the named Church defendants [Adv. No. 24-04051] (the “First Adversary
Proceeding”). The Committee represented that if the First Standing Motion was granted, it would amend
the complaint in the First Adversary Proceeding to add additional claims described in its First Standing
Motion.

1 That same day, the Committee filed a motion to lift the automatic stay [Docket No. 1460] (the
2 “Lift Stay Motion”) to allow six unspecified state court actions to proceed to trial or individual settlements
3 in order to (a) allegedly help establish benchmark values for all sexual abuse claims in this Chapter 11
4 Case, (b) “unlock” available insurance (meaning the Committee wants to assert leverage over the Insurers)
5 and (c) allow claims against non-debtors named as defendants in the state court actions to proceed.

6 Moreover, less than a week before the initial hearing on the Original Disclosure Statement, on
7 December 11, the Committee filed a second adversary proceeding against the Debtor, Adventus, RCWC,
8 and RCC seeking (i) declaratory relief that all property of Adventus, RCWC, and RCC is property of the
9 estate and (ii) substantive consolidation of Adventus, RCWC, and RCC into the Debtor’s Chapter 11
10 bankruptcy [Adv. No. 24-04053] (the “Second Adversary Proceeding,” together with the First Adversary
11 Proceeding, the “Adversary Proceedings”).

12 Finally, on the eve of the hearing on the Original Disclosure Statement, the Committee filed a third
13 motion, seeking (a) authority to pursue all claims the Debtor holds against its Insurers in the Insurance
14 Coverage Litigation that the Debtor filed and has been prosecuting for more than eighteen months, (b)
15 authorization to substitute the Committee as plaintiff in the already pending Insurance Coverage
16 Litigation, and (c) (in a footnote) to be given full control of the Debtor’s attorney-client and attorney work
17 product privilege related to the Insurance Coverage Litigation and coverage issues (the “Second Standing
18 Motion”). The Demand Letter did not make any demand that the Debtor pursue, and did not otherwise
19 address, the claims in the Insurance Coverage Litigation that were the subject of the Second Standing
20 Motion.

21 On December 30, 2024, the Debtor filed objections and/or responses to the First Standing Motion,
22 Lift Stay Motion, and Second Standing Motions [Docket Nos. 1586, 1581, and 1580, respectively] and
23 supporting declarations and evidence. Generally, the Debtor argued:

- 24 • The First Standing Motion should be denied because: 1) the alleged claims against the
25 Churches are moot—the Debtor has acknowledged that Church real property is property of
26 the Debtor’s estate—and 2) the alleged fraudulent-transfer claims against OPF and the
27 Churches are not colorable. The Debtor did not fraudulently transfer any assets, and all
28 property that would have been available to satisfy creditor claims prior to the transfers
remains equally available now. Specifically, OPF merely acts as a deposit and investment
manager, and all funds deposited with OPF by the Churches are fully accounted for and
remain equally as much a part of the bankruptcy estate as if they had been directly deposited
with a bank or other investment manager. In other words, transfer of funds to OPF was not
intended to, and did not, take any assets out of the reach of creditors that otherwise would
have been available to pay claims.
- The Lift-Stay Motion should be denied because: 1) stay relief is unnecessary in light of the
Litigation Option that, as described herein, will provide Survivors the chance to have their
day in court, should they elect to pursue it, 2) the Committee failed to present a *prima facie*
case supporting stay relief, instead relying on rank speculation and unsupported theories
about future behavior, and 3) the few diocesan cases cited by the Committee where stay
relief was granted are factually and legally distinguishable. Further, it is inequitable to
allow a select few cases to proceed to trial while asking the remaining claimants and the
Debtor to simply wait, potentially for years, until these select few cases complete trial or
are settled. Allowing stay relief will only result in delay and will not result in a better
outcome for claimants, with the possible exception of the select few whose cases are
allowed to proceed in advance of the rest. No requirement for stay relief exists to
successfully conclude this Chapter 11 Case pursuant to a confirmed plan of
reorganization—*this* Plan.

- The Second Standing Motion should be denied because: 1) it seeks relief completely unsupported by the law in terms of the Committee asking for derivative standing for a lawsuit the Debtor has already brought, 2) the Abeyance Motion does not constitute an unjustified refusal to prosecute the Insurance Coverage Litigation; rather, it is the most appropriate course of action to reduce litigation costs for a limited period of time while the Plan is pending, and 3) the request to be granted control of the Debtor's attorney-client privilege is wildly inappropriate. Also, again, the individualized Litigation Option resolves the Insurance Coverage Litigation for the benefit of Trust Claimants.

For the reasons stated on the record at hearings held on January 15, 16, and 21, 2025, the Court denied without prejudice both the First Standing Motion and the Second Standing Motion. The Court's orders denying the First Standing Motion and Second Standing Motion were entered on February 1, 2025 [Docket Nos. 1700 and 1701].

~~Likewise, for~~ For the reasons stated on the record at the hearings held on January 15, 16, and 21, 2025, the Court denied the Lift Stay Motion without prejudice as to the request to allow six state court actions to proceed against the Debtor. The Court found that the automatic stay of actions against the Debtor does not bar actions against non-debtors named as co-defendants with the debtor in state court actions, and therefore the state court plaintiffs may proceed against such non-debtor parties. This relief was not opposed by the Debtor and was without prejudice to the right of any party to seek to extend or enforce the stay as to any particular case or cases. The Court's order on the Lift Stay Motion was entered on February ~~11~~, 2025 [Docket No. ~~1721~~].

Because the relief requested in the First Standing Motion, Second Standing Motion, and Lift Stay Motion was denied without prejudice, the Committee may seek to renew its requests for the same relief in the future, if circumstances change. The Debtor continues to believe that any such attempt would be unfounded and a waste of estate resources, for the reasons set forth in its oppositions to the motions and as summarized above.

The Debtor filed motions to dismiss the Adversary Proceedings on January 24, 2025, and strongly disputes the factual and legal contentions contained therein. The non-debtor defendants in each of the Adversary Proceedings also filed motions to dismiss on the same date (together with the motions filed by the Debtor, the "Motions to Dismiss").

The First Adversary Proceeding asks for relief that is almost entirely meaningless and cannot achieve any real benefit for creditors. The Committee's causes of action to consolidate Churches into the Debtor's bankruptcy estate, or for declaratory relief holding that Church property is property of the bankruptcy estate are meaningless, because, as the Debtor acknowledges, the Churches are not separate from the debtor as a matter of applicable civil law, and property of the Churches is already property of the bankruptcy estate, subject to certain funds being held in trust based on donor restrictions. While it is the Debtor's position, as set forth herein, that Church real property cannot be involuntarily liquidated, the First Adversary Proceeding has no bearing on that issue.

That Second Adversary Proceeding, seeking similar relief as to Adventus, RCWC, and RCC is likewise meritless and will not result in any benefit to creditors. ~~The Plan already proposes to contribute the Livermore Property, which is the primary asset of Adventus, directly to the Survivors' Trust.~~ As set forth above, RCWC, and RCC are separately incorporated non-profit organizations under California law, that respectively operate the Schools and cemeteries within the diocese. As a legal matter, the Committee's claims that they are indistinguishable from the Debtor are extremely unlikely to succeed. Further, as a practical matter the Plan provides for a contribution of up to \$14.25 million to the Survivors' Trust by RCWC (depending on the extent of releases received), and a loan of \$55 million from RCC that will be used to fund the Survivors' Trust. Even in the unlikely event the Committee were successful on its legal claims against these entities, it is unlikely that the result would be more than the up to \$69.25

~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF REORGANIZATION

1 million they are already contributing under the Plan. In sum, it is the Debtor's believe that the Adversary
2 Proceedings would accomplish nothing other than delay and wasting estate resources on attorneys' fees.

3 The Bankruptcy Court heard oral argument on the Motions to Dismiss ~~are set for hearing~~ on March
4 4, 2024. As of the date hereof, the Bankruptcy Court had not yet ruled on either Motion to Dismiss.

5 [THE DEBTOR WILL UPDATE THIS DISCLOSURE STATEMENT AS APPROPRIATE TO
6 REFLECT THE RESULTS OF THE HEARING ON THE MOTIONS TO DISMISS].

7 **As set forth in the Committee Letter, the Committee disputes the Debtor's position regarding**
8 **the merits of the motions and Adversary Proceedings described above.**

9 **ARTICLE VI**

10 **SUMMARY OF THE PLAN**

11 The Debtor submits that the treatment of creditors under the Plan is more favorable than the
12 treatment creditors would receive if the Chapter 11 Case were converted to a case under chapter 7 of the
13 Bankruptcy Code. Therefore, the Debtor submits that the Plan is in the best interests of all creditors and
14 the Debtor recommends acceptance of the Plan by Holders of Claims in Class 3 (General Unsecured
15 Claims), Class 4 (Abuse Claims), Class 5 (Unknown Abuse Claims), and Class 6 (Non-Abuse Litigation
16 Claims) ~~and Class 8 (OPF Claim).~~

17 The summary of significant elements of the Plan below is provided for the convenience of all
18 parties. The summary does not describe every element of the Plan and is not intended as a substitute for
19 a thorough and complete review of the Plan. This summary is subject to, and is qualified in its entirety
20 by reference to, the full text of the Plan. All creditors are encouraged to review the Plan and this Disclosure
21 Statement, including Exhibits, in their entirety for a more complete understanding of the Plan's provisions
22 and impact upon creditors. To the extent any term or provision in this Disclosure Statement is inconsistent
23 with a term or provision of the Plan, the term or provision of the Plan shall control.

24 **A. Classification of Claims Generally**

25 Section 1123 of the Bankruptcy Code provides that a plan of reorganization shall designate classes
26 of Claims against a debtor. Section 1122 of the Bankruptcy Code further requires that each class of Claims
27 contain only claims that are "substantially similar" to each other. The Debtor believes that it has classified
28 all Claims in compliance with the requirements of Section 1122 and 1123. However, it is possible that
the Holder of a Claim may challenge such classification and that the Bankruptcy Court may find that a
different classification is required for the Plan to be confirmed. In such event, the Debtor would, to the
extent permitted by the Bankruptcy Court, modify the classifications in the Plan as required and use the
acceptances received in this solicitation for the purpose of obtaining the approval of a Class or Classes of
which the accepting Holder is ultimately deemed to be a member. Any such reclassification could
adversely affect the Class of which such Holder was initially a member, or any other Class under the Plan,
by changing the composition of such Class and the vote required of that Class for approval of the Plan.
Furthermore, a reclassification of Claims may necessitate a re-solicitation.

29 **B. Classification and Treatment of Claims**

30 All classified Claims have been placed into one of eight separate Classes. The Plan affirmatively
31 states whether each Class of Claims is Impaired or Unimpaired and whether such Class is entitled to vote.
32 Additionally, some Claims are left unclassified. The separate Classes are described in detail within this
33 Disclosure Statement and in the Plan.

34 ~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF
REORGANIZATION

Class	Class Description	Status	Voting Rights
Class 1	RCC Secured Claim	Unimpaired	Non-voting Deemed to accept
Class 2	Priority Unsecured Claims, other than non-classified claims set forth in Article III	Unimpaired	Non-voting Deemed to accept
Class 3	General Unsecured Claims	Impaired	Eligible to vote
Class 4	Abuse Claims	Impaired	Eligible to vote
Class 5	Unknown Abuse Claims	Impaired	Eligible to vote via the Unknown Abuse Claims Representative
Class 6	Non-Abuse Litigation Claims	Impaired	Eligible to vote
Class 7A	Contribution and Indemnification Claims Related to Class 4 Claims	No recovery	Non-voting Deemed to reject
Class 7B	Contribution and Indemnification Claims Related to Class 5 Claims	No recovery	Non-voting Deemed to reject
Class 8	OPF Claim	Impaired	Eligible to vote

1. **Class 1 – Secured Claim of RCC**

Classification: Class 1 shall consist of the Allowed Secured Claim of RCC.

Treatment: Except to the extent RCC agrees to less favorable treatment of its Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for its Allowed Secured Claim, RCC shall receive reinstatement under § 1124 of the Bankruptcy Code.

Voting: Class 1 is Unimpaired under the Plan. Each Holder of a Class 1 Claim is conclusively presumed to have accepted the Plan under § 1126(f) of the Bankruptcy Code and is not entitled to vote on the Plan.

2. **Class 2 – Priority Unsecured Claims**

Classification: Class 2 shall consist of all Allowed Priority Unsecured Claims, other than non-classified claims set forth in Article III of the Plan and described in Section V.C below.

Treatment: Except to the extent a Holder of an Allowed Priority Unsecured Claim agrees to less favorable treatment of such Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Unsecured Claim, each such Holder shall receive payment in Cash in an amount equal to such Allowed Priority Unsecured Claim, payable on or as soon as reasonably practicable after the later of (a) the Effective Date, (b) the date when such Priority Unsecured Claim becomes an Allowed Priority Unsecured Claim, or (c) the date on which the Holder of such Priority Unsecured Claim and the Debtor or Reorganized Debtor, as applicable, shall otherwise agree in writing.

1 Voting: Class 2 is Unimpaired under the Plan. Each Holder of a Class 2 Claim is
2 conclusively presumed to have accepted the Plan under § 1126(f) of the Bankruptcy Code and is not
entitled to vote on the Plan.

3 3. **Class 3 – General Unsecured Claims**

4 Classification: Class 3 shall consist of all Allowed General Unsecured Claims. Class 3 does
5 not include Abuse Claims.

6 Treatment: Except to the extent a Holder of an Allowed General Unsecured Claim
7 (including an Allowed Rejection Claim) agrees to less favorable treatment, in full and final satisfaction,
8 settlement, release, and discharge of and in exchange for each Allowed General Unsecured Claim, each
9 such Holder shall receive payment in Cash from the general operating revenues of the Reorganized Debtor
in an amount equal to such Allowed General Unsecured Claim, payable no later than the later of (a) the
date that is one year after the Effective Date, (b) the date that is 21 days after the date when such General
Unsecured Claim becomes an Allowed General Unsecured Claim, or (c) the date on which the Holder of
such General Unsecured Claim and the Reorganized Debtor shall otherwise agree in writing.

10 Voting: Class 3 is Impaired under the Plan. Each Holder of a Class 3 Claim is entitled to
11 vote to accept or reject the Plan.

12 4. **Class 4 – Abuse Claims**

13 **Classification:** Class 4 shall consist of all Allowed Abuse Claims, other than Unknown
14 Abuse Claims. As stated above, approximately 386 non-duplicative, timely Abuse Claims have been
asserted against the Debtor and the Contributing Non-Debtor Catholic Entities through proofs of claim
filed in the Chapter 11 Case.

15 **Treatment:** The Plan creates the Survivors' Trust to fund payments to Holders of Allowed
16 Abuse Claims entitled to such payments under the Plan and the Survivors' Trust Documents. Except to
17 the extent a Holder of an Allowed Abuse Claim agrees to less favorable treatment of such Claim, in full
18 and final satisfaction, settlement, release, and discharge of and in exchange for such Allowed Abuse
19 Claim, each such Holder shall receive their allocable share of the Survivors' Trust Assets at the time and
in the manner set forth in Articles VIII and IX of the Plan and the Survivors' Trust Documents. It is
intended that any payment on an Allowed Abuse Claim will constitute payment for damages on account
of personal physical injuries or sickness arising from an occurrence, within the meaning of Section
104(a)(2) of the Tax Code.

20 The Plan provides for the establishment of the Survivors' Trust to fund distributions to
21 Holders of Class 4 and Class 5 Claims. The Survivors' Trust shall be funded as provided in Article IX of
22 the Plan. Distributions from the Survivors' Trust shall be made to Holders of Class 4 and Class 5 Claims
23 on a fair and equitable basis, pursuant to and in accordance the Survivors' Trust Agreement and other
Survivors' Trust Documents, including the Survivors' Trust Distribution Plan. Holders of Class 4 and
Class 5 Claims may recover their Claims from the Survivors' Trust and/or through the Litigation Option
as described in Article VII herein and in Article IX of the Plan.

24 **Voting:** Class 4 Claims are Impaired under the Plan. Each Holder of a Class 4 Claim is
25 entitled to vote to accept or reject the Plan.

26 5. **Class 5 - Unknown Abuse Claims**

27 **Classification:** Class 5 shall consist of all Allowed Unknown Abuse Claims.

1 **Treatment:** The Unknown Abuse Claims Reserve shall be established on the Effective
2 Date pursuant to the Survivors' Trust Documents. Except to the extent a Holder of an Allowed Unknown
3 Abuse Claim agrees to less favorable treatment of such Claim, in full and final satisfaction, settlement,
4 release, and discharge of and in exchange for such Allowed Abuse Claim, each such Holder shall receive
5 their allocable share of the Unknown Abuse Claims Reserve at the time and in the manner set forth in
6 Articles VIII and IX of the Plan and the Survivors' Trust Documents. It is intended that any payment on
7 an Allowed Unknown Abuse Claim will constitute payment for damages on account of personal physical
8 injuries or sickness arising from an occurrence, within the meaning of section 104(a)(2) of the Tax Code.

9 **Voting:** Class 5 Claims are Impaired under the Plan. The Unknown Abuse Claims
10 Representative is entitled to vote to accept or reject the Plan on behalf of all Holders of Class 5 Claims
11 and shall submit a single Ballot on behalf of all such Holders.

12 6. **Class 6 – Non-Abuse Litigation Claims**

13 **Classification:** Class 6 shall consist of all Allowed Non-Abuse Litigation Claims.

14 **Treatment:** The Plan creates the Non-Abuse Litigation Reserve to fund payments to
15 Holders of Allowed Non-Abuse Litigation Claims in accordance with Section 12.7 of the Plan. Except to
16 the extent a Holder of an Allowed Non-Abuse Litigation Claim agrees to less favorable treatment of such
17 Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for such Allowed
18 Non-Abuse Litigation Claim, each such Holder shall receive their allocable share of the Non-Abuse
19 Litigation Reserve.

20 **Voting:** Class 6 Claims are Impaired under the Plan. Each Holder of a Class 6 Claim is
21 entitled to vote to accept or reject the Plan.

22 7. **Class 7A – Abuse Related Contribution Claims Related to Class 4 Claims**

23 **Classification:** Class 7A shall consist of all Abuse Related Contribution Claims against
24 the Debtor arising out of a Class 4 Claim.

25 **Treatment:** Any Holder of a Class 7A Claim who is also a Contributing Non-Debtor
26 Catholic Entity shall be deemed to have waived its Class 7A Claim against the Debtor, Reorganized
27 Debtor, the Estate, the Survivors' Trust, and any Settling Insurer in exchange for the Release and
28 Exculpation provided by the Plan. Any Holder of a Class 7A Claim who is not a Contributing Non-Debtor
Catholic Entity shall have its Class 7A Claim Disallowed.

Voting: Class 7A Claims are Impaired under the Plan. Holders of Class 7A Claims shall
not receive a distribution under the Plan and are therefore deemed to reject the Plan.

 8. **Class 7B – Abuse Related Contribution Claims Related to Class 5 Claims**

Classification: Class 7B shall consist of all Abuse Related Contribution Claims against the
Debtor arising out of a Class 5 Claim.

Treatment: Any Holder of a Class 7B Claim who is also a Contributing Non-Debtor
Catholic Entity shall be deemed to have waived its Class 7B Claim against the Debtor, Reorganized
Debtor, the Estate, the Survivors' Trust, and any Settling Insurer in exchange for the Release and
Exculpation provided by the Plan. Any Holder of a Class 7B Claim who is not a Contributing Non-Debtor
Catholic Entity shall have its Class 7B Claim Disallowed.

1 **Voting:** Class 7B Claims are Impaired under the Plan. Holders of Class 7B Claims shall
2 not receive a distribution under the Plan and are therefore deemed to reject the Plan.

3 ~~**9. Class 8 – OPF Claims**~~

4 ~~**Classification:** Class 8 shall consist of the Allowed OPF Claim.~~

5 ~~**Treatment:** Except to the extent OPF agrees to less favorable treatment, in full and final
6 satisfaction, settlement, release, and discharge of and in exchange for the Allowed OPF Claim, the
7 Reorganized Debtor shall pay the Allowed Class 8 Claim in full and in Cash, without interest. Payment
8 on the Allowed OPF Claim shall commence on or before the date that is ten (10) years after the Effective
9 Date. Payments shall be made on a schedule and on such terms as may be agreed by the Reorganized
10 Debtor and OPF, provided, however, the Allowed OPF Claim shall be paid in full no later than the date
11 that is thirty (30) years after the Effective Date.~~

12 ~~**Voting:** Class 8 Claims are Impaired under the Plan. Each holder of a Class 8 Claim is
13 entitled to vote to accept or reject the Plan.~~

14 **C. Unclassified Claims.**

15 The following Claims shall not be classified under the Plan but shall be entitled to the treatment
16 set forth in Article III of the Plan.

17 1. **Administrative Claims**

18 a. *Administrative Expense Claims.* Administrative Expense Claims are Claims for
19 costs or expenses incurred in the administration of the Debtor’s Chapter 11 Case, which are Allowed under
20 section 503(b) of the Bankruptcy Code. In accordance with section 1123(a)(1) of the Bankruptcy Code,
21 Administrative Expense Claims have not been classified and are treated as described in Section 3.1 of the
22 Plan.

23 (i) **Treatment.** Except to the extent that a Holder of an Allowed
24 Administrative Expense Claim agrees to less favorable treatment with respect to such Allowed
25 Administrative Expense Claim, each Holder of an Allowed Administrative Expense Claim shall
26 receive, on account of and in full and complete settlement, release and discharge of, and in
27 exchange for, such Claim, payment of cash in an amount equal to such Allowed Administrative
28 Expense Claim on or as soon as reasonably practicable after the later of: (a) the Effective Date; (b)
the first Business Day after the date that is thirty (30) calendar days after the date such
Administrative Expense Claim becomes an Allowed Administrative Expense Claim; (c) such other
date(s) as such holder and the Debtor or the Reorganized Debtor shall have agreed; or (d) such
other date ordered by the Bankruptcy Court; provided, however, Allowed Administrative Expense
Claims arising in the ordinary course of the Debtor’s operations during the Chapter 11 Case may
be paid by the Debtor or the Reorganized Debtor (as applicable) in the ordinary course of business
and in accordance with the terms and conditions of the particular agreements governing such
obligations, course of dealing, course of operations, or customary practice.

