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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.

OBJECTING INSURERS' POST-TRIAL BRIEF IN OPPOSITION TO CONFIRMATION OF DEBTOR'S MODIFIED FOURTH AMENDED PLAN OF REORGANIZATION

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

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The insurers listed in the signature blocks below (collectively, the "Objecting Insurers"), hereby submit this post-trial brief to explain why *Debtor's Modified Fourth Amended Plan of Reorganization Dated March 27, 2026*, ECF No. 2758 (the "Plan") should not be confirmed and, if the Court is inclined to confirm the Plan, why the proposed *Order Confirming Debtor's Modified Fourth Amended Plan of Reorganization*, ECF No. 2866-1 (the "Proposed Confirmation Order") filed by The Roman Catholic Bishop of Oakland (the "Debtor") should be modified.

Objecting Insurers filed timely objections to confirmation of the Plan, including objections filed by Westport, Continental, and Pacific Insurers (ECF No. 2958), by Pacific Insurers (ECF No. 2961), and by Travelers (ECF No. 2946). In their objections, Objecting Insurers showed that the Plan violates the insurers' contractual and common law rights in contravention of applicable bankruptcy and non-bankruptcy law. The evidentiary hearing on the Plan does not alter this conclusion. Rather, the admissions made by Debtor at the hearing (and in the deposition designations of Debtor's witness) further confirm the merits of the objections. For the reasons set forth herein and in their respective pre-trial objections, Objecting Insurers respectfully request that the Court decline to confirm the Plan in its present form; rather, the Court should not confirm the Plan unless Debtor makes the revisions identified by Objecting Insurers to the Plan and Proposed Confirmation Order, which are attached hereto as Exhibits A and B, respectively.

PRELIMINARY STATEMENT

Objecting Insurers consistently have taken a measured approach to this Chapter 11 case and have sought to work toward resolution with other parties, including Debtor, wherever possible. Earlier in this case, Debtor and several of Objecting Insurers negotiated a package of plan provisions that, when taken in totality, led to Objecting Insurers agreeing not to object to Debtor's Third Amended Plan of Reorganization. Later in the case, certain of Objecting Insurers negotiated a term sheet that provided for over $44 million in payments to fund a settlement trust.[1] Debtor's Third Amended Plan incorporated a claim resolution mechanism that provided claimants with an option to pursue tort system recoveries while also protecting the rights of insurers – as the real

[1] *See* Exhibit CI-17 (non-binding term sheet). All exhibits referenced in this Objection have been received into evidence as part of the evidentiary hearing.

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parties-in-interest with the only potential financial exposure – to defend those Litigation Claims.

Debtor moved away from those compromises in filing the Modified Fourth Amended Plan, which takes away critical rights that the Third Amended Plan had protected. Objecting Insurers purpose is protecting Objecting Insurers' important contractual rights and expectations. To that end, Objecting Insurers focus is on provisions of the Plan that directly affect their interests.

Objecting Insurers continue to be not just willing but desirous to meet their contractual rights and obligations to participate in the defense of Abuse Claims, including to provide a defense where they are contractually obligated to do so. But Chapter 11 does not give Debtor (or any plan proponent) license to change unilaterally, to the insurers' detriment, the contractual rights that go along with the insurers' obligations. A "debtor's property does not shrink by happenstance of bankruptcy, but it does not expand, either."[2] Accordingly, insurance neutrality is a prerequisite for plan confirmation; Debtor cannot use the Bankruptcy Code to abrogate or diminish the rights of insurers under their insurance policies.[3]

With respect to the contracts of insurance, bankruptcy law provides that they must be placed in the same position, to the extent possible, as if the bankruptcy case had not happened.[4] This includes rights to defend tort cases they are being called upon to pay, rights to receive cooperation from the insured in connection with the defense, rights to control settlement, and rights to receive reimbursement from other parties as permitted under California law (*e.g.,* common law rights of contribution as well as rights of reimbursement under *Buss* and *Blue Ridge*).[5]

In its current form, the Plan does not meet that mandate. The treatment of Litigation Claims in the Plan, including the assignment and delayed discharge provisions, does not preserve the insurers' right to defend Litigation Claims; those parts of the Plan impermissibly tip the scales in

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[2] *Mission Prod. Holdings v. Tempnology LLC*, 587 U.S. 370, 381 (2019) (internal quotes, cites omitted).

[3] *See In re AIO US, Inc.*, 677 B.R. 509, 534 (Bankr. D. Del. 2025) ("*Avon*") ("[I]t is now settled that bankruptcy law intends for the bankruptcy filing of the insured to be as 'neutral' as possible to the rights and obligations of the insurer.").

[4] *See id.* at 537.

[5] *See Blue Ridge Ins. Co. v. Jacobson*, 25 Cal. 4th 489 (2001); *Buss v. Super. Ct.*, 16 Cal. 4th 35 (1997).

ways that prejudice the insurers' efforts to defend and resolve Litigation Claims. Likewise, the Plan releases and injunctions fail to safeguard adequately the insurers' rights to seek reimbursement of amounts that may be allocable to others, including third parties as well as Settling Insurers. The fact that the Plan contravenes Objecting Insurers' rights can be determined just through the language of the Plan itself (as reflected in Objecting Insurers' pre-trial objections); but focused cross-examination at trial of Debtor's witnesses on these topics confirmed the need for certain revisions to the Plan and Proposed Confirmation Order as discussed herein.[6]

Following the evidentiary presentation, on July 22, 2026, Objecting Insurers provided Debtor with a redline of the Plan that addresses many of the objections that are still at issue; if adopted, that language would address many of the Insurers' Objections. That redline of the Plan is attached to this brief as Exhibit A, which reflects the revisions that Objecting Insurers who are signatories to this brief contend are necessary for the Plan to comply with § 1129(a) of the Bankruptcy Code. Objecting Insurers also contend that the Court has broad discretion to enter its own Confirmation Order. To the extent that the Court intends to use Debtor's proposed Order as a starting point, Objecting Insurers contend that proposal contains numerous unnecessary and impermissible findings and other provisions that improperly tip the scales against the Insurers or otherwise impair the Insurers' rights. Objecting Insurers accordingly have attached a proposed redline of the Proposed Confirmation Order as Exhibit B.

For the reasons that follow, Objecting Insurers respectfully submit that the Court should not confirm the Plan unless Debtor agrees to make all of the changes reflected in Exhibits A and B to the Plan and Proposed Confirmation Order.

[6] *See Avon*, 677 B.R. at 545 (requiring debtor to modify plan to meet statutory requirement of insurance neutrality); *see also* 11 U.S.C. § 1129(a)(3).

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OBJECTIONS AND ARGUMENT

A. The Insurance Assignment Is Ambiguous and Does Not Comply with the Bankruptcy Code or Applicable Law.

1. The Insurance Assignment is Ambiguous

The Insurance Assignment in the Plan is impermissibly ambiguous as to which (if any) of Debtor's continuing obligations under the Insurers' Policies are assigned to the Trust on the Effective Date. The documents in the Plan Supplement do not save the Plan from this fatal ambiguity but rather make it worse.

For example, the Policies in the record require Debtor (as the insured) to comply with numerous continuing obligations in the claims handling process, including regarding the handling, investigating, and defense of claims.[7] The Plan is required to be "clear and explicit" regarding the treatment of these ongoing duties and responsibilities because its provisions affect the rights of Objecting Insurers, creditors, and other parties.[8] Clarity is crucial because a plan of reorganization is binding on the debtor, its creditors, and all other parties-in-interest.[9] The question of what (if anything) has been assigned is a "job … [that] decidedly belongs to the bankruptcy judge," further underscoring the importance of precisely outlining what the Plan assigns.[10] The Plan here fails to do so and, accordingly, cannot be confirmed.

The root of the ambiguity is that the Plan only half-heartedly attempts to comply with the *cum onere* rule. That rule requires that the benefits of a contract travel along with the attendant burdens when the contract is assigned in bankruptcy.[11] While this principle frequently appears in

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[7] *See, e.g.*, CI-7, CI-14, CI-19.

[8] *See In re Solimano Framing Grp. LLC*, 664 B.R. 803, 811 (B.A.P. 9th Cir. 2024) (finding that because the confirmed plan's language was ambiguous it could not be used to preclude timely proof of claim); *In re Masingale*, 108 F.4th 1195, 1207 (9th Cir. 2024) (refusing to endorse debtors' effort to exempt property when their prior disclosure statement and Chapter 11 plan were contradictory).

[9] 11 U.S.C. § 1141(a); *see also Trulis v. Barton*, 107 F.3d 685, 691 (9th Cir. 1995).

[10] *In re Thornhill Bros. Fitness, L.L.C.*, 85 F.4th 321, 327 (5th Cir. 2023)

[11] *See Folger Adam Sec., Inc. v. Dematteis/MacGregor JV*, 209 F.3d 252, 264 (3d Cir. 2000)

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the context of assumption and assignment of executory contracts under § 365,[12] the doctrine "applies equally to the transfer of rights and obligations under a non-executory contract pursuant to § 363 of the Bankruptcy Code."[13] Since Debtor purports to assign the Assigned Insurance Interests "free and clear" pursuant to § 363(f), the Insurance Assignment must comply with the *cum onere* rule. But here, the Insurance Assignment is fatally ambiguous as to what, obligations if any, would be assigned to the Trust on the Effective Date.

First, even though the definition of Assigned Insurance Interests purports to include "responsibilities and obligations" under the Policies (Plan § 1.1.15), § 8.1 of the Plan says that the Insurance Assignment is only "an assignment of the … ***rights and interests***" in those policies.[14] Mr. Bardos' testimony at trial did nothing to resolve these ambiguities. Indeed, his testimony spotlighted such ambiguities and demonstrated that the provisions of the Plan are inscrutable on these points. For example, when asked by Debtor's counsel about the insurance assignment, he spoke only of the value of that assignment to the claimants.[15] He said nothing about who would have the obligation to fulfill Debtor's contractual obligations and responsibilities to the Insurers.[16] And when asked specifically during cross-examination about whether the obligation to pay an insurer's claim for reimbursement was being assigned, Mr. Bardos said, "I'm not sure" and repeated that answer—"I'm not sure"—when asked where one would look in the Plan to find an answer to the question.[17] Further, Mr. Bardos could not say whether the obligation to satisfy an insurer reimbursement claim was being assigned to the Trust or retained by Debtor.[18] The ambiguity of what precisely is being assigned to the Trust, and what is not, makes it impossible for the Court and the parties to know

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[12] *See N.L.R.B. v. Bildisco & Bildisco*, 465 U.S. 513, 531-32 (1984); *Energy Consulting & Mgmt. Sols., LLC v. W. States Equip. Co.*, 574 F. App'x 763, 765, 765 n.1 (9th Cir. 2014) (defining "*cum onere*" to mean "with the burden").

[13] *In re Am. Home Mortg. Holdings, Inc.*, 402 B.R. 87, 98 (Bankr. D. Del. 2009)

[14] Plan, § 8.1 (emphasis added)

[15] June 25, 2026 Tr. at 53:4-9 ("We are transferring the rights and obligations of our insurance policies to the survivors because we believe that these contractual obligations have potentially significant value to them in terms of potentially getting reward -- or awards, paying for legal bills, all of these things. So we're transferring those rights.").

[16] *See generally id*. at 52-56.

[17] *Id.* at 154:6-16.

[18] *Id*. at 154:17-156:18.

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whether the *cum onere* rule is being complied with. If the Trust only receives Debtor's and RCWC's "rights and interests," as provided in § 8.1, then the assignment is incomplete and violates the *cum onere* rule. The Plan cannot be confirmed under such circumstances

Second, § 8.1.2 of the Plan provides that the Trust will "front[ ] obligations arising in any way out of any and all Abuse Claims," while § 8.1.3 simultaneously provides that the Insurance Assignment "shall not relieve the Debtor, the Reorganized Debtor or the Released Parties from their respective obligations under the Abuse Insurance Policies as provided under applicable Law." Both provisions add to the Plan's fatal ambiguity because ongoing obligations of the insured are somehow spread amongst various parties without clearly allocating the responsibilities among them or addressing whether or how any obligations assigned to Debtor or Reorganized Debtor are impacted by the discharge, injunction and release.. As explained above, Mr. Bardos was unable to say whether the obligation to satisfy an insurer reimbursement claim was being assigned to the Trust or retained by Debtor.[19] This makes it impossible to discern whether Debtor's obligations under the Non-Settling Insurer Policies are *actually* assigned to the Trust, or if the Trust will only benefit from Debtor's "rights and interests" in the Policies, *i.e.*, the right to receive payment of policy proceeds.

Third, the Plan is unclear whether the Trust or Debtor will be responsible for reimbursing Insurers for funds paid to defend claims against Debtor and to resolve claims for which there is no coverage (so-called "*Blue Ridge* Claims").[20] *Blue Ridge* Claims are crucial to ensure where an insurer pays defense costs, settlements, or judgments, thereby protecting itself against a potential bad faith action, the insurers' rights to dispute coverage in a later proceeding are preserved.[21] On its face, the definition of Assigned Insurance Interests suggests that any such *Blue Ridge* Claims would have to be asserted by the Non-Settling Insurers against the Trust, which will have assumed

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[19] *Id.* Mr. Bardos testified at trial that he was the witness most knowledgeable about the Plan and participated in Plan negotiations. *Id.* at 144:5-11, 154:13-16. In addition, Mr. Bardos was identified for deposition as a corporate designee of Debtor on a number of topics, including the Plan documents. *Id.* at 173:12-16.

[20] *See Blue Ridge Ins. Co. v. Jacobson*, 25 Cal. 4th 489 (2001); *see also Buss v. Super. Ct.*, 16 Cal. 4th 35 (1997).

[21] *Id.* (noting that reimbursement claims allow insurers to avoid Catch-22 decisions).

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Debtor's responsibilities and obligations to reimburse the Certain Insurers.[22] The Insurance Assignment, however, only assigns Debtor's "rights and interests in the Non-Settling Insurer Policies for Abuse Claimants and the Survivors' Trust, as applicable, to directly receive proceeds and remedies for Insurance Actions available under the Non-Settling Insurers' Abuse Insurance Policies."[23] This description is far narrower than § 1.1.15 and suggests that if the Non-Settling Insurers were to pursue *Blue Ridge* Claims, they would have to pursue Debtor instead of the Survivors' Trust, since Debtor would retain the responsibility and obligation to reimburse the Non-Settling Insurers. But in providing Debtor with a discharge and a fresh start upon the Plan's Effective Date, the Plan appears to cut off Insurers' ability to assert *Blue Ridge* Claims against Debtor or Reorganized Debtor. But there is also no clear assignment of the obligation to pay such claims to the Trust; and even if there was, it became clear during the trial that the Trust documents make no provision for payment of *Blue Ridge* Claims. Mr. Bardos testified:

> Q. Is it fair to say that you can't identify any provision at all, anywhere in any of the plan documents, that explain or set out a mechanism for how an insurer is supposed to be paid for its contribution or reimbursement, or any other kind of claim that it has, that's subject to the injunctions?
>
> A. Yeah.

June 25, 2026 Tr. at 176:6-11. [24]

The Plan's ambiguity as to who is responsible for payment of any future *Blue Ridge* Claims, and how such claims will be paid by the Trust if the responsibility to pay such claims is being assigned to the Trust, must be resolved before the Plan can be confirmed.

Finally, the proposed Trust Agreement and TDP fail to clarify which specific duties and obligations will be assigned to the Survivors' Trust and do not explain how the Survivors' Trust

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[22] *See* Plan § 1.1.15

[23] *Id.* § 8.1.

[24] *See also id.* at 173:17-174:1 ("Q. . . . [Is there] somewhere in any of these plan documents or plan supplements that sets out a mechanism whereby insurers are to be -- that provides a mechanism for the payment of insurers for the value of claims that are subject to third-party non-consensual injunctions, where do I find them? Can you -- A. Yeah. Q. -- point me? A. And I'm sorry, I can't point you to that.").

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will comply with the assigned obligations (if at all). The Trust Agreement, for instance, provides only that the Survivors' Trustee has the "power[ ] [or] dut[y]" to (a) "obtain all reasonably available insurance coverage with respect to any property that is, or may in the future become, a Survivors' Trust Asset" and (b) "initiate, prosecute, defend, settle . . . pursue, and resolve pursuant to section 11(b)(3)(B) [*sic*] of the Bankruptcy Code" various "actions and other proceedings related to any asset, liability, or responsibility of the Survivors' Trust."[25] Notably missing from that list are the obligations under the Non-Settling Insurer Policies with which the Trust will be required to comply following the Insurance Assignment.[26] Therefore, the specific continuing obligations under the Non-Settling Insurer Policies that will be assigned to the Trust pursuant to the Insurance Assignment remain ambiguous.

Similarly, § 1.7 of the TDP states that, under the Insurance Assignment, "the Survivors' Trust will receive all rights, claims, interests, benefits, responsibilities, and obligations of the Debtor in the Non-Settling Insurer Policies." However, the TDP's characterization of the Insurance Assignment is "subject to the terms of the Plan," which, as noted above, provides that only Debtor's "rights and interests" in the Non-Settling Insurer Policies will be assigned to the Survivors' Trust, without saying anything about who will be required to fulfill Debtor's obligations under the policies. This language further compounds the Plan's fatal ambiguity.

2. The Insurance Assignment Impermissibly Assigns "Bad Faith" Claims

The Plan cannot be confirmed because it impermissibly assigns claims against Non-Settling Insurers that are based on alleged "bad faith" conduct.[27] Assigned Insurance Interests specifically includes Insurance Actions.[28]

Under §§ 363 and 365 of the Bankruptcy Code, transfers, assignments, or assumptions

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[25] Trust Agreement, Art. 3.1.

[26] *See generally id.*

[27] *See* Plan § 1.1.94 (defining "Insurance Action" to include "any Claim, Cause of Action, or right of the Debtor or another Released Party . . . against any Non-Settling Insurer, including . . . (b) any conduct by any Non-Settling Insurer constituting 'bad faith' conduct that could give rise to extra-contractual damages, or other wrongful conduct under applicable Law").

[28] *Id.* § 1.1.15.

must comply with applicable state law.[29] This principle has been recognized by the Ninth Circuit and elsewhere.[30]

The Plan's proposed transfer of "bad faith" claims against the Non-Settling Insurers violates California law and is therefore impermissible. Third-party bad faith claims are prohibited in California, because the insurer's covenant of good faith and fair dealing runs to the insured, not any third parties.[31]

The Plan not only purports to assign bad faith claims to third parties in violation of California law but does so even though such assignments may not become operative for years, if ever. This runs contrary to the Plan's insistence in § 8.1.4 that the Insurance Assignment is "absolute upon entry of the Confirmation Order, and conditioned upon the occurrence of the Effective Date." Because the Plan provides that Debtor will receive a discharge of "all obligations and liabilities [for] all Abuse Claims,"[32] from which any bad faith claims would necessarily arise, the Plan cannot assign those extinguished claims to the Survivors' Trust.[33] Accordingly, this

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[29] *See* 11 U.S.C. § 363(f) ("The trustee may sell property . . . only if—(1) applicable nonbankruptcy law permits sale of such property"); 11 U.S.C. § 365(c)(1) ("The trustee may not assume or assign any executory contract . . . if—(1)(A) applicable law excuses a party, other than the debtor, to such contract . . . from accepting performance from . . . an entity other than the debtor . . . and (B) such party does not consent to such assumption or assignment.").

[30] *See, e.g.*, *In re Catapult Ent.*, 165 F.3d 747, 754-55 (9th Cir. 1999) ("[W]e hold that, where applicable nonbankruptcy law makes an executory contract nonassignable because the identity of the nondebtor party is material, a debtor in possession may not assume the contract absent consent of the nondebtor party."); *In re Diocese of Camden, N.J.*, 653 B.R. 309, 351 (Bankr. D.N.J. 2023) ("*Camden*") (finding that debtor could assign insurance policies but only to the extent that such assignment does not violate state law).

[31] *See Moradi-Shalal v. Fireman's Fund Ins. Cos.*, 46 Cal. 3d 287, 304 (1988) (overruling prior precedent that allowed third-party bad faith claims under state law); *Coleman v. Repub. Indem. Ins. Co.*, 132 Cal. App. 4th 403, 415 (2005) ("In sum, we hold that an insurer owes no duty of good faith and fair dealing to a third party claimant . . . .").

[32] Plan § 9.6.

[33] Mr. Bardos testified at trial that, under the Plan, the Reorganized Debtor faces no obligation to pay holders of Abuse Claims, including those who select the Litigation Option, and the plain language of the Plan confirms this. *See* June 25, 2026 Tr. at 185:24-186:6. [Bardos]; *See, e.g., Gourley v. State Farm Mut. Auto. Ins. Co.*, 53 Cal. 3d 121, 129 (1991) ("Breach of the implied covenant [of good faith and fair dealing] is actionable in the insurance context because such conduct causes financial loss to the insured, and it is that loss which defines the cause of action.").

defect renders the Plan unconfirmable as a matter of law.[34]

3. The Insurance Assignment Cannot Assign Non-Debtors' Interests in the Non-Settling Insurer Policies.

The Insurance Assignment also cannot be confirmed because the Assigned Insurance Interests purport to include RCWC's interests in the Non-Settling Insurer Policies.[35] There is no statutory predicate for assigning the insurance interests of a non-debtor to the Trust. Section 541 of the Bankruptcy Code provides that bankruptcy courts can only exercise jurisdiction over property of a debtor's estate, which does not include insurance coverage issued to a non-debtor.[36] As such, other courts have held that insurance policy interests of non-debtors do not constitute property of the bankruptcy estate and are outside of the jurisdiction of the bankruptcy court.[37] Indeed, Judge Poslusny in the *Camden* bankruptcy case denied confirmation, in part, on account of a similar insurance assignment provision.[38] There, the diocesan debtor's plan included a provision that would transfer non-debtor insurance interests to a post-confirmation trust.[39] Judge Poslusny, however, sustained several insurers' objections to the insurance assignment, ruling that "the [i]nsurers [we]re correct in their argument that th[e] Court lacks jurisdiction to order or approve the transfer" because "the Court's jurisdiction is limited to property of the [d]ebtor, or the estate."[40]

Therefore, because RCWC's interests in Debtor's policies are not property of the estate, the Insurance Assignment cannot include its interests. Moreover, RCWC's interests cannot be assigned to the Trust without the Insurers' prior written consent. For example, Westport's policies provide that "[a]ssignment of interest under this policy shall not bind [Westport] unless and until

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[34] Debtor improperly attempts to delay the discharge of Litigation Claims in § 13.3 of the Plan presumably to avoid this outcome.
[35] Plan §§ 1.1.15, 8.1.
[36] 11 U.S.C. § 541(a)(1); *see also* 28 U.S.C. § 1334(e).
[37] *See, e.g.*, *In re Sportstuff, Inc.*, 430 B.R. 170, 178 n.15 (B.A.P. 8th Cir. 2010) (collecting cases).
[38] *In re Diocese of Camden*, 653 B.R. 309 (Bankr. D.N.J. 2023).
[39] *Id.* at 350-52.
[40] *Id.* at 352.

its consent is endorsed hereon."[41] No such consent has been requested by Debtor or given by the Insurers under their policies. The Plan therefore is unconfirmable as a matter of law.

4. The Insurance Assignment is Not Voluntary

Finally, § 8.6 of the Plan inaccurately states that the Insurance Assignment is a "voluntary agreement by the Non-Settling Insurers."[42] This is demonstrably untrue. Mr. Bardos confirmed at trial that the Insurers did not consent to the Insurance Assignment provisions of the Modified Fourth Amended Plan:

> Q. Have we conveyed to you orally or in writing, any of the insurers, that they were consenting to the assignment in the plan?
>
> A. Not that I'm aware of.
>
> Q. Okay. And you're not aware of the insurers, either in writing or orally, otherwise communicating to anybody at the diocese that they were consenting to the assignment. Am I right?
>
> A. I'm not aware of one.

June 25, 2026 Tr. at 151:22-152:5.

The current version of the Plan differs significantly from earlier versions and, as set forth in their plan objections and this brief, Objecting Insurers have numerous objections to the confirmability of this Plan, including the Insurance Assignment. Accordingly, the Insurance Assignment is not voluntary, and all language to the contrary should be stricken.

B. The Delayed Discharge Provisions in the Plan Are Impermissible.

The Plan also cannot be confirmed in its present form because the delayed discharge of Abuse Claims set forth in § 13.3 of the Plan does not serve a legitimate bankruptcy purpose and violates § 1141(d)(1) of the Bankruptcy Code and blackletter law.[43] Additionally, a debtor "cannot receive different discharges for different types of debt but can be granted only a single discharge

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[41] CI-7 at WEST001185. The other Insurers' policies contain similar provisions. *See, e.g.*, CI-14, CI-19.

[42] Plan § 8.6.

[43] *See* 11 U.S.C. § 1129(a)(1) (a plan must "compl[y] with the applicable provisions" of the Bankruptcy Code); 11 U.S.C. § 1141(d) (confirmation of a plan "discharges the debtor from any debt that arose before the date of confirmation").

applicable to all debts."[44] The evidence given at the confirmation hearing by Debtor did not cure the delayed discharge defect; instead, it confirmed it. Debtor's own witnesses conceded that the Plan varies the date of Debtor's discharge from Abuse Claim to Abuse Claim, offered no bankruptcy purpose for that structure, and could not even say when the deferred discharge takes effect. Debtor, which bears the burden on every element of § 1129, put on no evidence justifying the delayed discharge.

This attempt to sever the discharge of abuse claims from other claims is intrinsically prejudicial to Objecting Insurers. Under California law, an insurer's rights and obligations – including its potential rights against the insured – are intrinsically tied to the insured's potential liability. Where the insured's liability has become "reasonably clear," an insurer may have an obligation in some situations to "accept a reasonable" settlement offer within policy limits, where a settlement would result in an enforceable (*i.e.*, final) resolution of the underlying claim.[45] An insurer that unjustifiably refuses to accept a reasonable settlement within limits for a specific claim may have extracontractual liability where a verdict exceeds policy limits if the policyholder is exposure to paying the excess verdict.[46]

An insurer, however, is not required to waive its coverage defenses; it may unilaterally reserve its rights to contest coverage, even when presented with reasonable settlement demands.[47] To permit an insurer to enter into reasonable settlements, while preserving its right to contest coverage, California courts have recognized an implied-in-law right of an insurer to bring an action against its insured for reimbursement of a settlement if it is ultimately determined not to be covered. That right against the insured –the insurer's *Blue Ridge* rights – is essential to prevent a situation where an insurer is unfairly forced to choose between funding a settlement it believes may not be

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[44] *United States v. White,* 466 F.3d 1241, 1245-46 (11th Cir. 2006).

[45] *See Rappaport-Scott v. Interins. Exch. of the Auto. Club*, 146 Cal. App. 4th 831, 836 (2007); *Hamilton v. Md. Cas. Co.*, 27 Cal. 4th 718, 725 (2002); *Crisci v. Sec. Ins. Co. of New Haven, Conn.*, 66 Cal. 2d 425, 429 (1967).

[46] *See Johansen v. Cal. State Auto. Ass'n Inter-Ins. Bureau*, 15 Cal. 3d 9, 12 (1975); *see also Safeco Ins. Co. v. Super. Ct.*, 71 Cal. App. 4th 782, 787 (1999).

[47] *See, e.g., Am. Motorists Ins. Co. v. Allied-Sysco Food Servs., Inc.,* 19 Cal App. 4th 1342, 1355-56 (1993).

covered by its policy and the threat of bad faith liability in the event of an excess verdict.[48] In other words, where the threat of a bad faith excess verdict remains, but the insured has been discharged of any responsibility in the event there is no coverage, the insurer is being deprived of an essential remedy. Precluding the insurer from seeking reimbursement as a matter of right "would create coverage contrary to the parties' agreement in the insurance policy and violate basic notions of fairness."[49] By staggering the discharge of liability for abuse claims from other claims, as § 13.3 would do, the Plan purports to continue the insurer's obligation to settle potentially uncovered claims while potentially cutting off the corresponding right to seek reimbursement. That improperly – and unnecessarily – alters the balance of rights and obligations under well-established California law.

The evidence presented at the hearing confirmed that manipulation of the discharge date is unnecessary to Debtor's reorganization or to the Abuse Claimant's rights and serves no bankruptcy purpose. Direct-action rights under Cal. Ins. Code § 11580 require only that the underlying claim existed before confirmation and that a judgment has been obtained against the insured. The code does not require that the insured entity remain undischarged.[50] Mr. Bardos confirmed that the Plan already preserves everything necessary for that structure: the Litigation Option survives, Debtor appears as a nominal party only, and the Plan preserves the Insurers' liability and coverage defenses.[51] No witness identified any function the deferred discharge serves that the nominal-party mechanism does not already cover.