 (ii) **Administrative Expense Claims Bar Date.** Except as provided for in the
Plan or in any order of the Bankruptcy Court, and subject to Section 503(b)(1)(D) of the
Bankruptcy Code, Holders of Administrative Expense Claims, other than a Fee Claim or a Claim
for U.S. Trustee Fees, accruing on or before the Confirmation Date must file and serve on the
Debtor requests for the payment of such Claims not previously Allowed by a Final Order in
accordance with the procedures specified in the Confirmation Order, on or before the
Administrative Expense Claims Bar Date, or such Claims shall be automatically Disallowed,

1 forever barred from assertion, and unenforceable against the Debtor or the Reorganized Debtor,
2 the Estate, or their property without the need for any objection or further notice to, or action, order,
3 or approval of the Bankruptcy Court, and any such Claims shall be deemed fully satisfied, released,
4 and discharged. Administrative Expense Claims representing obligations incurred by the Debtor
5 or Reorganized Debtor (as applicable) after the date and time of the entry of the Confirmation
6 Order shall not be subject to application to the Bankruptcy Court and may be paid by the Debtor
7 or Reorganized Debtor (as applicable) in the ordinary course of business and without Bankruptcy
8 Court approval.

9
10 b. *Priority Tax Claims.* Priority Tax Claims are Claims of a Governmental Unit for
11 certain types of taxes, duties, or penalties set forth in Section 507(a)(8) of the Bankruptcy Code. In
12 accordance with section 1123(a)(1) of the Bankruptcy Code, Priority Tax Claims have not been classified
13 and are treated as described in Section 3.2 of the Plan.

14 (i) The Debtor does not anticipate any Priority Tax Claims will exist as of the
15 Effective Date. To the extent any do exist, the legal and equitable rights of the Holders of Priority
16 Tax Claims are Unimpaired under the Plan.

17 (ii) The legal and equitable rights of Holders of Priority Tax Claims are
18 Unimpaired under the Plan. Except to the extent a Holder of an Allowed Priority Tax Claim agrees
19 to less favorable treatment, each Holder of an Allowed Priority Tax Claim shall receive on account
20 of and in full and complete settlement, release and discharge of, and in exchange for, such Allowed
21 Priority Tax Claim, cash in an amount equal to such Allowed Priority Tax Claim on, or as soon
22 thereafter as is reasonably practicable, the later of: (a) the Effective Date, to the extent such Claim
23 is an Allowed Priority Tax Claim on the Effective Date; (b) the first Business Day after the date
24 that is 30 days after the date such Priority Tax Claim becomes an Allowed Priority Tax Claim; and
25 (c) the date such Allowed Priority Tax Claim is due and payable in the ordinary course as such
26 obligation becomes due; provided, however, that the Debtor and Reorganized Debtor each reserves
27 the right to prepay all or a portion of any such amounts at any time under this option without
28 penalty or premium.

1 c. *Fee Claims.* Fee Claims are Claims under sections 328, 330, 331, 503, or 1103 of
2 the Bankruptcy Code for compensation of a Professional or other Entity for services provided to the Debtor
3 or Committee, or expenses incurred in the course of providing services to the Estate, during the Chapter
4 11 Case. In accordance with section 1123(a)(1) of the Bankruptcy Code, Fee Claims have not been
5 classified and are treated as described in Section 3.3 of the Plan.

6 (i) All Professionals or other Entities requesting the final allowance and
7 payment of a Fee Claim for services rendered during the period from the Petition Date to and
8 including the Effective Date shall File final applications for allowance and payment of such Fee
9 Claims no later than the first Business Day that is 45 days after the Effective Date.

10 (ii) Objections to any Fee Claim must be filed and served on the Reorganized
11 Debtor and the applicable Professional no later than the first Business Day that is 30 days after the
12 filing of the final fee application that relates to the Fee Claim (unless otherwise agreed by the
13 Debtor or the Reorganized Debtor, as applicable, and the Professional requesting allowance and
14 payment of a Fee Claim).

15 (iii) An Allowed Fee Claim, including any amounts previously held back by
16 Order of the Bankruptcy Court, shall be paid in full, in cash, in such amounts as are Allowed by
17 the Bankruptcy Court no later than the first Business Day that is 21 calendar days after the entry
18 of a Final Order Allowing the Fee Claim. The Reorganized Debtor can pay compensation for
19 services rendered or reimbursement of expenses incurred by its own Professionals after the

1 Effective Date in the ordinary course and without the need for Bankruptcy Court approval.

2 (iv) Unless otherwise directed by the Bankruptcy Court, all Professionals filing
3 final fee applications are required to comply with the *Order Appointing Fee Examiner and*
4 *Establishing Procedures for Review of Interim and Final Fee Applications Filed by Estate*
5 *Professionals* [Docket No. 1122] entered in the Chapter 11 Case, including any subsequent
6 amendments.

7 d. *Cure Claims.* Cure Claims are monetary Claims arising out of the Debtor's
8 default(s) under any Executory Contract or Unexpired Lease that the Debtor has assumed under section
9 365 of the Bankruptcy Code. Cure Claims shall be paid in full in accordance with, and at such times as
10 are set forth in, Section 7.2.2 of the Plan.

11 e. *U.S. Trustee Fees.* U.S. Trustee Fees include all fees and charges assessed against
12 the Debtor under 28 U.S.C. § 1930, together with interest, if any, under 31 U.S.C. § 3717.

13 (i) To the extent any U.S. Trustee Fees have become due before the Effective
14 Date and have not previously been paid, then such fees shall be paid pursuant to 11 U.S.C. §
15 1129(a)(12) and 28 U.S.C. § 1930. Any U.S. Trustee Fees relating to the period from and after
16 the Effective Date shall be paid as provided in Section 12.8.4 of the Plan.

17 (ii) The requirement to pay U.S. Trustee Fees is subject to any amendments to
18 28 U.S.C. § 1930(a)(6) that Congress makes retroactively applicable to confirmed chapter 11
19 cases. The Reorganized Debtor shall have the exclusive right to pursue any cause of action, right
20 to reimbursement for overpayment, or similar interest of the Debtor in amounts paid pursuant to
21 28 U.S.C. § 1930.

22 ARTICLE VII

23 SURVIVORS' TRUST

24 A. Survivors' Trust Liability for Abuse Claims.

25 As provided in Section 9.1 of the Plan, on the Effective Date, the Survivors' Trust shall be
26 established in accordance with the Survivors' Trust Documents. The Survivors' Trust will, upon its
27 creation, and without limitation: (1) assume liability for all Abuse Claims, including without limitation
28 Unknown Abuse Claims, of the Debtor, Contributing Non-Debtor Catholic Entities, and any Settling
Insurers; and (2) receive, hold, administer, liquidate, and distribute the Survivors' Trust Assets in
accordance with the Plan and the Survivors' Trust Documents.

29 B. Role of the Survivors' Trust

30 The Survivors' Trust shall administer, process, settle, resolve, liquidate, satisfy, and make Trust
31 Distributions in such a way that Holders of Abuse Claims are treated equitably and in a substantially similar
32 manner, subject to the applicable terms of the Plan Documents and the Survivors' Trust Documents. From
33 and after the Effective Date, (i) the Abuse Claims and Unknown Abuse Claims against the Debtor and (ii)
34 Claims against any Settling Insurer for or relating to insurance coverage in connection with such Claims
35 shall be channeled to the Survivors' Trust pursuant to the Channeling Injunction set forth in Section 13.12
36 of the Plan and may be asserted only and exclusively against the Survivors' Trust.

37 The Survivors' Trust shall have no liability for Non-Abuse Litigation Claims. Holders of Non-
38 Abuse Litigation Claims shall have no recourse to the Survivors' Trust with respect to such Claims.

39 ~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF
REORGANIZATION

1 C. **Appointment and Powers of the Survivors' Trustee**

2 On the Confirmation Date, the Bankruptcy Court shall appoint the Survivors' Trustee to serve in
3 accordance with, and who shall have the functions and rights provided in, the Survivors' Trust Documents.
4 Any successor Survivors' Trustee shall be appointed in accordance with the terms of the Survivors' Trust
5 Documents. For purposes of the Survivors' Trustee performing his or her duties and fulfilling his or her
6 obligations under the Survivors' Trust and the Plan, the Survivors' Trust and the Survivors' Trustee shall be
7 deemed to be "parties in interest" within the meaning of Section 1109(b) of the Bankruptcy Code.

8 The Survivors' Trustee shall have such powers and duties as are set forth in the Survivors' Trust
9 Documents, including without limitation the following:

10 1. Survivors' Trustee as Fiduciary. The Survivors' Trustee shall be deemed to be a fiduciary
11 of the Survivors' Trust under the terms of the Survivors' Trust Agreement and shall have all rights,
12 powers, authority, responsibilities, and benefits under California law specified in the Plan and as reflected
13 in the Survivors' Trust Agreement, including commencing, prosecuting or settling causes of action,
14 enforcing contracts, and asserting Claims, defenses, offsets and privileges. If there is any inconsistency or
15 ambiguity between the Confirmation Order and the Survivors' Trust Agreement with respect to Trustee's
16 authority to act, the provisions of the Survivors' Trust Agreement shall control.

17 2. Liquidation of Survivors' Trust Assets. The Survivors' Trustee shall liquidate and convert
18 to Cash the Survivors' Trust Assets, make timely distributions, and not unduly prolong the duration of the
19 Survivors' Trust. The Survivors' Trustee may also abandon any property which the Survivors' Trustee
20 determines in the Survivors' Trustee's reasonable discretion to be of *de minimis* value or of more burden
21 than the value of the Survivors' Trust.

22 3. Protection of Survivors' Trust Assets. The Survivors' Trustee shall protect and enforce the
23 rights in and to the Survivors' Trust Assets under the Survivors' Trust Documents.

24 4. Bank Accounts of the Survivors' Trust. The Survivors' Trustee may open and maintain
25 bank accounts on behalf of the Survivors' Trust to deposit funds in and draw checks on the bank accounts
26 as appropriate under the Survivors' Trust Documents. Notwithstanding anything herein to the contrary,
27 the Survivors' Trustee may open and maintain bank accounts on behalf of the Survivors' Trust after
28 Confirmation but before the Effective Date.

1. Insurance. The Survivors' Trustee shall obtain all reasonably available insurance coverage
with respect to any property that is, or may in the future become, a Survivors' Trust Asset.

6. Taxes. The Survivors' Trustee may request an expedited determination of taxes of the
Survivors' Trust under Section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the
Survivors' Trust for all taxable periods through the dissolution of the Survivors' Trust.

7. Settlements With Non-Settling Insurers. The Survivors' Trustee shall be authorized to enter
into consensual settlements with one or more Non-Settling Insurers on and after the Effective Date,
covering some or all of the Abuse Claims insured thereby, provided that such settlements shall not impair
the rights of any other Non-Settling Insurers, including those rights set forth herein. Approval
requirements, if any, for such settlements shall be as specified in the Survivors' Trust Agreement. No
settlement (whether in the Plan or otherwise) as among any of the Debtor, its Estate, the Survivors' Trust,
and Holder of an Abuse Claim, and the Settling Insurers, including payment obligations, shall bind a Non-
Settling Insurer in any way without its consent.

1 **D. Survivors' Trust Advisory Committee**

2 As set forth in the Survivors' Trust Documents, there shall be established the Survivors' Trust
3 Advisory Committee, which shall be initially comprised of five (5) members selected by the Committee
4 and formed as of the Effective Date. Except with respect to Insurance Settlement Agreements entered
5 into by the Survivors' Trust post-Effective Date and certain other matters, the Survivors' Trust Advisory
6 Committee is intended to be consultative in nature and assist the Survivors' Trustee in the independent
7 exercise of his or her duties.

8 **E. Property and Funding of the Survivors' Trust**

9 As stated in the Executive Summary (Article I above), the Survivors' Trust shall be funded with
10 (i) aggregate Cash contributions from the Debtor and Reorganized Debtor (as applicable) of \$~~103~~115
11 million, (ii) any Cash contributions from a Contributing Non-Debtor Catholic Entity pursuant to Section
12 9.3.2 of the Plan, (iii) ~~title to the Livermore Property, on an as-is, where-is basis, (iv)~~ any proceeds held
13 by the Debtor or the Reorganized Debtor on account of Insurance Settlement Agreements as set forth in and
14 subject to the Plan, and (v~~iv~~) the Assigned Insurance Interests. These are the Survivors' Trust Assets. Each
15 is detailed below.

16 The Survivors' Trust Assets may be supplemented from time to time from: (a) any payment by a
17 Settling Insurer pursuant to an Insurance Settlement Agreement; (b) any Assigned Insurance Interest
18 Proceeds; (c) proceeds of Litigation Awards; (d) proceeds of Outbound Contribution Claims; and (e) any
19 other proceeds which the Survivors' Trust may obtain pursuant to the terms of the Plan.

20 On the Effective Date, all Survivors' Trust Assets shall vest in the Survivors' Trust, and the Debtor,
21 Reorganized Debtor, Contributing Non-Debtor Catholic Entities, and Settling Insurers shall be deemed for
22 all purposes to have transferred all of their respective interests in the Survivors' Trust Assets to the
23 Survivors' Trust. On the Effective Date, or as soon as practicable thereafter, the Reorganized Debtor, any
24 other Released Party, and Settling Insurers, as applicable, shall take all actions reasonably necessary to
25 transfer any Survivors' Trust Assets to the Survivors' Trust. Upon the transfer of control of Survivors' Trust
26 Assets in accordance with this paragraph, the Debtor, Reorganized Debtor, Contributing Non-Debtor
27 Catholic Entities, and the Settling Insurers shall have no further interest in the Survivors' Trust Assets except
28 as otherwise explicitly provided in the Plan.

29 The transfer to, vesting in and assumption by the Survivors' Trust of the Survivors' Trust Assets as
30 contemplated by the Plan shall, as of the Effective Date, discharge all obligations and liabilities of and bar
31 any recovery or action against the Released Parties for or in respect of all Abuse Claims (including Unknown
32 Abuse Claims). The Confirmation Order shall provide for such discharge. Subject to Article VIII hereof
33 and the rights of Litigation Claimants, the Survivors' Trust shall, as of the Effective Date, assume sole and
34 exclusive responsibility and liability for all Abuse Claims against the Released Parties, and such Claims
35 shall be paid by the Survivors' Trust from the Survivors' Trust Assets or as otherwise directed in the
36 Survivors' Trust Documents and Articles VIII and IX of the Plan. From and after the Effective Date, all
37 Abuse Claims against the Released Parties or any Settling Insurer shall be considered Channeled Claims
38 subject to the Channeling Injunction under Section 105(a) of the Bankruptcy Code and the provisions of
39 the Plan and the Confirmation Order, except for (a) an Abuse Claim against any Person who personally
40 committed an act or acts of Abuse resulting in a Claim against the Debtor or Contributing Non-Debtor
41 Catholic Entity, or (b) any Claim (including any Abuse Claim) held by a Non-Settling Insurer against any
42 Released Party other than the Debtor or the Reorganized Debtor. Subject to the foregoing, from and after
43 the Effective Date, the Released Parties shall not have any obligation with respect to any liability of any
44 nature or description arising out of, relating to, or in connection with any Abuse Claims.

45 The Debtor Cash Contribution and any Non-Debtor Catholic Entity Contributions are not, and shall
46 not be construed as, a discharge and/or release of any Abuse Claim (including any Unknown Abuse Claim)

1 covered or alleged to be covered under any of the Non-Settling Insurer Policies. Notwithstanding the
2 foregoing, the Debtor and any Contributing Non-Debtor Catholic Entity shall have no further financial
3 obligations under the Plan or the Plan Documents to Holders of Allowed Abuse Claims (except, in the case
4 of any Contributing Non-Debtor Catholic Entity, with respect to Holders of Opt-Out Abuse Claims as set
5 forth in Section 6.2 hereof), including Allowed Unknown Abuse Claims, other than the obligations
6 required to be paid to the Survivors' Trust in Section 9.3 of the Plan.

7 1. *Debtor Cash Contribution.* On the Effective Date of the Plan, the Debtor shall transfer \$63
8 million in good and available funds to the Survivors' Trust using wiring instructions provided by the
9 Survivors' Trustee (the "Initial Debtor Contribution"). The Initial Debtor Contribution will consist of (i)
10 approximately \$53 million in Cash received through the Exit Facility (See **Exhibit D**), and (ii)
11 approximately \$10 million in non-restricted Cash held by the Debtor. The Survivors' Trust shall also
12 receive Cash from the Debtor as set forth below (collectively, the "Additional Debtor Contributions" and
13 together with the Initial Debtor Contribution, the "Debtor Cash Contribution"):

- 14 a. On the date that is one year after the Effective Date, the Debtor shall transfer \$10
15 million in good and available funds to the Survivors' Trust using wiring instructions
16 provided by the Survivors' Trustee.
- 17 b. On the date that is one year after the Effective Date, the Debtor shall transfer \$10
18 million in good and available funds to the Survivors' Trust using wiring instructions
19 provided by the Survivors' Trustee.
- 20 c. On the date that is three years after the Effective Date, the Debtor shall transfer \$10
21 million in good and available funds to the Survivors' Trust using wiring instructions
22 provided by the Survivors' Trustee.
- 23 d. On the date that is four years after the Effective Date, the Debtor shall transfer \$10
24 million in good and available funds to the Survivors' Trust using wiring instructions
25 provided by the Survivors' Trustee.
- 26 e. On the date that is five years after the Effective Date, the Debtor shall transfer \$12
27 million in good and available funds to the Survivors' Trust using wiring instructions
28 provided by the Survivors' Trustee.

19 2. *Contributions from Non-Debtor Catholic Entities.* Any Non-Debtor Catholic Entity
20 against whom the Holder of a Class 4 Claim has asserted liability in connection with an Abuse Claim may
21 become a Contributing Non-Debtor Catholic Entity by contributing Cash or other assets to the Survivors'
22 Trust in exchange for Releases by such Holders of Class 4 Claims.

- 23 a. **Roman Catholic Welfare Corporation of Oakland.** RCWC shall contribute
24 Cash to the Survivors' Trust in an aggregate amount that is contingent on the
25 number of Releases it secures from those Holders of Class 4 Claims and Class 5
26 Claims who have asserted liability against RCWC in connection with an Abuse
27 Claim ("RCWC Claimants"). RCWC shall transfer a total of
28 ~~\$14,250,000.00~~ 28,500,000.00 (the "RCWC Cash Contribution") to the Survivors'
Trust, as follows: \$2,000,000.00 on the Effective Date, ~~\$3,000,000.00~~ 4,000,000.00
on the date that is one year after the Effective Date, ~~\$3,000,000.00~~ 4,000,000.00
on the date that is two years after the Effective Date, ~~\$3,000,000.00~~ 6,000,000.00
on the date that is three years after the Effective Date, ~~and \$3,250,000.00~~ 6,000,000.00
on the date that is four years after the Effective Date, and \$6,500,000.00 on the date
that is five years after the Effective Date; provided, however, if less than 100% of
all RCWC Claimants grant RCWC a release pursuant to Section 13.9 of the Plan,

1 then the RCWC Cash Contribution, and each of its installments set forth in this
2 Section 9.3.2.2, shall be reduced by a percentage proportional to the percentage of
3 RCWC Claimants who either opt out of granting RCWC such release or fail to
4 return a Ballot. To illustrate, if 80% of RCWC Claimants grant RCWC a release
5 pursuant to Section 13.9 of the Plan, RCWC shall only contribute 80% of the
6 aggregate RCWC Cash Contribution, or \$~~11,400,000.00~~22,800,000.00, to the
Survivors' Trust, in installments of \$1,600,000.00 on the Effective Date,
\$~~2,400,000.00~~3,200,000.00 on the first, and second, ~~and third~~ anniversaries of the
Effective Date, \$~~4,800,000.00~~4,800,000.00 on the third and fourth anniversaries of the Effective
Date, and \$~~2,600,000.00~~5,200,000.00 on the ~~fourth~~fifth anniversary of the
Effective Date. See Exhibit E, RCWC Currier Letter.

7 b. **Other Contributing Non-Debtor Catholic Entities.** Should any other Non-
8 Debtor Catholic Entity become a Contributing Non-Debtor Catholic Entity between
9 the filing of the Plan and the date of the filing of the Plan Supplement, the Plan
10 Supplement shall set forth the amount of Cash contributed by any such Non-Debtor
11 Catholic Entity (or, if the Contribution is not in Cash, the nature and approximate
12 Cash-value of the contribution by any such Non-Debtor Catholic Entity) and shall
set forth the extent to which such Non-Debtor Catholic Entity's contribution is
conditioned on the number of Releases it receives from Holders of Class 4 and
Class 5 Claims asserting liability against such Non-Debtor Catholic Entity in
connection with an Abuse Claim.

13 c. **Release by Holders of Class 5 Claims.** For purposes of calculating the percentage
14 of Releases under Section 13.9 of the Plan received by a Non-Debtor Catholic
Entity, the Unknown Abuse Claims Representative shall count as a single Holder,
and each Holder of a Class 4 Claim shall count as a single Holder.

15 3. Separate Contributions. Any contribution to the Survivors' Trust by a Contributing Non-
16 Debtor Catholic Entity shall be in addition to and separate from the Debtor Cash Contribution

17 ~~4. Livermore Property. The Debtor, through its affiliate Adventus, shall transfer ownership of the
18 Livermore Property to the Survivors' Trust on the Effective Date. Adventus shall be treated as a
Contributing Non-Debtor Catholic Entity under the Plan.~~

19 ~~4.~~ 5-Insurance Settlement Agreements. In addition to the Debtor Cash Contribution, any Cash
20 received by the Debtor on or before the Effective Date in connection with an Insurance Settlement
Agreement shall be transferred to the Survivors' Trust on the Effective Date and shall be part of the
Survivors' Trust Assets. After the Effective Date, see below at Article VII.G.6.

21 ~~5.~~ 6-Assignment of Assigned Insurance Interests. On the Effective Date, the Insurance
22 Assignment described in Article VIII of the Plan shall become effective. The Assigned Insurance Interests
23 means all rights, claims, interests, benefits, responsibilities, and obligations of the Debtor in the Non-
Settling Insurer Policies, subject to the terms of the Plan including without limitation Articles VIII and IX
of the Plan and the provisions of the Plan concerning the Litigation Option.

24 ~~6.~~ 7-Use of Survivors' Trust Assets. The Survivors' Trust Assets shall be used in accordance
25 with and for the purposes set forth in the Survivors' Trust Documents, including without limitation to pay
26 Abuse Claims and reasonable expenses of the Survivors' Trust, and to pursue and execute Insurance
27 Settlement Agreements (i.e. negotiate and effectuate potential settlements with Non-Settling Insurers).
Notwithstanding anything herein to the contrary, no monies and/or assets comprising the Survivors' Trust
Assets that are transferred, granted, assigned, or otherwise delivered to the Survivors' Trust shall be used
for any purpose other than in accordance with the Plan and the Survivors' Trust Documents.

1 7. ~~8.~~ No Insurer Reimbursement Obligation. The Non-Settling Insurers shall not be liable for
2 or obligated to reimburse any contribution to the Plan made by the Debtor and its Estate, nor shall the
Survivors' Trust be authorized to seek such recovery.

3 **F. Unknown Abuse Claims Reserve**

4 The Unknown Abuse Claims Reserve is a Cash reserve maintained by Survivors' Trust established
5 on the Effective Date pursuant to the Survivors' Trust Documents for the benefit of Holders of Class 5
Claims, or Unknown Abuse Claims.

6 Upon the Effective Date, the Survivors' Trust shall segregate \$5,000,000.00 (Five Million Dollars
7 and Zero Cents) of the Initial Debtor Contribution into the Unknown Abuse Claims Reserve. The
8 Unknown Abuse Claims Reserve shall be maintained for the greater of (i) ~~four~~five years after the Effective
Date, and (ii) resolution of all Unknown Abuse Claims submitted to the Survivors' Trustee within ~~four~~five
9 years after the Effective Date. On that date, the remaining funds in the Unknown Abuse Claims Reserve
will be de-segregated and returned to the Survivors' Trust's general accounts, and neither the Debtor,
10 Reorganized Debtor, Survivors' Trust, nor any Settling Insurer shall have any more liability for any
Unknown Abuse Claim.

11 **G. Treatment of Abuse Claims.**

12 1. Immediate Payment Election.

13 Abuse Claimants may elect to receive the Immediate Payment from the Survivors' Trust by
14 checking the appropriate box on their respective Ballots. Only Holders of Abuse Claims who return a
Ballot and who affirmatively check the box on their Ballot indicating they wish to receive the Immediate
15 Payment shall be entitled to receive the Immediate Payment. If a Holder of an Abuse Claim elects to
16 receive the Immediate Payment, the payment will be made within thirty (30) days after the Effective Date.
After receipt of the Immediate Payment, the Holder of an Abuse Claim shall not be entitled to any further
17 distributions from the Survivors' Trust and shall not be entitled to pursue any Abuse Claim against the
Non-Settling Insurers or any other party. If a Person submitted, or is the Holder of, more than one Abuse
18 Claim and such Holder elects to receive the Immediate Payment, such Holder shall only be entitled to one
Immediate Payment on account of all of their Abuse Claims, shall not be entitled to any further
distributions from the Survivors' Trust, and shall not be entitled to pursue any Abuse Claim against the
Non-Settling Insurers or any other party.

19 2. Review and Scoring of Claims.

20 After the Effective Date, every Trust Claim held by an Abuse Claimant shall be reviewed and
21 allocated a percentage of the recovery pool based on numerical scaling factors (but not based on alleged
dollar value of the Claim) by the Abuse Claims Reviewer in order to determine the distribution to each
22 such Holder in accordance with the terms of the Survivors' Trust Documents.

23 The scoring process works as follows:

- 24 • First, the Abuse Claims Reviewer applies Initial Criteria to determine whether any
incurable defects exist with respect to a Trust Claim;
- 25 • Second, the Abuse Claims Reviewer applies General Criteria intended to determine
26 whether the Trust Claim adequately describes the alleged abuse, alleged perpetrator,
location of abuse, and legal liability of the Debtor or another party; and,

- Third, the Abuse Claims Reviewer applies Evaluation Factors to actually score the claim on a scale from 1-100. The Evaluation Factors include the nature of the abuse (in terms of duration, frequency, level of severity and degree of intrusiveness, etc.), the impact of the abuse (in terms of mental and physical health, spiritual well-being, interpersonal relationships, etc.); prior recoveries, if any, from other parties; and the claimant's involvement in bringing the abuse to light for the benefit of all Trust Claimants.

After scoring each Trust Claim, the Abuse Claims Reviewer will calculate the value of an individual "point." The point value will be determined by dividing (a) the total dollars available for distribution to Trust Claims by (b) the total of points among the individual Trust Claims. For example:

- Assume there are 345 claimants holding Trust Claims with an average score of 50 points per claim.
- 50 points per claim multiplied by 345 claims yields 17,250 total points.
- Assuming a total distributable amount of ~~\$198.25~~ 138.5 million (~~the projected "high" value set forth in the chart above for all contributions~~), each point would be valued at ~~\$11,493~~ 8,028.99 (~~\$198.25~~ 138.5 million divided by 17,250, ~~rounded to the nearest dollar points~~).

Accordingly, Trust Claims assigned 25, 50, and 75 points would receive projected total recoveries of ~~\$287,325~~ 200,724.75, ~~\$574,650~~ 401,449.50, and ~~\$861,975~~ 602,174.25 from the Survivor's Trust, respectively.

3. Initial Determination.

a. Based on the percentage allocation determined by the Abuse Claims Reviewer, the Survivors' Trustee shall provide a determination of the distribution to which each Holder of each Trust Claim is entitled (the "Initial Determination"), in accordance with the terms of the Survivors' Trust Documents. Each Holder of a Trust Claim will receive a notice containing the Initial Determination, including a projected recovery based on the anticipated available assets of the Survivors' Trust at the time of the Initial Determination.

b. Within thirty (30) days of receipt of the notice of the Initial Determination, each Holder of a Trust Claim shall have the right to request an additional review of the Initial Determination by the Abuse Claims Reviewer and shall be allowed to submit additional documentation or information that such Claimant believes should be considered. The Abuse Claims Reviewer shall provide a subsequent determination (the "Review Determination"), as provided for in the Survivors' Trust Documents.

c. If requested, the Review Determination shall be the "Final Determination" for purposes of such Holder's distributions from the Survivors' Trust. If the Review Determination is not requested, the outcome of the Initial Determination shall be the Final Determination.

d. For the avoidance of doubt, no determination will be made in the Chapter 11 Case concerning the alleged dollar value of an Abuse Claim for purposes of unsettled Insurance. Neither the Abuse Claims Reviewer's or Survivors' Trustee's review of an Abuse Claim and determination of qualification, nor the Survivors' Trust's estimation of Claims or payment of distributions, shall constitute a trial, an adjudication on the merits, or evidence of liability or damages in any litigation with the Non-Settling Insurer or any other Person.

1 4. Distributions to Trust Claimants from the Survivors' Trust.

2 Subject to the Survivors' Trust Documents, the Plan provides that the following procedures will
3 govern distributions to Trust Claimants from the Survivors' Trust:

4 a. Within 30 days of the Abuse Claims Reviewer's completion of all Review
5 Determinations, the Survivors' Trustee shall make a projection of anticipated distributions to each Holder
6 of a Trust Claim. This amount may differ from the Initial Determination after accounting for Review
7 Determinations.

8 b. The Survivors' Trustee will make an initial distribution (the "Initial Distribution")
9 to each Trust Claimant, except for those Trust Claimants who elect the Litigation Option (defined below
10 and in Section 9.8.4 of the Plan). The Initial Distribution shall be comprised of each such Trust Claimants'
11 *pro rata* share of the Survivors' Trust Assets existing on that date, less reasonable reserves for the
12 Survivors' Trust, to be determined by the Survivors' Trustee in accordance with the Survivors' Trust
13 Documents (the "Initial Reserve"). ~~The Survivors' Trustee may, but need not, wait until the liquidation
14 of the Livermore Property to make the Initial Distribution.~~

15 c. Upon the receipt of additional contributions into the Survivors' Trust, including
16 from sales of real property owned by the Survivors' Trust, the Survivors' Trustee shall make further
17 distributions (the "Additional Distributions") to Distribution Claimants in accordance with this Section of
18 the Plan and the Survivors' Trust Documents, less such appropriate reserves (the "Additional Reserves").

19 d. After (i) the final resolution of all Trust Claims, including with respect to Litigation
20 Claimants, and (ii) all Survivors' Trust Assets are monetized, the Survivors' Trustee shall make a final
21 distribution to Distribution Claimants (the "Final Distribution"), which shall include previously withheld
22 reserves and any reallocated funds. If, after 180 days from the date of the Final Distribution, there are any
23 funds which are not claimed by the Holder of a Trust Claim, such unclaimed funds shall be returned to
24 the Reorganized Debtor.

25 5. Election of Distribution Option vs. Litigation Option.

26 Irrespective of whether a Trust Claimant has requested an additional review of the Initial
27 Determination by the Abuse Claims Reviewer, within 90 days of receiving the notice of the Initial
28 Determination of a Trust Claim, the Holder may, instead of receiving an Initial Distribution, elect to
pursue litigation against the Non-Settling Insurers and/or other parties (excluding the Debtor or
Reorganized Debtor as appropriate) (the "Abuse Claim Litigation" and, the election of the Abuse Claim
Litigation, the "Litigation Option") by filing the notice described in Section 8.2.2 of the Plan. **The Holder
of an Abuse Claim who elects the Distribution Option shall not be entitled to pursue the Litigation
Option, meaning they shall not be entitled to pursue any additional recovery from the Non-Settling
Insurers.** If no election to pursue the Litigation Option is timely made, the Trust Claimant shall be
deemed to have chosen the Distribution Option.

 a. In the event a Trust Claimant elects the Litigation Option, the Reserved Amount to
be held by the Survivor's Trustee on account of such Trust Claimant shall be the amount of such Trust
Claimant's Final Determination. As the Survivors' Trust receives additional Cash (including, without
limitation, on account of the Debtor Cash Contributions, RCWC Cash Contributions, Insurance Settlement
Agreements, other contributions of Cash, or proceeds from the liquidation of any of the Survivors' Trust
Assets), the Survivors' Trustee shall increase the Reserved Amount on account of such Trust Claimant
commensurately.

 b. The liability, if any, of the Survivors' Trust to a Litigation Claimant shall be limited
to the Reserved Amount for such Trust Claimant, even if the Trust Claimant obtains a judgment by a Final

1 Order through the Abuse Claim Litigation (the “Litigation Judgment”) that is higher than the Reserved
2 Amount.

3 c. In the case of a Trust Claimant who obtains a Litigation Judgment that is lower than
4 the Reserved Amount for such Trust Claimant, the distribution from the Survivors’ Trust to such Trust
5 Claimant shall be capped at the amount of the Litigation Judgment; provided, however, that such
6 distribution from the Survivors’ Trust shall be further reduced by the amount of any liability for the
7 Litigation Judgment that is apportioned to (i) one or more defendants in the Abuse Claim Litigation other
8 than any of the Released Parties, and/or (ii) any Non-Settling Insurer on account of such Non-Settling
9 Insurer’s coverage obligations under an Abuse Insurance Policy, if any, subject to such Non-Settling
10 Insurer’s rights to Contribution and other rights under this Plan and the applicable Abuse Insurance
11 Policy(ies). The difference between a Trust Claimant’s Reserved Amount and the reduced distribution to
12 such Trust Claimant from the Survivors’ Trust shall be reallocated for distribution to Trust Claimants in
13 their *pro rata* share.

14 d. In the case of a Trust Claimant who obtains a Litigation Judgment that is higher
15 than the Reserved Amount for such Trust Claimant, the distribution from the Survivors’ Trust to such
16 Trust Claimant shall be the lower of: (a) the Reserved Amount or (b) the amount of such Litigation
17 Judgment less any liability for the Litigation Judgment apportioned to (i) any defendants in the Abuse
18 Claim Litigation other than any of the Released Parties and/or (ii) any Non-Settling Insurer on account of
19 such Non-Settling Insurer’s coverage obligations under an Abuse Insurance Policy, if any, subject to such
20 Non-Settling Insurer’s rights to Contribution and other rights under this Plan and the applicable Abuse
21 Insurance Policy(ies). The difference between a Litigation Claimant’s Reserved Amount and the reduced
22 distribution to such Litigation Claimant from the Survivors’ Trust shall be reallocated to Distribution
23 Claimants in their *pro rata* share.

24 e. If a Trust Claimant obtains a Litigation Judgment for which all liability is assigned
25 in the aggregate to (i) defendants in the Abuse Claim Litigation other than the Released Parties and/or (ii)
26 one or more Non-Settling Insurers, any party found liable for payment to such Trust Claimant shall pay
27 that judgment directly to such Trust Claimant. The Trust Claimant shall have no further claims against
28 the Survivors’ Trust. The Survivors’ Trustee shall reallocate the Reserved Amount on account of such
Trust Claimant’s Trust Claim to Distribution Claimants in their *pro rata* share.

1 f. If, pursuant to Section 9.8.4, a Trust Claimant who received a Litigation Judgment
is entitled to a distribution from the Survivors’ Trust, the Survivors’ Trustee shall make any such
distribution from the Survivors’ Trust Assets to such Trust Claimant not later than thirty (30) days after
the Survivors’ Trustee receives notice of entry of the Trust Claimant’s Litigation Judgment in the Abuse
Claim Litigation. If the Survivors’ Trust is not a formal notice party in the Abuse Claim Litigation filed
by such Trust Claimant, it shall be the burden of the Trust Claimant to serve the Survivors’ Trustee with
notice of entry of the Trust Claimant’s Litigation Judgment in the Abuse Claim Litigation.

2 g. Upon written notice to the Survivors’ Trustee, subject to the Survivors’ Trustee’s
sole and absolute discretion, a Litigation Claimant may rescind that election in favor of the Distribution
Option (and become, for all purposes, a Distribution Claimant). Notwithstanding the foregoing, the
Survivors’ Trustee shall consent to such rescission if such written notice of rescission is given prior to
entry of an order of dismissal or a final judgment by a Final Order in the Abuse Claim Litigation in favor
of a Released Party.

3 h. Following final resolution of the last Abuse Claim Litigation, the Survivors’
Trustee will make his Final Distribution to Distribution Claimants as set forth in Section 9.8.3.4 of the
Plan.

1 The Survivors' Trustee shall report to the Reorganized Debtor, on a quarterly basis, or upon
2 reasonable request, (i) the date on which each Holder of an Abuse Claim is notified of their award under
3 the Survivors' Trust Distribution Plan, (ii) whether each Holder of an Abuse Claim has elected the
4 Immediate Payment, the Distribution Option, or the Litigation Option, and (iii) any modification made
5 by any Holder of an Abuse Claim to their treatment status.

6 **6. Post-Effective Date Insurance Settlement Agreements.**

7 To the extent the Survivors' Trust enters into an Insurance Settlement Agreement that covers the
8 Abuse Claim of a Litigation Claimant that commenced an Abuse Claim Litigation (a "Settling Trust
9 Claimant"), (i) such Abuse Claim Litigation shall be promptly dismissed to the extent the Settling Trust
10 Claimant is seeking a determination of, and the availability of Insurance Recoveries for, the liability of a
11 Released Party on account of the Settling Trust Claimant's Abuse Claim, (ii) within thirty (30) days of
12 receipt of the Cash consideration of such Insurance Settlement Agreement, the Survivors' Trust shall pay
13 the Settling Trust Claimant an amount equivalent to 50% of the Settling Trust Claimant's then-existing
14 Reserved Amount, calculated based on the value of the Survivors' Trust Assets immediately before receipt
15 of such Cash consideration from the Insurance Settlement Agreement, (iii) the Settling Trust Claimant
16 shall be deemed to have rescinded their election of the Litigation Option in favor of the Distribution Option
17 and the Survivors' Trustee shall be deemed to have consented to such rescission, each in accordance with
18 Section 9.8.4.7 of the Plan, and (iv) the remaining Cash realized by the Survivors' Trust on account of the
19 Insurance Settlement Agreement shall be added to the Survivors' Trust Assets. Thereafter, Settling Trust
20 Claimants shall: 1) be treated as Distribution Claimants in all respects, and 2) be entitled to receive *pro*
21 *rata* distributions from the Survivors' Trust Assets in accordance with the terms of this Plan and the
22 Survivors' Trust Documents.

23 **H. Compensation and Reimbursement of Expenses to Survivors' Trustee and Survivors'**
24 **Trust Professionals.**

25 The Survivors' Trustee shall be entitled to compensation as provided for in the Survivors' Trust
26 Documents. The Survivors' Trustee may retain and reasonably compensate, without Bankruptcy Court
27 approval and without the consent of the Reorganized Debtor, counsel and other Professionals as
28 reasonably necessary to assist in the duties of the Survivors' Trustee subject to the terms of the Survivors'
Trust Documents. All fees and expenses incurred in connection with the foregoing shall be payable from
the Survivors' Trust, as provided for in the Survivors' Trust Documents.

I. Excess Survivors' Trust Assets.

After the payment of all Abuse Claims that are entitled to a distribution from the Survivors' Trust
and all expenses of the Survivors' Trust, all remaining Assets in the Survivors' Trust shall be transferred
to the Reorganized Debtor concurrent with the termination of the Survivors' Trust pursuant to the
Survivors' Trust Documents.

J. Indemnification of Debtor, Reorganized Debtor, and Contributing Non-Debtor Catholic
Entities.

The Survivors' Trust shall indemnify and hold harmless the Debtor, Reorganized Debtor, and the
Contributing Non-Debtor Catholic Entities from and against any and all Abuse Claims, as well as
indemnify and reimburse such parties for all fees, costs and expenses related to Abuse Claims (including
such fees, costs and expenses incurred in connection with discovery), to the extent set forth in the Plan
and the Survivors' Trust Documents. The Survivors' Trust shall not have any obligation to indemnify any
Person accused of committing a physical act of Abuse against a Holder of an Abuse Claim or such
Holder's predecessor(s)-in-interest.

1 **K. Modification of Survivors' Trust Documents.**

2 The Survivors' Trust Documents may not be amended or modified without the consent of the
3 Reorganized Debtor. The Reorganized Debtor shall also have consent rights with respect to the
4 appointment of any successor Survivors' Trustee and Survivors' Trust Advisory Committee members,
5 which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the indemnification
6 obligations of the Survivors' Trust described in the Plan as to any Released Party may not be amended or
7 modified without the consent of such Released Party and no such amendment shall affect the rights of any
8 remaining Non-Settling Insurers.

6 **ARTICLE VIII**

7 **SETTLING INSURERS**

8 **A. No Insurance Settlement Agreements to Date**

9 As of the date of the filing of this Disclosure Statement, there are no Settling Insurers and no
10 Insurance Settlement Agreements executed. Any discussion of a Settling Insurer or Insurance Settlement
11 Agreement herein refers to the identification of Settling Insurers under future Insurance Settlement
12 Agreements.

12 **B. Insurance Settlement Agreements**

13 If, before Confirmation, an Insurer enters into an Insurance Settlement Agreement with the Debtor
14 under which the Insurer would become a Settling Insurer under the Plan upon entry of the Confirmation Order,
15 the Debtor shall file with the Plan Supplement providing for any provisions required by the proposed Settling
16 Insurer, and agreed to by the Debtor, to be made a part of the Plan. Any such provisions set forth in the Plan
17 Supplement shall be deemed incorporated into this Section as part of the Plan. Any Insurer that becomes a
18 Settling Insurer shall receive the treatment as may be provided in any Insurer Settlement Agreement
19 approved by a Final Order.

17 Each Insurance Settlement Agreement is effective and binding upon all Persons who have notice,
18 and any of their successors and assigns, upon the entry of a Final Order approving the Insurance Settlement
19 Agreement and satisfaction of all conditions precedent, provided such settlement shall not affect the rights
20 of any remaining Non-Settling Insurers. Payments by each Settling Insurer to the Survivors' Trust, and
21 the releases by the Debtor and/or the Contributing Non-Debtor Catholic Entities of each Settling Insurer,
22 pursuant to the Insurance Settlement Agreements shall occur and/or be effective according to the terms of
23 each such agreement.

21 **C. Sale Free and Clear of Interests of Settling Insurer Policies**

22 Each Settling Insurer Policy shall be sold to the issuing Settling Insurer, pursuant to sections 105,
23 363, and 1123 of the Bankruptcy Code, free and clear of all liens and Claims of all Persons, to the extent
24 provided for in each applicable Insurance Settlement Agreement, provided such sale shall not affect the
25 rights of any remaining Non-Settling Insurers.

25 **D. Rights Under Insurance Settlement Agreements**

26 The Insurance Settlement Agreements shall survive the confirmation, effectiveness, and
27 consummation of the Plan. The rights of the parties under any Insurance Settlement Agreement shall be
28 determined exclusively under the applicable Insurance Settlement Agreement, the Final Order approving
such Insurance Settlement Agreement, the Plan, and the Confirmation Order.

1 **E. Contribution Claims of Settling Insurers**

2 Each Settling Insurer agrees that it will not pursue any Abuse Related Contribution Claim that it
3 might have against any other Insurer (a) whose Contribution Claim against Settling Insurers is satisfied
4 and extinguished entirely; or (b) that does not make an Abuse Related Contribution Claim against the
5 Settling Insurers, or any of them. If, in the future, a Non-Settling Insurer releases its Abuse Related
6 Contribution Claims, if any such exist, that it may have against the Settling Insurers, then such released
7 Settling Insurer shall release its Abuse Related Contribution Claims against such releasing Insurer.