Pursuant to § 1129(a)(3), a plan must be proposed in good faith and may not be proposed

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[48] *See Blue Ridge*, 25 Cal. 4th at 502 (holding that insurer "may seek reimbursement for the settlement paid on the [insured's] behalf" even in the absence of insured's agreement).

[49] *Id.*

[50] *See* Cal. Ins. Code § 11580(b)(2). Numerous decisions have confirmed that the discharge is not a bar to an action against the policy. *See In re Beeney*, 142 B.R. 360, 363 (B.A.P. 9th Cir. 1992) ("[Claimant] may pursue the litigation against Beeney so long as he does not intend to enforce any judgment against Beeney or his property"). Other cases are in accord. *See In re Catania*, 94 B.R. 250, 253 (Bankr. D. Mass. 1989); *In re Traylor*, 94 B.R. 292, 293 (Bankr. E.D.N.Y. 1989); *In re Lembke*, 93 B.R. 701, 703 (Bankr. N.D. 1988); *In re White*, 73 B.R. 983, 986 (Bankr. D.D.C. 1987); *In re Mann*, 58 B.R. 953, 959 (Bankr. W.D. Va. 1986); *In re Hirsch,* 50 B.R. 8, 9 (Bankr. S.D. Fla. 1985).

[51] *See* June 25, 2026 Tr. at 185:17-23, 186:2-6 [Bardos].

by any means forbidden by law. The delayed-discharge concept as deployed here is an attempt to manufacture bad-faith claims against the Non-Settling insurers that simultaneously attempt to use confirmation of the Plan to extinguish reimbursement claims that state law provides to protect insurers from bad faith claims.[52] The Plan cannot override the statutory discharge mechanism to perpetuate the fiction of ongoing debtor liability solely to shore up its litigation efforts against the Non-Settling Insurers, and Debtor offered no evidence at trial to justify doing so. Unless § 13.3's language is conformed solely to § 1141(d) of the Bankruptcy Code by the deletion of the deferred discharge language, the Plan should not be confirmed.

Mr. Bardos admitted on cross-examination that "under 13.3, there's different dates for different types of claims to be discharged," testifying that "if the litigation option is chosen, then that would be on a different date, yes."[53] He confirmed that for an Abuse Claimant electing the Litigation Option, the claim "shall not be discharged or released to the extent that such holder may assert claims in a court of competent jurisdiction against the debtor in name only," while Debtor otherwise receives its discharge on the Effective Date.[54] Contrary to the Bankruptcy Code, discharge for those abuse claims is tied to the resolution of the claims themselves, not to the Effective Date. From the Plan:

> 13.3 Discharge of Claims. . . . Nothing in this Section 13.3 shall prohibit an Abuse Claimant from exercising the Litigation Option to pursue recovery from any applicable Non-Settling Insurer Abuse Insurance Policy in accordance with this Plan, and anything herein to the contrary notwithstanding, to the extent the Holder of an Abuse Claim elects the Litigation Option, such Abuse Claim shall not be discharged or released to the extent that such Holder may assert claims in a court of competent jurisdiction against the Debtor in name only and cannot recover any additional amounts from the Debtor other than the Debtor Contribution to the Survivors' Trust as provided herein. For avoidance of doubt, subject to the foregoing, the discharge provided under the Plan and Section 1141 be effective as to each such Abuse Claim upon conclusion of any such litigation in a court of competent jurisdiction.

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[52] *Blue Ridg*e claims are crucial to ensure that when an insurer pays defense costs, settlements, or judgments, the insurers' rights to dispute coverage in a later proceeding are preserved. *See Blue Ridge Ins. Co. v. Jacobs*en, 25 Cal. 4th 489 (2001) (noting that reimbursement claims allow insurers to avoid Catch-22 decisions)*; see also Buss v. Super. Ct.*, 16 Cal. 4th 35 (Cal. 1997).

[53] *See* June 25, 2026 Tr. at 175:13-25 [Bardos].

[54] *Id.* at 176:1-10.

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When asked directly why § 13.3 "is structured in a way where the debtor gets a discharge on the effective date, but the litigation portion of the claim gets a later discharge," Mr. Bardos could only say that "there's still more things that needed to be determined for the litigation discharge to take effect."[55] That is not a bankruptcy purpose. It is, however, a concession that the discharge is being manipulated so that litigation outcomes, rather than plan confirmation, fix the date of the discharge for different aspects of a given claim. Section 1141 does not allow a claim to be split with the discharge applying to some portions of a given claim on one day and other portions on another. Nor does Debtor offer any authority for this proposition.

At the hearing, Debtor's witnesses made clear that the deferred discharge is indeterminate on its face. Section 13.3 of the Plan provides that, as noted above, the discharge of Litigation Claims are to be effective for each Abuse Claim upon "conclusion of any such litigation in a court of competent jurisdiction." Asked whether "conclusion" means the verdict in the underlying state action or the conclusion of the insurance coverage action associated with that case, Mr. Bardos testified that it means "the conclusion of any—whatever the litigation is," including "both" the coverage action and the state court action "[if] both are going on at the time."[56] When pressed further on whether "conclusion of any such litigation" means when a judgment comes down in state court or only after a judgment comes down in the § 11580 direct action that follows it, he answered "it's whichever one is final," and ultimately admitted, "I can't tell" based on the language of the Plan itself.[57] The Court observed that, as drafted, the Plan "doesn't include the phrase 'and any actions related thereto'"; in response, Mr. Bardos could not address the discrepancy.[58] This is precisely the open-ended, claim-by-claim discharge that § 1141(d) forbids.

The confirmation hearing record also confirmed that Debtor will never suffer any actual loss on a Litigation Claim. Mr. Bardos agreed that "under the [P]lan, the [D]ebtor or the [R]eorganized [D]ebtor, will no longer have financial responsibility for claims, even if a survivor

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[55] *Id.* at 177:8-12.
[56] *Id.* at 177:21-178:8.
[57] *Id.* at 180:9-10, 181:6-7.
[58] *Id.* at 181:23-182:2.

chooses the litigation option."[59] He also agreed with the assessment that the defendants in any post-confirmation Litigation Option action would be "[t]he insurance carrier" and that Debtor could be named only "as a nominal party."[60] He further confirmed that distribution claims are paid from the corpus of the trust and that insurance "is not being sought for those claims."[61] The Plan itself already provides that Debtor serves only as a "nominal party" in Litigation Option proceedings.[62]

If a judgment is entered against a debtor where the Abuse Claimant has been promised they "cannot recover any additional amounts from the Debtor other than the Debtor Contribution," and Debtor bears no financial responsibility for the claim (as stated by their own CFO), the Abuse Claimant's counsel may nonetheless argue the fiction that the undischarged debtor suffered a "loss." This manufactured "loss" has no bankruptcy purpose. It is an improper mechanism for generating the fiction to assert bad-faith claims, with the deferred discharge designed to improperly extinguish any reimbursement claim by insurers that might offer to settle a claim prior to adjudication for which there is no coverage to avoid a bogus bad faith claim.

Debtor's counsel made the point themselves in opening, asserting that the Plan "assigns to the [S]urvivor's [T]rust the extra-contractual claims for bad faith" and that this "may potentially have great value," with claimants positioned to pursue verdicts, prejudgment interest, and Brandt fees against any Non-Settling Insurers.[63] The claims being discharged are split: the reimbursement right is extinguished at the Effective Date, but the claim itself goes on to tee up what would otherwise be a nonexistent bad faith claim. Notably, Debtor argued almost the exact opposite in seeking an obtaining approval of the Disclosure Statement for the Third Amended Plan.

This prejudice can be mitigated by revising the Plan such that Abuse Claims are subject to the same discharge as all other Claims, namely, upon entry of the order confirming the Plan. In that event, the Plan would reflect that Debtor can still be named as a nominal party in a suit brought by a claimant exercising the Litigation Option, but also recognize that insurers are the real parties-

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[59] *Id*. at 186:2-6.
[60] *Id*. at 186:7-9.
[61] *Id*. at 194:8-13.
[62] *See* Plan § 8.2.2.
[63] *See* June 15, 2026 Tr. at 12:4-7.

in-interest because Debtor no longer has financial exposure for the claim, and any recovery is therefore capped at available policy limits and subject to the terms of the policies. The Court accordingly should require that all Claims, including Abuse Claims, be subject to a single discharge, as reflected in § 13.13 of Objecting Insurers' redline found at Exhibit A.

C. The Plan Violates *Purdue* by Barring Certain Insurers' Contribution Claims and *Buss/Blue Ridge* Claims Against Non-Debtors Without Their Consent.

The Plan's Channeling Injunction is an impermissible third-party injunction. Following *Purdue*, courts have made clear that the Bankruptcy Code does not permit a Chapter 11 plan to enjoin claims between non-debtors – such as Contribution claims among insurers – without the consent of the affected parties.[64] Contribution claims are not claims against the debtor; they are claims among obligated parties that exist independently of the debtor's estate. Yet the Plan's Channeling Injunction extinguishes those claims without the Non-Settling Insurer's' consent, channeling them to the Trust where, as shown below, recovery is illusory. This is exactly the type of non-consensual third-party release the Supreme Court held to be unauthorized.

During the course of the Confirmation Hearing, the Court observed that whether and how the Plan dealt with Objecting Insurers' reimbursement claims was a significant question.[65] And Mr. Bardos, whom Debtor presented as a person who was very familiar with the Plan, could not explain how the Plan adequately preserved those rights. It does not. In fact, the Plan arguably seeks to preclude the Non-Settling Insurers from recovering on their claims against the Settling Insurers, particularly where a Non-Settling Insurer's Contribution Claim exceeds any amounts owed to the Trust.[66] Consequently, the Plan presents at least two problems that the Court needs to address before the Plan can meet the requirements of the Bankruptcy Code.

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[64] *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204, 226 (2024) (hereinafter, "*Purdue*"); *See also In re Am. Hardwoods, Inc.*, 885 F.2d 621, 626 (9th Cir. 1989) (holding that "the specific provisions of section 524 displace the court's equitable powers" to grant injunctive relief in favor of non-debtor third parties).

[65] *See, e.g.,* June 25, 2026 Tr. at 172:12-173:2.

[66] Other courts have held that a Chapter 11 plan cannot vitiate a non-settling insurer's right to recover amounts that should have been paid by other, settling insurers. *See, e.g., In re Boy Scouts of Am.*, 137 F.4th 126, 167-68 (3d Cir. 2025).

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1. The Plan is Ambiguous Regarding the Scope of the Trust's Liability.

The Plan purports to preserve insurers' contribution rights, stating that the Plan injunctions "shall not enjoin a Non-Settling Insurer's right to assert any Claims against the Survivors' Trust for contribution, subrogation, indemnification, reimbursement, or other similar Causes 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."[67] As currently drafted, however, the Plan fails to provide unambiguously that Non-Settling Insurers can obtain meaningful relief with respect to their Contribution and reimbursement claims against the Trust, including to the extent that those claims otherwise might have been asserted against a Settling Insurer.

Section 8.3 broadly states that nothing in the Plan shall "impair[], alter[], supplement[], chang[e], expand[], decreas[e], or modify[]" the Non-Settling Insurers' rights under their policies.[68] To preserve the Non-Settling Insurers' rights that would otherwise be actionable against Settling Insurers, § 8.4 of the Plan provides that a Non-Settling Insurer can assert a claim for Contribution against the Trust and receive a set-off. That provision also states that if a Non-Settling Insurer's Contribution Claim "exceeds the liability of such Non-Settling Insurer to the Survivors' Trust, the Non-Settling Insurer does not waive any excess claim and may seek affirmative recovery from the Survivors' Trust."[69]

The very next paragraph of the Plan, however, could be read to take that remedy away, at least with respect to claims against Settling Insurers. Section 8.5 is broadly titled, "Non-Settling Insurers' Contribution Claims Against Settling Insurers." That provision appears to limit Non-Settling Insurers' rights such that, in any case where a Non-Settling Insurer could assert a claim against a Settling Insurer or the Trust, that Contribution claim only serves to reduce the amount of the Non-Settling Insurer's liability, *i.e.*, judgment reduction. There is no opportunity for an affirmative recovery from the Trust.[70]

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[67] *See* Plan § 8.4.
[68] *Id.* § 8.3.1.
[69] *Id.* § 8.4.
[70] In addition, § 8.5 restricts Contribution claims against "the Survivors' Trust (as successor to the Debtor)" to the "payment of a deductible or self-insured retention" only. This language is

To the extent that the Plan intends for § 8.5 to limit the remedies available to Non-Settling Insurers, including remedies otherwise available under § 8.4, this impermissibly limits the Non-Settling Insurers' claims against Settling Insurers. A judgment-reduction mechanism can serve as an adequate substitute for extinguished Contribution rights only if it provides dollar-for-dollar credit automatically, without preconditions.[71] Section 8.5 fails this test in several ways. It fails to account for situations where the value of the Non-Settling Insurer's Contribution claim exceeds the award to the Litigation Claimant, *e.g.*, because of the amount of defense costs paid by the Non-Settling Insurer that are attributable to a Settling Insurer.[72] And if a Litigation Claimant is unsuccessful in the litigation (or opts to rescind their election), then the Non-Settling Insurer will not receive any reduction at all on account of their Contribution claim (including a claim for defense costs). This watered-down judgment reduction mechanism in § 8.5 is insufficient, standing alone, to protect Contribution claims held by Non-Settling Insurers.

Accordingly, the Plan should expressly provide that § 8.5 is not an exclusive remedy and does not limit in any way Non-Settling Insurers' rights under other provisions of the Plan, including the affirmative right to recover from the Trust under § 8.4.

2. The TDP Improperly Precludes the Payment of Contribution Claims.

Even with that revision, the Plan still fails to adequately protect Non-Settling Insurers' rights because other provisions of the Plan appear calculated to absolve the Trust of any obligation to pay

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problematic because the Trust is the liability successor to the Debtor, such that this language could be read to mean the only Channeled Claims that Non-Settling Insurers could assert against the Trust are for unpaid deductibles or retentions. Such a position would be untenable because it would amount to an involuntary release of Non-Settling Insurers' claims against Settling Insurers and other Released Parties under *Purdue* and *American Hardwoods*. It is also inconsistent with the obligation to preserve Non-Settling Insurers' right to pursue Contribution claims against Settling Insurers. *See* Plan § 8.5.

[71] *See McDermott, Inc. v. AmClyde*, 511 U.S. 202, 220-21 (1994) (adopting proportionate judgment reduction as the appropriate method to protect non-settling defendants); *Eichenholtz v. Brennan*, 52 F.3d 478, 483-84 (3d Cir. 1995) (affirming the use of a proportionate judgment reduction method to ensure non-settling defendants are only responsible for their portion of the liability as a substitute for their contribution claims).

[72] *See, e.g., In re Boy Scouts of America*, 137 F.4th at 167-68 (reversing order confirming plan and requiring revision of plan to include contribution remedy for insurers paying defense costs that were the responsibility of settling insurers).

those Claims. The Plan's Channeling Injunction provides that any Channeled Claim is channeled to the Trust as the exclusive means of payment.[73] "Channeled Claim," in turn, is defined to include (among other things), any Claim against "any Settling Insurer arising from, in connection with, or related to an Abuse Claim, or any of the Abuse Insurance Policies issued by any Settling Insurers."[74] There is no dispute that Contribution claims against Settling Insurers fall within the scope of Channeled Claims.[75]

The Channeling Injunction further provides that payment of Channeled claims is only "as provided by the Survivors' Trust Distribution Plan and procedures established under this Plan and the Survivors' Trust Agreement as the sole and exclusive remedy for all holders of Channeled Claims."[76] The TDP, however, makes no allowance for payment of Non-Settling Insurer Claims, including Contribution claims or *Blue Ridge* and *Buss* claims.[77] And § 4.2 of the TDP – entitled "No Distribution Other Than For Abuse Claims" – further provides that there is no allocation of Trust funds for any Claims that are not Abuse Claims. Claims are paid from Trust funds based on the number of points allocated to a Claim as a percentage of the whole. But Claims that are not

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[73] *See* Plan § 13.11.

[74] *Id.* § 1.1.31.

[75] At first glance, § 13.14 of the Plan appears to protect the rights of Non-Settling Insurers by declaring that the insurers "are not granting . . . any third-party release, injunction, or exculpation covering any non-debtor person or entity and they shall be deemed to have opted out of any such release, injunction, or exculpation." That provision, however, is inadequate. By its terms, § 13.14 only extends to protect rights that the Plan expressly protects elsewhere: "nothing in this Article XIII . . . limits the rights of a Non-Settling Insurer as set forth in, or preserved by, the Plan, including (I) Articles VIII and IX and (II) the rights of any insurer . . . to assert any claims for reinsurance. . . ." That language, in other words, does nothing by itself to guarantee contribution rights, or rights under *Buss* and *Blue Ridge*. It merely begs the question of what rights *other* provisions of the Plan protect.

[76] *Id.* § 13.11.1.

[77] *See* June 25, 2026 Tr. at 171:6-11 [Bardos] ("Q: Is it fair to say that you can't identify any provision at all, anywhere in any of the plan documents, that explain or set out a mechanism for how an insurer is supposed to be paid for its contribution or reimbursement, or any other kind of claim that it has, that's subject to the injunctions? A: Yeah."); 173:19-174:1 [Bardos] ("Q: If this somewhere in any of these plan documents or plan supplements that sets out a mechanism whereby insurers are to be – that provides a mechanism for the payment of insurers for the value of claims that are subject to third-party non-consensual objections, where do I find them? Can you -- A: Yeah. Q: -- point me? A: And I'm sorry, I can't point you to that.").

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"Abuse Claims" do not get any allocation at all, meaning they are ineligible to receive payment: "For the avoidance of doubt, zero (0) points should be allocated for any Trust Claim that is not an Abuse Claim."[78] To the extent that the Plan, through the TDP or otherwise, strips the Non-Settling Insurers of their right to recover on Contribution claims (or any other claims against a Non-Settling Insurer or Released Party), the lack of an effective remedy is no different from a third-party release that is barred by *Purdue*. The Court should require as a condition to confirmation that the Plan, including the TDP, be modified to provide for payment in full by the Trust of any Non-Settling Insurer Claims that are channeled to the Trust and that are otherwise compensable under applicable law. Objecting Insurers' proposed revisions to the Plan are found at §§ 8.4. 8.5, 8.6 and 13.14 of the Plan.

D. The Litigation Option is Inconsistent with the Bankruptcy Code, Applicable State Law, and the Plan's Own Terms, and Therefore Violates §§ 1129(a)(1) and 1129(a)(3).

Objecting Insurers have been consistent that they do not object to a Plan that gives Abuse Claim holders the option to litigate their claims in the tort system, provided that liquidating claims in this manner is consistent with all applicable law and fully respects Non-Settling Insurers' contractual rights with respect to the defense of Abuse Claims. The Litigation Option in the current Plan, however, does neither of these. It is inconsistent with applicable bankruptcy and non-bankruptcy law in violation of § 1129(a)(1) and (a)(3) because it impermissibly permits Abuse Claim holders to receive more than the allowed amount of their Claims, and because the rescission provisions likewise are inconsistent with state law. The Court should require that these provisions be amended before it confirms a plan.

1. The Plan Allows Claimants to Recover Amounts Exceeding Their Abuse Claims.

It is axiomatic under the Bankruptcy Code that "a creditor's aggregate recovery cannot

[78] TDP § 4.2.

exceed 100% of its bankruptcy claim."[79] Even though the Plan states that Abuse Claimants cannot recover more than their Litigation Claim Award [or Litigation Judgment] from all sources,[80] other provisions of the Plan conflict with this provision. At best, the Plan is ambiguous about the possibility that the Abuse Claimants' recovery *could* exceed the value of their Abuse Claim.

At least four sections of the Plan contemplate that an Abuse Claimant "is not barred . . . from seeking extracontractual damages under the holding of *Hand* [*v. Farmers Ins. Exch.*, 23 Cal. App. 4th 1847 (1994)]."[81] That carveout preserving an Abuse Claimant's purported right to recover extracontractual damages under *Hand* is internally inconsistent because the Plan and the TDP otherwise provide that: (i) Abuse Claimants "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;"[82] (ii) "[i]n no event may a Litigation Claimant receive more than the total amount of his or her Litigation Claim Award [or Litigation Judgment] from all sources;"[83] and (iii) "[i]n no event shall any Abuse Claimant be entitled to receive any payment, reimbursement, or restitution from any Released Party under any theory of liability for the same loss, damage, or other Abuse Claim that is reimbursed by the Survivors' Trust or is otherwise based on the same events, facts, matters, or circumstances that gave rise to the applicable Abuse Claim."[84]

The potential carveout for extracontractual damage under *Hand* is improper in this case. In *Hand*, the California Court of Appeal held that, under the circumstances of that case, the plaintiff, who had secured a final judgment for damages against an insured, became a third-party beneficiary of an insurer's policy and was entitled to recover the judgment on the policy plus extracontractual damages owed to the insured based on the insurer's unreasonable failure to pay

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[79] *Pub. Emps. Ret. Ass'n of N.M. v. PG&E Corp.,* No. 20-cv-04567-HSG, 2021 WL 3504155, at *3 (N.D. Cal. Aug. 10, 2021).

[80] *See* Plan § 9.8.4.8.

[81] *See* Plan § 5.14; *see also* Plan §§ 8.7, 9.8.4.8, 13.12.4.

[82] Plan § 5.14; *see also* Plan § 8.7.

[83] Plan § 9.8.4.8; Plan, Ex. F (TDP) § 6.5.

[84] Plan § 13.12.4.

the judgment.[85] *Hand* was not decided in the bankruptcy context, and there is no assessment of why it should apply at all in the bankruptcy context, where allowance of a Claim under § 502 examines the "amount of [the claimant's] claim" under state law rather than the value of claims held by others.[86] But even if *Hand* were somehow applicable here,[87] its insertion into the Plan is inconsistent with both § 502 and the Plan itself. Permitting Abuse Claim holders to recover amounts that are attributable to the insurer's alleged conduct rather than the plaintiffs' actual damages opens up the prospect that Abuse Claimants might recover (or attempt to recover) more than 100% of their claims in the first instance. Extracontractual damages under California law are intended to protect the *insured*, not the claimant; where, as here, the Abuse Claimants are given the Litigation Option to pursue their own claims in full, there is no legal basis or reason why they should be permitted to recover more than the value of those claims. While the Plan reserves the Non-Settling Insurers' right to argue against any claim for extracontractual damages under *Hand*, if the Plan were approved as written the Non-Settling Insurers may be required to expend time and resources defending such claims, thereby prejudicing the Insurers and undermining Debtor's assertion that the Plan is insurance neutral.[88]

The Court should, therefore, require that Debtor revise the following sections of the Plan, all of which improperly attempt to enlarge rights of Abuse Claim holders to assert extracontractual claims: §§ 1.1.82; 1.1.94; 5.14; 8.3.15; 8.7; 8.9; 9.2.6; 9.9; 13.12.4. Objecting Insurers' redline, Exhibit A, identifies the language that should be omitted from these provisions.

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[85] *See Hand*, 23 Cal. App. 4th at 1858.

[86] *See* 11 U.S.C. § 502(b).

[87] The *Hand* decision has been repeatedly criticized and narrowed by subsequent decisions in California, which have held that allowing a judgment creditor to recover bad faith damages is inconsistent with California law that limits recovery to an action "on the judgment" and subject to the policy's "terms and conditions." *See, e.g., Hughes v. Mid-Century Ins. Co.*, 38 Cal. App. 4th 1176, 1184 (1995) (noting that *Hand* was subject to criticism); *Maxwell v. Fire Ins. Exch.*, 60 Cal. App. 4th 1446, 1452 (1998) (declining to follow *Hand*).

[88] *See In re Global Indus. Techs.*, 645 F.3d 201, 214 (3d Cir. 2011) (plan was not insurance neutral, notwithstanding preservation of insurer's defenses, where it would trigger an "explosion of new claims" creating "an entirely new set of administrative costs" that would be "enormous, even if [the insurers] never pay a single dollar of indemnity").

2. The Litigation Option's Rescission Provision Violates State Law and the Bankruptcy Code.

The Litigation Option is also inconsistent with applicable bankruptcy and non-bankruptcy law because the Plan purports to allow Litigation Claimants to rescind their election of the Litigation Option at any time prior to entry of judgment (even after an adverse verdict), or even post-judgment, if the Trust consents. This procedure deviates from state law, is inconsistent with the Bankruptcy Code's treatment of claims under § 502(b)(1), and violates §§ 1129(a)(1) and 1129(a)(3) of the Bankruptcy Code.[89] While the Plan prescribes strict deadlines by which an Abuse Claimant must elect the Litigation Option,[90] the same restrictions do not apply when it comes to rescinding that election. Abuse Claimants have an unfettered right to rescind their decision to become a Litigation Claimant at any point "prior to entry of an order of dismissal or a final judgment."[91] Mr. Bardos testified at trial that the Plan was written to allow a claimant to revoke their Litigation Option and revert to being a Distribution Claimant right up until the moment their case is dismissed.[92] And, even following entry of an adverse judgment, a Litigation Claimant can revoke his or her election and still receive a full distribution from the Trust at the discretion of the Trustee.[93] An adverse ruling in litigation that the claimant expressly opted into – even an adverse final judgment – is no bar, in other words, to a full Trust recovery that (according to testimony from Debtor and its experts) averages in excess of half a million dollars.

This rescission right that gives Abuse Claim holders a second, risk-free bite at the apple conflicts with California tort law principles. Under California tort law, a litigant must accept the

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[89] *See In re Parrott Broad. Ltd. P'ship*, No. 10-40017-JDP, 2013 WL 3230345, at *7 (Bankr. D. Idaho Jun. 26, 2013) ("In evaluating an objection to a creditor's claim under § 502(b)(1), the validity of the claim must be determined under state law.") (citation omitted); *In re Copper King Inn, Inc*., No. 89-35845, 1990 WL 171589, at *1 (9th Cir. Nov. 7, 1990) ("Under 11 U.S.C. § 502(b)(1), a claim is not allowable if 'unenforceable against the debtor, and unenforceable against property of the debtor, under . . . applicable law . . . .' In proof of claim litigation under section 502(b)(1), state law determines claim validity.") (internal citations omitted).

[90] *See* Plan § 9.8.4.

[91] *See* Plan, § 9.8.4.1; *see also* TDP § 5.1.

[92] *See* June 25, 2026 Tr. at 189:21-190:5, 190:12-17; 192:5-8 [Bardos].

[93] *See* Plan § 9.8.4.

outcome of a case—whether favorable or unfavorable—or dismiss their case before judgment and forgo any recovery. And a plaintiff who opts to dismiss or withdraw their claim is, absent special circumstances, deemed to have done so on the merits and with prejudice.[94] And, because § 502 of the Bankruptcy Code anticipates that disputed claims will be resolved in accordance with state law, a scheme that allows for the payment of claims that have been adversely decided or otherwise dismissed on the merits runs contrary to established bankruptcy law as well.

The Plan, however, allows Litigation Claimants to receive Trust distributions even after pursuing litigation, creating a one-sided arrangement that shields claimants from any adverse consequences. Litigation Claimants are guaranteed the best possible outcome: they either prevail at trial and obtain a favorable recovery, or – when dismissal or an adverse judgment becomes likely – they simply unwind the entire process. Rather than incentivizing the Litigation Option by eliminating its downside risks, the Plan should encourage prompt resolution of Trust Claims to facilitate efficient administration of litigation in a manner fair to Trust Claimants without unnecessarily inflating defense costs borne by Non-Settling Insurers. Because the Plan does not impose appropriate restrictions on a claimant's ability to rescind the Litigation Option election, that right cannot be squared with applicable state law or the Bankruptcy Code's good faith requirement. Accordingly, the Court should decline to confirm the Plan in its present form and should require Debtor to revise § 9.8.4.1 of the Plan (as well as any corresponding provisions of the TDP) as reflected in the insurers' redline.

E. The Plan Does Not Preserve Objecting Insurers' Contractual Right to Defend Litigation Claims That, Under the Plan, They Have the Exclusive Obligation to Pay.