8 If any Non-Settling Insurer asserts a Claim directly against the Survivors' Trust arising from or
9 concerning the one or more Settling Insurers' Abuse Insurance Policies, any Abuse Related Contribution
10 Claim of the Settling Insurers shall be transferred to the Survivors' Trust, and the Survivors' Trust shall
11 be authorized to assert the Contribution Claims of such Settling Insurer against such Non-Settling Insurer.

12 **F. Timing**

13 The injunctions, releases, and discharges to which any Settling Insurer is entitled pursuant to such
14 Insurance Settlement Agreement, the Plan, the Confirmation Order, the Final Order approving the
15 Insurance Settlement Agreement, and the Bankruptcy Code shall become effective pursuant to the terms
16 of such Insurance Settlement Agreement.

17 **ARTICLE IX**

18 **MATTERS RELATING TO NON-SETTLING INSURERS**

19 **A. Insurance Coverage for Abuse Claims**

20 Holders of Abuse Claims who do not elect to receive an Immediate Payment may seek to have
21 their claim satisfied by electing either (i) the Distribution Option, or (ii) for the purpose of recovering from
22 one or more Non-Settling Insurers under their respective Insurance Policies, the Litigation Option. Absent
23 agreement of the applicable Non-Settling Insurer(s), the Holder of an Abuse Claim may only litigate
24 coverage of such Holder's Abuse Claim under the Non-Settling Insurer's Abuse Insurance Policy(ies) by
25 electing the Litigation Option. Only the applicable Holder of an Abuse Claim may seek recovery for such
26 Abuse Claim against a Non-Settling Insurer pursuant to an Abuse Insurance Policy issued by such Non-
27 Settling Insurer. The Insurance Assignment is subject to the exclusive rights of such Holders.

28 After Confirmation, any Litigation Claimant shall be granted leave to pursue such Claim by filing
in the Chapter 11 Case a written statement of intent to do so by electing the Litigation Option (which may
be filed under a pseudonym if the claimant's name has not been previously publicly identified, *provided*
that (i) the notice otherwise adequately identifies the relevant Claim including the case number for the
pending litigation and (ii) the claimant or his or her counsel notifies the Non-Settling Insurers of the
claimant's actual name). After the expiration of ninety (90) days following the filing of such written
statement, such Holder of an Abuse Claim may continue to pursue such Claim in a separate action filed
in a non-bankruptcy court of competent jurisdiction as determined by applicable law, solely to seek a
recovery from Abuse Insurance Policies. Affected Non-Settling Insurers shall have the right (and the
obligation, to the extent so provided under their respective Abuse Insurance Policy(ies)), to defend such
Claim, consistent with the terms of their Abuse Insurance Policies and applicable non-bankruptcy law.
Such affected Non-Settling Insurers are also granted leave to defend against Abuse Claims and take other
actions authorized in their respective Abuse Insurance Policies in response to Abuse Claims, including
paying settlements to which the affected Non-Settling Insurers agree or any judgments.

1 The Debtor (including the estate and the Reorganized Debtor) and the Survivors' Trust will
2 cooperate in the defense of any such claim to the extent provided under the applicable Abuse Insurance
Policy or Policies and as requested by an affected Non-Settling Insurer.

3 Nothing in Section 8.2.2 of the Plan or in this Article IX.A shall diminish or alter the rights of a
4 Holder of an Abuse Claim who elects the Litigation Option to receive a distribution from the Survivors'
Trust pursuant to Section 9.8.4 herein.

5 If the Holder of an Abuse Claim elects the Litigation Option then, among other things, (1) the
6 rights of affected Non-Settling Insurers to defend or associate in the defense of such Abuse Claims shall
7 be fully preserved so that a Non-Settling Insurer who has offered to, or has an obligation to, defend may
8 do so, and (2) the rights of affected Non-Settling Insurers to assert all coverage defenses and issues in any
9 insurance recovery action (under Cal. Ins. Code § 11580 or otherwise) shall also be fully preserved. In
10 any such insurance recovery action (under Cal. Ins. Code § 11580 or otherwise), Holders of Abuse Claims
11 shall have no greater or lesser rights than the Debtor, including as to any findings of fact, conclusions of
law, or rulings issued in connection with the Coverage Action or any other coverage litigation between
the Debtor or the Survivors' Trust and any of the Insurers. To the extent any applicable Non-Settling
Insurer elects not to defend an Abuse Claim in the non-bankruptcy court system after receiving proper
notice and opportunity to do so, the Holder of an Abuse Claim shall be entitled to seek a default judgment
against the Debtor as nominal party only, solely to allow such Holder of an Abuse Claim to then pursue
insurance rights under Cal. Ins. Code § 11580 in accordance with the provisions in the Plan.

12 If a Holder of an Abuse Claim elects the Litigation Option, liquidates its Claim, and obtains a final
13 judgment by a Final Order against a Non-Settling Insurer, such Non-Settling Insurer shall pay the amount
14 of the judgment directly to the Holder of such Claim in accordance with, and subject to, the provisions of
the Plan. The Holder of an Abuse Claim shall have the exclusive right to liquidate such Holder's Abuse
Claim under the Litigation Option and pursue Coverage Claims against a Non-Settling Insurer.

15 **B. Preservation of the Rights of Non-Settling Insurers**

16 The Plan is intended to ensure preservation of the rights of Insurers and Holders of Abuse Claims
17 who wish to pursue recovery from applicable, available insurance coverage, and of the obligations of the
18 parties to each of the Abuse Insurance Policies. The Plan seeks to achieve this "insurance neutral" result
through the following terms, among others.

19 With respect to Non-Settling Insurers, nothing in the Plan, the Plan Documents, the Confirmation
20 Order, or the Survivors' Trust Documents, including any provision that purports to be preemptory or
21 supervening, shall in any way operate to, or have the effect of, impairing, altering, supplementing,
22 changing, expanding, decreasing, or modifying (i) the terms and conditions of any Abuse Insurance
23 Policy, (ii) the rights and obligations of the Debtor (or its Estate) and any Non-Settling Insurers (and third-
24 party claims administrators) under any of the Abuse Insurance Policies, or (iii) the coverage or benefits
provided under the Abuse Insurance Policies; provided, however, that because the Non-Settling Insurers
would solely be potentially financially responsible for payment of Abuse Claims (and the Debtor would
have no such potential financial responsibility), the provisions of Cal. Civil Code § 2860 entitling an
insured to appointment of independent counsel in certain circumstances shall not apply to any claims
pursued by Holders of Abuse Claims against the Debtor (as a nominal party only) or the Survivors' Trust
in the non-bankruptcy court system for the purpose of recovering from Non-Settling Insurers.

25 With respect to the Non-Settling Insurers, notwithstanding any provision in the Plan, the Plan
26 Documents, the Confirmation Order, or the Survivors' Trust Documents, nothing contained in any such
27 documents or in this paragraph shall impose, or shall be deemed or construed to impose, any obligation
on any Non-Settling Insurer to provide a defense for, settle, or pay any judgment with respect to, any
Abuse Claim. Rather, a Non-Settling Insurer's ~~obligations~~obligation, if any, with respect to an Abuse

1 Claim shall be determined solely by and in accordance with the applicable Abuse Insurance Policy or
2 Abuse Insurance Policies issued by that Non-Settling Insurer subject to applicable non-bankruptcy law.
3 Nothing in the Plan, the Plan Documents, the Confirmation Order, or the Survivors' Trust Documents
4 shall diminish or impair, or be deemed to diminish or impair, the rights of any Non-Settling Insurer to
5 defend any Abuse Claim or to assert any claim, defense, right, or counterclaim in connection with any
6 Abuse Claim or Abuse Insurance Policy in accordance with applicable law; provided, however, that any
7 claim or counterclaim for Contribution (as defined in Section 8.4 of the Plan) against a Settling Insurer
8 shall be addressed as provided herein.

9 For all issues relating to insurance coverage concerning Non-Settling Insurers, the provisions,
10 terms, conditions, and limitations of the applicable Abuse Insurance Policies shall control, subject to
11 applicable non-bankruptcy law.

12 A Non-Settling Insurer's obligation, if any, with respect to an Abuse Claim shall be determined
13 solely by and in accordance with the applicable Abuse Insurance Policy or Abuse Insurance Policies issued
14 by that Non-Settling Insurer subject to applicable non-bankruptcy law. Liability with respect to any Abuse
15 Claim for purposes of any recovery against an Abuse Insurance Policy will be determined pursuant to
16 applicable non-bankruptcy law.

17 With respect to the Non-Settling Insurers, for purposes of establishing the value of any Abuse
18 Claim for purposes of recovery from, or coverage under, any Abuse Insurance Policy issued by a Non-
19 Settling Insurer, no determination made in the Chapter 11 Case, nor any determinations made by the Abuse
20 Claims Reviewer or Survivors' Trustee concerning any Abuse Claim at any time, shall be binding on or
21 against a Non-Settling Insurer, nor shall any party (including any Holder of an Abuse Claim against the
22 Debtor) offer into evidence, or seek to admit into evidence, any such alleged determination in any tort
23 actions pursued by Holders of Abuse Claims against the Debtor (as a nominal party only) or the Survivors'
24 Trust in the non-bankruptcy court system for the purpose of recovering from Non-Settling Insurers, except
25 for the limited purpose of establishing the amount of any credit to which Debtor (as a nominal party) may
26 be entitled to offset any verdict in favor of a holder of an Abuse Claim.

27 The determination of, qualification and estimation of Claims, and the payment of Survivors' Trust
28 distributions is not an admission of liability by the Debtor or Reorganized Debtor (as applicable), any
Non-Settling Insurer, the Survivors' Trust, or any other Person with respect to any Abuse Claims and has
no *res judicata* or collateral estoppel effect on any Non-Settling Insurer, the Debtor, the Survivors' Trust,
or any other Person, except that such determination may be introduced for the limited purpose of
establishing the amount of any credit to which the Debtor (as a nominal party) or the Survivors' Trust may
be entitled to offset any verdict in favor of a Holder of an Abuse Claim.

Neither the Abuse Claims Reviewer's nor Survivors' Trustee's review of an Abuse Claim and
determination of qualification, nor anything in the Survivors' Trust Documents (including any action or
decision pursuant to the Survivors' Trust Documents, including any estimation of claims or payment of
distributions), shall constitute a trial or an adjudication on the merits, or evidence of liability or damages,
in any litigation with the Non-Settling Insurer or any other Person.

With respect to Non-Settling Insurers, nothing in the Plan, the Plan Documents, the Confirmation
Order, or the Survivors' Trust Documents shall, under any theory, (a) constitute a trial, a judgment, an
adjudication on the merits, or evidence establishing the liability (in the aggregate or otherwise) or
obligation of the Debtor or the Survivors' Trust with respect to any Abuse Claim, (b) constitute a trial, a
judgment, an adjudication on the merits, or evidence (or be introduced as evidence) establishing the
liability of any Non-Settling Insurer in current or subsequent litigation for any Claim, including, without
limitation, any Abuse Claim, or under any Abuse Insurance Policy, (c) constitute, or be deemed to
constitute (or be introduced to support a determination) of the reasonableness of the amount of any Claim,
including any Abuse Claim, either individually or in the aggregate with other Claims, (d) be deemed to

1 grant to any Person or Entity any right to sue any Non-Settling Insurer directly, in connection with a
2 Claim, including any Abuse Claim, or any Abuse Insurance Policy, that such Person or Entity did not
3 otherwise have under applicable non-bankruptcy law, (e) constitute a finding or determination (or be
4 introduced to support a finding or determination) that the Debtor is a named insured, additional insured,
5 or insured in any other way under any Abuse Insurance Policy, (f) constitute a finding or determination
6 (or be introduced to support a finding or determination) that any Insurer in fact issued any alleged Abuse
7 Insurance Policy or that any alleged Abuse Insurance Policy has any particular terms or conditions, (g)
8 constitute a finding or determination (or be introduced to support a finding or determination) that any
9 Insurer has any defense or indemnity obligation with respect to any Claim or Abuse Claim, or (h)
10 constitute a finding or determination (or be introduced to support a finding or determination) on any matter
11 at issue or which may be raised as an issue in any action, including the Insurance Coverage Litigation. In
12 addition, no payment made in accordance with the Plan shall be, or be deemed to be, a waiver of any rights
13 of any Non-Settling Insurer under any Abuse Insurance Policy.

8 Other than with respect to the effectiveness of the Insurance Assignment contemplated by the Plan
9 (if necessary) and the findings necessary to confirm the Plan under Section 1129 of the Bankruptcy Code
10 for such purpose only, no Non-Settling Insurer shall be bound in any current or future litigation concerning
11 an Abuse Claim or an Abuse Insurance Policy by any factual findings or conclusions of law issued in
12 connection with Confirmation of the Plan, and no such findings of fact or conclusions of law shall have
13 any *res judicata* or collateral estoppel effect on any Claim, defense, right, offset, or counterclaim that has
14 been asserted or that may be asserted in any current or subsequent litigation concerning an Abuse Claim
15 or an Abuse Insurance Policy. Non-Settling Insurers shall retain, and be permitted to assert, (i) all of their
16 insurance coverage defenses subject to applicable non-bankruptcy law in connection with Abuse Claims
17 notwithstanding any provision of the Plan, the Plan Documents, or the Confirmation Order, provided,
18 however, no Non-Settling Insurer may assert the Insurance Assignment as a defense to any Coverage
19 Claim nor challenge the efficacy or validity of the Insurance Assignment, and (ii) all of the Debtor's
20 defenses to liability, both legal and equitable, in connection with any asserted Abuse Claim, and the Non-
21 Settling Insurers' rights to assert all such underlying defenses and insurance coverage defenses in
22 connection with Abuse Claims will not be impaired in any way by the Plan, the Plan Documents, the
23 Confirmation Order, or the Survivors' Trust Documents, but shall be subject to applicable non-bankruptcy
24 law.

17 Any disputes regarding a Non-Settling Insurer's liability for Abuse Claims and/or coverage
18 therefor under any Abuse Insurance Policy shall be resolved under applicable non-bankruptcy law in a
19 court of competent jurisdiction or such other venue as the affected parties (including the Non-Settling
20 Insurer(s)) may agree.

20 Nothing in the Plan shall limit the ability of any Non-Settling Insurer to agree to different terms or
21 treatment of its Abuse Insurance Policies as part of a consensual settlement with the Debtor, Survivors'
22 Trust, and/or Holders of Abuse Claims.

22 Any Non-Settling Insurer's legal, equitable, or contractual rights and obligations relating to the
23 Abuse Insurance Policies issued by such Non-Settling Insurer shall be determined under applicable non-
24 bankruptcy law. Nothing in the Plan shall be construed to impair or diminish the Debtor's or any Non-
25 Settling Insurer's legal, equitable, or contractual rights or obligations under any Abuse Insurance Policy
26 including, but not limited to, the ability to negotiate resolution of any dispute; provided, however, (a) that
27 because Non-Settling Insurers would solely be potentially financially responsible for payment of Abuse
28 Claims (and the Debtor would have no such potential financial responsibility), the provisions of Cal. Civil
Code § 2860 entitling an insured to appointment of independent counsel in certain circumstances shall not
apply to any claims pursued by Holders of Abuse Claims against the Debtor (as a nominal party only) in
the non-bankruptcy court system for the purpose of recovering from Debtor (as a nominal party) and (b)
neither the Debtor (including the Estate and the Reorganized Debtor) nor the Survivors' Trust shall have
the right to (i) direct or interfere with a Non-Settling Insurer's defense of a tort action asserting an Abuse

1 Claim, or (ii) settle an Abuse Claim without the consent of all affected Non-Settling Insurers; provided,
2 however, that at the Reorganized Debtor's election and at its sole expense, the Reorganized Debtor may
3 appoint its own counsel ("Reorganized Debtor Counsel") to represent the Bishop in the defense of any
4 action by a Holder of an Abuse Claim against the Debtor (as a nominal party only). Any such Reorganized
5 Debtor Counsel shall cooperate and coordinate with defense counsel appointed by the Non-Settling
6 Insurers to represent the Debtor in such action, and the Reorganized Debtor's election to appoint
7 Reorganized Debtor Counsel shall not constitute direction of or interference with a Non-Settling Insurer's
8 defense of a tort action asserting an Abuse Claim. The Non-Settling Insurers reserve all policy defenses
9 and claims, including without limitation all rights, claims, and defenses concerning cooperation, offsets,
10 recoupments, deductions, deductibles, self-insured retentions, and all rights, claims, and defenses provided
11 in their policies. For the avoidance of doubt, if the Holder of an Abuse Claim has elected the Immediate
12 Payment or the Distribution Option, nothing in Section 8.3.12 of the Plan shall restrict the Survivors' Trust
13 from resolving or making a distribution on account of such Abuse Claim without the consent of any Non-
14 Settling Insurer for purposes of the Immediate Payment or Distribution Option.

15 Except as expressly stated herein, any coverage issues involving the Non-Settling Insurers or the
16 Abuse Insurance Policies issued by the Non-Settling Insurers shall be determined in accordance with
17 applicable non-bankruptcy law. All positions and arguments with respect to available coverage under such
18 Abuse Insurance Policies shall be fully preserved for assertion by the Non-Settling Insurers and Abuse
19 Claimants in any litigation of coverage issues. Subject to the terms of the Plan, the Non-Settling Insurers
20 and Holders of Abuse Claims reserve their rights, if any, to (i) bring proceedings concerning the
21 application and interpretation of the terms of the Abuse Insurance Policies and rights thereunder, as well
22 as whether defense and/or indemnity are owed under the Abuse Insurance Policies, and (ii) oppose any
23 such proceeding commenced by any other person or entity in any court of appropriate jurisdiction as
24 determined under applicable non-bankruptcy law; provided, however, because the Debtor will have
25 received a discharge under the Plan, any effort to collect from Abuse Insurance Policies issued by the
26 Non-Settling Insurers to satisfy an Abuse Claim after Confirmation of the Plan shall be sought individually
27 by the applicable Holder of an Abuse Claim after such Holder's Claim has been liquidated as provided
28 herein. Any disputes regarding a Non-Settling Insurer's liability for Abuse Claims (after such Abuse
Claim has been liquidated under the provisions set forth above) and/or coverage therefor under Abuse
Insurance Policies shall be resolved under applicable non-bankruptcy law in a court of competent
jurisdiction or such other venue as the affected parties (including the Non-Settling Insurer(s)) may agree.

The limitations in Section 8.3 of the Plan are for the benefit of the Non-Settling Insurers to preserve
their ability to assert the Debtor's defenses to Abuse Claims as well as Non-Settling Insurers' own
coverage defenses. For the avoidance of doubt, the Debtor (and the Reorganized Debtor, as applicable)
reserves its right to enforce the Plan, including without limitation its discharge, and to the benefits of any
settlements reached with Settling Insurers, provided that the foregoing will not limit the protections
afforded to the Non-Settling Insurers herein. All parties in interest in this Chapter 11 Case shall retain the
right to enforce the Claims Bar Date Order (as amended) and all confidentiality orders issued in the
Chapter 11 Case.

The provisions of Section 8.3 of the Plan shall be incorporated into the Confirmation Order.

C. Scope of Plan Injunctions With Respect to Non-Settling Insurers

The injunctions under the Plan and Confirmation Order shall not prohibit a Non-Settling Insurer
from asserting Claims against the Survivors' Trust for contribution, subrogation, indemnification,
reimbursement, or other similar Cause of Action (collectively, "Contribution") for any Settling Insurer's
alleged share or equitable share relating to the defense and/or indemnity obligation for any Abuse Claim,
or for any Cause of Action released in any Insurance Settlement Agreements.

1 If a Non-Settling Insurer asserts it has (a) Contribution Claims directly or indirectly arising out of
2 or in any way relating to such Non-Settling Insurer's payment of loss on behalf of the Debtor or defense
3 expenses incurred in any action that should have been paid by or are otherwise attributable to a Settling
4 Insurer related to any Abuse Claim or (b) rights to recover any self-insured retentions/obligations and/or
5 deductibles (collectively, "Payment Obligations") in connection with its payment of defense and/or
6 indemnity related to an Abuse Claim, then (i) such Contribution Claims or Payment Obligations may be
7 asserted as a setoff, defense, or counterclaim against any Abuse Claimant and/or the Survivors' Trust in
8 any insurance action or insurance recovery action (under Cal. Ins. Code § 11580 or otherwise) involving
9 such Non-Settling Insurer and (ii) to the extent such Contribution Claims or Payment Obligations are
10 determined to be valid, the liability (if any) of such Non-Settling Insurer to the holder of the Abuse Claim
11 or the Survivors' Trust shall be reduced by the amount of such Contribution Claims or Payment
12 Obligations, provided that if any such Contribution Claim exceeds the liability of such Non-Settling
13 Insurer to the Survivors' Trust, the Non-Settling Insurer does not waive any excess claim and may seek
14 affirmative recovery from the Survivors' Trust.

15 To the extent payment of a self-insured retention is a condition to a Non-Settling Insurer's
16 obligation to provide defense or indemnity under applicable non-bankruptcy law and the Non-Settling
17 Insurer's applicable insurance policies, the failure of the Survivors' Trust to pay such self-insured
18 retention to the Non-Settling Insurer shall result in the Non-Settling Insurer having the right to argue that
19 such failure of payment is a complete defense to any claim for coverage by the Non-Settling Insurer to, or
20 related to, any claim for recovery of insurance from the Non-Settling Insurer.