The Plan also impermissibly compromises Objecting Insurers' rights insofar as it fails unequivocally to afford the Insurers the right to defend the Litigation Claims that they (and they

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[94] *See, e.g., Sycamore Ridge Apartments LLC v. Naumann*, 157 Cal. App. 4th 1385, 1400 (2007) ("the voluntary dismissal was motivated by a recognition that most of the claims made on [plaintiff's] behalf in the complaint were meritless."); *Fuentes v. Berry*, 38 Cal. App. 4th 1800, 1808 (1995) ("In most cases, a voluntary unilateral dismissal is considered a termination in favor of the defendant in the underlying action," quoting *Villa v. Cole*, 4 Cal. App. 4th 1327, 1335 (1992).

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alone) will be asked to pay.

The language of the Plan – confirmed by the evidence at trial – provides that neither Debtor nor the Reorganized Debtor have any financial exposure to, or interest in the outcome of, Litigation Claims, since such claims can be recovered only from insurance.[95] The Plan allows Abuse Claimants, by electing the Litigation Option, to pursue litigation in the tort system in an effort to recover from insurance policies issued by Non-Settling Insurers. Such actions must be filed "against the Debtor as a nominal party only . . . solely for the purpose of recovering from one or more Non-Settling Insurers under their respective Insurance Policies."[96] Mr. Bardos confirmed during his testimony that the Reorganized Debtor has no financial exposure for Litigation Claimants.[97] Non-Settling Insurers whose policies allegedly are obligated to respond to a Litigation Claim "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."[98] The Plan then provides that, where a Litigation Claimant opts to proceed in the tort system, "the rights of affected Non-Settling Insurers to defend or associate in the defense of such Abuse Claim shall be fully preserved so that a Non-Settling Insurer who has offered to, or has an obligation to, defend may do so."[99] The Plan also requires the Reorganized Debtor and the Trust to cooperate with the defending Non-Settling Insurer.[100] The plain terms of the Plan, in other words, place the defense – and the concomitant obligation to fund any settlement or judgment – squarely at the feet of the Non-Settling Insurers. Even so, there is nothing in the Plan confirming that the Non-Settling Insurers will be afforded the opportunity to direct the defense of the Litigation Claims, notwithstanding that Debtor will not be asked to pay them.

The compromise reflected in the Third Amended Plan – to which the insurers did not object

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[95] Nor, for that matter, can a Litigation Claimant pursue the Trust for a litigation judgment, as the Trust's exposure to the claimant is limited to the amount of that claimant's Distribution Claim.
[96] *See* Plan § 8.2.2.
[97] *See* June 25, 2026 Tr. at 185:24-186:3 [Bardos].
[98] *See* Plan § 8.2.2.
[99] *Id.*
[100] *Id.*

– recognized this dynamic. That plan included a provision (the "2860 Provision") which provided explicitly that Non-Settling Insurers would be permitted to control the defense of claims rather than "independent counsel" appointed by a Reorganized Debtor with no stake in the outcome.[101] Not only did Debtor propose this language, but Bishop Barber signed onto a term sheet (albeit a nonbinding one) embracing the 2860 Provision and other key provisions of the Third Amended Plan.[102] Although the Modified Fourth Amended Plan maintains the Litigation Option for Abuse Claimants, it completely omits the 2860 Provision without explanation and fails to confirm that the insurers have the ability to direct the defense of the claims that they, and only they, are being asked to pay. Objecting Insurers do not object to the concept that Abuse Claimants may be given the opportunity to assert their claims in the tort system nor are Objecting Insurers asking to be relieved of their contractual obligations. But Debtor should not be permitted to tie the Insurers' hands behind their backs when it comes to exercising their contractual right to defend those claims.

At best, the absence of the 2860 Provision renders the Plan ambiguous because it does not clearly permit the Non-Settling Insurers, who are "solely" responsible, to control the defense of claims that they will be asked to pay. But the decision to remove the 2860 Provision from the Modified Fourth Amended Plan (and potentially thrust the Trust—which has fiduciary obligations to Abuse Claimants—into the role of directing defense counsel) also threatens to undermine the Plan's purported guarantees of protecting the Non-Settling Insurers' contractual right to defend and the corresponding obligations of the Trust to cooperate with, and not interfere in, the defense of Litigation Claims. The Plan's explicit promise to preserve the rights of the Non-Settling Insurers[103] has no meaning unless Non-Settling Insurers can defend Litigation Claims as they see fit without

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[101] Section 8.3.1 of the Third Amended Plan contained a provision expressly stating "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 Abuse Claimants 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." *Debtor's Third Am. Plan of Reorg., Dated March 17, 2025* at § 8.3.1, ECF No. 1830.

[102] *See* June 22, 2026 Tr. at 66:15-67:10 [Barber]; CI-17 at p.14.

[103] *See* Plan § 8.3.

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interference from other parties with divergent interests.[104] Section 2860 of the California Civil Code affords an insured the right to displace an insurers' control of the defense through appointment of "independent counsel" only in the limited circumstance where a conflict exists between the insurer required to provide a defense and the insured's interests. But under the express terms of the Plan, there can never be any such conflict because Debtor can be sued as a nominal party only, with all financial exposure being borne "solely" by the affected Non-Settling Insurers. In the absence of such a conflict, the Non-Settling Insurers are contractually entitled to direct the defense of Litigation Claims.[105]

Affirming the right of Non-Settling Insurers to defend the Litigation Claims is particularly important here, where the Trust – which is, appropriately, a claimant fiduciary – may be substituted in as a nominal defendant for the Reorganized Debtor. As noted above, the Litigation Option explicitly allows a Litigation Claimant to name the Reorganized Debtor as a nominal party. Section 5.1 of the TDP provides that, where the Reorganized Debtor is named as a nominal party, the parties are required to meet and confer with the goal of substituting the Trust as a defendant for the Reorganized Debtor. The Trust, however, is a fiduciary for Abuse Claimants, including Litigation Claimants.[106] Allowing the Non-Settling Insurers' adversary to direct the defense of a Litigation Claim not only turns the insurers' contractual defense rights on their head but also directly contravenes the provisions of the Plan that require the Trust to cooperate with the Non-Settling Insurers to ensure that the claims are appropriately defended. The Confirmation Order accordingly should find – consistent with the Plan and trial testimony – that the Reorganized Debtor has no

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[104] Other provisions of the Plan confirm that the Trust's interests with respect to Litigation Claims deviate sharply from those of Non-Settling Insurers. Section 12.8 of the Plan, for example, requires the Trust to assist claimants in prosecuting their claims by providing "Litigation Claimants, upon request, all non-privileged information previously provided by the Debtor to the Committee bearing on the Debtor's liability for Abuse Claims." That requirement that the Trust participate in tort actions on the side of the Litigation Claimant directly contravenes the pre-bankruptcy alignment between the Debtor and its insurers.

[105] *See, e.g., Long v. Century Indem. Co.*, 163 Cal. App. 4th 1460, 1475 (2008) ("[S]ection 2860 is inapplicable when no conflict of interest exists between the insurer and its insured . . . ."), citing *Cnty. of San Bernadino v. Pac. Indem. Co.*, 56 Cal. App. 4th 666 (1997) .

[106] *See* Plan § 9.2.1; June 25, 2026 Tr. at 189:5-6 [Bardos].

stake in any Litigation Claim and that the Plan and Confirmation Order accordingly should each provide that Objecting Insurers are entitled to control—without interference from the Trust, Debtor, Reorganized Debtor, or any "independent counsel" selected by any of them—the defense of claims that the Insurers, and they alone, will be asked to pay.

Objecting Insurers accordingly request that the Court condition entry of any order confirming the Plan on Debtor agreeing to insert the 2860 Provision (or similar language) into §§ 8.3.1 and 8.3.12 of the Plan, and the Court should make corresponding findings in its Confirmation Order, including that (i) neither Debtor nor the Reorganized Debtor have any obligation to pay any Litigation Claim, (ii) the Non-Settling Insurers are entitled to control defense of those claims without interference by any other person or entity, and (iii) none of the Debtor, the Reorganized Debtor, or the Trust may, under Cal. Civ. Code § 2860, seek to displace any defense of a Litigation Claim sought to be provided by any Non-Settling Insurer.

F. The Plan is Not a Settlement of All Claims and Therefore § 12.12 is Not Authorized Under the Bankruptcy Code.

Objecting Insurers objected before trial that § 12.12 of the Plan improperly treats confirmation as if it were a settlement of every claim resolved under the Plan and offered legal authority for the proposition that a chapter 11 plan "is not a settlement."[107] A plan may establish a settlement process, but confirmation does not "adjudicat[e] or resolv[e] any individual . . . claim, let alone the debtors' aggregate . . . liability."[108]

First, Debtor's own witness at the Confirmation Hearing confirmed that the Plan is not a settlement and that the finding sought by § 12.12 improperly treats confirmation as if it is a settlement. Mr. Bardos testified that he was "very involved in the creation of the plan" and signed it.[109] He was designated as Debtor's corporate representative on multiple topics concerning the Plan,[110] and, as the Court itself put to him on cross-examination, he was "the person most involved

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[107] *In re Boy Scouts of Am. and Del. BSA, LLC,* 642 B.R. 504, 626 (Bankr. D. Del. 2022) *("BSA"), rev'd on other grounds sub nom. In re Boy Scouts of Amer*ica, 137 F.4th 126 (3d Cir. 2025).

[108] *Avon,* 677 B.R. at 547.

[109] *See* June 25, 2026 Tr. at 144 [Bardos].

[110] *See* June 25, 2026 Tr. at 76 [Bardos].

in the plan" and "the corporate designee for the diocese on the terms of the plan that deal with insurance," which he confirmed. [111]

When asked directly whether the Plan embodies a settlement, Mr. Bardos confirmed that "the [D]iocese hasn't reached a settlement with its insurers, in connection with the [F]ourth [P]lan."[112] He likewise conceded that "the [F]ourth [A]mended [P]lan also doesn't embody a settlement with the claimants,"[113] and that the distribution process the Plan establishes "itself is not the product of a settlement with either the committee or the claimants."[114] Mr. Bardos further agreed that the Plan does not function as an adjudication of claims or their values, as when asked whether he views it "as judgments or verdicts or on what the individual values of the cases are," he answered, "That's correct[, it does not]."[115] Pressed again on whether the claims-distribution mechanism "is not something that is a settlement per se," Mr. Bardos answered only that "[i]t's part of our plan."[116] Nor have the insurers consented to the insurance assignment the Plan purports to impose on them: Mr. Bardos admitted that he was not aware of the insurers ever consenting, orally or in writing, to the assignment.[117]

Mr. Bardos's testimony confirms that the Plan is not, and cannot be treated as, a settlement with either the claimants or the insurers, which precludes any finding that would extend good faith beyond the Plan itself to the resolution of individual Claims or the Plan Documents, including the Allocation Protocol (also known as the trust distribution procedures or TDPs). Section 1129(a)(3) requires only that "[t]he plan has been proposed in good faith and not by any means forbidden by law."[118] In *BSA*, *Camden*, and *Avon*, courts refused to approve findings exceeding this scope. This Court should do the same.

In *BSA*, insurers challenged TDP-related findings as "designed to prejudice their rights in

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[111] June 25, 2026 Tr. at 173:17 [Bardos]; *see also id.* at 181:2-3 (identifying Bardos as "the person most involved from the [D]iocese in preparing the [P]lan").
[112] *Id.* at 145:13-25 [Bardos].
[113] *Id*. at 146.
[114] *Id*. at 146:11-14 .
[115] *Id*. at 146:20-22.
[116] *Id.* at 148:21-25.
[117] *Id.* at 151:22-25; *id.* at 152:1-5.
[118] 11 U.S.C. § 1129(a)(3).

future insurance coverage litigation."[119] The Court declined to issue any findings lacking a "code or confirmation-related purpose," reasoning that broader findings were improperly "directed at post-confirmation litigation with insurers."[120] Accordingly, the Court found only that the plan itself was proposed in good faith under § 1129(a)(3), not the TDPs.[121] In *Camden*, the Court likewise declined to extend the good faith finding beyond the plan itself to accompanying documents, agreeing with *BSA* that any such finding is "not required for confirmation."[122]

In *Avon*, Judge Goldblatt found the plan was proposed in good faith but explicitly declined to make any finding regarding the TDPs, other plan documents, or abuse claims.[123] The court set out five governing principles, the last being that "nothing in this process may expand or contract the rights of the insurers" and "any proposed 'finding' that would tilt the playing field in a subsequent coverage dispute one way or the other should be deleted."[124] The court was emphatic: "To the extent an argument is made to a court hearing an insurance coverage dispute that this Court's confirmation order reflects an adjudication by this Court about the 'fairness' or 'reasonableness' of the procedures, this Memorandum Opinion is intended to provide a clear and blunt answer: it doesn't."[125]

Moreover, this Court recognized it lacks authority to make such blanket findings. When declining to set procedures for claims objections and granting the Survivor Statement Hearing, the Court stated that its "Article I powers would not allow [it] to hear questions of liability or amount of damages with respect to the kinds of claims we're talking about here."[126]

Second, § 12.12 is improper because neither § 1123(b)(3) nor § 1129(a)(3) of the Bankruptcy Code authorizes (or requires) the findings that § 12.12 injects into the Plan and Proposed Confirmation Order. Section 1123(b)(3) permits a plan to "provide for . . . the settlement

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[119] *BSA*, 642 B.R. at 623.
[120] *Id.* at 624-33.
[121] *See id.* at 632-33.
[122] *Camden,* 653 B.R. at 359-60.
[123] *Avon,* 677 B.R. at 544.
[124] *Id.* at 545.
[125] *Id.* at 544.
[126] Oct. 24, 2024 Tr. at 43:12-15; *see also id*. at 46:5-7 ("I'm never going to adjudicate liability or amount of damages for these claims.").

or adjustment of any claim or interest belonging to the debtor or to the estate,"[127] but "there is no parallel authorization regarding claims against the estate."[128] Section 1129(a)(3) requires only that a plan be "proposed in good faith and not by any means forbidden by law." Section 12.12 of the Plan goes well beyond that, seeking to require the Court to make findings about the best interests of every party-in-interest and the fairness and reasonableness of every resolution under the Plan, including with respect to Abuse Claimants and "other parties in interest." But approval of the Plan as proposed in good faith does not require, and should not include, "an adjudication by this Court about the 'fairness' or 'reasonableness' of the procedures" established to resolve Abuse Claims.[129]

Because the Bankruptcy Code neither requires nor permits the findings that § 12.12 seeks, the Court should decline to confirm the Plan unless that provision is removed.

G. The Court Should Eliminate Improper (or Unsupported) Factual Findings and Legal Conclusions From the Confirmation Order.

The Insurers' pre-hearing objections identified several findings and conclusions in Debtor's Proposed Confirmation Order that are improper and/or not supported by the evidence. Nothing in the confirmation trial proceedings alters that conclusion, and so the following findings should be removed from the Proposed Confirmation Order.

1. Improper "Good Faith" Findings.

As a requirement for a confirmed plan, Debtor must show that "[t]he ***plan*** has been proposed in good faith and not by any means forbidden by law," and that the plan "is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the plan."[130] Key to these requirements is the word "***plan***." The only finding permitted or required under the plain language of § 1129(a)(3) or § 1129(b)(1), in other words, is that the ***plan*** was proposed in good faith – not that ancillary documents were.

The Proposed Confirmation Order attempts to go beyond this limitation by seeking findings

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[127] *See* 11 U.S.C. § 1123(b)(3)(A).

[128] *In re Dynamic Brokers, Inc.*, 293 B.R. 489, 496 (B.A.P. 9th Cir. 2003); *see Camden*, 653 B.R. at 336.

[129] *See Avon*, 677 B.R. at 544.

[130] *See* 11 U.S.C. § 1129(a)(3) (emphasis added); 11 U.S.C. § 1129(b)(1).

concerning the term "Plan," which is then defined to include the "Plan Supplement."[131] The proposed Confirmation Order goes on to say that the "Plan" (including the Plan Supplement) is "the product of extensive good-faith negotiations between and among a variety of constituents;"[132] "was proposed with the legitimate and honest purpose to reorganize" and "has been proposed in good faith;"[133] "was not proposed by any means forbidden by law, and indeed, is in full compliance with the Bankruptcy Code and applicable non-bankruptcy law;"[134] "satisfies the 'fair and equitable' requirement of § 1129(b);"[135] and "constitutes a good-faith compromise and settlement of any and all Claims and controversies resolved pursuant to the Plan."[136]

Insofar as these findings relate to the Plan Supplement, they are overbroad and impermissible. Section 1129 of the Bankruptcy Code does not authorize these findings; consequently, numerous courts have rejected requests for such findings.[137] Moreover, these findings were not discussed in either the Plan or the Disclosure Statement and no evidence was adduced at trial concerning the proposal or development of ancillary documents such as the Claim Allocation Procedures.[138] As a result, there is no factual basis for the conclusion that the Claim Allocation Procedures, the Trust Agreement, or many of the other supplemental documents were negotiated "in good faith," or even that they were negotiated at all. But the Court need not reach that issue. These findings are unnecessary and the Court should reject them on that basis.

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[131] *See* Proposed Confirmation Order, p. 3 of 27 at ¶ A.
[132] *Id.*, p. 10 of 27 at ¶ 15.
[133] *Id.*, p. 11 of 27 at ¶ 21.
[134] *Id.*, p. 11 of 27 at ¶ 22.
[135] *Id.*, p. 17 of 27 at ¶ 49.
[136] *Id.*, p. 21 of 27 at ¶ L.
[137] *See BSA*, 642 B.R. at 632-33 (rejecting proposed finding that trust distribution procedures were "proposed in good faith and are sufficient to satisfy the requirements of section 1129(a)(3) of the Bankruptcy Code"); *Camden*, 653 B.R. at 360 (concluding that good faith finding with respect to accompanying plan documents was "not required to confirm a plan, and this Court declines to do so"); *see also Avon*, 677 B.R. at 544 (approval of the Plan as proposed in good faith does not require, and should not include, "an adjudication by this Court about the 'fairness' or reasonableness' of the procedures" established to resolve Abuse Claims).
[138] Indeed, the Court sustained objections in response to questions to Mr. Bardos – arguably the witness most knowledgeable about the ancillary plan documents – as to how terms in the Claim Allocation Procedures, such as the guaranteed payment, were negotiated. *See* June 25, 2026 Tr. at 194:14-22 [Bardos].

Objecting Insurers have proposed revisions to the Proposed Confirmation Order, which are attached as Exhibit B.

2. The Proposed Confirmation Order Improperly Waives the 14-Day Stay and Attempts to Prejudge Substantial Consummation Under the Bankruptcy Code, Undermining the Appellate Rights of Other Parties.

Objecting Insurers also continue to object that the Proposed Confirmation Order improperly seeks to circumvent ordinary bankruptcy procedure by gutting the 14-day stay that applies to confirmation orders.[139] Rule 3020(e) provides that, absent an order to the contrary, "a confirmation order is stayed for 14 days after its entry." The purpose of the rule is "to provide sufficient time for a party to request a stay pending appeal of an order confirming a plan under chapter 11 of the Code before the plan is implemented and an appeal becomes moot."[140]

There is no basis to depart from the default rule here, and Debtors adduced no evidence at trial to conclude that it is necessary or appropriate to proceed otherwise. To the extent that the Plan and/or Proposed Confirmation Order are not modified in ways that are necessary to protect the Insurers' contractual rights, the Insurers are entitled to pursue an appeal. To that end, the Insurers should have a real opportunity to seek a stay pending that appeal so that Debtor cannot simply moot out any appeal by consummating a Plan that may violate the Insurers' rights. That end run around the appellate process is precisely what Rule 3020(e) protects against.

In particular, Rule 3020(e) creates, at most, a short-term delay of 14 days. If objecting parties are unable to achieve a stay during that time, Debtor is free to proceed to consummate the Plan. Debtor did not offer any evidence that a stay of two weeks would be unfairly prejudicial. The only "prejudice" that Debtor might suffer is that this Court or a reviewing Court might determine that there is a substantial appellate question that needs to be resolved and that warrants a longer stay. But that is not "unfair" prejudice to Debtor. In any event, if any objector seeks a longer stay pending appeal, Debtor will have every opportunity to oppose it on the grounds that

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[139] *See* Fed. R. Bankr. P. 3020(e); Proposed Confirmation Order at Y.

[140] *In re Pac. Gas & Elec. Co.*, No. C-02-1550 VRW, 2002 WL 32071634, at *1 (N.D. Cal. Nov. 14, 2002); *see also Avon*, 677 B.R. at 521-22 (noting that Rule affords district court time to consider request for stay pending appeal).

it would prejudice the reorganization. But Debtor offered no evidence during the confirmation hearing that the Court should permit it to circumvent other parties' appeal rights here. This Court accordingly should omit this provision from its Order.

Without this procedural protection provided under Rule 3020(e), the District Court will be burdened with emergency applications for a stay before a decision is even rendered by this Court or the parties can consider the decision. Overriding the procedural protections afforded by Rule 3020(e) is extraordinary relief for which Debtor has not shown good cause. Bankruptcy courts have preserved the protections afforded under Rule 3020(e) in twelve of the most recent diocesan bankruptcies.[141]

Waiver of the fourteen-day stay of a confirmation order under Rule 3020(e) is inefficient and uncalled for here. The instances in which Rule 3020(e) has been waived almost all involve cases where there is no objection.[142] In a case as complicated as this one, where there are substantial objections to confirmation, the parties should be permitted the time to review the decision of the Court afforded by Rule 3020(e) and make decisions about next steps in an orderly manner.

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[141] *See, e.g., In re Roman Catholic Church of the Archdiocese of Santa Fe,* No. 18-13027-T11 (Bankr. D.N.M.) (14-day stay preserved, Dec. 28, 2022 [Dkt. 1214]); *In re Diocese of St. Cloud*, No. 20-60337 (Bankr. D. Minn.) (14-day stay preserved, Dec. 3, 2020 [Dkt. 178]); *In re Roman Catholic Diocese of Great Falls*, No. 17-60271-JDP (Bankr. D. Mont.) (14-day stay preserved, Aug. 22, 2018 [Dkt. 426]); *In re Roman Catholic Church of the Diocese of Gallup*, No. 13-13676-t11 (Bankr. D.N.M.) (14-day stay preserved, June 23, 2016 [Dkt. 591]); *In re Archdiocese of Milwaukee*, No. 11-20059-svk (Bankr. E.D. Wis.) (14-day stay preserved, Nov. 13, 2015 [Dkt. 3322]); *In re Roman Catholic Bishop of Helena, Montana*, No. 14-60074 (Bankr. D. Mont.) (14-day stay preserved, Mar. 5, 2015 [Dkt. 475]); *In re Catholic Diocese of Wilmington*, No. 09-13560 (Bankr. D. Del.) (14-day stay preserved, July 28, 2011 [Dkt. 1493]); *In re Catholic Diocese of Fairbanks,* No. 08-00110 (Bankr. D. Alaska) (14-day stay preserved, Feb. 17, 2010 [Dkt. 689]); *In the matter of Diocese of Davenport,* No. 06-02229-lmj11 (Bankr. D. Iowa) (14-day stay preserved, May 1, 2008 [Dkt. 295]); *In re Catholic Bishop of Spokane*, No. 04-08822-PCW11 (Bankr. E.D. Wash.) (14-day stay preserved, Apr. 24, 2007 [Dkt. 921]); *In re Roman Catholic Archbishop of Portland in Oregon*, No. 04-37154-elp11 (Bankr. D. Or.) (14-day stay preserved, Apr. 17, 2007 [Dkt. 5097]); *In re The Roman Catholic Church of Diocese of Tucson*, No. 4-04-BK-04721-JMM (Bankr. D. Ariz.) (14-day stay preserved, Aug. 1, 2005 [Dkt. 791]).

[142] *See, e.g., In re Oldco M. Corp.*, No. 09-13412 (MG), 2010 WL 2910136, at *10 (Bankr. S.D.N.Y. Feb. 23, 2010) ("[I]n light of the lack of objections to the Plan by all but one creditor, good cause exists to support the waiver of the stay imposed by Bankruptcy Rule 3020(e).").

Accordingly, the Court should strike Paragraph Y of the Proposed Confirmation Order, as reflected in Exhibit B.

3. The Proposed Confirmation Order Contains Improper Factual Findings and Legal Conclusions Relating to the Settlement of Claims Against the Debtor.

The Plan does not constitute a settlement of claims against Debtor under Bankruptcy Rule 9019. The Plan, if confirmed, describes the treatment of Claims, but there has been no assent and therefore no settlement. Therefore, to the extent the Proposed Confirmation Order contains factual findings and legal conclusions under Bankruptcy Rule 9019 stating that the Plan, including the releases contained therein, "shall constitute a good faith compromise and settlement of all Claims, Causes of Action, and controversies resolved pursuant to the Plan," those provisions should be removed or modified.

4. The Proposed Findings Regarding Substantial Consummation are Improper and Should Not be Included in the Confirmation Order.

Debtor is not entitled to a finding that the Plan has been "substantially consummated" as of the Effective Date of the Plan. This provision also appears to be another calculated attempt to cut off any attempt to seek review of a confirmed Plan. But that proposed finding fails to account for the fact that it is § 1101 of the Bankruptcy Code – not the whims of Debtor's Plan – that defines substantial consummation. And, among other things, substantial consummation requires distribution of most, if not all, of the property that is to be distributed under the Plan. "Substantial consummation is defined as far more than plan confirmation; it requires significant progress toward finalization of the actions required by the plan and the commencement of distributions."[143]

Under the Bankruptcy Code's definition, the Plan will not be "substantially consummated" at confirmation or even at the Effective Date. As of the Effective Date of the Plan, Debtor will have contributed only a small share of Debtor Cash Contribution to the Trust – $40 million out of $150 million, or less than 30%.[144] And RCWC will have placed a similarly small share of its

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[143] *In re Lewis*, 515 B.R. 591, 595 (B.A.P. 9th Cir. 2014); 11 U.S.C. § 1101(2) (defining substantial consummation as including transfer of all or substantially all property that is to be transferred and "commencement of distribution under the plan").

[144] *See* Plan § 9.3.1.

contribution into the RCWC Escrow.[145] No other assets need be contributed prior to the Effective Date.[146] Perhaps more important, none of the Trust assets will be distributed to claim holders as of the Effective Date. The Claim Reviewer will have been appointed, but no distributions will take place until at least 30 days after his review of all claims is complete.[147] And that may not be for some time after the Plan Effective Date, which does not depend at all on the status of the Claim Review. No other evidence was adduced at trial that distributions to Class 4 claim holders will begin at (or even close to) the Effective Date.

It is, therefore, at least an open factual issue as to when substantial consummation will occur as that is defined in the Bankruptcy Code. Because Debtor has not shown (and, it appears, cannot show) that the prerequisites for that determination occur simultaneously with the Effective Date, the Court should reject the completely unsupported proposed conclusion to that effect. The Court should strike that conclusion in accordance with Objecting Insurers' proposed revisions to the Confirmation Order reflected in Exhibit B.

H. The Plan and Confirmation Order Should State Unambiguously That Insurance Coverage is Not Being Sought For Distribution Claims.

In their pre-trial objections, Objecting Insurers explained that the Plan was ambiguous as to whether the Trust would be able to pursue coverage for Distribution Claims where a claimant has their claim scored by, and receives a distribution from, the Trust but does not elect the Litigation Option.[148] Section 5.14 of the Plan, for example, discusses the possibility of insurance recoveries by "Abuse Claimants," a term that includes both Distribution Claimants and Litigation Claimants. Elsewhere, however, the Plan suggests that Distribution Claimants are paid solely from the Trust funds contributed by Debtor, any other Released Parties, and RCWC. That ambiguity is problematic because the insurers' obligation to pay indemnity under their policies requires a judicial

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[145] *See id.* § 9.3.2.
[146] *See id.* § 10.2.6.
[147] *See id.* § 9.8.3.
[148] The Debtor's Plan occasionally describes Trust Claimants that do not elect the Litigation Option as electing the "Distribution Option." *See, e.g.*, Plan, § 1.1.14; *see also* TDP § 5.1 (defining Distribution Option).

resolution of the claim on the merits or other evidence of liability for the damages being sought.

The Confirmation Hearing appears to have resolved this ambiguity or at least clarified Debtor's intent. During trial, Debtor clarified that the Plan is not intended to permit the Trust to seek insurance coverage for Distribution Claims. Specifically, Mr. Bardos testified that the Trust would not seek insurance for those claims:

Q: Distribution claims are being paid from the corps of the trust –

A: Yes.