21 **D. Non-Settling Insurers' Contribution Claims Against Settling Insurers**

22 In any Action, including the Insurance Coverage Litigation, involving the Holder of an Abuse Claim
23 and one or more Non-Settling Insurers, where a Non-Settling Insurer has asserted, asserts, or could assert
24 any Contribution Claim against any of the Settling Insurers or the Survivors' Trust, and such Contribution
25 Claims are determined by the court presiding over such Claims to be valid, then any judgment or award
26 obtained against such Non-Settling Insurer by such Holder of an Abuse Claim shall be automatically
27 reduced by the amount, if any, that the Survivors' Trust or any of the Settling Insurers is liable to pay such
28 Non-Settling Insurer as a result of the Non-Settling Insurer's Contribution Claim, so that the Contribution
29 Claim is thereby satisfied and extinguished; provided, however, that, as against the Survivors' Trust (as
30 successor to the Debtor), a Non-Settling Insurer may only assert any such Contribution Claim for the
31 payment of deductible or self-insured retention. The Settling Insurers shall be required to cooperate in
32 good faith with the Debtor, the Reorganized Debtor, and/or the Survivors' Trust to take commercially
33 reasonable steps to defend against any Contribution Claim by a Non-Settling Insurer.

34 **E. Cooperation with Non-Settling Insurers**

35 The Survivors' Trust and the Debtor (including the Estate and the Reorganized Debtor) shall have
36 the obligation as provided in the Abuse Insurance Policies to cooperate with the Non-Settling Insurers
37 with respect to the investigation and defense of Abuse Claims pursuant to the terms of the Non-Settling
38 Insurers' respective Abuse Insurance Policies, including with respect to preserving any documents
39 relevant to liability or coverage disputes, making documents and witnesses available to the Non-Settling
40 Insurers concerning such disputes, and maintaining privilege with regard to the defense.

41 The Reorganized Debtor and its agents will not voluntarily waive any privilege under applicable
42 non-bankruptcy law applicable to documents or communications related to alleged Abuse Claims
43 (collectively, "Privileged Communications"). Without limiting the generality of the foregoing, neither the
44 Reorganized Debtor nor its agents shall provide the Survivors' Trust or any Holder of an Abuse Claim
45 with any Privileged Communications, absent the express consent of all affected Non-Settling Insurers or
46 a court order compelling such a production. The Reorganized Debtor shall provide prompt notice of any

1 requests and/or motions to compel disclosure of Privileged Communications and cooperate with affected
2 Insurers with respect to the same.

3 The Non-Settling Insurers shall reserve all coverage defenses with respect to any current or future
4 failure to cooperate. The Debtor and the Survivors' Trust reserve all rights under the applicable Abuse
5 Insurance Policies of the Non-Settling Insurers. The terms of the Plan (including Articles VIII and IX of
6 the Plan) constitute a voluntary agreement by the Non-Settling Insurers to the Insurance Assignment, and
7 such terms shall not be deemed to be an involuntary order to that effect.

8 **F. Reductions In Non-Settling Insurers' Liability**

9 No Litigation Claimant shall recover in the aggregate from the Survivors' Trust and any Non-
10 Settling Insurer an amount greater than the total amount of the judgment entered by the applicable court
11 of competent jurisdiction on such Holder's underlying Abuse Claim, subject to the terms of Section 5.14
12 of the Plan. A Non-Settling Insurer shall have all rights available under non-bankruptcy law to assert,
13 seek, and enforce any right to offset, recoup, or otherwise reduce its liability on any such entered judgment,
14 including without limitation all rights available under non-bankruptcy law to assert, seek, and recover on
15 such claims against the Survivors' Trust.

16 **ARTICLE X**

17 **MEANS FOR IMPLEMENTATION OF THE PLAN**

18 The Plan provides for means of implementation as set forth in Article XII thereof and described
19 below.

20 **A. Revesting.**

21 The Plan provides that property of the bankruptcy estate will revest in the Reorganized Debtor on
22 the Effective Date, as follows:

- 23 a. *Revesting of Property in the Reorganized Debtor.* On the Effective Date, all
24 property of the Estate as defined in Section 541 of the Bankruptcy Code, including
25 any Causes of Action, shall revest in the Reorganized Debtor, free and clear of all
26 liens and encumbrances and all Claims, rights, interests, and entitlements.
27 Thereafter, the Reorganized Debtor may use, sell, transfer or exchange such
28 property in its discretion, subject to any restriction or limitation set forth in the Plan.
- b. *Obtaining Credit.* At any time after the Effective Date the Reorganized Debtor may
obtain credit in its sole discretion without approval of the Bankruptcy Court.
- c. *No Waiver.* No claim, right, Cause of Action, or other property of the Estate shall
be deemed waived or otherwise forfeited by the Debtor's failure to identify such
property in the Schedules or the Disclosure Statement accompanying the Plan.

B. Child Protection Measures.

In order to further promote healing and reconciliation, and in order to continue efforts to prevent
Abuse from occurring in the future, the Reorganized Debtor agrees that, as of the Effective Date (unless
a different date is provided in the Confirmation Order), it will use continue the non-monetary measures
outlined in Article IV(G) above entitled "Debtor's Mission to Effect Reconciliation and Compensation."

1 **C. CCCEB Settlement**

2 Through the CCCEB Settlement, the Plan contemplates that, in full and complete satisfaction of
3 all obligations under the CCCEB Note, on the Effective Date, CCCEB shall transfer fee simple title to the
4 Cathedral Center to the Reorganized Debtor, together with all improvements thereon and all tangible
5 personal property owned by CCCEB and located on or used in connection with operation of the Cathedral
6 Center.

7 In connection with the CCCEB Settlement:

- 8 a. CCCEB shall assign to the Reorganized Debtor, and the Reorganized Debtor shall
9 assume all obligations of CCCEB under, all current contracts related to
10 maintenance and operation of the Cathedral Center, provided that the Reorganized
11 Debtor may decline to assume any such contract following reasonable diligence
12 review, and further provided that to the extent any such contracts are not assignable
13 under their terms or applicable law or assignment would constitute a breach under
14 the terms of such contract, Reorganized Debtor may instead, at its election, fund
15 CCCEB's obligations for payment under any such contracts.
- 16 b. Funds in deposit accounts in the name of or controlled by CCCEB for operation of
17 the Cathedral Center shall, at the Reorganized Debtor's election, be transferred to
18 the Reorganized Debtor, or otherwise used for operating expenses related to the
19 Cathedral Center or otherwise to pay the debts of CCCEB.
- 20 c. CCCEB shall assign to RCBO, and RCBO shall assume all obligations under the
21 existing User Agreements.
- 22 d. Following effectuation of the CCCEB Settlement as set forth in the Plan, CCCEB
23 shall have no further obligation or liability of any kind for the debt evidenced by
24 the CCCEB Note, or in connection with the CCCEB Note. The Plan provides that
25 the Debtor will reject the existing lease with CCCEB as it will no longer be
26 necessary.

27 The CCCEB Settlement provides a straightforward, practical resolution of CCCEB's unpaid debt
28 to the Debtor under the CCCEB Note. CCCEB has no material assets other than the Cathedral Center. It
also has no income other than lease payments and user fees paid by the Debtor and other users of the
Cathedral Center, substantially all of which are devoted to operation and maintenance of the Cathedral
Center. CCCEB is therefore unable to service the CCCEB Note and has no foreseeable means to repay
the principal balance thereunder. Based on appraisals obtained by the Debtor, the Cathedral Center has a
value in excess of the balance due under the CCCEB Note. Sale of the Cathedral Center in order to repay
the CCCEB Note is not a viable option for either CCCEB or the Debtor for reasons, including (i) the
Cathedral is essential to the Debtor's religious mission and serves as home to the Cathedral of Christ the
Light parish Church; (ii) the Debtor relies on use of the administrative offices and rectory in the Cathedral
Center; and (iii) the Cathedral Center includes a mausoleum licensed to RCC requiring maintenance in
perpetuity. The CCCEB Settlement therefore reflects a practical means for the Debtor to collect under the
CCCEB Note through transfer of CCCEB's sole material asset to the Debtor.

In evaluating settlements, bankruptcy courts in the Ninth Circuit consider the following factors:
(a) The probability of success in the litigation; (b) the difficulties, if any, to be encountered in the matter
of collection; (c) the complexity of the litigation involved, and the expense, inconvenience and delay
necessarily attending it; and (d) the paramount interest of the creditors. *See In re A & C Properties*, 784
F.2d 1377, 1381 (9th Cir. 1986). The obligation of CCCEB to the Debtor is clear, so there is a high
probability that the Debtor would prevail in litigation. Because CCCEB has no material assets other than

1 title to the Cathedral Center, the only avenue for collection would be through foreclosure of a judgment
2 lien on the Cathedral Center. If the Debtor were to seek collection of the CCCEB Note by obtaining and
3 executing on a judgment against CCCEB, the end result would be that the Debtor would obtain title to the
4 Cathedral Center real property through foreclosure on a judgment lien. While the litigation would not be
5 particularly complex, it would entail needless expense and delay. The CCCEB Settlement achieves the
6 same result without the need for the expense and delay of litigation. Considering the overall paramount
7 interests of creditors and the interests of the Debtor, the CCCEB Settlement is in the best interests of the
8 estate and creditors because it achieves the same results that would be achieved through litigation and
9 collection in a much more expedient, orderly, and less costly manner.

6 **D. Treatment of Actions and Causes of Action.**

7 On the Effective Date, all Causes of Action held by the Estate or the Debtor other than those
8 included in the Survivors' Trust Assets shall be deemed fully vested in the Reorganized Debtor. Pursuant
9 to Section 1123(b)(3) of the Bankruptcy Code, the Reorganized Debtor shall retain and have the exclusive
10 authority and standing to prosecute, enforce, pursue, sue on, settle or compromise any and all Causes of
11 Action (including Avoidance Actions), arising before the Effective Date, including all Causes of Action
12 of a trustee and debtor-in-possession under the Bankruptcy Code, but not including the Insurance
13 Coverage Litigation, Assigned Insurance Interests, and any other Causes of Action expressly released or
14 compromised as part of or pursuant to the Plan or by other order of the Bankruptcy Court entered prior to
15 the Effective Date. The Reorganized Debtor shall also retain and may prosecute and enforce all defenses,
16 counterclaims, and rights that have been asserted or could be asserted by the Debtor against or with respect
17 to all Claims asserted against the Debtor or property of the Estate. Failure to specifically identify potential
18 Causes of Action in the Plan shall not be deemed a waiver of any such Cause of Action by the Debtor,
19 Reorganized Debtor, or the Survivors' Trust.

14 **E. Continued Existence.**

15 From and after the Effective Date, the Debtor shall continue in existence as the Reorganized Debtor
16 in accordance with applicable law for all purposes, including, among other things, (a) enforcing and
17 prosecuting claims, interests, rights, and privileges of the Debtor including, without limitation, prosecuting
18 Causes of Action, (b) resolving Disputed Claims, (c) administering the Plan, (d) filing appropriate tax
19 returns and refund requests, and (e) performing all such other acts and conditions required by and
20 consistent with consummation of the Plan.

19 **F. The Survivors' Trust.**

20 On the Effective Date, the Survivors' Trust shall be created, as provided in Article IX of the Plan,
21 and described in Article VII of this Disclosure Statement.

21 **G. Post-Effective Date Prosecution of Non-Abuse Litigation Claims.**

22 Section 12.7 of the Plan includes the following provisions regarding litigation claims pending
23 against the Debtor that are not Abuse Claims:

- 24 a. *Relief from the Automatic Stay.* Effective upon the Effective Date, Holders of Class
25 6 ~~Claim~~ **Claims** are granted relief from the automatic stay of Section 362 of the
26 Bankruptcy Code solely for the purpose of continuing to prosecute their Class 6
27 Claim in a court of competent jurisdiction (each, a "**Class 6 Action**"), including but
28 not limited to litigating such action through entry of a judgment, prosecution of any
appeals and/or settlement of such action, subject to the terms and conditions set
forth herein. All Holders of Class 6 Claims shall be permitted, but not required, to
liquidate their Class 6 Action in a court of competent jurisdiction in accordance

1 with 28 U.S.C. § 157(b)(2)(B).

2 b. No less than sixty (60) days after the Effective Date, the Reorganized Debtor shall
3 establish the Non-Abuse Litigation Reserve and fund it with \$750,000.00.

4 c. *Sources of Recovery for Non-Abuse Litigation Claims.* Notwithstanding any
5 provision to the contrary in the Plan Documents, Holders of Class 6 Claims shall
6 be entitled to prosecute and/or settle their respective Class 6 Action, provided that
7 each such Holder shall be limited to recovering from (i) the proceeds of any
8 applicable insurance policy which provides coverage, or could provide coverage,
9 with respect to such Class 6 Claim and (ii) its *pro rata* portion of the Non-Abuse
10 Litigation Reserve; provided, however, no Holder of a Class 6 Claim may recover
11 more than \$250,000.00 from the Non-Abuse Litigation Reserve. Effective upon
12 the Effective Date, Holders of Class 6 Claims shall be otherwise barred and
13 enjoined from seeking recovery on any judgment or settlement obtained in their
14 respective Class 6 Action from the assets of the Debtor, Reorganized Debtor,
15 Contributing Non-Debtor Catholic Entities, Survivors' Trust, and any other party
16 receiving a release under the Plan.

17 d. *Insurance Coverage for Non-Abuse Litigation Claims.* All parties, including, but
18 not limited to, any insurer under any insurance policy alleged to provide coverage
19 of a Class 6 Claim, reserve and expressly do not waive any of their rights, remedies
20 and/or defenses with respect to any Class 6 Claim. If any insurer denies and/or
21 disclaims coverage of a Class 6 Claim, the Debtor or Reorganized Debtor (as
22 applicable) shall reasonably cooperate at the sole cost of the Holder of such Class 6
23 Claim to assign to that Holder the right to pursue and receive the proceeds of any
24 applicable coverage under such Insurer's Abuse Insurance Policy or Abuse Insurance
25 Policies. Nothing contained herein shall be deemed a representation or warranty
26 concerning the availability, scope or interpretation of any insurance coverages
27 which may or may not exist for Class 6 Claims.

28 **H. Bankruptcy Procedure and Transition.**

Notice Required Post-Confirmation. Except as otherwise specifically provided in the Plan, notice
of Filings in the Bankruptcy Court after the Confirmation Date, including fee applications, shall be
required to be given only to Persons or Entities on the Post-Confirmation Notice List. Consistent with the
Local Rules of the Bankruptcy Court, no other form of service shall be required on parties receiving
service through ECF. The Post-Confirmation Notice List consists of: (a) the Reorganized Debtor; (b) the
Survivors' Trustee; (c) the Office of the United States Trustee; (d) Persons against whom relief is sought;
and (e) Persons who request notice of such matters through a written request that is filed with the
Bankruptcy Court and served on the Debtor not earlier than the Confirmation Date.

Dissolution of the Committee. On the Effective Date, the Committee shall be dissolved and the
Committee and its members, as of the Effective Date, shall be discharged of and from all further authority,
duties, responsibilities, and obligations related to, arising from and in connection with the Chapter 11
Case.

Statutory Fees. Section 12.8.4 of the Plan includes specific provisions regarding payment of
statutory fees to the United States Trustee as required by 28. U.S.C. § 1930(a)(6).

1 **I. Post-Petition Deposits.**

2 As of the Effective Date, the Reorganized Debtor shall be authorized to close the Adequate
3 Assurance Account, as defined in the *Final Order Establishing Adequate Assurance Procedures With*
4 *Respect to The Debtor's Utility Providers* [Docket No. 114], and retain all funds held therein. From and
5 after the Effective Date, the Reorganized Debtor may, at its election, demand the refund of any deposit
6 provided to a Person other than a utility after the Petition Date or may offset the amount of such deposit,
at the Reorganized Debtor's election, against either post-Effective Date billings or against distributions to
the holder of such deposit on account of its Allowed Claims, or otherwise take any actions permitted by
law to obtain recovery of such deposit; for the avoidance of any doubt, the foregoing supersedes any pre-
or post-petition agreement between the holder of such deposit and the Debtor.

7 **J. Cancellation of Liens**

8 Except as otherwise specifically provided herein, upon the payment of an Allowed Secured Claim
9 in accordance with the Plan, or upon any Secured Claim being Disallowed, any lien securing such Secured
10 Claim shall be deemed released, and the holder of such Secured Claim shall be authorized and directed to
11 release any collateral or other property of the Debtor held by such holder and to take such actions as may
12 be reasonably requested by the Reorganized Debtor, to evidence the release of such Lien, including the
execution, delivery, and filing or recording of such releases as may be requested by the Reorganized
Debtor at the sole cost and expense of the Reorganized Debtor. For clarity, this Section does not modify
the terms of assumed Executory Contracts or Unexpired Leases of real property.

13 **K. Other Actions.**

14 On and after the Effective Date, the Reorganized Debtor shall be authorized to take such actions
15 as are reasonably necessary to complete and effectuate the terms of the Plan, subject only to the specific
16 limitations contained in the Plan, the Bankruptcy Code or Bankruptcy Rules, and any order of the Court.

17 **L. General Settlement.**

18 Pursuant to Sections 105 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in
19 consideration for the classification, distributions, releases, and other benefits provided under the Plan, on
20 the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of
21 all Claims and controversies resolved pursuant to the Plan, including without limitation the CCCEB
22 Settlement. On or before the Effective Date, the Bankruptcy Court will have approved, by Final Order,
23 such compromises, and the Bankruptcy Court's findings will constitute its determination that such
24 compromises and settlements are in the best interests of the Debtor, the Estate, Holders of Abuse Claims
25 (including Unknown Abuse Claims), Holders of other Claims, and other parties in interest, and are fair,
26 equitable, and within the range of reasonableness. To the extent a separate Final Order is not entered on
27 or before the Confirmation Date, the entry of the Confirmation Order will constitute the Final Order
28 approving the compromises and settlements hereunder.

M. Closing of the Case.

As soon as reasonably practicable when the Reorganized Debtor deems appropriate, consistent
with the provisions of the Plan, the Bankruptcy Code including without limitation Section 350 of the
Bankruptcy Code, the Bankruptcy Rules including without limitation Bankruptcy Rule 3022, and the
Local Rules of the Bankruptcy Court, the Reorganized Debtor shall file and serve an application for entry
of a Final Decree closing the Chapter 11 Case, together with a proposed Final Decree. A Final Decree
may be entered before the Survivors' Trust is fully administered, and the expectation that the Survivors'
Trust will make further distributions shall not be a basis for delaying entry of a Final Decree. Entry of a
Final Decree closing the Chapter 11 Case shall, whether or not specified therein, be without prejudice to

1 the right of the Reorganized Debtor, the United States Trustee, the Survivors' Trustee, or any other party
2 in interest to reopen the Chapter 11 Case for any matter over which the Bankruptcy Court or the District
3 Court has retained jurisdiction under the Plan. Any Final Decree or order closing the Chapter 11 Case
4 will provide that the Bankruptcy Court or the District Court, as appropriate, will retain (a) jurisdiction to
enforce, by injunctive relief or otherwise, the Confirmation Order, any other orders entered in this Chapter
11 Case, and the obligations created by the Plan and the Plan Documents; and (b) all other jurisdiction
and authority granted to it under the Plan and the Plan Documents

5 ARTICLE XI

6 DISPUTED CLAIMS AND CLAIMS DISTRIBUTIONS

7 A. Single Claim.

8 Except as otherwise provided by the Plan, a Person that holds multiple Allowed Claims based on
9 the same indebtedness or obligation, shall be deemed to have only one Allowed Claim against the Estate
10 in an amount equal to the largest of similar Claims for the purposes of voting and distribution under the
Plan.

11 B. Objections to Claims

12 *Parties Permitted to Object to Claims*

13 Any party in interest may object to Claims to the extent permitted under Section 502(a) of the
14 Bankruptcy Code and the Holder of any Claim to which an objection is made is entitled to assert their
defenses to such objection.

15 *Time Limits for Objections*

16 The Reorganized Debtor and the Survivors' Trust may File an objection to any Claim at any time
17 through the closing of the Chapter 11 Case. For all other parties in interest except Non-Settling Insurers
18 who agree to defend against any Litigation Claimant as set forth in Section 5.2.2, Article VIII, and Article
IX of the Plan, objections to a Claim must be Filed on or before the Claims Objection Deadline.

19 *Disputed Claims*

20 Upon the filing of an objection to a Claim, the Claim shall be a Disputed Claim.

21 C. Treatment of Disputed Claims

22 Until such time as an unliquidated Claim, contingent Claim, an unliquidated or contingent portion
23 of a Claim, or a Claim which has been objected to becomes Allowed or is Disallowed, such Claim will be
24 treated as a Disputed Claim for all purposes related to Plan Distributions. No distribution shall be made
25 on account of any Disputed Claim unless and until all objections to such Disputed Claim have been settled
26 or withdrawn or have been determined by a non-appealable order, and the Disputed Claim has become an
27 Allowed Claim. In the event that Disputed Claims in Class 2 or Class 3 are pending at the time of a
distribution under the Plan, the Reorganized Debtor shall maintain a reasonable reserve for such Disputed
Claims. No distribution of such reserved funds for a Disputed Claim shall be made until such Disputed
Claim has been resolved by order of the Court or compromise consistent with the terms of the Plan and
the Bankruptcy Code. Distributions for Disputed Claims in Class 4 or Class 5 shall be as provided in the
Survivors' Trust Distribution Plan and/or other Survivors' Trust Documents.

1 **D. Late Filed Claims.**

2 Claims required to be submitted, but which are not submitted, on or before their applicable Claims
3 Bar Date, or which are not otherwise deemed timely and/or Allowed by order of the Court, shall receive
4 no distribution under the Plan. Instead, they shall be deemed Disallowed Claims, and expunged. The
5 submission of a Ballot shall not constitute an amendable informal Proof of Claim or an amendment to a
6 previously filed Proof of Claim or scheduled Claim. Any amendment to an otherwise timely filed Proof
7 of Claim must be filed on or before the Confirmation Date, provided that the foregoing shall not waive or
8 modify the right of any party in interest to object to amendment of a Claim before the Confirmation Date.
9 The Unknown Abuse Claims Representative need not submit or File a Proof of Claim on behalf of Holders
10 of Class 5 Claims as a prerequisite to vote on the Plan or for any Class 5 Claims to be deemed Allowed.
11 If there are any Holders of Class 5 Claims, they shall submit their Claims in accordance with the procedure
12 for submitting Unknown Abuse Claims under the Trust Documents.

8 **E. Claims Estimation**

9 To effectuate distributions pursuant to the Plan and avoid undue delay in the administration of the
10 Plan, the Reorganized Debtor or the Survivors' Trustee, as applicable, shall have the right to seek an order
11 of the Court pursuant to Section 502(c) of the Bankruptcy Code as to any Disputed Claim, estimating or
12 limiting: (i) the amount that must be withheld from or reserved for distribution purposes on account of
13 such Disputed Claim(s), (ii) the amount of such Claim for allowance or disallowance purposes, or (iii) the
14 amount of such Claim for any other purpose permitted under the Bankruptcy Code. Whether any such
15 Claim is subject to estimation pursuant to Section 502(c) of the Bankruptcy Code, and the timing and
16 procedures for such estimation proceedings, if any, shall be determined by the Court.

14 **F. No Distribution on Disallowed Claims**

15 Notwithstanding any provision in the Plan to the contrary, no distribution shall be made on account
16 of any Claim which is not an Allowed Claim.

16 **G. Timing of Distributions on Allowed Claims.**

17 *Next Business Day*

18 Whenever any distribution on a Claim to be made pursuant to the Plan would otherwise be due on
19 a day other than a Business Day, such distribution shall be due on the immediately succeeding Business
20 Day.

20 *Timeliness*

21 Any distribution on a Claim to be made by the Reorganized Debtor pursuant to the Plan or
22 agreements entered into pursuant to the Plan, or by the Survivors' Trust pursuant to the Plan or Survivors'
23 Trust Documents or agreements entered into pursuant to either, shall be deemed to have been timely made
24 if made within 15 days after the time therefor specified in the Plan or such other agreements between the
25 Holder of a Claim and the Debtor, Reorganized Debtor, or Survivors' Trust, as applicable. No additional
26 interest shall accrue or be paid with respect to any distribution as a consequence of such distribution not
27 having been made on the date specified therefor herein. For the avoidance of doubt, this section does not
28 modify the terms of assumed Executory Contracts or Unexpired Leases of non-residential real property.

26 **H. Transfers of Claims.**

27 As of the close of business on the Confirmation Date, there shall be no further changes in the
28 record holders of the Claims for purposes of distributions under the Plan unless the Reorganized Debtor

1 (as to all Claims other than Class 4 and Class 5 Claims) or the Survivors' Trustee (as to Class 4 and Class
2 5 Claims) otherwise agree. Neither the Reorganized Debtor nor the Survivors' Trustee shall have any
obligation to recognize any unapproved transfer of Claims occurring after the Confirmation Date.

3 **I. Prepayment of Claims.**

4 Notwithstanding anything to the contrary in the Plan or the Plan Documents, the Reorganized
5 Debtor may prepay all or any portion of an Allowed Claim payable by the Reorganized Debtor or a note
6 issued by the Debtor or Reorganized Debtor in payment of an Allowed Claim at any time without charge
or penalty.

7 **J. Delivery of Distributions.**

8 Distributions to holders of Allowed Claims, other than Class 4 or Class 5 Claims, will be sent to
9 (i) the addresses set forth in any written notice of address change delivered to the Debtor or the
10 Reorganized Debtor after the date of any related Proof of Claim; (ii) the address set forth on such holder's
11 Proof of Claim filed with the Court; (iii) the address set forth on the schedules, if no Proof of Claim has
been filed and no notice of change of address has been received; or (iv) to the last known address reflected
12 in the Debtor's books and records. Distributions to Abuse Claimants and Unknown Abuse Claimants
13 from the Survivors' Trust Assets will be made in accordance with the Survivors' Trust Documents.

14 **K. Unclaimed Distributions.**

15 If a holder of an Allowed Claim cannot be located after reasonable effort, or otherwise fails to
16 accept a distribution within 90 days following the date of such distribution, then the distribution to such
17 holder shall be canceled and there shall be no further distributions required with respect to such Claim.

18 **L. No Interest on Claims.**

19 Unless otherwise specifically provided for in the Plan, by applicable law (including Section 506(b)
20 of the Bankruptcy Code), or agreed to by the Debtor or the Reorganized Debtor (as applicable): (i) interest
21 shall not accrue or be paid on any Claim, and no holder of any Claim shall be entitled to interest accruing
22 on and after the Petition Date on account of any Claim; and (ii) without limiting the foregoing, interest
23 shall not accrue on or be paid on any Disputed Claim in respect of the period from the Effective Date to
24 the date a final distribution is made when and if such Disputed Claim becomes an Allowed Claim.

25 **M. Provisions Governing Unimpaired Claims.**

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

N. Additional Terms Regarding Class 4 and Class 5 Claims.

Except as otherwise provided in Article V of the Plan, terms for resolution of and distribution to
Abuse Claims in Class 4 or Class 5 shall be as provided in the Survivors' Trust Documents. For the
avoidance of doubt, (i) any such Holder of an Abuse Claim shall not recover in the aggregate from the
Survivors' Trust and any Non-Settling Insurer an amount greater than the amount of the judgment issued
by the applicable court of competent jurisdiction on the underlying Abuse Claim, (ii) any such Holder of
an Abuse Claim is not barred by this Section 5.14 from seeking extracontractual damages under the
holding of *Hand v. Farmers Ins. Exchange*, 23 Cal. App.4th 1847 (1994) ("*Hand*"), and (iii) all defenses
and the rights of any Non-Settling Insurer to oppose any such claim by a Holder of an Abuse Claim under

1 *Hand* are fully preserved, including that *Hand* is not a correct statement of applicable law and that it would
2 not apply to any such asserted claim.

3 **ARTICLE XII**

4 **EFFECTIVE DATE**

5 **A. Conditions Precedent to Effective Date**

6 The Effective Date shall not occur, and the Plan shall not go into effect, unless each of the
7 following conditions are satisfied or waived as set forth in Section 10.2 of the Plan:

8 1. The Confirmation Order shall have been entered and shall be a Final Order in a form
9 reasonably acceptable to the Debtor, and there shall be no stay or injunction that would prevent the
10 occurrence of the Effective Date. The Debtor in its sole discretion may waive the requirement that the
11 Confirmation Order be a Final Order.

12 2. There shall have been no material amendments to the Plan or Confirmation Order.

13 3. The Debtor and all other necessary parties shall have executed all documents and entered
14 into all agreements as may be necessary in connection with the Exit Facility described in Article XI of the
15 Plan.

16 4. The Debtor, the Survivors' Trustee, and any other necessary parties shall have executed all
17 documents necessary for formation of the Survivors' Trust, and for the Survivors' Trustee to administer
18 and operate the Survivors' Trust.

19 ~~5. All approvals necessary to effectuate the transfer of the Livermore Property to the Survivors'~~
20 ~~Trust have been obtained.~~

21 ~~5.~~ ~~6.~~ Transfer of funds to the Survivors' Trust for all initial contributions to the Survivors'
22 Trust shall have been made, and the proof thereof provided to the Debtor and the Survivors' Trustee.

23 ~~6.~~ ~~7.~~ All other actions, authorizations, filings, consents, and approvals required (if any),
24 including but not limited to canonical approvals, shall have been obtained, effected, or executed in a
25 manner acceptable to the Debtor and remain in full force and effect or, if waivable, waived by the Person
26 or Persons entitled to the benefit thereof.

27 ~~7.~~ ~~8.~~ All other actions, documents, and agreements necessary to implement and effectuate the
28 Plan shall have been effected or executed.

~~8.~~ ~~9.~~ The statutory fees owing to the United States Trustee as of the deadline for payment
immediately preceding the Effective Date shall have been paid in full.

B. Waiver of Conditions Precedent to the Effective Date

Any condition to the occurrence of the Effective Date set forth in Section 10.2 of the Plan may be
waived, in whole or in part, by the Debtor, subject to approval of the Court, provided that Sections 10.2.3
and 10.2.4 are not waivable. The failure to satisfy any material condition to Confirmation or the Effective
Date may be asserted by the Debtor in its sole discretion so long as such failure was not primarily caused
by any action or inaction by the Debtor. The failure of the Debtor to exercise any of the foregoing rights

1 shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right,
2 which may be asserted at any time.

3 **C. Revocation of the Plan.**

4 As provided in Section 10.4 of the Plan, if Confirmation does not occur, an order denying
5 Confirmation is entered by the Court, or if the Plan does not become effective, then the Plan shall be null
6 and void, and nothing contained in the Plan or Disclosure Statement shall: (a) constitute a waiver or release
7 of any Claims against the Debtor; (b) constitute a waiver or release of any right, claim or cause of action
8 of the Debtors; (c) constitute an admission of any fact or legal conclusion by the Debtor or any other
9 Person; (d) prejudice in any manner the rights of the Debtor or any other party in any related or further
10 proceedings; or (e) constitute a settlement, implicit or otherwise, of any kind whatsoever.

11 **ARTICLE XIII**

12 **EFFECTS OF PLAN CONFIRMATION AND EFFECTIVE DATE**

13 Article XIII of the Plan provides that confirmation and effectiveness of the Plan will have the
14 effects set forth below, as of the Effective Date:

15 **A. Binding Effect of Confirmation.**

16 Section 13.1 of the Plan provides that as of the Confirmation Date, but subject to occurrence of
17 the Effective Date, the provisions of the Plan shall be binding on and inure to the benefit of the Debtor,
18 the Estate, all Holders of Claims against the Debtor, and all other Persons or Entities whether or not such
19 Persons or Entities have accepted the Plan. The rights, benefits, and obligations of any Person or Entity
20 named or referred to in the Plan will be binding on, and will inure to the benefit of, the executors,
21 administrators, successors and assigns of each Person or Entity (as applicable), whether or not they have
22 accepted the Plan.

23 **B. Ratification.**

24 Subject to all ~~of~~ the terms of the Plan, the Confirmation Order shall be deemed to ratify all
25 transactions effectuated by the Debtor during the pendency of the Chapter 11 Case to the extent occurring
26 pursuant to an order of the Court.

27 **C. Discharge of Claims**

28 Under Section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in
the Plan or in any agreement or document executed pursuant to the Plan, the distributions, rights, and
treatment of Claims and Causes of Action in the Plan shall be in complete satisfaction, discharge, and
release, as of the Effective Date, of Claims and Causes of Action that arose prior to the Effective Date,
whether known or unknown, against, the Debtor (including for the avoidance of doubt the Churches) or
any of its assets or properties, including without limitation (i) any demands, liabilities, and Causes of
Action that arose before the Effective Date, (ii) any liability to the extent such Claims relate to services
performed by employees of the Debtors before the Effective Date and that arise from a termination of
employment, (iii) any contingent or non-contingent liability on account of representations or warranties
issued on or before the Effective Date, and (iv) all debts of the kind specified in Sections 502(g), 502(h),
or 502(i) of the Bankruptcy Code. Any default by the Debtor with respect to any Claim existing
immediately before or on account of the filing of the Chapter 11 Case shall be deemed cured on the
Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims
subject to the Effective Date occurring.

1 **D. Confirmation Injunction.**

2 Except as expressly provided in the Plan or the Confirmation Order, as of the Effective Date all
3 Holders of Claims of any nature whatsoever against or in the Debtor or any of its assets or properties based
4 upon any act, omission, transaction, occurrence, or other activity of any nature that occurred before the
5 Effective Date shall be precluded and permanently enjoined from prosecuting or asserting any such
6 discharged Claim against the Debtor or the Reorganized Debtor or the property of the Debtor or
7 Reorganized Debtor. In accordance with the foregoing, except as expressly provided in the Plan or the
8 Confirmation Order, the Confirmation Order shall be a judicial determination of discharge or termination
9 of all Claims, and other debts and liabilities against or in the Debtor pursuant to Sections 105, 524 and
10 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtor at
11 any time to the extent such judgment relates to a discharged Claim.

12 **E. Injunction Against Interference with the Plan.**

13 Upon the entry of the Confirmation Order, all Holders of Claims and other parties in interest, along
14 with their respective present or former affiliates, employees, agents, officers, directors, attorneys, or
15 principals, shall be enjoined from taking any actions to interfere with the implementation or consummation
16 of the Plan.

17 **F. Exculpation**

18 **Subject to the occurrence of the Effective Date, to the fullest extent permissible under**
19 **applicable law and without affecting or limiting either the releases by the Debtor or the Releases by**
20 **~~Holders of Abuse Claims~~ Claimants, and except as otherwise specifically provided in the Plan or the**
21 **Confirmation Order, none of the Exculpated Parties shall have or incur any liability to any Holder**
22 **of a Claim or any other Person for any act or omission in connection with, related to, or arising out**
23 **of, the Chapter 11 Case, the Plan, the pursuit of Confirmation of the Plan, the negotiation and**
24 **consummation of the Plan, or the administration of the Chapter 11 Case and the Plan, the property**
25 **to be distributed under the Plan, the administration of the Survivors' Trust Assets and the**
26 **Survivors' Trust by the Survivors' Trustee, or any other related agreement, or any restructuring**
27 **transaction, contract, instrument, release, or other agreement or document created or entered into**
28 **during the Chapter 11 Case in connection with the Chapter 11 Case, or upon any other act or**
omission, transaction, agreement, event, or other occurrence related or relating to the foregoing,
and each Exculpated Party hereby is exculpated from any claim or Cause of Action related to the
foregoing; provided, however, that the foregoing shall not operate as an exculpation, waiver or
release for (i) any express contractual obligation owing by any such Person or Entity, (ii) willful
misconduct or gross negligence, and (iii) with respect to Professionals, liability arising from claims
of professional negligence which shall be governed by the standard of care otherwise applicable to
professional negligence claims under applicable non-bankruptcy law, and, in all respects, the
Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties
and responsibilities under the Plan; provided further that nothing in the Plan shall, or shall be
deemed to, release the Exculpated Parties, or exculpate the Exculpated Parties with respect to, their
respective obligations or covenants arising pursuant to the Plan.

29 **G. Injunction Related to Exculpation.**

30 As of the Effective Date, all Holders of Claims that are the subject of Section 13.6 are, and shall
31 be, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained,
32 prohibited, barred and enjoined from taking any of the following actions against any Exculpated Party
33 and, solely to the extent provided by Section 1125(e) of the Bankruptcy Code, any Entity described in
34 Section 1125(e) or its or their property or successors or assigns on account of or based on the subject
35 matter of such Claims, whether directly or indirectly, derivatively or otherwise: (a) commencing,

1 conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding
2 (including any judicial, arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching
3 (including any prejudgment attachment), collecting, or in any way seeking to recover any judgment,
4 award, decree, or other order; (c) creating, perfecting or in any way enforcing in any matter, directly or
indirectly, any lien or encumbrance; and/or (d) setting off, seeking reimbursement or contributions from,
or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against
any liability or obligation that is discharged under Section 13.3 or exculpated under Section 13.6.

5 **H. Releases by the Debtor.**

6 As of the Effective Date, except for the rights that remain in effect from and after the
7 Effective Date to enforce the Plan and the Confirmation Order, pursuant to Section 1123(b) of the
8 Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed,
9 including the service of the Released Parties and Settling Insurers, and each of them, to facilitate
10 and implement the reorganization of the Debtor, as an integral component of the Plan, the Debtor,
11 the Reorganized Debtor, and the Estate shall, and shall be deemed to, expressly, conclusively,
12 absolutely, unconditionally, irrevocably, and forever release and discharge each and all of the
13 Released Parties and Settling Insurers of and from any and all Causes of Action (including
14 Avoidance Actions), any and all other Claims, obligations, rights, demands, suits, judgments,
15 damages, debts, remedies, losses and liabilities of any nature whatsoever (including any derivative
16 claims or Causes of Action asserted or that may be asserted on behalf of the Debtor, the Reorganized
17 Debtor, or the Estate), whether liquidated or unliquidated, fixed or contingent, matured or
18 unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law,
19 equity, contract, tort or otherwise, based on or relating to, or in any manner arising from, in whole
or in part, any act, omission, transaction, event, or other circumstance taking place or existing on
or before the Effective Date (including before the Petition Date) in connection with or related to the
Debtor, the Reorganized Debtor, the Estate, their respective assets and properties, the Chapter 11
Case, the Plan Documents, and any related agreements, instruments, and other documents created
or entered into before or during the Chapter 11 Case, the pursuit of entry of the Confirmation
Order, the administration and implementation of the Plan, including the distribution of property
under the Plan, or any other related agreement, or upon any other act or omission, transaction,
agreement, event, or other occurrence taking place on or before the Effective Date related or
relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, the releases set
forth in this Section 13.8 shall not be construed as releasing any post-Effective Date obligations of
any Person or Entity under the Plan or any document, instrument, or agreement executed to
implement the Plan or reinstated under the Plan.

20 **I. Releases by ~~Holders of Abuse Claims~~ Claimants.**

21 As of the Effective Date, except for the rights that remain in effect from and after the
22 Effective Date to enforce the Plan and the Confirmation Order, pursuant to Section 1123(b) of the
23 Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed,
24 including the service of the Released Parties to facilitate and implement the reorganization of the
25 Debtor, as an integral component of the Plan, and except as otherwise expressly provided in the
26 Plan or the Confirmation Order, to the maximum extent permitted under applicable law, as such
27 law may be extended subsequent to the Effective Date, all ~~Holders of Abuse Claims~~ Claimants
(including without limitation Unknown Abuse Claims and any Abuse Claims that are Disputed
Claims) that timely return a ballot but do not affirmatively opt out of the Releases pursuant to
Section 6.2 of the Plan, shall, and shall be deemed to, expressly, conclusively, absolutely,
unconditionally, irrevocably, and forever discharge and release each and all of the Released Parties
and their respective property and successors and assigns of and from all Abuse Claims and any and
all Claims and Causes of Action whatsoever, whether known or unknown, asserted or unasserted,
derivative or direct, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or

1 otherwise, whether for tort, fraud, contract, veil piercing or alter-ego theories of liability, successor
2 liability, contribution, indemnification, joint liability, or otherwise, arising from or related in any
3 way to such Abuse Claims.

3 **J. Injunction Related to Releases.**

4 As of the Effective Date, and except as set forth in Articles VIII and IX hereof allowing
5 Litigation Claimants to sue the Debtor (as a nominal party only), all ~~Holder~~ of Abuse
6 ~~Claims~~ Claimants that are the subject of Section 13.9 of the Plan are, and shall be, expressly,
7 conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained, prohibited,
8 barred and enjoined from taking any of the following actions against any Released Party or its
9 property or successors or assigns on account of or based on the subject matter of such Claims, whether
10 directly or indirectly, derivatively or otherwise: (a) commencing, conducting or continuing in any
11 manner, directly or indirectly, any suit, action or other proceeding (including any judicial, arbitral,
12 administrative or other proceeding) in any forum; (b) enforcing, attaching (including, without
13 limitation, any prejudgment attachment), collecting, or in any way seeking to recover any judgment,
14 award, decree, or other order; (c) creating, perfecting or in any way enforcing in any matter, directly
15 or indirectly, any lien or encumbrance; and/or (d) setting off, seeking reimbursement or contributions
16 from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any
17 amount against any liability or obligation that is discharged under Section 13.3 of the Plan or released
18 under Section 13.9 of the Plan.

12 **K. Channeling Injunction Preventing Prosecution of Channeled Claims Against Released**
13 **Parties**

14 1. IN CONSIDERATION OF THE UNDERTAKINGS OF THE RELEASED
15 PARTIES HEREIN, THEIR CONTRIBUTIONS TO THE SURVIVORS' TRUST, AND OTHER
16 CONSIDERATION GIVEN, AND, WHERE APPLICABLE, PURSUANT TO THEIR
17 RESPECTIVE SETTLEMENTS WITH THE DIOCESE AND TO FURTHER PRESERVE AND
18 PROMOTE THE AGREEMENTS BETWEEN AND AMONG THE RELEASED PARTIES, AND
19 TO SUPPLEMENT WHERE NECESSARY THE INJUNCTIVE EFFECT OF THE DISCHARGE
20 AS PROVIDED IN SECTIONS 524 AND 1141 OF THE BANKRUPTCY CODE, AND
21 PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE:

18 a. ANY AND ALL CHANNELED CLAIMS ARE CHANNELED INTO THE
19 SURVIVORS' TRUST AND SHALL BE TREATED, ADMINISTERED, DETERMINED, AND
20 RESOLVED UNDER THE PROCEDURES AND PROTOCOLS AND IN THE AMOUNTS
21 ESTABLISHED UNDER THE PLAN, THE ALLOCATION PROTOCOL, AND THE
22 SURVIVORS' TRUST AGREEMENT AS THE SOLE AND EXCLUSIVE REMEDY FOR ALL
23 HOLDERS OF CHANNELED CLAIMS.