Q: -- and insurance is not being sought for those claims, correct?

A: Correct.

June 25, 2026 Tr. at 194:8-13 [Bardos]. Insurance coverage, in other words, is reserved for pursuit by Litigation Claimants.[149]

The Plan and the Confirmation Order should state unequivocally that neither the Trust, Debtor, the Reorganized Debtor nor any other person is authorized to pursue Insurance Actions for Distribution Claims, and that insurance is only available for those that elect the Litigation Option and, then, only to the extent such claimant obtains a judgment within policy coverage or a settlement is agreed to. Objecting Insurers have proposed language for § 9.3.8 of the Plan and the Confirmation Order that makes this point so that there will be no ambiguity going forward. Inclusion of this language is appropriate and will resolve Objecting Insurers' objection.

CONCLUSION

WHEREFORE, the Certain Insurers respectfully request entry of an order sustaining their Objections to confirmation of the Plan and denying confirmation of the Plan unless Debtor agrees to modify it as requested by the Insurers. If the Court is declined to confirm the Plan, it should modify the Proposed Confirmation Order to include the changes requested by Objecting Insurers.

[149] This treatment – that insurance coverage will be sought only for Litigation Claims – is necessary to avoid prejudice to Non-Settling Insurers. Abuse Claims must be paid in a manner that is consistent with state law, whereas the insurance policies generally limit coverage to situations where there is a judgment against the insured following an actual trial or a settlement agreed to in writing by the claimant, the insured, and the insurer. *See, e.g.,* CI-7; CI-14; CI-19.

Finally, the Court should grant such other and further relief as is just and right.

Dated: August 7, 2026

Respectfully submitted,

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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 WJL Chapter 11 Judge: Hon. William J. Lafferty

DEBTOR'S MODIFIED FOURTH AMENDED PLAN OF REORGANIZATION

DATED MARCH 27, 2026

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INTRODUCTION

This Modified Fourth Amended Plan of Reorganization, dated March 27, 2026 (as amended, modified or supplemented from time to time, the "**Plan**"),[1] is proposed by The Roman Catholic Bishop of Oakland, a California corporation sole, the debtor and debtor in possession (the "**Debtor**" or "**RCBO**") in the above-captioned chapter 11 bankruptcy case (the "**Chapter 11 Case**"). Holders of Claims (as those terms are defined below) may refer to the Disclosure Statement (defined below) for a summary and description of the Plan and a discussion of the Debtor's history, estate, assets, mission, operations, historical financial information and projections of future operations. The Debtor is the proponent of this Plan within the meaning of Section 1129 of title 11 of the United States Code, as amended from time to time and as in effect during the Chapter 11 Case (the "**Bankruptcy Code**").

The Debtor has concurrently filed a document comparing this Modified Fourth Amended Plan to the *Debtor's Fourth Amended Plan of Reorganization* dated February 20, 2026. All interested parties, including without limitation Holders of Claims, are urged to review that comparison to identify the amendments included in the Modified Fourth Amended Plan (as compared to the Fourth Amended Plan).

ARTICLE I

DEFINITIONS AND RULES OF INTERPRETATION

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

1.1.1. "**Abuse**" means sexual conduct or misconduct, sexual abuse or molestation, sexual exploitation, indecent assault and/or battery, rape, pedophilia, ephebophilia,

[1] For the avoidance of doubt, the terms "hereof" and/or "herein" as used in this Plan are references to this entire Plan.

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sexually related psychological or emotional harm, humiliation, anguish, shock, sickness, disease, disability, dysfunction, or intimidation, any other sexual misconduct or injury, contacts or interactions of a sexual nature, including the use of photography, video, or digital media, or other physical abuse or bullying without regard to whether such physical abuse or bullying is of a sexual nature, between a child and an adult, between a child and another child, or between a non-consenting adult and another adult, in each instance without regard to whether such activity involved explicit force, whether such activity involved genital or other physical contact, and whether there is or was any associated physical, psychological, or emotional harm to the child or non-consenting adult.

1.1.2. "**Abuse Claim**" means any Claim relating to, in whole or in part, directly or indirectly, an act of Abuse committed by any Person before the Effective Date for which the Debtor or any its agents, employees, or representatives is allegedly responsible. Except as otherwise provided herein, the term "Abuse Claim" includes Unknown Abuse Claims and Trust Claims but not Abuse Related Contribution Claims.

1.1.3. [Reserved].

1.1.4. "**Abuse Claimant**" means a Holder of an Abuse Claim.

1.1.5. "**Abuse Claims Reviewer**" means the Person chosen by the Committee to review Abuse Claims and allocate to each Allowed Abuse Claim a percentage of the Survivors' Trust recovery pool based on numerical scaling factors (but not based on alleged dollar value of the Claim), except for those Abuse Claims held by Abuse Claimants who have elected to receive an Immediate Payment, in accordance with the procedures set forth in the Survivors' Trust Documents. The identity of the Abuse Claims Reviewer shall be disclosed in a Plan Supplement.

1.1.6. "**Abuse Insurance Policies**" means any insurance policy alleged in the Coverage Action or in any Abuse Claim Litigation (as defined in Section 9.8.4 of the Plan) to provide insurance coverage for any Abuse Claim.

1.1.7. "**Abuse Related Contribution Claim**" means any Person's Claim against any other Person for contribution, indemnity, equitable indemnity, subrogation, or equitable subrogation, or reimbursement, or any other indirect or derivative recovery, arising because such

Person has paid or defended against any Abuse Claim including but not limited to a Joint Tortfeasor or the like, but excluding any claim by an Insurer for contribution or similar relief.

1.1.8. "**Additional Distributions**" shall have the meaning ascribed to such term in Section 9.8.3.3 of this Plan.

1.1.9. "**Additional Reserves**" shall have the meaning ascribed to such term in Section 9.8.3.3 of this Plan.

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

1.1.11. "**Administrative Expense Claims Bar Date**" means the date that is 45 days after the Effective Date.

1.1.12. "**Adventus**" means a California nonprofit public benefit corporation by that name, separate and distinct from RCBO.

1.1.13. "**Affiliate**" shall have the meaning set forth in Section 101(2) of the Bankruptcy Code.

1.1.14. "**Allowed**" means, with respect to any Claim, except as otherwise provided herein: (a) a Claim that is evidenced by a Proof of Claim Filed by the applicable Claims Bar Date, (b) a Claim for which a Proof of Claim is or shall not be required to be Filed under the ~~Plan~~, the Bankruptcy Code~~,~~ or a Final Order of the Bankruptcy Court, (c) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim has been timely Filed, (d) a Claim Allowed pursuant to ~~the Plan or~~ a Final Order of the Bankruptcy Court; provided, however, that with respect to a Claim described in clauses (a), (b), and (c) above, such Claim shall be considered Allowed only if no objection to its allowance has been made before

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the Claims Objection Deadline or within such time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court (except with respect to a Trust Claim whose Holder elects the Litigation Option, in which case any such Trust Claim shall only be considered Allowed (i) following entry of a final judgment pursuant to a Final Order by a non-bankruptcy court of competent jurisdiction as set forth in the Plan, (ii) upon the effective date of any Insurance Settlement Agreement covering such Trust Claim for purposes of such settlement only, or (iii) upon the effective date of any settlement agreement between the Holder of such Trust Claim and one or more Non-Settling Insurers pursuant to or following which settlement such Holder reverts from the Litigation Option to the Distribution Option (as described in Section 9.8.3) for purposes of the Distribution Option only). Notwithstanding anything to the contrary herein, (i) the Survivor's Trustee shall have no authority to Allow an Abuse Claim subject to the Litigation Option that has not otherwise become Allowed and (ii) pursuant to the Survivors' Trust Distribution Procedures, the Survivors' Trustee may deem any Abuse Claim that is not subject to the Litigation Option filed after the Bar Date Allowed, provided that the Survivors' Trustee may not deem such an Abuse Claim Allowed if such Abuse Claim has been Disallowed by order of the Bankruptcy Court or is subject to an objection by another party.

Notwithstanding anything to the contrary herein, (i) the Survivor's Trustee shall have no authority to **approve** ~~Allow~~ an Abuse Claim subject to the Litigation Option that has not otherwise become Allowed and (ii) pursuant to the Survivors' Trust Distribution Procedures, the Survivors' Trustee may **approve** any Abuse Claim that is not subject to the Litigation Option filed after the Bar Date, provided that the Survivors' Trustee may not **approve** such an Abuse Claim if such Abuse Claim has been Disallowed by order of the Bankruptcy Court or is subject to an objection by another party.

~~1.1.14. Notwithstanding the foregoing, pursuant to the Survivors' Trust Distribution Procedures, the Survivors' Trustee may deem any Abuse Claim filed after the Bar Date Allowed; provided, however, the Survivors' Trustee may not deem an Abuse Claim Allowed if such Abuse Claim has been Disallowed by order of the Bankruptcy Court.~~

1.1.15. "**Assigned Insurance Interests**" means all rights, claims, interests, benefits, responsibilities and obligations of the Debtor and RCWC (solely as to Released RCWC Claims) in the Non-Settling Insurer Policies that are assignable under applicable law and to the fullest extent assignable under applicable law, including, ~~without limitation,~~ Insurance Actions, subject to the terms hereof including ~~without limitation~~ Articles VIII and IX of the Plan and the provisions of the Plan concerning the Litigation Option.

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

1.1.17. "**Assumption Objection**" means an objection to assumption or cure of an Executory Contract, as described in Sections 7.2.2 and 7.2.3 herein.

1.1.18. "**Avoidance Actions**" means any and all rights to recover or avoid transfers or Liens under Chapter 5 of the Bankruptcy Code or otherwise, including Sections 506(d), 541, 542, 543, 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy Code, or otherwise under the Bankruptcy Code or under similar or related state or federal statutes and common law, including all preference, fraudulent conveyance, fraudulent transfer, and/or other similar avoidance claims, rights, and causes of action, whether or not litigation has been commenced as of the Effective Date to prosecute such Avoidance Actions; subject, however, to any releases thereof provided in this Plan, the Confirmation Order, or any other Final Order of the Bankruptcy Court.

1.1.19. **"Ballot"** means the form of ballot approved by the Bankruptcy Court for each Class of Claims entitled to vote on this Plan, as sent to all creditors entitled to vote on this Plan,

whereby such creditors are permitted to indicate their vote to accept or reject this Plan.

1.1.20. "**Bankruptcy Code**" shall have the meaning ascribed to such term in the Introduction Section of this Plan.

1.1.21. "**Bankruptcy Court**" means the United States Bankruptcy Court for the Northern District of California, Oakland Division, having jurisdiction over the Chapter 11 Case.

1.1.22. "**Bankruptcy Rules**" shall have the meaning ascribed to such term in Section 1.1 of this Plan.

1.1.23. "**Bar Date Order**" means the *Order Establishing Deadlines for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof* [Dkt. No. 293], entered by the Bankruptcy Court on July 25, 2023, and as expressly amended and as may be expressly amended from time to time.

1.1.24. "**Business Day**" means any day other than a Saturday, Sunday, or any "legal holiday" as defined in Bankruptcy Rule 9006(a).

1.1.25. "**Cash**" means the legal tender of the United States of America, or its equivalent.

1.1.26. "**Cathedral Property**" means the parcel of real estate described on Schedule 1.1.26, owned as of the Petition Date by The Catholic Cathedral Corporation of the East Bay ("**CCCEB**").

1.1.27. "**Cause of Action**" means any action, claim, cause of action, controversy, demand, right, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, whether known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law, or in equity or pursuant to any other theory of law. For the avoidance of doubt, "Cause of Action" includes: (a) any right of setoff, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) the right to object to

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Claims; (c) any Claim pursuant to Section 362 or Chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress, and any other defenses set forth in Section 558 of the Bankruptcy Code; (e) any state or foreign law fraudulent transfer or similar claim; (f) any cause of action asserted by the Debtor in the Coverage Action; and (g) any cause of action described on the Debtor's Schedules or Statements of Financial Affairs.

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

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

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

1.1.31. "**Channeled Claim**" means any Claim, including without limitation an Abuse Claim, against a Released Party or any Settling Insurer arising from, in connection with, or related to an Abuse Claim, or any of the Abuse Insurance Policies issued by any Settling Insurers, including Abuse Related Contribution Claims, but not including (a) an Abuse Claim against any Person who personally committed an act or acts of Abuse resulting in a Claim against the Debtor or any Non-Debtor Catholic Entity or (b) any Claim (including any Abuse Claim) held by a Non-Settling Insurer against any Released Party other than the Debtor or the Reorganized Debtor.

1.1.32. "**Channeling Injunction**" means the injunction imposed pursuant to Section 13.11 of this Plan and the Confirmation Order.

1.1.33. "**Chapter 11 Case**" shall have the meaning ascribed to such term in the Introduction Section of this Plan.

1.1.34. "**Child Protection Protocols**" means the Child Protection Protocols for the Roman Catholic Bishop of Oakland, California to be implemented not later than the Effective

Date, a copy of which is attached as Schedule 1.1.34.

1.1.35. "**Churches**" means the individual Catholic churches within the Diocese of Oakland, each of which is part of the corporation sole that is the Debtor, and each of which is listed on Schedule 1.1.35 attached hereto.

1.1.36. "**Claim**" shall have the meaning set forth in Section 101(5) of the Bankruptcy Code.

1.1.37. "**Claim Enhancement**" shall have the meaning ascribed to such term in Section 9.8.4.2 of this Plan.

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

1.1.39. "**Claims Objection Deadline**" means the deadline for objecting to a Claim, which shall be on the date that is the later of: (a) 12 months after the Effective Date, and (b) such other period of limitation as may be specifically fixed by ~~the Debtor or the Reorganized Debtor, as applicable, or by~~ an order of the Bankruptcy Court for objecting to such Claims. For the avoidance of doubt, the Claims Objection Deadline shall not apply to ~~(a)~~ the Survivors' Trustee as to objections to Abuse Claims, ~~or (b) Non-Settling Insurers who agree to defend against an Abuse Claim asserted by any Abuse Claim Holder who elects the Litigation Option; *provided, however*, Non-Settling Insurers shall only assert objections and defenses to an Abuse Claim, other than those arising under the Bankruptcy Code, in the appropriate non-bankruptcy forum following the election of the Holder of such Abuse Claim of the Litigation Option as defined in Section 9.8.4 hereof.~~

1.1.40. "**Claims Register**" means the official register of Claims maintained by the Debtor or Reorganized Debtor, as applicable.

1.1.41. "**Class**" means a category of Holders of Claims as set forth in Section 2.3 of this Plan, under Section 1122(a) of the Bankruptcy Code.

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1.1.42. "**Committee**" means the Official Committee of Unsecured Creditors appointed in the Chapter 11 Case on May 23, 2023.

1.1.43. "**Confirmation**" means the entry of the Confirmation Order on the docket of the Chapter 11 Case.

1.1.44. "**Confirmation Date**" means the date on which the Bankruptcy Court enters the Confirmation Order.

1.1.45. "**Confirmation Order**" means an Order of the Bankruptcy Court confirming the Plan under Section 1129 of the Bankruptcy Code.

1.1.46. "**Contribution**" shall have the meaning ascribed to such term in Section 8.4 of this Plan.

1.1.47. "**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.

1.1.48. "**Creditor**" shall have the meaning set forth in Section 101(10) of the Bankruptcy Code.

1.1.49. "**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.

1.1.50. "**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.

1.1.51. "**Debtor**" has the meaning ascribed to such term in the Introduction Section of this Plan.

1.1.52. "**Debtor Cash Contribution**" has the meaning ascribed to such term in Section 9.3.1 of this Plan.

1.1.53. "**Debtor Contribution Deeds of Trust**" has the meaning ascribed to such

term in Section 9.3.1.6 of this Plan.

1.1.54. "**Debtor Extracontractual Insurance Actions**" means any Insurance Actions of the Debtor arising before or actually asserted by the Debtor before the Effective Date.

1.1.55. "**DIP Availability**" means, as of the Effective Date, the amount of authorized but unused borrowing under the DIP Facility, less the estimated amount of accrued Professional Fees as of the Effective Date.

1.1.56. "**DIP Facility**" means any Debtor-in-Possession financing obtained by the Debtor prior to the Effective Date pursuant to Section 364 of the Bankruptcy Code.

1.1.57. "**DIP Obligations**" means all amounts outstanding under the DIP Facility.

1.1.58. "**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 Bankruptcy 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 Disallowed shall be either Allowed or Disputed as provided in the Plan.

1.1.59. "**Disclosure Statement**" means the Plan Summary and Third Amended Disclosure Statement, taken together, or as appropriate, any subsequent disclosure statement for this Plan, in whatever form the Bankruptcy Court approves pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017 (including all schedules and exhibits thereto and references therein that relate to the Plan), as such disclosure statement may be amended or modified from time to time that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and

any other applicable law.

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

1.1.61. "**District Court**" means the United States District Court for the Northern District of California having jurisdiction over the Coverage Action.

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

1.1.63. "**Entity**" shall have the meaning set forth in Section 101(15) of the Bankruptcy Code.

1.1.64. "**Estate**" means the estate created for the Debtor in this Chapter 11 Case under Section 541 of the Bankruptcy Code.

1.1.65. "**Exculpated Parties**" means each of the following in their capacity as such, to the extent permitted under applicable Ninth Circuit law, including without limitation *Blixseth v. Credit Suisse*, 961 F.3d 1074 (9th Cir. 2020): (a) the Debtor, including the Churches, (b) the Reorganized Debtor, including the Churches, (c) the Committee, (d) the Committee's members, (e) the College of Consultors of the Diocese of Oakland and each of its members, (f) The Diocese of Oakland Finance Council and each of its members, (g) the Presbyteral Council of the Diocese of Oakland and each of its members, (h) the Mediators, (i) the Unknown Abuse Claims Representative, (j) the Exit Facility Lender, (k) RCWC (solely as to the Released RCWC Claims) and (l) for each of the foregoing, their respective officers, directors, agents, employees, equity holders, attorneys, financial advisors, accountants, and other duly authorized employed Professionals in this Chapter 11 Case.

1.1.66. "**Exculpation**" means the treatment of an Exculpated Party under, or the effect of, the Exculpation Clause.

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1.1.67. "**Exculpation Clause**" means Section 13.6 of this Plan.

1.1.68. "**Executory Contract**" means a contract to which the Debtor is a party that is subject to assumption or rejection under Sections 365 or 1123 of the Bankruptcy Code.

1.1.69. "**Executory Contract Cure Schedule**" means the schedule, if any, filed by the Debtor as part of a Plan Supplement setting forth the amount the Debtor asserts is required to be paid pursuant to Section 365(b)(1) of the Bankruptcy Code in connection with the Debtor's assumption of any Executory Contract.

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

1.1.71. "**Exit Facility**" means the new senior secured lending facility that RCBO will enter into with the Exit Facility Lender on the Effective Date, the form of which shall be included in the Plan Supplement.

1.1.72. "**Exit Facility Documents**" means the documents evidencing the Exit Facility.

1.1.73. "**Exit Facility Lender**" means RCC as the Entity financing the Exit Facility.

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

1.1.75. "**File,**" "**Filed,**" **or** "**Filing**" means file, filed, or filing with the Bankruptcy Court in the Chapter 11 Case or in the District Court in the Coverage Action.

1.1.76. "**Final Decree**" means the decree contemplated under Bankruptcy Rule 3022.

1.1.77. "**Final Determination**" shall have the meaning ascribed to such term in Section 9.8.2 of this Plan.

1.1.78. "**Final Distribution**" shall have the meaning ascribed to such term in Section 9.8.3.4 of this Plan.

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

1.1.80. "**General Unsecured Claim**" means an Unsecured Claim that is not an Abuse Claim, Unknown Abuse Claim, or Non-Abuse Litigation Claim.

1.1.81. "**Governmental Unit**" shall have the meaning set forth in Section 101(27) of the Bankruptcy Code.

1.1.82. ~~"***Hand***" means *Hand v. Farmers Ins. Exchange*, 23 Cal. App.4th 1847 (1994)~~.

1.1.83. "**Holder**" means a Person or Entity with ownership or legal control of a Claim, including without limitation an Abuse Claim.

1.1.84. "**Immediate Payment**" means a one-time irrevocable and indefeasible distribution of $50,000 paid to an Abuse Claimant with an Allowed Abuse Claim who elects the

Immediate Payment option from the Survivors' Trust without objection and on the terms and conditions set forth in this Plan.

1.1.85. "**Immediate Payment Election Deadline**" shall have the meaning ascribed to such term in Section 9.7 of this Plan.

1.1.86. "**Immediate Payment Notice**" means a notice to Holders of Abuse Claims informing them of their right to elect the Immediate Payment, and which may be signed and returned to the Survivors' Trustee to indicate the election of a Holder to receive the Immediate Payment in lieu of any further distributions.

1.1.87. "**Impaired**" means, with respect to a Class of Claims, a Class of Claims that is not Unimpaired.

1.1.88. "**Initial Debtor Contribution**" shall have the meaning ascribed to such term in Section 9.3.1 of this Plan.

1.1.89. "**Initial Determination**" shall have the meaning ascribed to such term in Section 9.8.1 of this Plan.

1.1.90. "**Initial Distribution**" shall have the meaning ascribed to such term in Section 9.8.3.2 of this Plan.

1.1.91. "**Initial RCWC Contribution**" shall have the meaning ascribed to such term in Section 9.3.2.1 of this Plan.

1.1.92. "**Initial Reserve**" shall have the meaning ascribed to such term in Section 9.8.3.2 of this Plan.

1.1.93. "**Insurance Assignment**" means the transaction described in Section 8.1 of the Plan, subject to the terms of the Plan, the Abuse Insurance Policies, and applicable law.

1.1.94. "**Insurance Action**" means any Claim, Cause of Action, or right of the Debtor or another Released Party, excluding a Settling Insurer, under the laws of any jurisdiction, ~~whether sounding in contract, tort, or otherwise (including equity and bad faith)~~ against any Non-Settling Insurer, including ~~but not limited to~~ Claims asserted in the Coverage ~~Action, arising from or related to: (a) any such Non-Settling Insurer's failure to provide coverage or otherwise pay under~~

~~Abuse Insurance Coverage; (b) any conduct by any Non-Settling Insurer constituting "bad faith" conduct that could give rise to extra-contractual damages, or other wrongful conduct under applicable Law; (c) the refusal of any Non-Settling Insurer to compromise and settle any Abuse Claim under or pursuant to any Abuse Insurance Policy; (d) indemnity and payment of any Abuse Claim; (e) the interpretation or enforcement of the terms of any Abuse Insurance Policy with respect to any Abuse Claim; or (f) any other Claims under, arising out of or relating to an Abuse Insurance Policy or Abuse Insurance Coverage, including Claims asserted in the Insurance Coverage Action.~~. ~~The~~Action. The term "Insurance Action" includes any Claims against a Non-Settling Insurer for reimbursement of all unpaid defense costs or related expenses under any Non-Settling Insurer's Abuse Insurance Policy incurred by the Debtor; provided that the Debtor shall not be required to pay over to the Survivors' Trust any reimbursement of defense costs or related expenses received by the Debtor from an Insurer prior to the Effective Date. For the avoidance of doubt, no Claim, Cause of Action, or right of the Debtor or another Released Party, excluding a Settling Insurer, against any Settling Insurer shall be deemed an Insurance Action.

1.1.95. "**Insurance and Benefit Reserves**" means funds held as reserves for or otherwise for funding of the Debtor's insurance premium and self-insurance obligations and employee benefit obligations, including funds held in the following accounts, as defined in the *Debtor's 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]: (i) the Restricted FSA Account, (ii) Restricted Benefit Plans Account, (iii) Restricted WC/Package Insurance Account, (iv) and Restricted SIR Imprest Account.

1.1.96. "**Insurance Recoveries**" means the rights to any proceeds, including any interest or income earned thereon, and other relief, from (a) any award, judgment, relief, or other determination entered or made as to any Insurance Action, including regarding any Causes of Action

related to or arising in connection with any Insurance Actions; (b) any amounts payable by an Insurer under any settlement agreement with the Debtor, a Released Party or a Settling Insurer regarding Insurance Actions; and (c) any proceeds of any Abuse Insurance Policy payable to the Debtor, a Released Party or a Settling Insurer regarding Insurance Actions; provided that Insurance Recoveries shall not include (y) defense costs and related expenses paid to the Debtor by any Insurer pursuant to an Abuse Insurance Policy prior to the Effective Date and (z) recoveries of an Insurer under any agreement or contract providing reinsurance to the Insurer.

1.1.97. "**Insurance Settlement Agreement**" means any settlement agreement among (i) the Debtor and any Settling Insurer, if executed and approved by a Final Order of the Bankruptcy Court before the Effective Date, or (ii) the Survivors' Trust and any Settling Insurer, if executed after the Effective Date.

1.1.98. "**Insurers**" means the defendants in the Coverage Action.

1.1.99. "**Lien**" means any mortgage, pledge, deed of trust, assessment, security interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, including any "lien" as defined in Section 101(37) of the Bankruptcy Code, or a conditional sale contract, title retention contract or other contract to give any of the foregoing.

1.1.100. "**Litigation Claim**" means a Trust Claim whose Holder elects the Litigation Option.

1.1.101. "**Litigation Claim Award**" means a judgment or verdict determining that the Debtor and/or any Released Party is/are liable to a Litigation Claimant on account of a Litigation Claim.

1.1.102. "**Litigation Claimant**" means a Trust Claimant who has elected the Litigation Option.

1.1.103. "**Litigation Option**" means a Trust Claimant's election to pursue a Litigation Claim.

1.1.104. "**Litigation Option Notice**" shall have the meaning ascribed to such term in Section 9.8.4 of this Plan.

1.1.105. "**Livermore Option**" shall have the meaning ascribed to such term in Section 9.3.4 of this Plan.

1.1.106. "**Livermore Property**" means the real property owned by Adventus having a street address of 3658 Las Colinas Road, Livermore, California, and bearing the legal description set forth on Schedule 1.1.106 attached hereto.

1.1.107. "**Mediators**" means, individually and collectively: (i) the Honorable Christopher Sontchi (Ret.), Sontchi, LLC; (ii) Jeffrey Krivis, Mediation Offices of Jeffrey Krivis; (iii) Timothy Gallagher, The Gallagher Law Group; and (iv) the Honorable Randall J. Newsome (Ret.), Randall Newsome ADR.

1.1.108. "**Non-Abuse Claims**" means all Claims pending against the Debtor asserting Causes of Action unrelated to Abuse, including Non-Abuse Litigation Claims.

1.1.109. "**Non-Abuse Litigation Claims**" means Claims arising out of litigation pending against the Debtor prior to the Petition Date asserting Causes of Action unrelated to Abuse or based on asserted personal injury occurred prior to the Petition Date and unrelated to Abuse.

1.1.110. "**Non-Abuse Litigation Reserve**" means the Cash reserve to be established by the Reorganized Debtor pursuant to Section 12.7.2 of the Plan to pay Non-Abuse Litigation Claims.

1.1.111. "**Non-Debtor Catholic Entity**" means any of the following: RCC, RCWC, the Oakland Parochial Fund, Lumen Christi Academies of the Roman Catholic Diocese of Oakland, 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.

1.1.112. "**Non-Settling Insurer**" means any insurer who issued a Non-Settling Insurer Policy who has not executed a final and binding Insurance Settlement Agreement.

1.1.113. "**Non-Settling Insurer Policy**" means any Abuse Insurance Policy issued

by a Non-Settling Insurer.

1.1.114. "**Payment Obligations**" shall have the meaning ascribed to such term in Section 8.4 of this Plan.

1.1.115. "**Person**" shall have the meaning set forth in Section 101(41) of the Bankruptcy Code.

1.1.116. "**Petition Date**" means May 8, 2023, the date on which the Chapter 11 Case commenced in the Bankruptcy Court.

1.1.117. "**Plan**" shall have the meaning ascribed to such term in the Introduction Section hereof.

1.1.118. "**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 pursuant to the Plan.

1.1.119. "**Plan Payment Period**" shall have the meaning ascribed to such term in Section 9.3.1.3 of this Plan.

1.1.120. "**Plan Summary**" means the *Executive Summary, Frequently Asked Questions, and General Information Regarding Debtor's Fourth Amended Plan of Reorganization* (as amended, supplemented, or modified from time to time) filed in the Chapter 11 Case, including all exhibits and schedules thereto and references therein that relate to the Plan, and that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law. The Plan Summary attaches the Third Amended Disclosure Statement.