22 b. EXCEPT AS SET FORTH IN ARTICLES VIII AND IX HEREOF
23 ~~ALLOWING LITIGATION FOR ABUSE~~ CLAIMANTS WHO ELECT THE LITIGATION
24 OPTION TO SUE THE DEBTOR (AS A NOMINAL PARTY ONLY), ALL PERSONS WHO
25 HAVE HELD OR ASSERTED, HOLD OR ASSERT, OR MAY IN THE FUTURE HOLD OR
26 ASSERT, ANY CHANNELED CLAIMS, ARE HEREBY PERMANENTLY STAYED,
27 ENJOINED, BARRED, AND RESTRAINED FROM TAKING ANY ACTION, DIRECTLY OR
28 INDIRECTLY, FOR THE PURPOSES OF ASSERTING, ENFORCING OR ATTEMPTING TO
29 ASSERT OR ENFORCE ANY CHANNELED CLAIMS AGAINST THE RELEASED PARTIES,
30 INCLUDING:

27 (i) COMMENCING OR CONTINUING IN ANY MANNER ANY
28 ACTION OR OTHER PROCEEDING OF ANY KIND WITH RESPECT TO ANY

28 ~~SECOND~~ THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~ THIRD AMENDED PLAN OF
REORGANIZATION

1 CHanneled CLAIM AGAINST ANY OF THE RELEASED PARTIES OR SETTling
2 INSURERS OR AGAINST THE PROPERTY OF ANY OF THE RELEASED PARTIES Or
3 SETTling INSURERS;

4 (ii) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING,
5 OR SEEKING TO ACCOMPLISH ANY OF THE PRECEDING, BY ANY MANNER OR
6 MEANS, ANY JUDGMENT, AWARD, DECREE, OR ORDER WITH RESPECT TO ANY
7 CHanneled CLAIM AGAINST ANY OF THE RELEASED PARTIES OR SETTling
8 INSURERS, OR THE PROPERTY OF ANY OF THE RELEASED PARTIES OR
9 SETTling INSURERS;

10 (iii) CREATING, PERFECTING, OR ENFORCING, OR SEEKING TO
11 ACCOMPLISH ANY OF THE PRECEDING, ANY LIEN OF ANY KIND RELATING TO
12 ANY CHanneled CLAIM AGAINST ANY OF THE RELEASED PARTIES OR
13 SETTling INSURERS, OR THE PROPERTY OF THE RELEASED PARTIES OR
14 SETTling INSURERS;

15 (iv) ASSERTING, IMPLEMENTING, OR EFFECTUATING ANY
16 CHanneled CLAIM OF ANY KIND AGAINST:

17 (a) ANY OBLIGATION DUE ANY OF THE RELEASED
18 PARTIES;

19 (b) ANY OF THE RELEASED PARTIES OR SETTling
20 INSURERS; OR

21 (c) THE PROPERTY OF ANY OF THE RELEASED PARTIES
22 OR SETTling INSURERS.

23 (v) TAKING ANY ACT, IN ANY MANNER, IN ANY PLACE
24 WHATSOEVER, THAT DOES NOT CONFORM TO, OR COMPLY WITH, THE
25 PROVISIONS OF THE PLAN OR THE SURVIVORS' TRUST DOCUMENTS; AND

26 (vi) ASSERTING OR ACCOMPLISHING ANY SETOFF, RIGHT OF
27 INDEMNITY, SUBROGATION, CONTRIBUTION, OR RECOUPMENT OF ANY KIND
28 AGAINST AN OBLIGATION DUE TO ANY OF THE RELEASED PARTIES, OR THE
PROPERTY OF ANY OF THE RELEASED PARTIES OR SETTling INSURERS.

L. **Provisions Relating to the Channeling Injunction.**

Pursuant to Section 13.13 of the Plan, the Channeling Injunction set forth above is subject to the following provisions:

a. *Modifications.* The Channeling Injunction is a permanent injunction. It shall not be modified, dissolved, or terminated.

b. *Non-Limitation.* Nothing in the Plan or the Survivors' Trust Documents shall or shall be construed in any way to limit the scope, enforceability, or effectiveness of the Channeling Injunction or the assumption by the Survivors' Trust of all liability with respect to the Abuse Claims.

c. *Bankruptcy Rule 3016 Compliance.* The Debtor's compliance with the requirements of Bankruptcy Rule 3016 shall not constitute or be deemed to constitute an admission that the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.

~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF REORGANIZATION

1 d. *No Duplicative Recovery.* In no event shall any ~~Holder of an Abuse Claim~~ Claimant
2 be entitled to receive any payment, reimbursement, or restitution from any Released Party under any
3 theory of liability for the same loss, damage, or other Abuse Claim that is reimbursed by the Survivors'
4 Trust or is otherwise based on the same events, facts, matters, or circumstances that gave rise to the
applicable Abuse Claim. This provision does not prohibit a Holder of an Abuse Claim from pursuing
recovery from Non-Settling Insurers for coverage of an Abuse Claim, subject to Articles VIII and IX of
the Plan.

5 **M. Effect of Channeling Injunction.**

6 The Channeling Injunction is an integral part of the Plan and is essential to the Plan's
7 consummation and implementation. It is intended that the channeling of the Channeled Claims as
8 provided in Section 13.12 of the Plan shall inure to the benefit of the Released Parties and the Settling
9 Insurers. In any action to enforce the injunctive provisions of Section 13.12 of the Plan against a Holder
10 of a Claim whereby it is held by a Final Order that such Holder willfully violated the terms of Section
11 13.12 of the Plan, the moving party may seek an award of costs including reasonable attorneys' fees
12 against such Holder, and such other legal or equitable remedies as are just and proper, after notice and a
13 hearing. The Channeling Injunction does not bar claims against any Non-Settling Insurer except to the
14 extent a Non-Settling Insurer becomes a Settling Insurer.

15 **N. Effect of Channeling Injunction Exclusion Regarding Non-Settling Insurers.**

16 **NOTWITHSTANDING THE FOREGOING, AND FOR THE AVOIDANCE OF DOUBT,
17 NOTHING IN THIS ARTICLE XIII (INCLUDING THE RELEASES, INJUNCTIONS, AND
18 EXCULPATIONS) LIMITS THE RIGHTS OF A NON-SETTLING INSURER AS SET FORTH
19 IN, OR PRESERVED BY, THE PLAN, INCLUDING (I) ARTICLES VIII AND IX AND (II) THE
20 RIGHTS OF ANY INSURER (INCLUDING NON-SETTLING INSURERS) TO ASSERT ANY
21 CLAIMS FOR REINSURANCE UNDER REINSURANCE CONTRACTS OR CLAIMS UNDER
22 RETROCESSIONAL CONTRACTS AGAINST THE SETTLING INSURERS AND OTHER
23 INSURANCE COMPANIES. FURTHERMORE, THE NON-SETTLING INSURERS ARE NOT
24 GRANTING (NOR SHALL THEY BE SUBJECT TO) ANY THIRD-PARTY RELEASE,
25 INJUNCTION, OR EXCULPATION COVERING ANY NON-DEBTOR PERSON OR ENTITY
26 AND THEY SHALL BE DEEMED TO HAVE OPTED OUT OF ANY SUCH RELEASE,
27 INJUNCTION, OR EXCULPATION.**

28 **ARTICLE XIV**

RETENTION OF JURISDICTION

Section 15.1 of the Plan provides that the Bankruptcy Court will retain jurisdiction over the
Chapter 11 Case after the Effective Date for all purposes provided by the Bankruptcy Code, including the
specific purposes set forth in more detail therein.

If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction or is otherwise
without jurisdiction over any matter arising out of the Chapter 11 Case, including matters set forth in
Section 15.1 of the Plan, such lack of jurisdiction will not diminish, control, prohibit, or limit the exercise
of jurisdiction by any other court having competent jurisdiction with respect to such matter.

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ARTICLE XV

TAX CONSEQUENCES OF THE PLAN

The following is a summary of certain U.S. federal income tax consequences of the Plan to certain holders of Claims. This summary is based on the Internal Revenue Code (the “Tax Code”), Treasury Regulations promulgated thereunder (the “Treasury Regulations”), and administrative and judicial interpretations and practice, all as in effect on the date of the Disclosure Statement and all of which are subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained and the Debtor does not intend to seek a ruling from the Internal Revenue Service as to any of the tax consequences of the Plan discussed below. There can be no assurance that the Internal Revenue Service will not challenge one or more of the tax consequences of the Plan described below.

This summary does not apply to holders of Claims that are not U.S. Persons (as such term is defined in the Tax Code) or that are otherwise subject to special treatment under U.S. federal income tax law (including, without limitation, banks, governmental authorities or agencies, financial institutions, insurance companies, pass-through entities, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies, and regulated investment companies). The following discussion assumes that holders of Allowed Claims hold such Claims as “capital assets” within the meaning of section 1221 of the Tax Code. Moreover, this summary does not purport to cover all aspects of U.S. federal income taxation that may apply to holders of Allowed Claims based upon their particular circumstances. Additionally, this summary does not discuss any tax consequences that may arise under any laws other than U.S. federal income tax law, including under state, local or foreign tax law.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

A. Federal Income Tax Consequences to Holders of Unsecured Claims

In accordance with the Plan, all holders of General Unsecured Claims and Abuse Claims will receive Distributions on their Allowed Claims. Holders of General Unsecured Claims and Abuse Claims will realize a loss, if any, in an amount equal to that Claim, minus any recovery, on an adjusted tax basis.

The tax consequences to holders of General Unsecured Claims and Abuse Claims will differ and will depend on factors specific to the holder, including but not limited to: (i) whether the Claim, or a portion of the Claim, constitutes a Claim for interest or principal, (ii) the origin of the Claim, (iii) the type of consideration received in exchange for the Claim, (iv) whether the holder is a United States person or a foreign person for tax purposes, (v) whether the holder reports income on the accrual or cash basis method, and (vi) whether the holder has taken a bad debt deduction or otherwise recognized a loss with respect to the Claim.

The Debtor anticipate that Distributions to Abuse Claimants will, in all instances, constitute damages, other than punitive damages, on account of personal physical injuries and physical sickness, within the meaning of section 104(a)(2) of the Internal Revenue Code of 1986, as amended. The Debtor has not, however, fully analyzed such tax issues and cannot (and do not hereby) make any assurances or representations regarding the anticipated tax treatment of Abuse Claims.

1 THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCE TO
2 EACH HOLDER OF A GENERAL UNSECURED CLAIM OR AN ABUSE CLAIM.
3 FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX, AND IN SOME
4 CASES UNCERTAIN. THEREFORE, IT IS IMPORTANT THAT EACH HOLDER OF A GENERAL
UNSECURED CLAIM AND ABUSE CLAIM OBTAIN HIS, HER, OR ITS OWN PROFESSIONAL
TAX ADVICE REGARDING THE TAX CONSEQUENCES TO THE HOLDER OF A GENERAL
UNSECURED CLAIM OR ABUSE CLAIM AS A RESULT OF THE PLAN.

5 **B. Federal Income Tax Consequences to the Debtor**

6 The Debtor is a not-for-profit religious corporation having tax-exempt status under 26 U.S.C. §
7 501(c)(3). Due to the Debtor's status as a not-for-profit corporation, the Debtor anticipate that the
8 confirmation of the Plan will have no material federal income tax consequences on a cash basis for the
Debtor or the Reorganized Debtor.

9 **C. Tax Consequences to the Survivors' Trust**

10 The Survivors' Trust may satisfy the requirements of a designated settlement fund under Section
11 468B of the Tax Code or a qualified settlement fund under Regulation 1.468B-1 of the Treasury
Regulations. There are certain tax consequences associated with the characterization of the Survivors'
Trust as a designated settlement fund or a qualified settlement fund.

12 **THE DEBTOR EXPRESSES NO OPINION REGARDING WHETHER THE
13 SURVIVORS' TRUST IS A DESIGNATED SETTLEMENT FUND OR A QUALIFIED
14 SETTLEMENT FUND. THE DEBTOR HAS NOT REQUESTED A RULING FROM THE
INTERNAL REVENUE SERVICE OR AN OPINION OF COUNSEL REGARDING WHETHER
15 THE SURVIVORS' TRUST IS A DESIGNATED SETTLEMENT FUND OR A QUALIFIED
SETTLEMENT FUND. ACCORDINGLY, EACH CREDITOR IS URGED TO CONSULT THEIR
16 OWN TAX ADVISOR REGARDING THE CHARACTERIZATION OF THE SURVIVORS'
TRUST AND THE TAX CONSEQUENCES OF SUCH CHARACTERIZATION.**

17 **ARTICLE XVI**

18 **ALTERNATIVES TO THE PLAN**

19 The Debtor believes the Plan is in the best interests of the Creditors and should accordingly be
20 accepted and confirmed. If the Plan as proposed, however, is not confirmed, the following two alternatives
21 may be available: (a) an alternative plan of reorganization may be proposed and confirmed, or (b) the
Chapter 11 Case may be dismissed. As discussed below, two other options, liquidation under chapter 7
and the appointment of a chapter 11 trustee, are not viable alternatives in this Chapter 11 Case.

22 **A. Alternative Plan Pursuant to Chapter 11 of the Bankruptcy Code**

23 If the Plan is not confirmed, the Debtor or another party in interest may propose a different plan,
24 which might involve an alternative means for reorganizing the Debtor. The Plan as proposed has the
25 support of, among other entities, the Contributing Non-Debtor Catholic Entities. Accordingly, the Debtor
26 believes that the terms of the Plan provide for the most favorable outcome for Creditors. The negotiation
and drafting required for additional plans would likely add substantially greater administrative expenses
with no guarantee of a better result for Creditors. For these reasons, the Debtor do not believe that an
alternative plan of reorganization is a preferable alternative to the Plan.

1 **B. Dismissal of the Chapter 11 Case**

2 If the Plan is not confirmed, the Debtor or another party in interest may seek to dismiss the Chapter
3 11 Case. After appropriate notice and a hearing, the Bankruptcy Court may grant the request and dismiss
4 the Chapter 11 Case. Dismissal of the Chapter 11 Case would have the effect of restoring, or attempting
5 to restore, all parties to the position they were in immediately prior to the Petition Date.

6 Upon dismissal of the Chapter 11 Case, the protection of the Bankruptcy Code would be lost,
7 resulting in the expensive and time-consuming process of negotiation and protracted litigation between
8 the Debtor and individual Abuse Claimants and between the Debtor and its Insurers. In addition to the
9 expense and delay, the Debtor believes that these actions would lead to an inequitable recovery for Abuse
10 Claimants, with the first Abuse Claimants to obtain and enforce judgments against the Debtor depleting
11 the Debtor's assets and resulting in insufficient assets to satisfy later judgments. Therefore, the Debtor
12 believes that dismissal of the Debtor's Chapter 11 Case is not a preferable alternative to confirming the
13 Plan.

14 **C. Chapter 7 Liquidation Not a Viable Alternative**

15 Pursuant to 11 U.S.C. § 1112(c), if a debtor is "not a moneyed corporation", a debtor's chapter 11
16 case cannot be converted to a chapter 7 case without the debtor's consent. The Debtor, as a non-profit
17 entity, is not a moneyed corporation, and may not be forced to convert its Chapter 11 Case to a chapter 7
18 case. Thus, conversion to chapter 7 is not a viable alternative to the Plan.

19 **D. Appointment of a Chapter 11 Trustee is Not a Viable Alternative**

20 It is the position of the Debtor that, as a result of limitations imposed by the First Amendment to
21 the United States Constitution and the Religious Freedom and Restoration Act, a chapter 11 trustee cannot
22 be appointed to replace the Bishop's administration of the Debtor.

23 **ARTICLE XVII**

24 **ACCEPTANCE AND CONFIRMATION OF THE PLAN**

25 **A. General Confirmation Requirements**

26 The Bankruptcy Code requires that, in order to confirm the Plan, the Bankruptcy Court must make
27 a series of findings concerning the Plan and the Debtor, including that (i) the Plan classifies Claims in a
28 permissible manner; (ii) the Plan complies with applicable provisions of the Bankruptcy Code; (iii) the
Debtor has complied with applicable provisions of the Bankruptcy Code; (iv) the Debtor propose the Plan
in good faith and not by any means forbidden by law; (v) the disclosures required by section 1125 of the
Bankruptcy Code have been made; (vi) the Plan has been accepted by the requisite votes of Creditors
(except to the extent that cramdown is available under section 1129(b) of the Bankruptcy Code); (vii) the
Plan is feasible and confirmation is not likely to be followed by the liquidation or the need for further
financial reorganization of the Debtor; (viii) the Plan is in the "best interests" of all holders of Claims in
an Impaired Class by providing to such holders on account of their Claims property of a value, as of the
Effective Date, that is not less than the amount that such holder would receive or retain in a chapter 7
liquidation, unless each holder of a Claim in such Class has accepted the Plan; and (ix) all U.S. Trustee
Fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the
Confirmation Hearing, have been paid or the Plan provides for the payment of such fees on the Effective
Date.

1. **Parties in Interest Entitled to Vote.**

~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF REORGANIZATION

1 Pursuant to the Bankruptcy Code, only Classes of Claims that are “Impaired” (as defined in section
2 1124 of the Bankruptcy Code) under the Plan are entitled to vote to accept or reject the Plan. A Class is
3 Impaired if the legal, equitable or contractual rights to which the Claims of that Class entitled the holders
4 of such Claims are modified, other than by curing defaults and reinstating the debt. Classes of Claims that
5 are not Impaired are not entitled to vote on the Plan and are conclusively presumed to have accepted the
6 Plan. In addition, Classes of Claims that receive no Distributions under the Plan are not entitled to vote
7 on the Plan and are deemed to have rejected the Plan.

8 **2. Classes Impaired Under the Plan.**

9 Class 3 (General Unsecured Claims), Class 4 (Abuse Claims), Class 5 (Unknown Abuse Claims),
10 and Class 6 (Non-Abuse Litigation Claims) ~~and Class 8 (OPF Claim)~~ are the only Classes that are Impaired
11 and entitled to vote under the Plan.

12 Acceptances of the Plan are being solicited only from those holders of Claims in Impaired Classes
13 that will or may receive a Distribution under the Plan. Accordingly, the Debtor is soliciting acceptances
14 only from holders of Claims in Class 3 (General Unsecured Claims), Class 4 (Abuse Claims), Class 5
15 (Unknown Abuse Claims), and Class 6 (Non-Abuse Litigation Claims) ~~and Class 8 (OPF Claim)~~.

16 **3. Voting Procedures and Requirements.**

17 **VOTING ON THE PLAN BY EACH HOLDER OF AN IMPAIRED CLAIM ENTITLED
18 TO VOTE ON THE PLAN IS IMPORTANT. YOU SHOULD COMPLETE, SIGN, AND RETURN
19 THE BALLOT YOU RECEIVE IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN
20 ARTICLE I(B) ABOVE.**

21 **4. Ballots.**

22 In voting for or against the Plan, please use only the Ballot or Ballots sent to you with this
23 Disclosure Statement. If you are a Holder of Class 3 General Unsecured Claims, Class 4 Abuse Claims,
24 Class 6 Non-Abuse Litigation Claims, or the Unknown Abuse Claims Representative entitled to vote in
25 Class 5, and you did not receive a Ballot, if your Ballot is damaged or lost, or if you have any questions
26 concerning voting procedures, please contact the Debtor’s counsel, Foley & Lardner LLP, 555 California
27 Street, Suite 1700, San Francisco, CA 94104-1520, Attention: Shane J. Moses, or the Debtor’s Claims and
28 Noticing Agent, Verita, by email at RCBOInfo@veritaglobal.com or by calling (888)-733-1425
(U.S./Canada) or (310)-751-2631 (International) and requesting to speak with a member of the solicitation
team.

**PLEASE FOLLOW THE DIRECTIONS CONTAINED ON THE ENCLOSED BALLOT
CAREFULLY, COMPLETE AND SIGN THE BALLOT AND RETURN IT TO THE DIOCESE’S
SOLICITATION AND CLAIMS AGENT. TO BE COUNTED, SIGNED BALLOTS MUST BE
RECEIVED ON OR BEFORE ____, 2025, AT 5:00 P.M., PREVAILING PACIFIC TIME.**

B. Confirmation Hearing

The Bankruptcy Code requires the Bankruptcy Court, after notice, to conduct a hearing regarding
whether the Debtor and the Plan have fulfilled the confirmation requirements of section 1129 of the
Bankruptcy Code. The Confirmation Hearing has been scheduled for ____, 2025 at __.m. (**prevailing
Pacific Time**), before the Honorable William J. Lafferty III, United States Bankruptcy Judge, at the United
States Bankruptcy Court for the Northern District of California, United States Courthouse, 1300 Clay
Street, Courtroom 220, Oakland, CA 94612. The Confirmation Hearing may be adjourned from time to
time by the Bankruptcy Court without further notice except for an announcement in open court at the
Confirmation Hearing of the date to which the Confirmation Hearing has been adjourned.

**~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF
REORGANIZATION**

1 **C. Confirmation**

2 At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if the requirements
3 of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the
4 Plan (i) be accepted by the requisite holders of Claims or, if not so accepted, that it be “fair and equitable”
5 and “not discriminate unfairly” as to each non-accepting Class of Claims, (ii) be in the “best interests” of
6 each holder of a Claim that does not vote to accept the Plan in each Impaired Class under the Plan, (iii) be
7 feasible, and (iv) comply with the applicable provisions of the Bankruptcy Code.

8 **D. Acceptance of Plan**

9 As a condition to confirmation, the Bankruptcy Code requires that each class of impaired claims
10 votes to accept the plan, except under certain circumstances. A plan is accepted by an impaired class of
11 claims if holders of at least two-thirds in dollar amount and more than one-half in number of claims of
12 that class vote to accept the plan. Only those ~~holders~~ Holders of ~~claims~~ Claims who actually vote ~~for or~~
13 ~~against the Plan~~ count in these tabulations. Holders of ~~claims~~ Claims who fail to vote, or whose votes are
14 designated pursuant to section 1126(e) of the Bankruptcy Code, are not counted as either accepting or
15 rejecting a plan.

16 In addition to this voting requirement, section 1129 of the Bankruptcy Code requires that a plan
17 be accepted by each holder of a claim or interest in an impaired class or that the plan otherwise be found
18 by the bankruptcy court to be in the best interests of each holder of a claim or interest in such class. In
19 addition, each impaired class must accept the plan for the plan to be confirmed without application of the
20 “fair and equitable” and “unfair discrimination” tests in section 1129(b) of the Bankruptcy Code discussed
21 below.

22 **E. Confirmation Without Acceptance of All Impaired Classes**

23 The Bankruptcy Code contains provisions for confirming a plan even if the plan is not accepted
24 by all impaired classes, as long as at least one impaired class of claims has accepted the plan. These so-
25 called “cramdown” provisions are set forth in section 1129(b) of the Bankruptcy Code.

26 A plan may be confirmed under the cramdown provisions if, in addition to satisfying other
27 requirements of section 1129(a) of the Bankruptcy Code, it (a) “does not discriminate unfairly” and (b) is
28 “fair and equitable,” with respect to each class of claims that is impaired under, and has not accepted, the
Plan. As used by the Bankruptcy Code, the phrases “discriminate unfairly” and “fair and equitable” have
specific meanings unique to bankruptcy law.