1.1.121. "**Plan Supplement**" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified from time to time in accordance with the terms hereof and the Bankruptcy Code and the Bankruptcy Rules), to be Filed no later than ten (10) Business Days before the deadline for filing objections to confirmation of the Plan or such other date as may be set by the Bankruptcy Court, and additional documents or amendments to previously Filed documents, Filed before the Effective Date as

amendments to the Plan Supplement, including without limitation the following: (a) the Exit Facility Documents, (b) the Executory Contract Cure Schedule, (c) the Executory Contract Rejection Schedule, (d) the CCCEB Settlement Documents, (e) the form of the Survivors' Trust Agreement, (f) the form of the Survivors' Trust Distribution Plan, (g) the form of the RCWC Release, (h) the form of the RCWC Escrow Agreement and (i) the form of the Immediate Payment Notice.

1.1.122. "**Post-Confirmation Notice List**" means the list of Persons or Entities to receive notice of matters after the Confirmation Date, specifically: (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.

1.1.123. "**Post-Effective Date Insurance Settlement**" shall have the meaning ascribed to such term in Section 9.2.8 of this Plan.

1.1.124. "**Preliminary Abuse Claim ~~Allowance~~ Approval Deadline**" means the date that is sixty (60) days following the Effective Date, or if such date is not a Business Day, then the next Business Day thereafter.

1.1.125. "**Priest Long-Term Care Plan**" means the long-term care plan maintained by the Debtor for priests employed by the Debtor, Churches, and Non-Debtor Catholic Entities.

1.1.126. "**Priority Tax Claim**" means any Claim of a Governmental Unit under Section 507(a)(8) of the Bankruptcy Code.

1.1.127. "**Priority Unsecured Claim**" means any Claim against the Debtor that is entitled to priority in right of payment under Section 507(a) of the Bankruptcy Code, other than an Administrative Expense Claim or a Priority Tax Claim.

1.1.128. "**Privileged Communications**" shall have the meaning ascribed to such term in Section 8.6 of this Plan.

1.1.129. "**Professional**" means any Person or Entity employed by the Debtor, the Committee, or the Estate in the Chapter 11 Case under Sections 327 or 1103 of the Bankruptcy Code, any of the Mediators, or any Person or Entity seeking compensation or reimbursement of

expenses under Section 503(b)(4) of the Bankruptcy Code.

1.1.130. "**Proof of Claim**" means a Claim, along with any supporting documentation, Filed against the Debtor in the Chapter 11 Case.

1.1.131. "**RCBO**" shall have the meaning ascribed to such term in the Introduction Section hereof.

1.1.132. "**RCC**" means the Roman Catholic Cemeteries of the Diocese of Oakland, a non-profit religious corporation, separate and distinct from RCBO.

1.1.133. "**RCC Pre-Petition Loan Documents**" means the documents documenting RCC's prepetition Secured Claim.

1.1.134. "**RCWC**" means the Roman Catholic Welfare Corporation of Oakland, a non-profit religious corporation, separate and distinct from RCBO. This definition includes any school RCWC managed, manages, administered, administers, operated, or operates.

1.1.135. "**RCWC Claimant**" shall have the meaning ascribed to such term in Section 9.3.2.5 of this Plan.

1.1.136. "**RCWC Escrow**" means an escrow account administered pursuant to the terms of the RCWC Escrow Agreement by a third-party escrow agent who shall be identified in the RCWC Escrow Agreement (the "**RCWC Escrow Agent**"). For the avoidance of doubt, the RCWC Escrow Agent shall not be a Non-Debtor Catholic Entity.

1.1.137. "**RCWC Escrow Agreement**" means an escrow agreement between RCWC, the Survivors' Trustee, and the RCWC Escrow Agent, which shall be in substantially the form Filed with the Plan Supplement.

1.1.138. "**RCWC Release**" means a release, which shall become effective as provided in Section 9.3.2.3 hereof, in a form filed with the Plan Supplement and approved by the Bankruptcy Court in the Confirmation Order, by which a Holder of an Abuse Claim may consensually release RCWC, including its current and former directors, managers, officers, employees, predecessors, successors, assigns, managed accounts or funds, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, and

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other professionals, of any and all claims that have been asserted or might be asserted by such Holder based on any conduct occurring before the Effective Date of the Plan.

1.1.139. "**Rejection Claim**" means a Claim for rejection damages arising out of the rejection of an Executory Contract or Unexpired Lease by the Debtor, whether the rejection occurs through an order of the Bankruptcy Court approving a motion to reject an Executory Contract or Unexpired Lease or through confirmation of this Plan or any other chapter 11 plan.

1.1.140. "**Rejection Claims Bar Date**" means, as to a particular Rejection Claim, the date that is the earlier of (a) sixty (60) calendar days following the entry of an order rejecting an Executory Contract or Unexpired Lease, the rejection of which gave rise to the Rejection Claim, or (b) thirty (30) days after entry of the Confirmation Order.

1.1.141. "**Released Parties**" means collectively: (a) the Debtor, (b) the Reorganized Debtor, (c) the Churches, 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 and (d) with respect to each of the foregoing Persons and Entities in clauses (a) through (c), such Person and their, or such Entity and its, current and former directors, managers, officers, employees, predecessors, successors, assigns, managed accounts or funds, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, and other professionals; *provided, however*, this term expressly excludes (i) any Person accused of committing a physical act of Abuse upon an Abuse Claimant or their predecessor(s)-in-interest, (ii) any Non-Debtor Catholic Entity (except that RCWC may receive the RCWC Release pursuant to Section 9.3.2 of the Plan) , and (iii) any Catholic diocese or archdiocese other than the Debtor or Reorganized Debtor. For the avoidance of doubt, RCWC shall not be deemed a Released Party hereunder, because each RCWC Release will be governed by its terms.

1.1.142. "**Released RCWC Claims**" means Abuse Claims the Holders of which have executed RCWC Releases and such Abuse Claims have been released pursuant to the terms hereof.

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1.1.143. "**Releases**" means the release of any Claim or Cause of Action in favor of Released Parties as set forth in Section 13.8 of the Plan given by the persons or entities listed in subparagraphs (a) through (b) of this Section of the Plan (collectively, the "**Releasing Parties**"): (a) the Released Parties; and (b) with respect to each of the foregoing Persons and Entities in clause (a), such Person and their, or such Entity and its, current and former directors, managers, officers, employees, equity holders (regardless of whether such interests are held directly or indirectly), interest holders, predecessors, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members, management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals. For the avoidance of doubt, (i) "Releasing Parties" excludes Non-Settling Insurers and (ii) Non-Settling Insurers are not giving any Releases to Released Parties under the Plan.

1.1.144. "**Reorganized Debtor**" means the Debtor upon the occurrence of the Effective Date and thereafter.

1.1.145. "**Restricted Assets Adversary Proceeding**" means the adversary proceeding captioned *The Official Committee of Unsecured Creditors of the Roman Catholic Bishop of Oakland v. The Roman Catholic Bishop of Oakland (In re: The Roman Catholic Bishop of Oakland)*, Adv. Pro. No. 24-04051 (Bankr. N.D. Cal.).

1.1.146. "**Review Determination**" shall have the meaning ascribed to such term in Section 9.8.2 of this Plan.

1.1.147. "**Schedules**" means, to the extent required, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Debtor under Section 521 of the Bankruptcy Code, as the same may have been amended, modified, or supplemented from time to time.

1.1.148. "**Secured**" means, when referring to a Claim, a Claim: (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable

pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to Section 553 of the Bankruptcy Code, to the extent of the value of the Creditor's interest in an Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to Section 506(a) of the Bankruptcy Code; or (b) otherwise Allowed by the Plan as a Secured Claim.

1.1.149. "**SERP**" means the Diocese of Oakland Priests Supplemental Retirement Plan.

1.1.150. "**Settling Insurer**" means any Insurer with whom (i) the Debtor executes a settlement agreement before the Effective Date, or (ii) the Survivors' Trust executes a settlement agreement on or after the Effective Date.

1.1.151. "**Survivors' Trust**" means the trust created for the benefit of the Survivors' Trust Beneficiaries in accordance with this Plan, the Confirmation Order, and the Survivors' Trust Agreement.

1.1.152. **"Survivors' Trust Advisory Committee"** means the Entity created under Section 9.1.3 of the Plan.

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

1.1.154. "**Survivors' Trust Assets**" means collectively, whether contributed on or after the Effective Date, and including all proceeds thereof, (i) the Debtor Cash Contribution, (ii) the RCWC Contribution (if any), (iii) any proceeds of Insurance Settlement Agreements realized by the Debtor (before the Effective Date) or the Survivors' Trust (after the Effective Date), (iv) the Assigned Insurance Interests, and (v) the Causes of Action asserted in the Restricted Assets Adversary Proceeding.

1.1.155. "**Survivors' Trust Beneficiaries**" means Holders of Allowed Class 4 and

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Class 5 Claims.

1.1.156. "**Survivors' Trust Distribution Plan**" means the plan and guidelines for distributing liquid assets of the Survivors' Trust to Abuse Claimants and Unknown Abuse Claims, the form of which shall be filed with the Plan Supplement.

1.1.157. "**Survivors' Trust Documents**" means all documents necessary to establish and administer the Survivors' Trust, including without limitation the Survivors' Trust Agreement and the Survivors' Trust Distribution Plan.

1.1.158. "**Survivors' Trustee**" means the Person appointed by the Bankruptcy Court as trustee of the Survivors' Trust in accordance with the terms of the Plan, the order confirming the Plan, and the Survivors' Trust Documents, or any of their successors.

1.1.159. "**Target Policy**" means any Insurance Policy issued by a Non-Settling Insurer that is alleged to afford insurance coverage for any Litigation Claim or whose carrier is alleged to be a defendant in any Insurance Action.

1.1.160. "**Tax Code**" means the Internal Revenue Code of 1986, as amended.

1.1.161. "**Third Amended Disclosure Statement**" means the *Third Amended Disclosure Statement for Debtor's Third Amended Plan of Reorganization* filed in the Chapter 11 Case at docket number 1874, including all exhibits and schedules thereto and references therein that relate to the Plan.

1.1.162. "**Treasury Regulations**" has the meaning ascribed to such term in Section 9.1.2 of this Plan.

1.1.163. **"Trust Claimant**" means the Holder of a Trust Claim.

1.1.164. "**Trust Claims**" means the Abuse Claims of Holders who have not elected to receive an Immediate Payment, which Claims shall be reviewed and allocated a percentage of the Survivors' Trust recovery pool based on numerical scaling factors (but not based on alleged dollar value of the Claim) by the Abuse Claims Reviewer pursuant to the procedures set forth in the Survivors' Trust Documents.

1.1.165. "**Trust Collateral Property**" means real estate titled in the name of the

Debtor against which a Debtor Contribution Deed of Trust is recorded pursuant to Section 9.3.1.6 hereof.

1.1.166. "**U.S. Trustee**" means the Office of the United States Trustee for Region 17, which includes the Northern District of California.

1.1.167. "**U.S. Trustee Fees**" means quarterly fees owed to the U.S. Trustee under 28 U.S.C. § 1930(a)(6).

1.1.168. "**Unclassified Claims**" has the meaning ascribed to such term in Section 2.2 of this Plan.

1.1.169. "**Unexpired Lease**" means a lease of nonresidential real property to which the Debtor is a party that is subject to assumption or rejection under Sections 365 or 1123 of the Bankruptcy Code.

1.1.170. "**Unimpaired**" means, with respect to a Class of Claims, a Claim that is unimpaired within the meaning of Section 1124 of the Bankruptcy Code, including without limitation through payment in full in Cash.

1.1.171. "**Unknown Abuse Claim**" means an Abuse Claim arising out of an alleged act of sexual abuse that occurred on or before the Effective Date for which (a) no Proof of Claim was Filed or deemed timely Filed on or before the Claims Bar Date, or (b) a Proof of Claim was Filed after the Claims Bar Date or otherwise submitted to the Survivors' Trustee, if such Abuse Claim was not untimely under California state law (*e.g.* not discovered or reasonably discoverable before the Claims Bar Date, or subject to a new law re-opening the claims window).

1.1.172. "**Unknown Abuse Claims Representative**" means the Person or Entity appointed by the Bankruptcy Court to represent the interests of Holders of Unknown Abuse Claims, including without limitation for actions to be taken on behalf of Holders of Unknown Abuse Claims under this Plan.

1.1.173. "**Unknown Abuse Claims Reserve**" means the reserve established on the Effective Date pursuant to the Survivors' Trust Documents for the benefit of Holders of Class 5 Claims.

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1.1.174. "**Unsecured Claim**" means a Claim, including without limitation an Abuse Claim or Unknown Abuse Claim, which is not an Administrative Claim, Fee Claim, Priority Claim, Priority Tax Claim, or Secured Claim.

1.1.175. "**Voting Deadline**" means the date established by the Bankruptcy Court by which ballots to accept or reject this Plan must be filed.

1.2. ***Construction of Terms***

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

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

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

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

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

ARTICLE II

SUMMARY OF CLASSIFICATION OF CLAIMS

2.1. ***Claims Provided for Herein***. Various types of Claims are defined or described in this Plan. This Plan is intended to deal with all Claims against the Debtor or property of the Debtor or the Debtor's Estate of whatever character, whether or not with recourse, contingent or non-

contingent, liquidated or unliquidated, and whether or not previously Allowed by the Bankruptcy Court pursuant to Section 502 of the Bankruptcy Code, which arise in any manner or from any event or circumstance arising before the Effective Date. However, only those Claims Allowed pursuant to Section 502 of the Bankruptcy Code will receive any distribution under this Plan. All Claims against the Debtor will be discharged without any distribution, recovery, recourse, or residual interest or right to the extent not expressly included in any Class or otherwise provided any treatment hereunder.

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

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

Class	Class Description	Status	Voting Rights
Class 1	RCC Secured Claim	Impaired	Eligible to vote
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

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ARTICLE III

TREATMENT OF UNCLASSIFIED CLAIMS: ADMINISTRATIVE CLAIMS, PRIORITY TAX CLAIMS AND UNITED STATES TRUSTEE'S FEES

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

3.1. ***Administrative Expense Claims***

3.1.1. *Treatment of Administrative Expense Claims.* Except to the extent a Holder of an Allowed Administrative Expense Claim agrees to less favorable treatment with respect to such Allowed Administrative Expense Claim, each Holder of an Allowed Administrative Expense Claim shall receive, on account of and in full and complete settlement, release and discharge of, and in exchange for, such Claim, payment of Cash in an amount equal to such Allowed Administrative 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.

3.1.2. *Administrative Expense Claims Bar Date.* Except as provided for herein 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, forever barred from assertion, and

unenforceable against the Debtor or the Reorganized Debtor, the Estate, or their property without the need for any objection or further notice to, or action, order, or approval of the Bankruptcy Court, and any such Claims shall be deemed fully satisfied, released, and discharged. Administrative Expense Claims representing obligations incurred by the Debtor or Reorganized Debtor (as applicable) after the date and time of the entry of the Confirmation Order shall not be subject to application to the Bankruptcy Court and may be paid by the Debtor or Reorganized Debtor (as applicable) in the ordinary course of business and without Bankruptcy Court approval.

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

3.3. ***Fee Claims***. All Professionals or other Entities requesting the final allowance and payment of a Fee Claim for services rendered during the period from the Petition Date to and including the Effective Date shall File final applications for allowance and payment of such Fee Claims no later than the first Business Day that is forty-five (45) days after the Effective Date. Objections to any Fee Claim must be Filed and served on the Reorganized Debtor and the applicable Professional no later than the first Business Day that is 30 days after the Filing of the final fee application that relates to the Fee Claim (unless otherwise agreed by the Debtor or the Reorganized Debtor, as applicable, and the Professional requesting allowance and payment of a Fee Claim). An

Allowed Fee Claim, including any amounts previously held back by Order of the Bankruptcy Court, shall be paid in full, in Cash, in such amounts as are Allowed by the Bankruptcy Court no later than the first Business Day that is twenty-one (21) calendar days after the entry of a Final Order Allowing the Fee Claim. The Reorganized Debtor is authorized to pay compensation for services rendered or reimbursement of expenses incurred by its Professionals after the Effective Date in the ordinary course and without the need for Bankruptcy Court approval. Unless otherwise directed by the Bankruptcy Court, all Professionals filing final fee applications shall comply with the *Order Appointing Fee Examiner and Establishing Procedures for Review of Interim and Final Fee Applications Filed by Estate Professionals* [Dkt. No. 1122] entered in the Chapter 11 Case, including any subsequent amendments.

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

3.5. ***United States Trustee Fees***. To the extent any U.S. Trustee Fees have become due before the Effective Date and have not previously been paid, then such fees shall be paid pursuant to 11 U.S.C. § 1129(a)(12) and 28 U.S.C. § 1930. Any U.S. Trustee Fees relating to the period from and after the Effective Date shall be paid as provided in Section 12.9.4 of the Plan.

ARTICLE IV

TREATMENT OF CLASSIFIED CLAIMS

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

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

4.1.2. *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 payment in full of the amount of its Allowed Secured Claim pursuant to the terms of the RCC Prepetition Loan Documents, provided that (a) the Debtor or Reorganized Debtor, as appropriate, shall not be required to pay default interest, late payment fees, or any equivalent penalty or fee based non-payment of any principal payments that were due on or before the Effective Due; and (b) the amount of all principal payments that were due prior to

the Effective Date and remain unpaid as of the Effective Date shall be amortized over the remaining term of the loan under the RCC Prepetition Loan Documents.

4.1.3. *Impairment and Voting*. Class 1 is Impaired under the Plan. Unless otherwise ordered by the Bankruptcy Court, each Holder of a Class 1 Claim is entitled to vote to accept or reject the Plan.

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

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

4.2.2. *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.

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

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

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

4.3.2. *Treatment*. Except to the extent a Holder of an Allowed General Unsecured Claim (including an Allowed Rejection Claim) agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed General Unsecured Claim, each such Holder shall receive payment in Cash 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 twenty-one (21) days after the date 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.

4.3.3. *Impairment and Voting*. Class 3 is Impaired under the Plan. Unless otherwise ordered by the Bankruptcy Court, each Holder of a Class 3 Claim is entitled to vote to accept or reject the Plan.

4.4. ***Class 4 – Abuse Claims***

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

4.4.2. *Treatment*. This Plan creates the Survivors' Trust to fund payments to Holders of Allowed Abuse Claims entitled to such payments under the Plan and the Survivors' Trust Documents. Except to the extent a Holder of an Allowed Abuse 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 Abuse 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 hereof 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.

4.4.3. *Impairment and Voting*. Class 4 Claims are Impaired under the Plan. Unless otherwise ordered by the Bankruptcy Court, each Holder of a Class 4 Claim is entitled to vote to accept or reject the Plan.

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

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

4.5.2. *Treatment*. The Unknown Abuse Claims Reserve shall be established on the Effective Date pursuant to the Survivors' Trust Documents. Except to the extent a Holder of an Allowed Unknown Abuse 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 Unknown Abuse Claim, each such Holder shall receive their allocable share of the Unknown Abuse Claims Reserve at the time and in the manner set forth in Articles VIII and IX hereof and the Survivors' Trust Documents. It is intended that any payment on an Allowed Unknown 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.

4.5.3. *Impairment and Voting*. Class 5 Claims are Impaired under the Plan. Unless otherwise ordered by the Bankruptcy Court, the Unknown Abuse Claims Representative is entitled to vote to accept or reject the Plan on behalf of all Holders of Class 5 Claims.

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

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

4.6.2. *Treatment*. This Plan creates the Non-Abuse Litigation Reserve to fund payments to Holders of Allowed Non-Abuse Litigation Claims in accordance with Section 12.7 of the Plan. Except to the extent a Holder of an Allowed Non-Abuse Litigation 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 Non-Abuse Litigation Claim, each such Holder shall receive their allocable share of the Non-Abuse Litigation Reserve.

4.6.3. *Impairment and Voting*. Class 6 Claims are Impaired under the Plan. Unless otherwise ordered by the Bankruptcy Court, each Holder of a Class 6 Claim is entitled to vote to accept or reject the Plan.

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

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

4.7.2. *Treatment*. To the extent RCWC is a Holder of a Class 7A Claim, it shall be deemed to have waived its Class 7A Claim against the Debtor, Reorganized Debtor, the Estate, the Survivors' Trust, and any Settling Insurer in exchange for the treatment provided by this Plan.

Any Holder of a Class 7A Claim other than RCWC shall have its Class 7A Claim Disallowed.

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

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

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

4.8.2. *Treatment*. To the extent RCWC is a Holder of a Class 7B Claim, it 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 treatment provided by this Plan. Any Holder of a Class 7B Claim other than RCWC shall have its Class 7B Claim Disallowed.

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

ARTICLE V

DISPUTED CLAIMS AND CLAIM DISTRIBUTIONS

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

5.2. ***Claims Objections.***

5.2.1. *Who May Object*. A Subject to the terms of this Section 5.2 or further order of the Bankruptcy Court, any party in interest shall be entitled to object to Non-Abuse Claims to the extent permitted under Section 502(a) of the Bankruptcy Code, and the Holder of any Non-Abuse Claim to which an objection is made is entitled to assert their defenses to such objection.

5.2.2. *Objections to Abuse Claims*. All parties in interest reserve the right to object, in the Bankruptcy Court, to Abuse Claims based on bankruptcy and non-bankruptcy law,

pursuant to Section 502(a) of the Bankruptcy Code, and Abuse Claimants reserve their defenses to such objections. ~~, *provided, however*, that from and after the Effective Date, parties in interest other than the Survivors' Trustee, including without limitation the Non-Settling Insurers, may object to Abuse Claims in the Bankruptcy Court only based on any applicable defense arising under the Bankruptcy Code (including untimeliness and any injunction barring late or unfiled claims), and (i) any determinations of the dollar amount of liability for purposes other than Survivors' Trust Distributions, and any defense based upon non-bankruptcy law, shall be made in a court of competent jurisdiction as determined under applicable non-bankruptcy law, and (ii) a.~~ All determinations regarding insurance coverage shall be made in a court of competent jurisdiction or such other venue as the affected parties (including ~~without limitation~~ any Non-Settling Insurer) may agree; further *provided, however*, the Non-Settling Insurers shall be entitled to defend against any Litigation Claim in the non-bankruptcy court system based upon any of the objections that could otherwise have been asserted in the Chapter 11 Case~~,~~ and any objections under non-bankruptcy law~~, as provided in Sections 1.1.39 and 4.4 hereof and Articles VIII and IX hereof~~. For the avoidance of doubt, any party in interest, including ~~without limitation~~ the Debtor and any Non-Settling Insurer, may File an objection to any Abuse Claim at any time~~before the Effective Date~~, and, the Survivors' Trustee may object to Abuse Claims at any time in accordance with the Survivors' Trust Documents and on any grounds permissible thereunder.

5.2.3. *Time for Objections to Claims*. The Reorganized Debtor may File an objection to any Non-Abuse Claim at any time through the closing of the Chapter 11 Case. For all other parties in interest, an objection to a Claim must be Filed on or before the Claims Objection Deadline. ~~, provided that as set forth in Section 1.1.32 hereof, the Claims Objection Deadline does not apply to any Non-Settling Insurer who agrees to defend against any Abuse Claim Holder who elects the Litigation Option as set forth in Section 5.2.2 and Articles VIII and IX hereof, as to such defense in the appropriate non-bankruptcy forum.~~ For the avoidance of doubt, the Claim Objection Deadline shall apply to any objection by a Non-Settling Insurer filed in the Bankruptcy Court to an Abuse Claim filed prior to the Effective Date, but shall not apply to an objection by a Non-Settling

Insurer filed in Bankruptcy Court to an Abuse Claim that was not filed prior to the Effective Date.

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

5.3. ***Treatment of Disputed Claims***. Until such time as some or all of an unliquidated or contingent Claim becomes Allowed or is Disallowed, such Claim will be treated as a Disputed Claim for all purposes related to Plan distributions. No distribution shall be made on account of any Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by an order which has become a non-appealable order, and the Disputed Claim has become an Allowed Claim. In the event Disputed Claims in Class 2 or Class 3 have not been Allowed or Disallowed at the time of a distribution under the Plan, the Reorganized Debtor shall maintain a reasonable reserve for such Disputed Claims. The Reorganized Debtor shall not make a distribution of such reserved funds for a Disputed Claim in Class 2 or Class 3 until such Disputed Claim has been resolved by order of the Bankruptcy 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.

5.4. ***Late Filed Claims***. Any Claim for which the Bar Date Order required a Proof a Claim to be submitted, but for which Claim no Proof of Claim was submitted, on or before their applicable Claims Bar Date, or which are not otherwise deemed timely or Allowed by order of the Bankruptcy Court, shall receive no distribution under this Plan. Such Claims shall be deemed Disallowed Claims and shall be expunged. The submission of a Ballot shall not constitute an amendable informal Proof of Claim or an amendment to a previously filed Proof of Claim or scheduled Claim. Any amendment to an otherwise timely filed Proof of Claim must be Filed on or before the Confirmation Date, provided that the foregoing shall not waive or modify the right of any party in interest to object to amendment of a Claim before the Confirmation Date. The Unknown Abuse Claims Representative need not submit or File a Proof of Claim on behalf of Holders of Class 5 Claims as a prerequisite to vote on the Plan or for any Class 5 Claims to be deemed Allowed.

Holders of Class 5 Claims, if any, shall submit their Claims in accordance with the procedure for submitting Unknown Abuse Claims under the Survivors' Trust Documents.

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

5.6. ***No Distribution to Disallowed Claims***. No distribution shall be made on account of any Claim which (i) is not an Allowed Claim in whole or in part, or (ii) has otherwise been deemed or determined to be a Disallowed Claim.

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

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

5.7.2. *Timeliness*. Any distribution to be made by the Reorganized Debtor pursuant to the Plan or agreements entered into pursuant to the Plan, or by the Survivors' Trust pursuant to the Plan or Survivors' Trust Documents or agreements entered into pursuant to either, shall be deemed to have been timely made if made within fifteen (15) days after the time therefor specified in the Plan or such other agreements between the Holder of a Claim and the Debtor, Reorganized Debtor, or Survivors' Trust, as applicable. No additional interest shall accrue or be paid with respect to any distribution as a consequence of such distribution not having been made on the date specified therefor herein. For the avoidance of doubt, this Section does not modify the

terms of assumed Executory Contracts or Unexpired Leases of non-residential real property.

5.8. ***Transfers of Claims***. As of the close of business on the Confirmation Date, there shall be no further changes in the record Holders of Claims for purposes of distributions under the Plan unless the Reorganized Debtor (as to all Claims other than Class 4 and Class 5 Claims) or the Survivors' Trustee (as to Class 4 and Class 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.

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

5.10. ***Delivery of Distributions***. Distributions to Holders of Allowed Claims, other than Class 4 or Class 5 Claims, will be sent to (i) the addresses set forth in any written notice of address change delivered to the Debtor or the Reorganized Debtor after the date of any related Proof of Claim; (ii) the address set forth on such Holder's Proof of Claim Filed with the Bankruptcy 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) the last known address reflected in the Debtor's books and records. Distributions to Abuse Claimants and Unknown Abuse Claimants from the Survivors' Trust Assets will be made in accordance with the Survivors' Trust Documents.

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

5.12. ***No Interest***. Unless otherwise specifically provided for in the Plan, by applicable law (including Section 506(b) of the Bankruptcy Code), or agreed to by the Debtor or the Reorganized Debtor (as applicable): (i) interest shall not accrue or be paid on any Claim, and no Holder of any Claim shall be entitled to interest accruing on and after the Petition Date on account

of any Claim; and (ii) without limiting the foregoing, interest shall not accrue on or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final distribution is made when and if such Disputed Claim becomes an Allowed Claim.

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

5.14. ***Additional Terms Regarding Class 4 and Class 5 Claims***. Except as otherwise provided herein, terms for resolution of and distribution in connection with 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 Abuse Claimant 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 Abuse Claimant is not barred by this Section 5.14 from seeking extracontractual damages under the holding of ***Hand***, and (iii) all defenses and the rights of any Non-Settling Insurer to oppose any such claim by an Abuse Claimant under *Hand* are fully preserved, including that *Hand* is not a correct statement of applicable law and that it would not apply to any such asserted claim~~.

ARTICLE VI

VOTING ON THE PLAN

6.1. ***Voting Classes***. Only Holders of Claims in Classes 1, 3, 4, 5, and 6 are Impaired and entitled to vote to accept or reject the Plan. Class 2 Claims are Unimpaired, and the Holders of such Claims are presumed to accept the Plan. Class 7A and 7B Claims are Impaired, and Holders of such Claims are presumed to reject the Plan. A Class shall have accepted this Plan if this Plan is accepted by at least two-thirds in the aggregate dollar amount, and more than one-half in number of Holders, of the Allowed Claims of such Class that have voted to either accept or reject the Plan.

6.2. ***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.

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

7.2.2. *Employee Benefits*. On the Effective Date, all Assumed Employee Benefit Plans are deemed to be, and shall be treated as, Executory Contracts under this Plan, and shall be assumed as of the Effective Date. All outstanding payments which are accrued and unpaid as of the Effective Date pursuant to the Assumed Employee Benefit Plans shall be made by the Reorganized Debtor on the later of (i) the Effective Date, (ii) as soon as practicable thereafter, or (iii) when otherwise due under the applicable Assumed Employee Benefit Plan. Such assumption shall have the effect of curing and reinstating the rights of the employee beneficiaries and shall result in the full release and satisfaction of any Claims and Causes of Action against the Debtor or defaults by

the Debtor arising under any Assumed Employee Benefit Plan at any time before the Effective Date. Any Proofs of Claim filed with respect to an Assumed Employee Benefit Plan shall be deemed Disallowed Claims and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

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

7.2.4. *Executory Contract Cure Schedule*. If the Debtor assumes one or more Executory Contracts (excluding the Assumed Employee Benefit Plans), the Debtor may, but shall not be required to, file the Executory Contract Cure Schedule with the Plan Supplement.

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

7.2.6. *Objections to Assumption and Cure*. Any Person who (i) is a party to an Executory Contract assumed under the Plan and (ii) objects to assumption or the cure amount, must File an Assumption Objection with the Bankruptcy Court and serve the same upon interested parties. An Assumption Objection shall be accompanied by a declaration or other sufficient evidence setting

forth the basis for any objection to assumption of that party's Executory Contract or Unexpired Lease, including without limitation as to the cure amount, on or before the later of: (i) the deadline set for filing of objections to confirmation of the Plan, or (ii) seven (7) days after the filing of the Executory Contract Cure Schedule (or any amendment thereto affecting such executory contract). Any Entity that fails to timely file and serve an Assumption Objection will be deemed to waive any and all objections to the proposed assumption of its Executory Contract. A hearing on the Assumption Objections will take place at the hearing on Confirmation, or as soon thereafter as the Bankruptcy Court is available.

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

7.4. ***Rejection of Contracts.***

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

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

11 Case.

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

ARTICLE VIII

INSURANCE ASSIGNMENT AND OTHER INSURANCE MATTERS

8.1. ***The Insurance Assignment***. Subject to the rights of the Non-Settling Insurers set forth herein, including Sections 8.2 and 8.3 of this Plan, in addition to the Debtor Cash Contribution and contributions from RCWC being paid to the Survivors' Trust through the RCWC Escrow, the Assigned Insurance Interests shall be automatically and without further act or deed assigned and transferred to the Survivors' Trust on the Effective Date (the "**Insurance Assignment**") and the Insurance Assignment shall become effective. The Insurance Assignment shall not be construed as an assignment of the Non-Settling Insurer Policies but rather an assignment of the Debtor's and RCWC's (but solely as to Released RCWC Claims) obligations, rights and interests in the Non-Settling Insurer Policies for Abuse Claimants ~~and the Survivors' Trust, as applicable,~~ to ~~directly~~ receive proceeds and remedies for Insurance Actions available under the Non-Settling Insurers' Abuse Insurance Policies, notwithstanding any anti-assignment provision in or incorporated into any such Abuse Insurance Policy. Any obligations, rights, claims, interests, and benefits of the Debtor in the Non-Settling Insurer Policies, and any Claims of the Debtor against the California Insurance Guarantee Association, that are not assignable as a matter of law shall be retained by the Debtor to the fullest extent possible under applicable law. Upon the assignment of the Assigned Insurance Interests to the Survivors' Trust, an Abuse Claimant shall have the right to either (i) elect to receive the Immediate Payment under Section 9.7 hereof, or (ii) receive a distribution of the Abuse Claimant's individual allocable shares of contributions to the Survivors' Trust, pursue all available insurance coverage and remedies for Insurance Actions under the Non-Settling Insurer Policies pursuant to, and in accordance with, applicable law and the terms of the Non-Settling Insurer Policies, or both, all as set forth in Article IX hereof. Upon the assignment of the Assigned

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Insurance Interests to the Survivors' Trust, recourse to the Released Parties shall be limited to the Assigned Insurance Interests and any other rights or interests expressly granted to the Survivors' Trust under this Plan. In furtherance of the Insurance Assignment:

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

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

8.1.3. Upon the effectiveness of the Insurance Assignment, the Survivors' Trust shall have whatever obligations, if any, that exist under the Abuse Insurance Policies under applicable law, including ~~without limitation~~ all notice obligations required under the Abuse Insurance Policies and applicable law pertaining to Abuse Claims; *provided, however*, that the Survivors' Trust's assumption of such responsibility shall not relieve the Debtor, the Reorganized Debtor or the Released Parties from their respective obligations under the Abuse Insurance Policies as provided herein, should the Survivors' Trust fail to perform such obligations.

8.1.4. The Insurance Assignment is absolute upon entry of the Confirmation Order, and conditioned upon the occurrence of the Effective Date, and requires no further action by the Released Parties, the Survivors' Trust, the Bankruptcy Court, the Non-Settling Insurers, or any other Entity.

8.1.5. The Insurance Assignment shall be governed by, and construed in accordance with, the Bankruptcy Code and the laws of the state of California, without regard to conflict of law principles.

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

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

8.2.1. As set forth in Article IX of this Plan, Abuse Claimants who do not elect to receive an Immediate Payment may elect the Litigation Option (defined in Section 9.8.4 herein). An Abuse Claimant may only litigate coverage of such Holder's Abuse Claim under the Non-Settling Insurer's Abuse Insurance Policy(ies) by electing the Litigation Option. Only the applicable Abuse Claimant may seek recovery for such Abuse Claim against a Non-Settling Insurer pursuant to an Abuse Insurance Policy issued by such Non-Settling Insurer and the Insurance Assignment to the Survivor's Trust is subject to the exclusive rights of such Holders.

8.2.2. After Confirmation, any Abuse Claimant who elects the Litigation Option, i.e. to pursue the Holder's Claim in the non-bankruptcy court system against the Debtor as a nominal party only or (only to the extent permitted under applicable non-bankruptcy law) a Non-Settling Insurer, solely for the purpose of recovering from one or more Non-Settling Insurers under their respective Insurance Policies, 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 Abuse Claimant 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~~. The Debtor (including the Estate and the Reorganized Debtor) and the Survivors' Trust will 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. Nothing in this Section 8.2.2 shall diminish or alter the rights of an Abuse Claimant who elects the Litigation Option to receive a distribution from the Survivors' Trust pursuant to Section 9.8.4 herein.

8.2.3. If an Abuse Claimant elects the Litigation Option then, among other things, (i) the rights of affected Non-Settling Insurers to defend or associate in the defense of such Abuse Claim shall be fully preserved so that a Non-Settling Insurer who has offered to, or has an obligation to, defend may do so, and (ii) the rights of affected Non-Settling Insurers to assert all rights, claims and coverage defenses in any insurance recovery action ~~(under Cal. Ins. Code § 11580 or otherwise)~~ shall also be fully preserved. In any such insurance recovery action ~~(under Cal. Ins. Code § 11580 or otherwise)~~, Abuse Claimants 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. If any Non-Settling Insurer, which has a duty to defend, elects not to defend an Abuse Claim in the non-bankruptcy court system after receiving proper notice and opportunity to do so, the rights of the Abuse Claimant shall be determined under applicable state law. ~~entitled to seek a default judgment against the Debtor as nominal party only, solely to allow such Abuse Claimant to then pursue insurance rights under Cal. Ins. Code § 11580 in accordance with the provisions in the Plan.~~

8.2.4. If an Abuse Claimant elects the Litigation Option, liquidates its Abuse Claim in state court, ~~and~~ obtains a final judgment by a Final Order against a Non-Settling Insurer, and obtains a Final Order from a court of competent jurisdiction that coverage for the Abuse Claim exists under the applicable Abuse Insurance Policy or Policies such Non-Settling Insurer shall pay the amount of the judgment directly to the Holder of such Claim in accordance with, and subject to, the provisions of the Plan. The Abuse Claimant shall have the exclusive right to liquidate their Abuse Claim under the Litigation Option and pursue Coverage Claims against a Non-Settling

Insurer.

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

8.3.1. With respect to Non-Settling Insurers, nothing in the Plan, the Plan Documents, the Confirmation Order, or the Survivors' Trust Documents, including any provision that purports to be preemptory or supervening, shall in any way operate to, or have the effect of, impairing, altering, supplementing, changing, expanding, decreasing, or modifying (i) the terms and conditions of an Abuse Insurance Policy, (ii) the rights and obligations of the Debtor, its Estate or the Reorganized Debtor and any Non-Settling Insurers (and third-party claims administrators) under 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 Abuse Claimants 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.

8.3.2. With respect to the Non-Settling Insurers, notwithstanding any provision in the Plan, the Plan Documents, the Confirmation Order, or the Survivors' Trust Documents, nothing contained in any such 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, if any, with respect to an Abuse Claim shall be determined solely by and in accordance with the applicable Abuse Insurance Policy or Abuse Insurance Policies issued by that Non-Settling Insurer subject to applicable non-bankruptcy law. Nothing in the Plan, the Plan Documents, the Confirmation Order, or the Survivors' Trust Documents shall diminish or impair, or be deemed to diminish or impair, the rights of any Non-Settling Insurer to defend any Abuse Claim or to assert any claim, defense, right, or counterclaim in connection with any Abuse Claim or Abuse Insurance Policy in accordance with applicable law; *provided, however,* that any claim or counterclaim for

Contribution against a Settling Insurer shall be addressed as provided herein.

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

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

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

8.3.6. The determination of, qualification and estimation of Claims, and the payment of Survivors' Trust ~~distributionsis~~ 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 an Abuse Claimant.

8.3.7. Neither the Abuse Claims Reviewer's nor Survivors' Trustee's review of 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~~ any Non-Settling Insurer or any other Person.

8.3.8. 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 grant to any Person or Entity any right to sue any Non-Settling Insurer directly, in connection with a Claim, including any Abuse Claim, or any Abuse Insurance Policy, that such Person or Entity did not otherwise have under applicable non-bankruptcy law, (e) constitute a finding or determination (or be introduced to support a finding or determination) that the Debtor is a named insured, additional insured, or insured in any other way under any Abuse Insurance Policy, (f) constitute a finding or determination (or be introduced to support a finding or determination) that any Insurer in fact issued any alleged Abuse Insurance Policy or that any alleged Abuse Insurance Policy has any particular terms or conditions, (g) constitute a finding or determination (or be introduced to support a finding or determination) that any Insurer has any defense or indemnity obligation with respect to any Claim or Abuse Claim, or (h) constitute a finding or determination (or be introduced to support a finding or determination)

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on any matter at issue or which may be raised as an issue in any action, including the Coverage Action. In addition, no payment made in accordance with the Plan shall be, or be deemed to be, a waiver of any rights of any Non-Settling Insurer under any Abuse Insurance Policy.

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

8.3.10. Any disputes regarding a Non-Settling Insurer's liability for Abuse Claims and/or coverage therefor under any Abuse Insurance Policy 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.

8.3.11. Nothing herein shall limit the ability of any Non-Settling Insurer to agree to different terms or treatment of its Abuse Insurance Policies as part of a consensual settlement

with the Debtor, RCWC, the Survivors' Trust, and/or Abuse Claimants.

8.3.12. Any Non-Settling Insurer's legal, equitable, or contractual rights and obligations relating to the Abuse Insurance Policies issued by such Non-Settling Insurer shall be determined under applicable non-bankruptcy law. Nothing in the Plan shall be construed to impair or diminish the Debtor's or any Non-Settling Insurer's legal, equitable, or contractual rights or obligations under any Abuse Insurance Policy including, ~~but not limited to~~, the ability to negotiate resolution of any dispute, provided, however, (a) that because 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 Abuse Claimants 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 Claim, or (ii) settle an Abuse Claim without the consent of all affected Non-Settling Insurers; provided, however, that at the Reorganized Debtor's election and at its sole expense, the Reorganized Debtor may appoint its own counsel ("Reorganized Debtor Counsel") to represent the Bishop in the defense of any action by an Abuse Claimant against the Debtor (as a nominal party only). Any such Reorganized Debtor Counsel shall cooperate and coordinate with defense counsel appointed by the Non-Settling Insurers to represent the Debtor in such action, and the Reorganized Debtor's election to appoint Reorganized Debtor Counsel shall not constitute direction of or interference with a Non-Settling Insurer's defense of a tort action asserting an Abuse Claim. The Non-Settling Insurers reserve (and expressly do not waive) all policy defenses and Claims, including ~~without limitation~~ all rights and defenses concerning cooperation, offsets, recoupments, deductions, deductibles, self-insured retentions, and all rights and defenses provided in their policies. The Non-Settling Insurers also reserve all objections to any Abuse Claim available to a party of interest in this Chapter 11 Case and any such objections are preserved and may be asserted by Non-Settling

Insurers as a defense to coverage in Abuse Claim Litigation commenced by a Litigation Claimant. For the avoidance of doubt, nothing herein shall restrict the Survivors' Trust from resolving or making a distribution on account of any Abuse Claims without the consent of any Non-Settling Insurer.

8.3.13. Except as expressly stated herein, any coverage issues involving the Non-Settling Insurers or the Abuse Insurance Policies issued by the Non-Settling Insurers shall be determined in accordance with applicable non-bankruptcy law. All positions and arguments with respect to available coverage under such Abuse Insurance Polices shall be fully preserved for assertion by the Non-Settling Insurers and the Abuse Claimants in any litigation of coverage issues. Subject to the terms of the Plan, each Non-Settling Insurer and each Abuse Claimant reserves their rights, if any, to (i) bring proceedings concerning the application and interpretation of the terms of the Abuse Insurance Policies and rights thereunder, as well as whether defense and/or indemnity are owed under the Abuse Insurance Policies, and (ii) oppose any such proceeding commenced by any other Person or Entity in any court of appropriate jurisdiction as determined under applicable non-bankruptcy law; *provided, however*, because the Debtor will have received a discharge under the Plan, any effort to collect from Abuse Insurance Policies issued by the Non-Settling Insurers to satisfy an Abuse Claim after Confirmation of the Plan shall be sought individually by the applicable Abuse Claimant after such Abuse Claimant's Abuse Claim has been liquidated as provided 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.

8.3.14. The limitations in this Section 8.3 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.

~~8.3.14.~~8.3.15. The Bankruptcy Court cannot and does not make any findings or rulings concerning potential coverage claims or extracontractual claims (including bad faith claims) against Non-Settling Insurers because such claims are not before the Bankruptcy Court.

~~8.3.15.~~8.3.16. The foregoing provisions of Section 8.3 hereof shall be incorporated into the Confirmation Order.

8.4. ***Scope of Plan Injunctions***. Any injunction under the Plan or Confirmation Order shall not enjoin a Non-Settling Insurer's right to assert any Claims against the Survivors' Trust for contribution, subrogation, indemnification, reimbursement, or other similar Causes 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. Further, no injunction under the Plan or Confirmation Order shall restrict a Non-Settling Insurer's right to commence a coverage action in a court of competent jurisdiction. If a Non-Settling Insurer asserts it has (a) Contribution Claims directly or indirectly arising out of or in any way relating to such Non-Settling Insurer's payment of loss on behalf of the Debtor or defense expenses incurred in any action that should have been paid by or are otherwise attributable to a Settling Insurer related to any Abuse Claim or (b) rights to recover any self-insured retentions/obligations and/or deductibles (collectively, "**Payment Obligations**") in connection with its payment of defense and/or indemnity related to an Abuse Claim, then (x) such Contribution Claims or Payment Obligations may be asserted as a setoff, defense, or counterclaim against any Abuse Claimant and/or the Survivors' Trust in any insurance action or insurance recovery action ~~(under Cal. Ins. Code § 11580 or otherwise)~~ involving such Non-Settling Insurer and (y) to the extent such Contribution Claims or Payment Obligations are determined to be valid, the liability (if any) of such Non-Settling Insurer to the Holder of the Abuse Claim or the Survivors'

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Trust shall be reduced by the amount of such Contribution Claims or Payment Obligations, *provided* that if any such Contribution Claim exceeds the liability of such Non-Settling Insurer to the Survivors' Trust, the Non-Settling Insurer does not waive any excess claim and may seek affirmative recovery from the Survivors' Trust. To the extent payment of a self-insured retention is a condition to a Non-Settling Insurer's obligation to provide defense or indemnity under applicable non-bankruptcy law and the Non-Settling Insurer's applicable insurance policies, the failure of the Survivors' Trust to pay such self-insured retention to the Non-Settling Insurer shall result in the Non-Settling Insurer having the right to argue that such failure of payment is a complete defense to any claim for coverage by the Non-Settling Insurer to, or related to, any claim for recovery of insurance from the Non-Settling Insurer.

8.5. ***Non-Settling Insurers' Contribution Claims Against Settling Insurers***. In any action, including the Coverage Action, involving an Abuse Claimant and one or more Non-Settling Insurers, where a Non-Settling Insurer has asserted, asserts, or could assert any Contribution Claim against any of the Settling Insurers or the Survivors' Trust, and such Contribution Claims are determined by the court presiding over such Claims to be valid, then any judgment or award obtained against such Non-Settling Insurer by such Abuse Claimant shall be automatically reduced by the amount, if any, that the Survivors' Trust or any of the Settling Insurers is liable to pay such Non-Settling Insurer as a result of the Non-Settling Insurer's Contribution Claim, so that the Contribution Claim is thereby satisfied and extinguished; *provided, however*, that, as against the Survivors' Trust (as successor to the Debtor), a Non-Settling Insurer may only assert any such Contribution Claim for the payment of a deductible or self-insured retention. The Settling Insurers shall be required to cooperate in good faith with the Debtor, the Reorganized Debtor, and/or the Survivors' Trust to take commercially reasonable steps to defend against any Contribution Claim by a Non-Settling Insurer. For avoidance of doubt, the remedies set forth in this Section 8.5 in no way limit or impair the rights of Non-Settling Insurers set forth in Section 8.4.

8.6. ***Cooperation***. The Survivors' Trust and the Debtor (including the Estate and the Reorganized Debtor) shall have the obligation as provided in the Abuse Insurance Policies to

cooperate with the Non-Settling Insurers ~~with respect to the investigation and defense of Abuse Claims~~ pursuant to the terms of the Non-Settling Insurers' respective Abuse Insurance Policies, including with respect to preserving any documents relevant to liability or coverage disputes, making documents and witnesses available to the Non-Settling Insurers concerning such disputes, maintaining (*i.e.i.*, not waiving) liability defenses, and maintaining privilege with regard to the defense. The Reorganized Debtor and its agents will not voluntarily waive any privilege under non-bankruptcy law applicable to documents or communications related to alleged Abuse Claims (collectively, "**Privileged Communications**"). Without limiting the generality of the foregoing, neither the Reorganized Debtor nor its agents shall provide the Survivors' Trust or any Abuse Claimant with any Privileged Communications, absent the express consent of all affected Non-Settling Insurers or a court order compelling such a production. The Reorganized Debtor shall provide prompt notice of any requests and/or motions to compel disclosure of Privileged Communications and cooperate with affected Insurers with respect to the same. The Non-Settling Insurers reserve all coverage defenses with respect to any current or future failure to cooperate. The Debtor and the Survivors' Trust reserve all rights under the applicable Abuse Insurance Policies of the Non-Settling Insurers. The Non-Settling Insurers reserve all rights as against the Survivors' Trust and Trustee, the Debtor and its Estate, and the Reorganized Debtor ~~The terms of the Plan (including Articles VIII and IX hereof) constitute a voluntary agreement by the Non-Settling Insurers to the Insurance Assignment, and such terms shall not be deemed to be an involuntary order to that effect~~.

8.7. ***Reductions In Non-Settling Insurers' Liability***. No Abuse Claimant who elects the Litigation Option shall recover in the aggregate from the Survivors' Trust and any Non-Settling Insurer an amount greater than the total amount of the judgment entered by the applicable court of competent jurisdiction on such Holder's underlying Abuse Claim, subject to the terms of Section 5.14 herein. A Non-Settling Insurer shall have all rights available under non-bankruptcy law to assert, seek, and enforce any right to offset, recoup, or otherwise reduce its liability on any such entered judgment, including without limitation all rights available under non-bankruptcy law to

assert, seek, and recover on such claims against the Survivors' Trust. ~~For the avoidance of doubt, such Abuse Claimant is not barred by this Section 8.7 from seeking extracontractual damages under the *Hand* holding, and all defenses and the rights of any Non-Settling Insurer to oppose any such claim by an Abuse Claimant under *Hand* are fully preserved, including without limitation that *Hand* is not a correct statement of applicable law and that it would not apply to any such asserted claim~~.

8.8. ***Settling Insurers***.

8.8.1. *Pre-Confirmation Insurance Settlement Agreements.* If, before Confirmation, an Insurer enters into an Insurance Settlement Agreement with the Debtor under which the Insurer becomes a Settling Insurer hereunder upon entry of the Confirmation Order, the Debtor shall file with the Plan Supplement any provisions required by the proposed Settling Insurer, and agreed to by the Debtor, to be made a part of this Plan. Any such provisions set forth in the Plan Supplement shall be deemed incorporated into this Section as part of the Plan. Any Insurer that becomes a Settling Insurer shall receive the treatment as may be provided in any Insurer Settlement Agreement approved by a Final Order. Each Insurance Settlement Agreement is effective and binding upon all Persons who have notice, and any of the foregoing Persons' successors and assigns, upon the entry of a Final Order approving the Insurance Settlement Agreement and satisfaction of all conditions precedent, provided that such Insurance Settlement Agreement shall not affect the rights of any remaining Non-Settling Insurers. All payments by a Settling Insurer shall occur, and all releases contained in an Insurance Settlement Agreement shall be effective, according to the terms of each such agreement unless otherwise ordered by the Bankruptcy Court. Any court-approved pre-Confirmation Insurance Settlement Agreements shall survive the Confirmation and the Effective Date.

8.8.2. *Terms*. The rights of the parties under any Insurance Settlement Agreement shall be determined exclusively under the applicable Insurance Settlement Agreement and those provisions of the Final Order approving such Insurance Settlement Agreement, the Plan, and the Confirmation Order.

8.8.3. *Sale Free and Clear*. Each Settling Insurer Abuse Insurance Policy shall

be sold to the issuing Settling Insurer, pursuant to Sections 105, 363, and 1123 of the Bankruptcy Code, free and clear of all Liens and Claims of all Persons, to the extent provided for in each applicable Insurance Settlement Agreement, *provided* that such sale shall not affect the rights of any remaining Non-Settling Insurers.

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

8.8.5. *Contribution Claims of Settling Insurers.* Except as otherwise provided in a Final Order approving a Settling Insurer's Insurance Settlement Agreement, ~~E~~each Settling Insurer agrees that it will not pursue any Abuse Related Contribution Claim that it might have against any other Insurer (a) whose Contribution Claim against Settling Insurers is satisfied and extinguished entirely; or (b) that does not make an Abuse Related Contribution Claim against the Settling Insurer, or any of them. If, in the future, a Non-Settling Insurer releases its Abuse Related Contribution Claims, if any such exist, that it may have against the Settling Insurers, then such released Settling Insurer shall release its Abuse Related Contribution Claims against such releasing Insurer. If any Non- Settling Insurer asserts a Claim directly against the Survivors' Trust arising from or concerning one or more Settling Insurers' Abuse Insurance Policies, any Abuse Related Contribution Claim of the Settling Insurers shall be transferred to the Survivors' Trust, and the Survivors' Trust shall be authorized to assert the Contribution Claims of such Settling Insurer against such Non-Settling Insurer.

8.9. ***The Coverage Action.*** On the Effective Date, ~~claims asserted in~~ the Coverage Action ~~other than claims constituting Debtor Extracontractual Insurance Actions~~ shall be dismissed without prejudice to (a) any Holder of an Abuse Claim to elect the Litigation Option as provided herein and pursue an Insurance Action, subject to Section 9.8.4 hereof, and (b) the Survivors' Trust to pursue an Insurance Settlement Agreement with any Non-Settling Insurer on or after the Effective Date or to pursue the Coverage Action ~~any Debtor Extracontractual Insurance Actions, including without~~

~~limitation Extracontractual Insurance Actions the Debtor asserted in the Coverage Action~~. On or promptly after the Effective Date, the Survivor's Trust shall be substituted as plaintiff in the Coverage Action ~~for purposes of asserting Debtor Extracontractual Insurance Actions~~. The Holder of an Abuse Claim electing the Litigation Option and the Survivors' Trust, as applicable, shall have all rights of the Debtor to pursue recoveries against any Non-Settling Insurer as described herein; *provided*, *however*, any such Non-Settling Insurer shall have all defenses and Claims available under its Non-Settling Insurance Policy(ies) and may assert any defense or objection to any such Claim a party in interest could have asserted under the Bankruptcy Code or an order of the Bankruptcy Court in the Chapter 11 Case. For the avoidance of doubt, the Survivors' Trust shall have no right to pursue recoveries in the Coverage Action against any Settling Insurer.

ARTICLE IX

THE SURVIVORS' TRUST

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

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, against the Debtor, RCWC (but solely as to Released RCWC Claims), 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 Abuse 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, (y) the Released RCWC Claims, and (z) Insurance Actions against any Settling Insurer in connection with such Claims, shall be channeled to the Survivors' Trust pursuant to the Channeling Injunction set forth in Section 13.11 of the Plan and may be asserted

only and exclusively against the Survivors' Trust, subject to the right of Litigation Claimants to name the Debtor and/or RCWC (but solely as to Released RCWC Claims) as a nominal defendant as provided in the Plan. 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.* The Plan and Trust Agreement provide for the creation of a Survivors' Trust Advisory Committee, which shall initially consist of those members of the Committee, or their designees, who agree to serve on the Survivors' Trust Advisory Committee. The members of the Survivors' Trust Advisory Committee shall have only such limited rights, duties and powers as set forth in the Plan and Survivors' Trust Agreement. The process for appointing replacement members of the Survivors' Trust Advisory Committee shall be provided in the Survivors' Trust Agreement. Upon termination of the Survivors' Trust, or as otherwise provided in the Survivors' Trust Agreement, the Survivors' Trust Advisory Committee shall be deemed dissolved and discharged of and from all further authority, duties, responsibilities, and obligations with respect to or in connection with the Survivors' Trust and the Chapter 11 Case. Except for the reimbursement of reasonable actual costs and expenses incurred in connection with their duties as members of the Survivors' Trust Advisory Committee, the members of the Survivors' Trust Advisory Committee shall serve without compensation. Reasonable expenses incurred by members of the Survivors' Trust Advisory Committee shall be promptly paid by the Survivors' Trust without need for approval of the Bankruptcy Court. For the avoidance of doubt, none of the Released Parties or Settling Insurers shall be responsible for any fees, costs, or expenses associated

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with the Survivors' Trust Advisory Committee. Except with respect to Insurance Settlement Agreements entered into by the Survivors' Trust after the Effective Date and certain other matters set forth in the Survivors' Trust Documents, the Survivors' Trust Advisory Committee is intended to be consultative in nature and assist the Survivors' Trustee in the independent exercise of the Survivors' Trustee's duties.

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

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

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

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

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

9.2.5. *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.

9.2.6. *Non-Settling Insurance.* The Survivors' Trustee may use the Trust Assets to prosecute ~~Debtor Extracontractual Insurance Actions~~the Coverage Action against the Non-Settling Insurers and to pursue Post-Effective Date Insurance Settlement Agreements. If the Survivors' Trust successfully resolves ~~a Debtor Extracontractual Insurance Action~~the Coverage Action or otherwise receives a recovery of insurance proceeds relating to any Abuse Claim from a Non-Settling Insurer, such proceeds shall become Trust Assets available to pay, and shall increase the amount available to pay, Abuse Claims, pursuant to the Survivors' Trust Distribution Plan.

9.2.7. *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.