In general, the “fair and equitable” standard, also known as the “absolute priority rule,” requires
that a dissenting class receive full compensation for its allowed claims before any junior class receives
any distribution. More specifically, section 1129(b) of the Bankruptcy Code provides that a plan can be
confirmed under that section if: (a) with respect to a secured class (i) the holders of such claims retain the
liens securing such claims to the extent of the allowed amount of such claims and that each holder of a
claim of such class receive deferred cash payments equaling the allowed amount of such claim as of the
plan’s effective date, or (ii) such holders realize the indubitable equivalent of such claims; (b) with respect
to an unsecured claim, either (i) the impaired unsecured creditor must receive property of a value equal to
the amount of its allowed claim, or (ii) the holders of claims and interests that are junior to the claims of
the dissenting class may not receive any property under the plan on account of such junior claim or interest;
and (c) with respect to a class of interests, either (i) each holder of an interest of such class must receive
or retain on account of such interest property of a value, equal to the greater of the allowed amount of any
fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such
holder is entitled or the value of such interest, or (ii) the holder of any interest that is junior to the interest
of such class may not receive or retain any property on account of such junior interest.

1 The requirement that a plan not “discriminate unfairly” means, among other things, that a
2 dissenting class must be treated substantially equally with respect to other classes of equal priority.

3 **IF A CLASS OF CLAIMS VOTING ON THE PLAN VOTES TO REJECT THE PLAN,**
4 **THE DEBTOR RESERVES THE RIGHT TO SEEK CONFIRMATION OF THE PLAN UNDER**
5 **THE CRAMDOWN PROVISIONS OF THE BANKRUPTCY CODE WITH RESPECT TO SUCH**
6 **CLASS.**

7 **F. Best Interests Test**

8 In order to confirm a plan, the Bankruptcy Court must independently determine that the plan is in
9 the best interests of each holder of a claim in any impaired class who has not voted to accept the plan.
10 Accordingly, if an impaired class does not unanimously accept the plan, the best interests test requires the
11 Bankruptcy Court to find that the plan provides to each member of such impaired class a recovery on
12 account of the class member’s claim that has a value, as of the effective date of the plan, at least equal to
13 the value of the distribution that each such member would receive if the debtor were liquidated under
14 chapter 7 of the Bankruptcy Code on such date.

15 To calculate what holders of Claims would receive if the Debtor were liquidated under a
16 hypothetical chapter 7 case under the Bankruptcy Code, the Bankruptcy Court must first determine the
17 dollar amount that would be realized from such liquidation (the “Liquidation Fund”). The Liquidation
18 Fund would consist of the net proceeds from the disposition of the Debtor’s assets (after satisfaction of all
19 valid liens) and the recoveries on causes of action, if any, held by the Estate. The Liquidation Fund would
20 not include (i) the portion of the Contributing Entities’ Cash Contribution coming from Entities other than
21 the Debtor, (ii) the assignment of Assigned Insurance Interests, (iii) any contributions by Setting Insurers,
22 or (iv) restricted funds, which would be subject to a *cy pres* action involving the California Attorney
23 General. The Liquidation Fund would be reduced by the cost of the liquidation. The costs of a hypothetical
24 liquidation under chapter 7 would include the fees and expenses of the chapter 7 trustee, as well as those
25 of counsel and other professionals that might be retained by the chapter 7 trustee, selling expenses and
26 wind-down costs, any unpaid expenses incurred by the Debtor during its Chapter 11 Case (such as fees
27 for attorneys, financial advisors and accountants) which would be Allowed in the chapter 7 proceedings,
28 interest expense on secured debt and claims incurred by the Debtor during the pendency of the cases.
These Claims would be paid in full out of the Liquidation Fund before the balance of the Liquidation
Fund, if any, would be made available to holders of General Unsecured Claims and Abuse Claims. In
addition, other Claims that would arise upon conversion to a chapter 7 case would dilute the balance of
the Liquidation Fund available to holders of Claims. Moreover, additional Claims against the Estate
would arise ~~as a result~~ because of the establishment of a new Bar Date for the filing of Claims in the chapter
7 case. The present value of the Distributions from the Liquidation Fund (after deducting the amounts
described above) must then be compared with the present value of the property offered to each of the
Classes of Claims under the Plan, to determine if the Plan is in the best interests of Claim holders.

29 The Debtor believes that a chapter 7 liquidation of its remaining Assets would result in a
30 diminution of the value realized by holders of Claims. That belief is based upon, among other factors: (a)
31 the reduced value of Debtor’s remaining Assets in a chapter 7 case; (b) the additional administrative
32 expenses involved in the appointment of a chapter 7 trustee, attorneys, accountants, and other chapter 7
33 professionals; (c) the substantial time that would elapse before Creditors would receive any Distribution
34 in respect of their Claims, due to a chapter 7 trustee’s need to become familiar with the Debtor’s books
35 and records and the chapter 7 trustee’s administration of the case; and (d) the additional Claims that may
36 be asserted against the Debtor.

1 **G. Feasibility**

2 In connection with confirmation of the Plan, the Bankruptcy Court must determine that the Plan is
3 feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which means that the confirmation of
4 the Plan is not likely to be followed by the need for liquidation or further financial reorganization of the
5 Debtor, except as proposed in the Plan.

6 In this case, the Debtor has prepared cash flow projections demonstrating that the Debtor, together
7 with the Contributing Non-Debtor Catholic Entities, will be able to fund the Contributing Entities' Cash
8 Contribution, that the Debtor and the Reorganized Debtor will be able to meet their other respective
9 obligations under the Plan, and that the Reorganized Debtor will have sufficient resources to support
10 ongoing ministries and operations. A copy of the financial projections is attached hereto as **Exhibit C**.
11 The cash flow projections demonstrate that the Debtor will be able to fund the Plan on the Effective Date
12 and that the Reorganized Debtor will be able to make all payments required pursuant to the Plan so that
13 no further financial restructuring will be necessary. Accordingly, the Debtor believes that the Plan satisfies
14 the feasibility test.

15 **H. Compliance with the Applicable Provisions of the Bankruptcy Code**

16 Section 1129(a)(1) of the Bankruptcy Code requires that the Plan comply with the applicable
17 provisions of the Bankruptcy Code. The Debtor has considered each of these provisions in the
18 development of the Plan and believe that the Plan complies with all applicable provisions of the
19 Bankruptcy Code.

20 **ARTICLE XVIII**

21 **RISK FACTORS TO BE CONSIDERED**

22 **HOLDERS OF CLAIMS AGAINST THE DEBTOR SHOULD READ AND CONSIDER
23 CAREFULLY THE INFORMATION SET FORTH BELOW, AS WELL AS THE OTHER
24 INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, PRIOR TO VOTING TO
25 ACCEPT OR REJECT THE PLAN. THIS INFORMATION, HOWEVER, SHOULD NOT BE
26 REGARDED AS THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN
27 AND/OR ITS IMPLEMENTATION.**

28 **A. Risks Associated with the Insurance Assignment**

The Insurance Assignment effected by the Plan provides Trust Claimants who choose the
Litigation Option (defined above as "Litigation Claimants") with the opportunity to liquidate their
claims against the Debtor (as a nominal party) by way of a judgment in the tort system and then seek
to recover the amount of their judgment under any applicable insurance policies of the Debtor. The
ability of Litigation Claimants to monetize their judgment through recovery from Non-Settling
Insurers on account of the Assigned Insurance Interests is a fundamental aspect of the Plan that the
Debtor believes has tremendous value for such Claimants in the form of contractual rights (i.e., the
potential insurance coverage for the judgement under the insurance policies) and potential
extracontractual rights (i.e., through a potential future cause of action for bad faith against the Non-
Settling Insurers). At present, the Debtor believes that it holds no existing bad faith cause of action
against any of its Insurers. Therefore, no such cause of action (as opposed to insurance rights) can or
will be assigned under the Plan. However, the Debtor believes the intent of the Plan is to assign all
of Debtor's rights under its insurance – including any potential future bad faith claims.

1
2 The Committee contends that Litigation Claimants may, nevertheless, be able to assert
3 potential direct bad faith claims against any of Debtor’s insurers should an insurer fail in good faith
4 to pay a covered judgment, after the Effective Date based upon the decision in *Hand v. Farmers Ins.*
5 *Exchange*, 23 Cal. App.4th 1847 (1994) (“*Hand*”). Section 5.14 of the Plan reserves the rights of
6 Litigation Claimants to try to assert such bad faith claims directly based upon potential future actions
7 by the Insurers after the Effective Date based upon the *Hand* decision.

8 The Insurers contest whether any bad faith claims could be successfully asserted by Litigation
9 Claimants, whether directly or through assignment from the Debtor. The Insurers assert, *inter alia*,
10 that the Debtor will not be negatively affected by any post Effective Date future Insurer actions and
11 therefore will not have a bad faith cause of action against the Insurers capable of assignment post
12 Effective date. The Insurers further contest whether *Hand* is a correct statement of California law
13 such that Litigation Claimants could have a direct bad faith cause of action against any Insurers. They
14 also assert that supposed future bad faith claims based on things that have not yet happened are
15 entirely speculative. If the Insurers’ contentions in this regard are upheld by a court in future
16 litigation, Litigation Claimants that obtain a covered judgment against the Debtor in name only would
17 be able to recover money from the Non-Settling Insurers under any applicable insurance policy up to
18 the limits of those policies, but would not be able to recover any extracontractual damages (i.e.
19 damages in addition to the insurance coverage provided under the insurance policies) based on any
20 future acts or omissions by the Non-Settling Insurers.

21 The Committee believes the Insurers’ position is not an accurate statement of the law, and
22 certain post-confirmation conduct by Insurers that allegedly violate obligations to act in good faith
23 would survive confirmation of the Plan, such as the obligation to pay a covered judgment, and that
24 an Insurer’s violation of that obligation could give rise to a direct bad faith cause of action on the part
25 of Litigation Claimants. The Debtor believes this is an open question of law, with strong arguments
26 on both sides of the issue, and does not predict here how a California court would ultimately rule.

27 The Debtor notes that the insurance coverage rights assigned to the Litigation Claimants under
28 the Plan have significant value standing alone even if the Insurers are correct regarding either the
Hand decision, specifically, or bad faith claims, generally, (i.e., such that there is no bad faith
recovery).

In any event, as recognized by the Court in its Memorandum Concerning Certain Issues Raised
During January 21, 2025 Hearing on Approval of Disclosure Statement [~~Dkt.~~[Docket](#) No. 1673], the
outcome of the dispute related to potential, future bad faith claims is not merely uncertain, it is
unlikely to be determinable at confirmation, and likely cannot be determined until such time (if ever)
that an Insurer is alleged to have acted in bad faith, which may occur, if at all, years after the
occurrence of the Effective Date in this case.

B. Objection to Classifications of Claims

Section 1122 of the Bankruptcy Code provides that a plan may place a claim in a particular class,
only if such claim is substantially similar to the other claims in such class. The Debtor believes that the
classification of Claims under the Plan complies with the requirements set forth in the Bankruptcy Code.
However, there can be no assurance that the Bankruptcy Court will reach the same conclusion. To the

1 extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed
2 and the reclassification adversely affects the treatment of the Claim of any Creditor, the Debtor could be
3 required to re-solicit votes for or against the Plan.

4 The Bankruptcy Code also requires that the Plan provide the same treatment for each Claim of a
5 particular Class unless the holder of a particular Claim agrees to a less favorable treatment of its Claim.
6 The Debtor believes that the Plan complies with the requirement of equal treatment. To the extent that the
7 Court finds that the Plan does not satisfy the equal treatment requirement, the Court could deny
8 confirmation of the Plan.

9 Issues or disputes relating to classification or treatment could result in a delay of the confirmation
10 or consummation of the Plan and could increase the risk that the Plan will not be consummated.

11 **C. Failure to Satisfy Voting Requirements**

12 If the Debtor obtain the requisite votes to accept the Plan in accordance with the requirements of
13 the Bankruptcy Code, the Debtor intend, as promptly as practicable thereafter, to seek confirmation of the
14 Plan. In the event that sufficient votes are not received, the Debtor may be forced to pursue an alternative
15 plan of reorganization, or the Debtor may dismiss the Chapter 11 Case.

16 **D. The Plan May Not Be Accepted or Confirmed**

17 The Plan may not be confirmed without the affirmative acceptance of at least one Impaired Class.
18 Even if all voting Classes accept the Plan, the Plan may not be confirmed if the Bankruptcy Court
19 determines that the Plan does not meet the requirements for confirmation set forth in section 1129 of the
20 Bankruptcy Code. The Debtor believes that the Plan satisfies all of the relevant section 1129 requirements.
21 There can be no assurance, however, that the requisite Creditor consent will be obtained or that the
22 Bankruptcy Court will also conclude that all such requirements have been satisfied.

23 **E. The Debtor's Assumptions and Estimates May Prove Incorrect**

24 The Debtor has made certain assumptions regarding, and ~~have~~^{has} attempted in good faith and to
25 the best of its ability to estimate, the aggregate number and amount of Claims in each Class, the projected
26 expenses incurred to date or to be incurred in connection with the confirmation and administration of the
27 Plan, and the assets which may be available for liquidation and Distribution under the Plan. There can be
28 no guarantee, however, that the Debtor's assumptions and estimates regarding these amounts will prove
to be accurate.

~~Adventus is a nonprofit, public benefit corporation with no members. Pursuant to Cal. Corp. Code
§ 5911(a), a nonprofit, public benefit corporation with no members may transfer all or substantially all its
assets if approved by its board. Cal. Corp. Code § 5911(a). There is no risk Adventus will not approve
the transfer of the Livermore Property to the Survivors' Trust.~~

~~Under Cal. Corp. Code § 5913 the corporation must give notice to the California Attorney General
twenty (20) days before the transfer, if the transaction is not in its usual course of business, which transfer
of the Livermore Property to the Survivors' Trust is not. Cal. Corp. Code § 5913. This is a notice only
requirement. Attorney General approval is not required to move forward with the transfer of the
Livermore Property to the Survivors' Trust.~~

~~As stated previously, the Debtor's estimated valuation of the Livermore Property assumes the
property is entitled for the construction of single family homes. The Debtor is optimistic that not only
will the City approve a change to residential use, but that the property will realize the value the Debtor
has placed on it. There is no guarantee either will happen.~~

1 ~~In the event the Debtor's assumptions and estimates prove incorrect, Creditor recoveries under the~~
2 ~~Plan may be materially less than projected.~~

3 **F. Non-Confirmation or Delay in Confirmation of the Plan**

4 In the event a party objects to the Plan, it is possible that the Bankruptcy Court may not approve
5 confirmation of the Plan.

6 Specifically, as outlined in the Committee Letter, the Committee does not support this Plan and
7 contests many of the legal positions taken by the Debtor and/or factual statements made herein.
8 Ultimately, the Bankruptcy Court will decide any contested legal or factual issues, and there is no
9 guarantee that those issues will be decided in the Debtor's favor. Confirmation is not assured in light of
10 the Committee's opposition, however strongly the Debtor believes the Plan can and should be confirmed.

11 **G. Non-Consensual Confirmation**

12 In the event the Impaired Class of Claims does not accept the Plan, the Bankruptcy Court may
13 nevertheless confirm the Plan at the Debtor's request if the cramdown requirements described above are
14 satisfied. The Debtor believes that the Plan satisfies these requirements.

15 **H. Consent to Third-Party Releases**

16 On June 27, 2024, the Supreme Court issued its decision in *Harrington v. Purdue Pharma L.P.*,
17 No. 23-124, 144 S. Ct. 2071 (2024) (the "Purdue Decision"). In the Purdue Decision, the Supreme Court
18 ruled that a bankruptcy court does not have the authority to issue nonconsensual releases discharging
19 creditors' claims against non-debtor entities.

20 The Debtor and Contributing Non-Debtor Catholic Entities worked to address the Purdue Decision
21 and believe that the releases granted by Abuse Claimants to Contributing Non-Debtor Catholic Entities in
22 the Plan will be deemed consensual.

23 The third-party releases and Channeling Injunction contained in the Plan are an integral part of the
24 Debtor's overall restructuring efforts and are an essential element in obtaining the Contributing Non-
25 Debtor Catholic Entities' support for the Plan. The contributions from the Contributing Non-Debtor
26 Catholic Entities are contingent on the Contributing Non-Debtor Catholic Entities receiving the benefit of
27 the Plan's third-party releases. Failure of Abuse Claimants to consent to the third-party releases will
28 reduce the Contributing Non-Debtor Catholic Entities' contributions and thus may result in reduced
recoveries for Abuse Claimants under the Plan. Should this scenario occur, the Contributing Non-Debtor
Catholic Entities may not approve the confirmation order, which is a condition of confirmation under the
Plan, and the Plan may fail, which will significantly delay any recovery for Abuse Claimants.

I. Risk of Non-Occurrence of the Effective Date

Although the Debtor believes that the Effective Date will occur reasonably soon after the
Confirmation Date, there can be no assurance as to the timing or as to whether the Effective Date will in
fact occur.

J. Non-Settling Insurers May Raise Objections to Confirmation

Certain Non-Settling Insurers may object to confirmation of the Plan by asserting that the Plan
impermissibly alters their contractual rights, duties and obligations under their Insurance Policies. For
example, certain insurers raise concerns regarding, among other things, the Plan's treatment of applicable
self-insured retentions required under any Non-Settling Insurer Policy.

1 Although the Debtor does not believe there is any merit to such objections or assertions, if any,
2 because the Plan incorporates the settlement the Debtor reached with its Insurers (as discussed above), if
3 the Non-Settling Insurers were to raise and prevail on such contentions, the Bankruptcy Court might find
4 that the Plan is not feasible or otherwise not confirmable.

5 **K. Post-Confirmation Litigation May Not Result in Additional Recovery**

6 The Plan provides for the assignment to the Survivors' Trust of Assigned Insurance Interests
7 against Non-Settling Insurers. The Non-Settling Insurers are likely to assert factual and legal defenses to
8 both their coverage obligations and to the underlying liability of the Debtor and other Contributing Non-
9 Debtor Catholic Entities for Abuse Claims. Litigation of such issues against Non-Settling Insurers through
10 the Litigation Option could be protracted and expensive. There is no guarantee that the Survivors' Trust
11 will prevail in its prosecution of the Assigned Insurance Interests against Non-Settling Insurers.

12 In the event the Non-Settling Insurers successfully defend against the Assigned Insurance Interests,
13 the Contributing Entities' Cash Contribution and the settlement payments from Settling Insurers would be
14 the sole source of recovery for Abuse Claims.

15 **L. Confirmation of the Plan may be Delayed or Denied by the District Court**

16 The Debtor's position is that the Bankruptcy Court has constitutional authority to confirm the Plan.
17 If it is determined that the Bankruptcy Court lacks the authority to approve such provisions, the Debtor
18 anticipates that the Bankruptcy Court will issue proposed findings of fact and conclusions of law with
19 respect to the confirmation of the Plan. The Bankruptcy Court's findings and conclusions would then be
20 subject to *de novo* review by the District Court for the Northern District of California before the Plan can
21 be confirmed, which may result in a delay in the occurrence of the Effective Date. It is difficult to estimate
22 how long the District Court would take to render a decision with respect to confirmation of the Plan,
23 however, in the recent ~~BSA Bankruptcy Case~~ [Boy Scouts of America bankruptcy case](#) which included
24 similar plan concepts, the District Court for the District of Delaware took approximately six months to
25 review and affirm the bankruptcy court's findings and conclusions and to issue a confirmation order.

26 **ARTICLE XIX**

27 **BANKRUPTCY RULE 9019 REQUEST**

28 Pursuant to Bankruptcy Rule 9019 and through the Plan, the Debtor requests approval of all
compromises and settlements included in the Plan or contemplated.

ARTICLE XX

RECOMMENDATION AND CONCLUSION

The Debtor believes that the Plan is in the best interests of all Creditors. The Plan as structured
allows Creditors to participate in Distributions believed to be in excess of those which would otherwise
be available were the Chapter 11 Case dismissed and provides an opportunity to maximize insurance
recoveries through settlements with the Settling Insurers and post-confirmation litigation of Assigned
Insurance Interests against Non-Settling Insurers.

FOR ALL OF THE REASONS SET FORTH IN THIS DISCLOSURE STATEMENT, THE
DEBTOR BELIEVES THAT THE CONFIRMATION AND CONSUMMATION OF THE PLAN IS
PREFERABLE TO ALL OTHER ALTERNATIVES. THE DEBTOR STRONGLY RECOMMENDS

~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF
REORGANIZATION

1 THAT ALL CREDITORS ENTITLED TO VOTE ACCEPT THE PLAN AND TO EVIDENCE SUCH
2 ACCEPTANCE BY RETURNING THEIR BALLOTS SO THAT THEY ARE RECEIVED BY THE
3 DIOCESE'S SOLICITATION AND CLAIMS AGENT NO LATER THAN 5:00 P.M. PREVAILING
4 PACIFIC TIME ON __, 20__.

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[Signature Page Follows]

~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF REORGANIZATION

1 DATED: ~~February 19~~March 17, 2025. Respectfully submitted,

2
3 **THE ROMAN CATHOLIC BISHOP**
4 **OF OAKLAND**

5
6 By: /s/ Attila Bardos
7 Attila Bardos
8 Chief Financial Officer

9 Presented by:

10 **FOLEY & LARDNER LLP**

11 Thomas F. Carlucci

12 Shane J. Moses

13 Ann Marie Uetz

14 Matthew D. Lee

15 Geoffrey S. Goodman

16 Mark C. Moore

17 /s/Shane J. Moses

18 Shane J. Moses

19 *Counsel for the Debtor*
20 *and Debtor in Possession*

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28 **~~SECOND~~THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~THIRD AMENDED PLAN OF REORGANIZATION**

Summary report:	
Litera Compare for Word 11.7.0.54 Document comparison done on 3/17/2025 9:00:49 PM	
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Intelligent Table Comparison: Active	
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Modified DMS: nd://4909-7915-2422/5/RCBO – Third Amended Disclosure Statement.docx	
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Delete	317
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<u>Move To</u>	9
<u>Table Insert</u>	0
Table Delete	4
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	648