9.2.8. *Settlements With Non-Settling Insurers*. Notwithstanding any present exclusionary language in the Plan, after the Effective Date, any Non-Settling Insurer may enter into an Insurance Settlement Agreement with the Survivors' Trustee (a "**Post-Effective Date Insurance Settlement Agreement**"); *provided*, *however*, that the Survivors' Trustee shall File a notice with the Bankruptcy Court within thirty (30) days of entering into any such Post-Effective Date Insurance Settlement and the Insurer that is a party to the Post-Effective Date Insurance Settlement (and any

related Persons or Representatives, as applicable) shall be deemed to be a Settling Insurer for all purposes hereunder. Subject to the terms of the Survivors' Trust Documents, any Post-Effective Date Insurance Settlement and amendments thereto shall be binding and effective without approval of or any other action by the Bankruptcy Court; *provided further*, *however*, that no Post-Effective Date Insurance Settlement Agreement shall impair the rights of any other Non-Settling Insurers, including those rights set forth herein. No settlement (whether in the Plan or otherwise) as among any of the Debtor, its Estate, the Survivors' Trust, any Abuse Claimant, and the Settling Insurers, including Payment Obligations, shall bind a Non-Settling Insurer in any way without its consent.

9.3. ***Property and Funding of the Survivors' Trust***. The Survivors' Trust shall be funded with (i) aggregate Cash contributions from the Debtor and Reorganized Debtor (as applicable) of $150 million, (ii) any Cash contributions from RCWC pursuant to Section 9.3.2 hereof; (iii) any proceeds held by the Debtor or the Reorganized Debtor on account of Insurance Settlement Agreements as set forth in this Section 9.3, and (iv) the Assigned Insurance Interests. These contributions to the Survivors' Trust shall be made according to the schedule set forth in this Section 9.3. The Debtor Cash Contribution and any portion of the RCWC Contribution shall be made in respect of the uninsured exposure of the Debtor for Abuse Claims (including Unknown Abuse Claims) and of RCWC (solely as to the Released RCWC Claims), including~~, but not limited to,~~ years in which no Abuse Insurance Policies are available and, to the extent required under applicable law, when a self-insured retention or deductible must be satisfied to access potential coverage under Non-Settling Insurer Policies. The Debtor Contribution and any RCWC Contribution are not, and shall not be construed as, a discharge and/or release of any Abuse Claim (including any Unknown Abuse Claim) covered or alleged to be covered under any of the Non-Settling Insurer Policies. Notwithstanding the foregoing, the Debtor and RCWC (solely as to the Released RCWC Claims) shall have no further financial obligations under this Plan or the Plan Documents to Holders of Allowed Abuse Claims, including Allowed Unknown Abuse Claims, other than the obligations required to be paid to the Survivors' Trust in Section 9.3 hereof.

9.3.1. *Debtor Cash Contribution.* On the Effective Date of the Plan, the Debtor

shall transfer $40 million, plus any remaining DIP Availability, in good and available funds to the Survivors' Trust using wiring instructions provided by the Survivors' Trustee (the "**Initial Debtor Contribution**"). The Survivors' Trust shall also receive Cash from the Debtor as follows (collectively, the "**Additional Debtor Contributions**" and together with the Initial Debtor Contribution, the "**Debtor Cash Contribution**"):

9.3.1.1. No later than the date that is one year after the Effective Date, the Debtor shall transfer no less than $6 million in good and available funds to the Survivors' Trust using wiring instructions provided by the Survivors' Trustee.

9.3.1.2. No later than the date that is two years after the Effective Date, the Debtor shall transfer no less than $5.9 million in good and available funds to the Survivors' Trust using wiring instructions provided by the Survivors' Trustee.

9.3.1.3. No later than the date that is three years and six months after the Effective Date (such time between the Effective Date and such date, the "**Plan Payment Period**"), the Debtor shall transfer the remaining balance of the total Debtor Cash Contribution of $150 million, up to $98.1 million, in good and available funds to the Survivors' Trust using wiring instructions provided by the Survivors' Trustee.

9.3.1.4. *Timing of Payments*. During the Plan Payment Period, the Debtor shall pay to the Survivors' Trust (i) any payments owed the Survivors' Trust under Section 9.3.1.5 hereof no later than the deadline set forth therein and (ii) the net proceeds (after reimbursement of the Reorganized Debtor's closing costs and attorneys' fees, if any) realized from the closing of any sale of Trust Collateral Property, with such payment(s) to occur contemporaneously with the closing of such sale. In each instance, such payment(s) shall be made regardless of whether the payment(s) cause the Debtor to exceed the minimum transfers described in Sections 9.3.1.1 and 9.3.1.2 hereof. At any time during the Plan Payment Period, the Reorganized Debtor may, in its sole discretion, transfer unrestricted Cash to the Survivors' Trust to be credited dollar-for-dollar against the amount of the Additional Debtor Contribution outstanding at the time of such transfer.

9.3.1.5. *Restricted Assets Adversary Proceeding*. On the Effective Date of the Plan, the Restricted Assets Adversary Proceeding and all surviving claims asserted therein shall be assigned to the Survivors' Trust. The Survivors' Trust shall succeed the Committee as plaintiff in the Restricted Assets Adversary Proceeding upon the Survivors' Trust filing a Notice of Substitution of Parties no earlier than the Effective Date and no later than 14 days after the Effective Date, which substitution shall be approved in the Confirmation Order. If the Court enters a Final Order in the Restricted Assets Adversary Proceeding (the "Adversary Proceeding Order") declaring any of the Shielded Assets (as defined in the First Amended Adversary Complaint for Declaratory Relief) are unrestricted funds and property of the Debtor's Estate that the Debtor may use, and that is available to the Debtor, to pay creditors under applicable law ("Converted Assets"), all Cash declared to be Converted Assets in the Adversary Proceeding Order shall be transferred from the holder of the Converted Assets to the Survivors' Trust within 60 days of the Adversary Proceeding Order becoming final and non-appealable; provided, however, to the extent the Committee claims in the Restricted Assets Adversary Proceeding the Debtor's Insurance and Benefit Reserves are or should be declared Converted Assets, the Survivors' Trust shall dismiss any such claims concurrently with its substitution for the Committee and all Insurance and Benefit Reserves shall vest in the Reorganized Debtor on the Effective Date; provided further, however, the Reorganized Debtor and Survivors' Trust, or the successor of either, may resolve the Restricted Assets Adversary Proceeding without entry of the Adversary Proceeding Order on terms that are not inconsistent with the Plan or Confirmation Order.

9.3.1.6. *Debtor Contribution Deeds of Trust*. To secure the Additional Debtor Contribution, the Debtor shall grant the Survivors' Trust a Lien on the real property listed on Schedule 9.3.1.6, to be filed with the Plan Supplement. The Liens shall be memorialized in deeds of trust to be executed and delivered on the Effective Date (such agreement being a "**Debtor Contribution Deed of Trust**"). Such real property shall be valued by Hilco Real Estate, LLC in an amount of no less than one hundred percent

(100%) of the Additional Debtor Contribution. At the closing of any sale of Trust Collateral Property, the Survivors' Trust shall deliver and the Reorganized Debtor (or its agent or representative) shall record a release of the Debtor Contribution Deed of Trust recorded against such Trust Collateral Property. Within 14 days of the timely satisfaction of the Debtor Cash Contribution, the Survivors' Trust shall release any remaining Debtor Contribution Deeds of Trust.

9.3.2. *Contributions from RCWC.* In support of the Plan, RCWC will contribute $30,000,000.00 (the "RCWC Cash Contribution") in good and available funds to the RCWC Escrow on the schedule set forth below.

9.3.2.1. *Contributions to RCWC Escrow*. $7,700,000.00 of the RCWC Cash Contribution (the "**Initial RCWC Contribution**") will be paid to the RCWC Escrow on the Effective Date, the balance to be paid between the Effective Date and the date that is six months after the three-year anniversary of the Effective Date, with the minimum amounts to be paid on or before each anniversary of the Effective Date as follows:

(a) No later than the date that is one year after the Effective Date, RCWC shall transfer no less than $3 million in good and available funds to the RCWC Escrow.

(b) No later than the date that is two years after the Effective Date, RCWC shall transfer no less than $6 million in good and available funds to the RCWC Escrow.

(c) No later than the date that is three years and six months after the Effective Date, RCWC shall transfer the remaining balance of the total RCWC Cash Contribution of $30 million, up to $13,300,000, in good and available funds to the RCWC Escrow.

(d) During the Plan Payment Period, RCWC (i) shall pay to the RCWC Escrow the net proceeds (after reimbursement of closing costs and attorneys' fees, if any) realized from the closing of any sale of

unencumbered real estate titled in the name of RCWC, regardless of whether such payment(s) cause RCWC to exceed the minimum transfers described in Sections 9.3.2.1(a)-(c) hereof and (ii) may transfer unrestricted Cash to the RCWC Escrow at any time, in its sole discretion, to be credited dollar-for-dollar against the amount of the RCWC Cash Contribution outstanding at the time of such transfer.

9.3.2.2. *Survivors' Trust Withdrawals from RCWC Escrow*. The Survivors' Trust shall receive distributions from the RCWC Escrow in accordance with the Survivors' Trust Documents and the RCWC Escrow Agreement. The Survivors' Trust Documents and the RCWC Escrow Agreement shall provide that distributions to the Survivors' Trust from the RCWC Escrow shall not commence until after the Preliminary Abuse Claim Allowance Deadline, after which the funds in the RCWC Escrow shall be released and transferred to the Survivors' Trust as Holders of Class 4 Claims whom the Abuse Claims Reviewer determines asserted a valid, compensable Claim against RCWC in the Holder's Proof of Claim (an "**RCWC Claimant**") execute and return a RCWC Release to counsel for RCWC, the Reorganized Debtor and the Survivors' Trustee. The Survivors' Trustee shall have sole responsibility for providing a copy of each RCWC Release and notice of the Final Determination for each RCWC Claimant to the RCWC Escrow Agent, each pursuant to the terms of and procedures set forth in the RCWC Escrow Agreement. For each RCWC Claimant who executes a RCWC Release, the RCWC Escrow Agent shall release to the Survivors' Trust such RCWC Claimant's *pro rata* share of the RCWC Cash Contribution no later than five (5) Business Days after the RCWC Escrow Agent has received both (i) the RCWC Release executed by such RCWC Claimant, and (ii) notice of the Final Determination for such RCWC Claimant, provided the *pro rata* share of the RCWC Cash Contribution for each RCWC Claimant shall be determined by the Survivor's Trustee.

9.3.2.3. *Effectiveness of RCWC Releases*. As to a RCWC Claimant who has executed an RCWC Release, such RCWC Release shall become effective upon the

RCWC Escrow Agent's release to the Survivors' Trust such RCWC Claimant's *pro rata* share of the RCWC Cash Contribution. The RCWC Escrow Agent shall deliver such RCWC Claimant's RCWC Release to RCWC no later than five (5) business days after the Escrow Agent's receipt of same, along with such documentation as needed to confirm the corresponding release of funds from the RCWC Escrow to the Survivors' Trust.

9.3.2.4. *Channeling of RCWC Claims.* Any Claim held by an RCWC Claimant who executes an RCWC Release shall be channeled to the Survivors' Trust such that the Survivors' Trust shall have the sole obligation to pay such Claim in accordance with this Plan and the Survivors' Trust Documents.

9.3.2.5. *Excess Funds in RCWC Escrow.* In the event all RCWC Claimants holding Allowed Claims against RCWC execute a RCWC Release, any amount remaining in the RCWC Escrow shall thereupon be transferred to the Survivors' Trust for distribution to all Abuse Claimants.

9.3.2.6. *Return of Remaining Balance in RCWC Escrow.* If any amount remains in the RCWC Escrow on account of an RCWC Claimant holding an Allowed Claim against RCWC having failed to execute a RCWC Release as of the three and a half-year anniversary of the Effective Date, the RCWC Escrow Agent shall return such amount, less expenses of the RCWC Escrow, to RCWC no later than thirty (30) calendar days after the later of (i) the three and a half-year anniversary of the Effective Date or (ii) distribution to the Survivors' Trust of all payments to Holders of Allowed Class 4 Claims who executed and returned to RCWC an RCWC Release on or before the three and a half-year anniversary of the Effective Date.

9.3.3. *Separate Contributions*. Any contribution to the Survivors' Trust by RCWC shall be in addition to and separate from the Debtor Cash Contribution.

9.3.4. *Livermore Option.* Should Adventus sell part or all of the Livermore Property such that funds from any such sale are received on or before the date that is three years and six months following the Effective Date (the "**Livermore Option**"), then Adventus agrees, and the

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Confirmation Order shall provide, the net proceeds of each such sale shall be distributed for the benefit of the Estate in the following sequence, conditioned on the confirmation and effectiveness of this Plan:

9.3.4.1. First, to Adventus in the amount of its closing costs, including without limitation all professional fees associated with the Livermore Property and entitlement, development, and sale thereof.

9.3.4.2. Second, on behalf of the Debtor, to the Survivor's Trust, in an amount not to exceed the amount of all remaining Debtor Contribution obligations under the Plan.

9.3.4.3. Third, should any funds remain, to Adventus.

9.3.4.4. *Payment in Full of Debtor Cash Contribution*. Should one or more sales pursuant to the Livermore Option result, when combined with all previous payments to the Survivors' Trust by RCBO in accordance with the Plan, in the Survivors' Trust realizing the full amount owed by RCBO under the Plan, then RCBO shall thereafter have no further payment obligations to the Survivors' Trust under the Plan.

9.3.5. *Insurance Settlement Agreements*.

9.3.5.1. *Pre-Effective Date*. In addition to the Debtor Cash Contribution, any Cash 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.

9.3.5.2. *Post-Effective Date*. After the Effective Date, the Survivors' Trustee may enter into such Insurance Settlement Agreements as in the Survivors' Trustee's business judgment and in accordance with the Survivors' Trust Documents the Survivors' Trustee deems necessary and beneficial to the Survivors' Trust. To the extent the Survivors' Trustee enters into an Insurance Settlement Agreement that covers the Abuse Claim of a Trust Claimant who elected the Litigation Option and commenced an Abuse Claim Litigation (each as defined in Section 9.8.4 hereof) (a "Settling Trust Claimant"), (i) such

Abuse Claim Litigation shall be promptly dismissed to the extent the Settling Trust Claimant is seeking a determination of, and the availability of Insurance Recoveries for, the liability of a Released Party on account of the Settling Trust Claimant's Abuse Claim, (ii) within thirty (30) days after receipt of the Cash consideration of such Insurance Settlement Agreement, the Survivors' Trust shall pay the Settling Trust Claimant an amount equivalent to 50% of the Settling Trust Claimant's Trust Distribution amount, calculated based on the value of the Survivors' Trust Assets immediately before receipt of such Cash consideration from the Insurance Settlement Agreement, (iii) the Settling Trust Claimant shall be deemed to have rescinded their election of the Litigation Option in favor of the Distribution Option and the Survivors' Trustee shall be deemed to have consented to such rescission, each in accordance with Section 9.8.4.7 of the Plan, and (iv) the remaining Cash realized by the Survivors' Trust on account of the Insurance Settlement Agreement shall be added to the Survivors' Trust Assets. Thereafter, Settling Trust Claimants shall be treated as having elected the Distribution Option in all respects and shall be entitled to receive *pro rata* distributions from the Survivors' Trust Assets in accordance with the terms of this Plan and the Survivors' Trust Documents.

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

9.3.7. *Use of Survivors' Trust Assets*. The Survivors' Trust Assets shall be used in accordance with and for the purposes set forth in the Survivors' Trust Documents, including ~~without limitation~~ to pay Abuse Claims and reasonable expenses of the Survivors' Trust and to pursue and execute Insurance Settlement Agreements. 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.

9.3.8. *No Insurer Reimbursement Obligation*. The Non-Settling Insurers shall not be liable for 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. For the avoidance of doubt, the Insurers shall not be responsible for indemnification or reimbursement of any Abuse Claims paid by the Survivors' Trust pursuant to the Immediate Payment Option or the Distribution Option.

9.4. ***Unknown Abuse Claims Reserve***.

9.4.1. *Payments to Unknown Abuse Claims Reserve*. Upon (a) the Effective Date, the Survivors' Trust shall segregate $3,700,000.00 (Three Million Seven Hundred Thousand Dollars and Zero Cents) of the Initial Debtor Contribution into the Unknown Abuse Claims Reserve, (b) the date that is the two-year anniversary of the Effective Date, the Survivors' Trust shall segregate $1,000,000.00 (One Million Dollars and Zero Cents) of the Additional Debtor Contribution described in Section 9.3.1.2 herein into the Unknown Abuse Claims Reserve, and (c) the date that is three years and six months after the Effective Date, the Survivors' Trust shall segregate $3,000,000.00 (Three Million Dollars and Zero Cents) of the Additional Debtor Contribution described in Section 9.3.1.3 herein into the Unknown Abuse Claims Reserve.

9.4.2. *Duration*. The Unknown Abuse Claims Reserve shall be maintained for the greater of (a) five years after the Effective Date, and (b) resolution of all Unknown Abuse Claims submitted to the Survivors' Trustee within five 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, Reorganized Debtor, Survivors' Trust, nor any Settling Insurer shall have any more liability for any Unknown Abuse Claim.

9.5. ***Vesting***. On the Effective Date, all Survivors' Trust Assets shall vest in the Survivors' Trust, and the Debtor, Reorganized Debtor, RCWC, subject to the terms of the RCWC Escrow, and Settling Insurers shall be deemed for all purposes to have transferred all of their respective interests in the Survivors' Trust Assets to the Survivors' Trust. On the Effective Date, or as soon as practicable thereafter, the Reorganized Debtor, any other Released Party, and Settling Insurers, as applicable, shall take all actions reasonably necessary to transfer any Survivors' Trust Assets to the Survivors' Trust. Upon the transfer of control of Survivors' Trust Assets in accordance with this paragraph, the Debtor, Reorganized Debtor, RCWC (subject to the terms of the RCWC

Escrow), and the Settling Insurers shall have no further interest in the Survivors' Trust Assets except as otherwise explicitly provided in this Plan.

9.6. ***Survivors' Trust Assumption of Liabilities for Abuse Claims***. The transfer to, vesting in and assumption by the Survivors' Trust of the Survivors' Trust Assets as contemplated by the Plan shall, as of the Effective Date, discharge all obligations and liabilities of and bar any recovery or action against the Released Parties for or in respect of all Abuse Claims (including Unknown Abuse Claims). The Confirmation Order shall provide for such discharge. Subject to Article VIII hereof and the rights of Abuse Claimants who elect the Litigation Option, the Survivors' Trust shall, as of the Effective Date, assume sole and exclusive responsibility and liability for all Abuse Claims against the Released Parties, and such Claims shall be paid by the Survivors' Trust from the Survivors' Trust Assets or as otherwise directed in the Survivors' Trust Documents and Articles VIII and IX hereof. From and after the Effective Date, all Abuse Claims against the Released Parties shall be considered Channeled Claims subject to the Channeling Injunction under Section 105(a) of the Bankruptcy Code and the provisions of the Plan and the Confirmation Order. Subject to the foregoing, from and after the Effective Date, the Released Parties shall not have any obligation with respect to any liability of any nature or description arising out of, relating to, or in connection with any Abuse Claims.

9.7. ***Right to Elect to Receive an Immediate Payment***. Not later than fourteen (14) days following the Effective Date, the Survivors' Trustee shall mail the Immediate Payment Notice to counsel for all Holders of Abuse Claims or to any Holder of an Abuse Claim that is not represented by counsel. Holders of Abuse Claims may elect to receive the Immediate Payment from the Survivors' Trust by signing and returning the Immediate Payment Notice such that it is postmarked (if sent by US Mail) not later than the date that is forty-five (45) days after the Effective Date, or if such date is not a Business Day the next Business Day thereafter (the "**Immediate Payment Election Deadline**"). Only Abuse Claimants who return an Immediate Payment Notice not later than the Immediate Payment Election Deadline, affirmatively indicating their election to receive the Immediate Payment, shall be entitled to receive the Immediate Payment. If an Abuse Claimant

elects to receive the Immediate Payment, the payment will be made within thirty (30) days after the Immediate Payment Election Deadline. After receiving the Immediate Payment, the Abuse Claimant shall not be entitled to any further distributions from the Survivors' Trust and shall not be entitled to pursue any Abuse Claim against the Debtor, the Reorganized Debtor, the Survivor's Trust, the Released Parties, the Insurers, RCWC, and/or the RCWC Escrow. The Immediate Payment Notice shall include conspicuous language indicating that return of the election form and acceptance of the Immediate Payment is irrevocable and constitutes a full and final release of all Claims against the foregoing parties. If a Person submitted, or is the Holder of, more than one Abuse 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 be deemed to have released all Claims against the Debtor, the Reorganized Debtor, the Survivor's Trust, the Released Parties and the Insurers.

9.8. ***Method of Determination of Abuse Claims and Rights of Abuse Claimants to Choose to Pursue Litigation***. After the Effective Date, every Trust Claim held by an Abuse Claimant shall be reviewed and allocated a percentage of the Survivors' Trust Assets 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 such Holder in accordance with the terms of the Survivors' Trust Documents.

9.8.1. *Notice of Initial Determination*. 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. Counsel to each Holder of a Trust Claim, or the Holder of a Trust Claim if they are not represented by counsel, 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.

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 Abuse Insurance Policies issued by Non-Settling Insurers. Neither the Abuse Claims Reviewer's nor 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.* The distributions discussed in Section 9.8.3 are collectively referred to as the "Distribution Option." 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. The Initial Distribution shall be comprised of each such Trust Claimants' *pro rata* share of the Survivors' Trust Assets existing on that date, less reasonable reserves for the Survivors' Trust (the "**Initial Reserve**").

9.8.3.3. Upon the receipt of additional Cash contributions into the

Survivors' Trust, the Survivors' Trustee shall make further distributions (the "**Additional Distributions**") to the Trust Claimants, less appropriate reserves (the "**Additional Reserves**").

9.8.3.4. After (i) the final resolution of all Trust Claims, including with respect to the Trust Claimants who selected the Litigation Option, and (ii) all Survivors' Trust Assets are monetized, the Survivors' Trustee shall make a final distribution to the Trust Claimants (the "**Final Distribution**"), which shall include previously withheld reserves and any reallocated funds. If, 180 days after the date of the Final Distribution, there are any funds which are not claimed by any Trust Claimant, such unclaimed funds shall revert to the Survivors' Trust for distribution pursuant to the Survivors' Trust Documents.

9.8.4. *Right to Elect Litigation Against Non-Settling Insurers and Other Parties*. Irrespective of whether a Trust Claimant has requested an additional review of the Initial Determination by the Abuse Claims Reviewer, not later than the later of the first anniversary of the Effective Date or ninety days after receiving the notice of the Initial Determination, (i) Trust Claimants holding Abuse Claims against the Debtor may elect to pursue litigation against the Debtor (as nominal party only), Non-Settling Insurers and/or other parties and (ii) Trust Claimants that have granted a RCWC Release may elect to pursue litigation against RCWC (as nominal party only), Non-Settling Insurers and/or other parties by filing the notice described in Section 8.2.2 hereof, which form of notice shall be filed with the Plan Supplement (the "**Litigation Option Notice**"). For the avoidance of doubt, the Litigation Option Notice may be filed at any time following the Effective Date, but not later than the deadline set forth in this Section. Trust Claimants who do not timely make an election will be deemed to have chosen to forego the Litigation Option.

9.8.4.1. Upon written notice to the Survivors' Trustee~~, subject to the Survivors' Trustee's sole and absolute discretion~~, a Litigation Claimant may rescind that election~~. 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

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Party or RCWC.

9.8.4.2. *Claim Enhancement.* To the extent the Survivors' Trustee enters into an Insurance Settlement Agreement with respect to a Target Policy that covers a Litigation Claimant's Abuse Claim, such Claimant shall be entitled to an enhanced Distribution (the "**Claim Enhancement**") as set forth below to his or her allocation pursuant to the Survivors' Trust Distribution Plan, which enhanced amount shall be payable from the proceeds of the applicable Insurance Settlement Agreement. To the extent the Debtor and the Committee enter into an Insurance Settlement Agreement prior to the Confirmation Date with respect to a Target Policy that covers an Abuse Claim for which the automatic stay has been modified or lifted by the Bankruptcy Court such that it may continue after the Petition Date, such Abuse Claim shall also be entitled to the Claim Enhancement. The Claim Enhancements are independent of one another and are not intended to be cumulative. The Survivors' Trustee shall reserve sufficient amounts to fund such enhanced payments prior to making any Distribution of Insurance Settlement Agreement proceeds to Abuse Claimants who are not Litigation Claimants. The Claim Enhancement shall be applied as follows:

9.8.4.3. A Litigation Claimant shall be entitled to an enhancement of ten percent (10%) if the Survivors' Trust negotiates an Insurance Settlement Agreement for a Target Policy of such Litigation Claimant if the Insurance Settlement Agreement is entered into prior to the date which is 90 days after the Litigation Claimant files their Litigation Option Notice.

9.8.4.4. A Litigation Claimant shall be entitled to an enhancement of twenty-five percent (25%) if the Survivors' Trust negotiates an Insurance Settlement Agreement for a Target Policy of such Litigation Claimant if the Insurance Settlement Agreement is entered into after litigation commences but prior to a deposition or interview of the Litigation Claimant by opposing counsel in such Litigation Claimant's case.

9.8.4.5. A Litigation Claimant shall be entitled to an enhancement of forty percent (40%) if the Survivors' Trust negotiates an Insurance Settlement Agreement

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for a Target Policy of such Litigation Claimant if the Insurance Settlement Agreement is entered into after a deposition or interview of the Litigation Claimant by opposing counsel but before commencement of a trial in such Litigation Claimant's case.

9.8.4.6. A Litigation Claimant shall be entitled to an enhancement of fifty (50%) if the Survivors' Trust negotiates an Insurance Settlement Agreement for a Target Policy of such Litigation Claimant if the Insurance Settlement Agreement is entered into on or after the first day of a trial in such Litigation Claimant's case.

9.8.4.7. A Litigation Claimant shall be entitled to an enhancement of one hundred percent (100%) if the Survivors' Trust negotiates an Insurance Settlement Agreement for a Target Policy of such Litigation Claimant if the Insurance Settlement Agreement is entered into after a Litigation Claim Award entered in favor of the Litigation Claimant in such litigation becomes final and non-appealable.

9.8.4.8. In no event may a Litigation Claimant receive more than the total amount of his or her Litigation Claim Award from all sources. For the avoidance of doubt, if, after accounting for recovery from parties other than the Survivors' Trust, a Litigation Claimant receives any amount in excess of the amount of the Litigation Claim Award, such amount shall be recoverable by the Survivors' Trustee. In any case of a Trust Claimant who obtains a Litigation Claim Award, where the payment of any amounts payable to such Trust Claimant by (i) defendants in the Abuse Claim Litigation other than the Released Parties and/or (ii) one or more Non-Settling Insurers, when taken together with any distributions received by such Trust Claimant from the Survivors' Trust, would cause such Trust Claim to receive more than the total amount of his or her Litigation Claim Award, then (a) all amounts to be paid under such Litigation Claim Award that would be in excess of such Litigation Claim Award shall be paid to the Survivors' Trustee to be allocated for distribution to other Trust Claimants on account of their *pro rata* share of Survivors' Trust Assets, or (b) if such amounts are paid directly to the Litigation Claimant, such Litigation Claimant shall immediately turn them over to the Survivors' Trustee.~~; *provided, however,*~~

~~any such Abuse Claimant is not barred by this Section 9.9 from seeking extracontractual damages under the holding of *Hand* and (iii) all defenses and the rights of any Non-Settling Insurer to oppose any such claim by an Abuse Claimant under *Hand* are fully preserved, including without limitation that *Hand* is not a correct statement of applicable law and that it would not apply to any such asserted claim.~~

9.8.5. *Reporting Requirement*. The Survivors' Trustee shall report to the Reorganized Debtor, on a quarterly basis, or upon reasonable request, (i) the date on which each Abuse Claimant is notified of their award under the Survivors' Trust Distribution Plan, (ii) whether each Abuse Claimant has elected the Immediate Payment or the Litigation Option, and (iii) any modification made by any Abuse Claimant to their treatment status.

9.9. ***Provisions for Preliminary Distribution to Holders of Allowed Abuse Claims.***

9.9.1. *Preliminary Review.* Not later than the Preliminary Abuse Claim ~~Allowance~~ Approval Deadline, the Abuse Claims Reviewer shall review the Proof of Claim for each Abuse Claim to (a) determine whether it will be paid by the Survivors' Trust ~~is an Allowed Claim~~, and (b) determine whether it asserts a compensable claim against RCWC. The ~~allowance~~ approval of Abuse Claims by the Abuse Claims Reviewer shall have no effect on the amount of the contributions of the Debtor or RCWC. Neither the determination by the Abuse Claims Reviewer that a Proof of Claim is payable by the Survivor's Trust ~~an Allowed Claim~~, nor that a Proof of Claim asserts a compensable claim against RCWC, shall constitute a trial, an adjudication on the merits, or evidence of liability or damages in any litigation with any Non- Settling Insurer or any other Person.

9.9.2. *Preliminary Distribution.* Not later than the date that is the later of (a) ten (10) days after the Preliminary Abuse Claim ~~Allowance~~ Approval Deadline, and (b) thirty (30) days after the Effective Date, the Survivors' Trustee shall make a Preliminary Distribution to the Holder of each Abuse Claim determined by the Abuse Claims Reviewer to be an Allowed Claim in the amount of $5,000.00 to each such Holder from the Survivors' Trust Assets in accordance with the Survivors' Trust Documents.

9.10. ***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 by the Survivors' Trust, as provided for in the Survivors' Trust Documents.

9.11. ***Excess Survivors' Trust Assets***. After all distributions from the Survivors' Trust have been made to Holders of Allowed Abuse Claims and all Survivors' Trust Expenses have been paid, all remaining Assets in the Survivors' Trust shall be transferred to a charity to support sexual abuse survivors chosen by the Survivors' Trust Advisory Board.

9.12. ***Indemnification of Debtor, Reorganized Debtor and RCWC***. The Survivors' Trust shall indemnify and hold harmless the Debtor, the Reorganized Debtor, Settling Insurers and RCWC 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, provided that as to RCWC such indemnification shall apply only as to Released RCWC Claims. The Survivors' Trust shall not have any obligation to indemnify any Person accused of committing a physical act of Abuse against an Abuse Claimant or such Abuse Claimant's predecessor(s)-in-interest.

9.13. ***Modification of Survivors' Trust Documents***. The Survivors' Trust Documents may not be amended or modified without the consent of the Reorganized Debtor, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the indemnification obligations of the Survivors' Trust described in this Plan as to any Released Party may not be amended or modified without the consent of such Released Party and no such amendment shall affect the rights of any remaining Non-Settling Insurers.

ARTICLE X

CONDITIONS TO CONFIRMATION AND EFFECTIVENESS OF THE PLAN

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

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

10.1.2. The Plan, Plan Supplement, Survivors' Trust Documents and any other Plan Documents are in a form acceptable to the Debtor and RCWC. Except as to the Debtor, all such documents shall be deemed acceptable to each of the foregoing Persons unless such Person Files a written objection to confirmation of the Plan.

10.1.3. The proposed Confirmation Order is acceptable to the Debtor, ~~and]~~RCWC, and the Insurers. Except as to the Debtor, all such documents shall be deemed acceptable to each of the foregoing Persons unless such Person Files a written objection to the form of the proposed Confirmation Order.

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

10.1.5. The Confirmation Order approves the form of the RCWC Release and includes a finding that any Abuse Claimant returning a signed RCWC Release shall fully and completely release all claims against RCWC as and to the extent provided in the RCWC Release form.

10.1.6. The Confirmation Order shall include a finding of fact that the Debtor, RCC, RCWC, Adventus, any Settling Insurers, and each of their respective present and former members, officers, directors, employees, advisors, attorneys, and agents acted in good faith within the meaning of and with respect to all of the actions described in Section 1125(e) of the Bankruptcy Code and are, therefore, not liable for the violation of any applicable law, rule, or regulation governing such actions.

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

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

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

10.2.2. There shall have been no material amendments to the Plan or Confirmation Order following entry of the Confirmation Order.

10.2.3. The Debtor and all other necessary parties shall have executed all documents and entered into all agreements as may be necessary in connection with the Exit Facility described in Article XI of the Plan.

10.2.4. The Debtor, the Survivors' Trustee, and any other necessary parties shall have executed all documents necessary for formation of the Survivors' Trust, and for the Survivors' Trustee to administer and operate the Survivors' Trust.

10.2.5. The Debtor shall have executed and delivered to the Survivors' Trustee the Debtor Contribution Deeds of Trust.

10.2.6. The RCWC Escrow shall have been executed by RCWC and the RCWC Escrow Agent and the Initial RCWC Contribution shall have been transferred to the RCWC Escrow.

10.2.7. The Initial Debtor Contribution and the proceeds of any pre-Effective Date Insurance Settlement Agreement shall have been transferred to the Survivors' Trust, and the proof thereof provided to the Debtor and the Survivors' Trustee.

10.2.8. All other actions, authorizations, filings, consents, and approvals required (if any), including but not limited to canonical approvals, shall have been obtained, effected, or

executed in a manner acceptable to the Debtor and remain in full force and effect or, if waivable, waived by the Person or Persons entitled to the benefit thereof.

10.2.9. All other actions, documents, and agreements necessary to implement and effectuate the Plan shall have been effected or executed.

10.2.10. 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.

10.3. ***Waiver of Conditions***. The conditions to Confirmation set forth in Section 10.1 or the Effective Date set forth in Section 10.2 may be waived, in whole or in part, by the Debtor, subject to approval of the Bankruptcy Court, provided Sections 10.2.3, 10.2.4, and 10.2.10 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 shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

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

ARTICLE XI

EXIT FINANCING

11.1. *The Exit Facility***.** On the Effective Date, the Reorganized Debtor shall enter into the Exit Facility with the Exit Facility Lender. Confirmation of the Plan shall be deemed approval of the Exit Facility, the transactions contemplated thereby, and all actions to be taken, undertakings to

be made, and obligations to be incurred by the Reorganized Debtor in connection therewith. Upon entry of the Confirmation Order, the Debtor and Reorganized Debtor (as applicable) shall be authorized to execute and deliver those documents necessary or appropriate to obtain the Exit Facility, including the Exit Facility Documents, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Debtor and the Exit Facility Lender may deem to be necessary to consummate the Exit Facility. The Exit Facility will be in the total amount of $55,000,000 of which up to $15,000,000 will be used to refinance the DIP Obligations, and the remaining balance of which will be new lending on the Effective Date. Proceeds of the Exit Facility shall be used to (a) refinance the then-outstanding balance of the DIP Obligations, (b) fund the Initial Debtor Contribution, and (c) fund the operations of the Reorganized Debtor.

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

and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy law.

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

ARTICLE XII

MEANS FOR IMPLEMENTING THE PLAN

12.1. ***Revesting.***

12.1.1. *Revesting of Property in the Reorganized Debtor.* On the Effective Date, all property of the Estate as defined in Section 541 of the Bankruptcy Code other than the Survivors' Trust Assets, including any Causes of Action, shall be revested in the Reorganized Debtor, free and clear of all Liens and encumbrances and all Claims, rights, interests, and entitlements. Thereafter, the Reorganized Debtor may use, sell, transfer or exchange such property in its discretion, subject to any restriction or limitation set forth in the Plan.

12.1.2. *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.

12.1.3. *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.

12.2. ***Non-Monetary Commitment to Healing and Reconciliation***. In order to further

promote healing and reconciliation, and in order to continue efforts to protect children and vulnerable adults and to prevent Abuse from occurring in the future, the Reorganized Debtor shall, (a) as of the Effective Date continue the non-monetary measures outlined in Article IV(G) of the Third Amended Disclosure Statement entitled "Debtor's Mission to Effect Reconciliation and Compensation" after the Effective Date; and (b) not later than the Effective Date (unless a different date is provided in the Confirmation Order) implement the additional Child Protection Protocols in the form filed as Schedule 1.1.35, which non-monetary measures are expressly incorporated herein, provided that if there is any inconsistency between existing measures identified in "(a)" above, and the Child Protection Protocols, the Child Protection Protocols shall govern.

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

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

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

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

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

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

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

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

12.5. ***Continued Existence***. From and after the Effective Date, the Debtor shall continue

in existence as the Reorganized Debtor in accordance with applicable law for all purposes, including, among other things, (a) enforcing and prosecuting claims, interests, rights, and privileges of the Debtor including, without limitation, prosecuting Causes of Action, (b) resolving Disputed Non-Abuse Claims, (c) administering the Plan, (d) filing appropriate tax returns and refund requests, and (e) performing all such other acts and conditions required by and consistent with consummation of the Plan.

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

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

12.7.1. *Relief from the Automatic Stay*. Effective upon the Effective Date, Holders of Class 6 Claims are granted relief from the automatic stay provided for in Section 362 of the Bankruptcy Code solely for the purpose of continuing to prosecute their Class 6 Claim in a court of competent jurisdiction (each, a "**Class 6 Action**"), including but 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 with 28 U.S.C. § 157(b)(2)(B).

12.7.2. *Non-Abuse Litigation Reserve.* No less than sixty (60) days after the Effective Date, the Reorganized Debtor shall establish the Non-Abuse Litigation Reserve and fund it with $750,000.00. For the avoidance of doubt, the Non-Abuse Litigation Reserve shall be separate from any contributions made by the Debtor and RCWC (if any) on behalf of Abuse Claims.

12.7.3. *Sources of Recovery for Non-Abuse Litigation Claims.* Notwithstanding any provision to the contrary in the Plan Documents, Holders of Class 6 Claims shall be entitled to prosecute and/or settle their respective Class 6 Action, provided that each such Holder shall be limited to recovering from (i) the proceeds of any applicable insurance policy which provides coverage, or could provide coverage, with respect to such Class 6 Claim and (ii) its *pro rata* portion of the Non-Abuse Litigation Reserve; *provided, however*, no Holder of a Class 6 Claim may recover

more than $250,000.00 from the Non-Abuse Litigation Reserve. Effective upon the Effective Date, Holders of Class 6 Claims shall be otherwise barred and enjoined from seeking recovery on any judgment or settlement obtained in their respective Class 6 Action from the assets of the Debtor, Reorganized Debtor, Survivors' Trust, and any other party receiving a release under this Plan.

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

12.8. ***Document Access.*** The Survivors' Trust shall provide Litigation Claimants, upon request, all non-privileged information previously provided by the Debtor to the Committee bearing on the Debtor's liability for Abuse Claims.

12.9. ***Bankruptcy Procedure and Transition.***

12.9.1. *Notice Required Post-Confirmation*. Except as otherwise specifically provided in this 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.

12.9.2. *Post-Confirmation Matters*. Except as otherwise specified herein, matters arising after the Confirmation Date and subject to the Bankruptcy Court's retained jurisdiction may be initiated in the same manner and with the same effect as if the Chapter 11 Case was pending before the Bankruptcy Court and the Plan had not been confirmed. Subject to the provisions of the

Plan and the Bankruptcy Code governing compensation of Professionals, and except as provided in Article XIII of the Plan, every party to such a matter shall bear its own attorneys' fees and costs in connection therewith.

12.9.3. *Dissolution of the Committee*. On the Effective Date, the Committee shall be dissolved and the Committee and its members 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.

12.9.4. Statutory Fees.

12.9.4.1. The Reorganized Debtor shall continue to pay all U.S. Trustee Fees accruing on or before the earlier of (i) the closing of the Chapter 11 Case, and (ii) December 31, 2027. Should the Chapter 11 Case remain open through January 1, 2028, or later, the Survivors' Trust shall pay all U.S. Trustee Fees accruing on or after that date until the Chapter 11 Case is closed. All U.S. Trustee Fees shall be paid at the rate in effect at the time such fees come due.

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

12.9.4.3. Contributions by any party to the Survivors' Trust other than the Debtor, including without limitation RCWC or a Settling Insurer, shall not be considered distributions by or on behalf of the Debtor or Reorganized Debtor for purposes of calculating U.S. Trustee Fees.

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

12.9.5. *Post-Confirmation Reporting*. The Reorganized Debtor shall file with the Bankruptcy Court post-confirmation quarterly reports in a form consistent with Bankruptcy Code §

1106(a)(7), Bankruptcy Rule 2015(a)(5), and 28 C.F.R. § 58.8 until the earliest of the Chapter 11 Case being closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

12.10. ***Post-Petition Deposits.***

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

12.10.2. *Other Deposits*. From and after the Effective Date, the Reorganized Debtor may, at its election, demand the refund of any deposit 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.

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

12.12. ~~***General Settlement***. Pursuant to Sections 105 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and controversies resolved pursuant to the Plan, including without limitation the CCCEB Settlement. On or before the Effective Date, the Bankruptcy Court will have approved, by Final Order, such compromises, and the Bankruptcy Court's findings will constitute its determination that such compromises and settlements are in the best interests of the Debtor, the Estate, Abuse Claimants (including Unknown Abuse Claims), Holders of other Claims, and other parties in interest, and are fair, equitable, and within the range~~

~~of reasonableness. To the extent a separate Final Order is not entered on or before the Confirmation Date, the entry of the Confirmation Order will constitute the Final Order approving the compromises and settlements hereunder.~~

12.13. ***Closing of the Chapter 11 Case***. As soon as reasonably practicable, consistent with the provisions of this 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. The Debtor shall use reasonable efforts to obtain the Survivors' Trustee's consent before filing such application, which consent shall not be unreasonably withheld. 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 the right of the Reorganized Debtor, the United States Trustee, the Survivors' Trustee, or any other party in interest to reopen the Chapter 11 Case for any matter over which the Bankruptcy Court or the District Court has retained jurisdiction under this Plan. Any Final Decree or order closing this Chapter 11 Case 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 this Plan and the Plan Documents; and (b) all other jurisdiction and authority granted to it under this Plan and the Plan Documents.

ARTICLE XIII

EFFECT OF PLAN CONFIRMATION

13.1. ***Binding Effect of Confirmation***. As of the Confirmation Date, but subject to occurrence of the Effective Date, the provisions of this Plan shall be binding on and inure to the benefit of the Debtor, the Estate, all Holders of Claims against the Debtor, and all other Persons or Entities whether or not such Persons or Entities have accepted this Plan, except as otherwise

provided herein. The rights, benefits, and obligations of any Person or Entity named or referred to in the Plan will be binding on, and will inure to the benefit of, the executors, administrators, successors and assigns of each Person or Entity (as applicable), whether or not they have accepted the Plan.

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

13.3. ***Discharge of Claims***. 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 based upon conduct occurring before 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 based upon conduct occurring before the Effective Date, (ii) any liability to the extent such Claims relate to services performed by employees of the Debtor 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. Nothing in this Section 13.3 shall prohibit an Abuse Claimant from exercising the Litigation Option. ~~to pursue recovery from any applicable Non-Settling Insurer Abuse Insurance Policy in accordance with this Plan, and anything herein to the contrary notwithstanding, to the extent the Holder of an Abuse Claim elects the Litigation Option, such Abuse Claim shall not be discharged or released to the extent that such Holder may assert claims in a court of competent jurisdiction against the Debtor in~~

~~name only and cannot recover any additional amounts from the Debtor other than the Debtor Contribution to the Survivors' Trust as provided herein. For avoidance of doubt, subject to the foregoing, the discharge provided under the Plan and Section 1141 will be effective as to each such Abuse Claim upon conclusion of any such litigation in a court of competent jurisdiction.~~

13.4. ***Confirmation Injunction.***

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

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

13.6. ***Exculpation***. **Subject to the occurrence of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the releases by the Debtor, and except as otherwise specifically provided in the Plan or the Confirmation Order, none of the Exculpated Parties shall have or incur any liability to any Holder of a Claim or any other Person for any act or omission in connection with, related to, or arising out of, the Chapter 11 Case, the Plan, the pursuit of Confirmation of the Plan, the negotiation and consummation of the Plan, or the administration of the Chapter 11 Case and the Plan, the**

property to be distributed under the Plan, the administration of the Survivors' Trust Assets and the Survivors' Trust by the Survivors' Trustee, or any other related agreement, or any restructuring transaction, contract, instrument, release, or other agreement or document created or entered into 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.

13.7. ***Injunction Related to Exculpation***. As of the Effective Date, all Holders of Claims that are the subject of Section 13.6 are, and shall be, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred and enjoined from taking any of the following actions against any Exculpated Party and, solely to the extent provided by Section 1125(e) of the Bankruptcy Code, any Entity described in Section 1125(e) or its or their property or successors or assigns on account of or based on the subject matter of such Claims, whether directly or indirectly, derivatively or otherwise: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including any judicial, arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching (including any prejudgment attachment), collecting, or in any way seeking to recover any judgment, 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.

13.8. ***Releases by the Debtor***. **As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Confirmation Order, pursuant to Section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, including the service of the Released Parties and Settling Insurers, and each of them, to facilitate and implement the reorganization of the Debtor, as an integral component of the Plan, the Releasing Parties shall, and shall be deemed to, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever release and discharge each and all of the Released Parties and Settling Insurers of and from any and all Causes of Action (including Avoidance Actions), any and all other Claims, obligations, rights, demands, suits, judgments, damages, debts, remedies, losses and liabilities of any nature whatsoever (including any derivative claims or Causes of Action asserted or that may be asserted on behalf of the Debtor, the Reorganized Debtor, or the Estate), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, 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.

13.9. ***Injunction Related to Discharge***. **As of the Effective Date, and except as set forth in Articles VIII and IX hereof for Abuse Claimants who elect the Litigation Option to sue the Debtor (as a nominal party only), all Creditors treated under the Plan are, and shall be, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred and enjoined from taking any of the following actions against any Released Party or its property or successors or assigns on account of or based on the subject matter of Claims treated under the Plan, whether directly or indirectly, derivatively or otherwise: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including any judicial, arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching (including, without limitation, any prejudgment attachment), collecting, or in any way seeking to recover any judgment, 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 of the Plan.**

13.10. ***Disallowed Claims***. On and after the Effective Date, the Debtor and the Reorganized Debtor shall be fully and finally discharged of any and all liability or obligation on any and all Disallowed Claims, and any order Disallowing a Claim that is not a Final Order as of the Effective Date solely because of an Entity's right to move for reconsideration of such Order pursuant to Section 502 of the Bankruptcy Code or Bankruptcy Rule 3008 shall nevertheless become and be deemed to be a Final Order on and as of the Effective Date. The Confirmation Order, except as otherwise provided herein, shall constitute an order Disallowing all Claims to the extent such Claims

are not allowable under any provision of Section 502 of the Bankruptcy Code, including time-barred Claims, and Claims for unmatured interest.

13.11. ***Channeling Injunction***. **IN CONSIDERATION OF THE UNDERTAKINGS UNDER THIS PLAN BY THE RELEASED PARTIES, THEIR CONTRIBUTIONS TO THE SURVIVORS' TRUST, AND OTHER CONSIDERATION AND TO FURTHER PRESERVE AND PROMOTE THE AGREEMENTS AMONG THE RELEASED PARTIES AND THE SETTLING INSURERS AND TO SUPPLEMENT WHERE NECESSARY THE INJUNCTIVE EFFECT OF THE DISCHARGE AS PROVIDED IN SECTIONS 524 AND 1141 OF THE BANKRUPTCY CODE, AND PURSUANT TO SECTIONS 105 ~~AND 363~~ OF THE BANKRUPTCY CODE:**

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

13.11.2. EXCEPT AS SET FORTH IN ARTICLES VIII AND IX HEREOF FOR ABUSE CLAIMANTS WHO ELECT THE LITIGATION OPTION TO SUE THE DEBTOR (AS A NOMINAL PARTY ONLY), ALL PERSONS WHO HELD OR ASSERTED, HOLD OR ASSERT, OR MAY IN THE FUTURE HOLD OR ASSERT ANY CHANNELED CLAIMS ARE HEREBY PERMANENTLY STAYED, ENJOINED, BARRED AND RESTRAINED FROM TAKING ANY ACTION, DIRECTLY OR INDIRECTLY, FOR THE PURPOSES OF ASSERTING, ENFORCING, OR ATTEMPTING TO ASSERT OR ENFORCE ANY CHANNELED CLAIM AGAINST THE RELEASED PARTIES AND THE SETTLING INSURERS, INCLUDING: (i) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND WITH

RESPECT TO ANY CHANNELED CLAIM AGAINST ANY OF THE RELEASED PARTIES OR SETTLING INSURERS OR AGAINST THE PROPERTY OF ANY OF THE RELEASED PARTIES OR SETTLING INSURERS; (ii) ENFORCING, ATTACHING, COLLECTING OR RECOVERING, BY ANY MANNER OR MEANS, FROM ANY OF THE RELEASED PARTIES OR THE PROPERTY OF ANY OF THE RELEASED PARTIES OR SETTLING INSURERS, ANY JUDGMENT, AWARD, DECREE, OR ORDER WITH RESPECT TO ANY CHANNELED CLAIM AGAINST ANY OF THE RELEASED PARTIES OR SETTLING INSURERS; (iii) CREATING, PERFECTING OR ENFORCING ANY LIEN OF ANY KIND RELATING TO ANY CHANNELED CLAIM AGAINST ANY OF THE RELEASED PARTIES OR SETTLING INSURERS OR THE PROPERTY OF THE RELEASED PARTIES OR SETTLING INSURERS; (iv) ASSERTING, IMPLEMENTING OR EFFECTUATING ANY CHANNELED CLAIM OF ANY KIND AGAINST ANY OBLIGATION DUE ANY OF THE RELEASED PARTIES OR SETTLING INSURERS, ANY OF THE RELEASED PARTIES OR SETTLING INSURERS, OR THE PROPERTY OF ANY OF THE RELEASED PARTIES OR SETTLING INSURERS; (v) TAKING ANY ACT, IN ANY MANNER, IN ANY PLACE WHATSOEVER, THAT DOES NOT CONFORM TO, OR COMPLY WITH, THE PROVISIONS OF THIS PLAN OR THE SURVIVORS' TRUST DOCUMENTS; AND (vi) ASSERTING OR ACCOMPLISHING ANY SETOFF, RIGHT OF INDEMNITY, SUBROGATION, CONTRIBUTION OR RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE TO ANY OF THE RELEASED PARTIES OR SETTLING INSURERS.

13.12. ***Provisions Relating to the Channeling Injunction.***

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

13.12.2. *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.

13.12.3. *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.

13.12.4. *No Duplicative Recovery.* In no event shall any Abuse Claimant be entitled to receive any payment, reimbursement, or restitution from any Released Party under any theory of liability for the same loss, damage, or other Abuse Claim that is reimbursed by the Survivors' 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 Abuse Claim from pursuing recovery from Non-Settling Insurers for coverage of an Abuse Claim, subject to Articles VIII and IX hereof, or from seeking extracontractual damages under the *Hand* holding.~~

13.13. ***Effect of Channeling Injunction***. The Channeling Injunction is an integral part of this Plan and is essential to this Plan's consummation and implementation. It is intended that the channeling of the Channeled Claims as provided in Section 13.11 of the Plan shall inure to the benefit of the Released Parties and the Settling Insurers. In any action to enforce the injunctive provisions of Section 13.11 of the Plan against a Holder of a Claim whereby it is held by a Final Order that such Holder willfully violated the terms of Section 13.11 of the Plan, the moving party may seek an award of costs including reasonable attorneys' fees against such Holder, and such other legal or equitable remedies as are just and proper, after notice and a hearing. The Channeling Injunction does not bar claims against any Non-Settling Insurer except to the extent a Non-Settling Insurer becomes a Settling Insurer.

13.14. ***Exclusion Regarding Non-Settling Insurers.*** **NOTWITHSTANDING THE FOREGOING, AND FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS ARTICLE XIII (INCLUDING THE RELEASES, INJUNCTIONS, AND EXCULPATIONS) LIMITS THE RIGHTS OF A NON-SETTLING INSURER AS SET FORTH IN, OR PRESERVED BY, THE PLAN, INCLUDING (I) ARTICLES VIII AND IX AND (II) THE RIGHTS OF**

ANY NON-SETTING INSURER TO ASSERT ANY CLAIMS AGAINST THE RELEASED PARTIES (OTHER THAN THE DEBTOR), RCWC, OR ANY OTHER NON-DEBTOR ENTITY; AND (III)THE RIGHTS OF ANY INSURER (INCLUDING NON-SETTLING INSURERS) TO ASSERT ANY CLAIMS ~~FOR REINSURANCE UNDER REINSURANCE CONTRACTS OR CLAIMS UNDER RETROCESSIONAL CONTRACTS~~ AGAINST THE SETTLING INSURERS AND OTHER INSURANCE COMPANIES. FURTHERMORE, THE NON-SETTLING INSURERS ARE NOT GRANTING (NOR SHALL THEY BE SUBJECT TO) ANY THIRD-PARTY RELEASE, INJUNCTION, OR EXCULPATION COVERING ANY NON-DEBTOR PERSON OR ENTITY AND THEY SHALL BE DEEMED TO HAVE OPTED OUT OF ANY SUCH RELEASE, INJUNCTION, OR EXCULPATION.

ARTICLE XIV

MODIFICATION

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

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

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

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

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

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

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.

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

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

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

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

15.2. ***Failure of Bankruptcy Court to Exercise Jurisdiction***. 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 this Article XV, 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.

~~15.2.~~15.3. Nothing in the Plan or Confirmation Order shall be construed to provide for any retention of jurisdiction by this Court to (1) grant exclusive jurisdiction over claims by or against Non-Settling Insurers, (2) be deemed a finding as to this Court's jurisdiction over such claims or actions, or (3) otherwise impair Non-Settling Insurers' rights to bring actions in any court of competent jurisdiction for a determination or declaration regarding such Non-Settling Insurers' rights and/or obligations to provide coverage under any Abuse Insurance Policy of a Non-Settling Insurer.

ARTICLE XVI

MISCELLANEOUS PROVISIONS

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

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

16.1.2. *Expenses of Enforcement*. In the event that any action, motion, contested matter, complaint, answer, counterclaim, cross-claim or other action is filed or taken by the Committee or the Reorganized Debtor either in the Bankruptcy Court or otherwise, in order to enforce or interpret any terms of the Plan or the Confirmation Order, or any order or agreement made in implementation of the Plan, the prevailing party in such matter (as determined by a court of competent jurisdiction) shall be entitled to recover from any opposing party its expenses, including reasonable attorneys' fees and costs, incurred in such matter.

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

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

16.4. ***Governing Law***. Unless a rule of law or procedure is supplied by federal law, including the Bankruptcy Code and the Bankruptcy Rules, the laws of the State of California

(without reference to its conflict of law rules) will govern the construction and implementation of the Plan and any agreement, documents, and instruments executed in connection with the Plan unless otherwise specifically provided in such agreements, documents, or instruments.

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

16.6. ***Inconsistency***. In the event of any inconsistency between the Plan and any Exhibit to the Plan or any other instrument or document created or executed pursuant to the Plan, including the Survivors' Trust Documents, the Plan shall govern. In the event of any inconsistency between the Plan or any other document and the Confirmation Order, the Confirmation Order shall govern.

16.7. ***Section Headings***. Headings are used in the Plan for convenience and reference only and shall not affect in any way the meaning or interpretation of the Plan or constitute a part of the Plan for any other purpose.

16.8. ***Severability***. If any provision in the Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of the Plan.

ARTICLE XVII

REQUEST FOR CONFIRMATION

17.1. ***Confirmation Pursuant to § 1129(b)***. If necessary, the Debtor requests Confirmation of the Plan pursuant to Section 1129(b) of the Bankruptcy Code.

[*signatures on the next page*]

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DATED: March 27, 2026

THE ROMAN CATHOLIC BISHOP OF OAKLAND

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

Presented by:

FOLEY & LARDNER LLP
Eileen R. Ridley
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 1.1.26

Legal Description of Cathedral Property Parcel

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

Schedule 1.1.34

Child Protection Protocols

CHILD PROTECTION PROTOCOLS FOR THE ROMAN CATHOLIC BISHOP OF OAKLAND, CALIFORNIA

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I.

GUIDING PRINCIPLES

In June 2002 the Charter for the Protection of Children and Young People was adopted by the United States Conference of Catholic Bishops to address allegations of sexual abuse of minors by Catholic clergy. The USCCB Charter includes guidelines for accompaniment, reconciliation, healing, accountability and prevention of future acts of childhood sexual abuse. Through the USCCB Charter, United States Catholic bishops (i) held themselves accountable for the hurt and pain caused by the abuse of children, (ii) sought to establish and implement policies and procedures to protect minors from abuse and (iii) tried to atone for their failure to believe and honor survivors by publicly offering statements of sorrow and responsibility for allowing such horror to happen.

Since the adoption of the USCCB Charter, reports of previously unpublicized sexual abuse continue to be uncovered and receive media coverage. The wide-ranging ramifications of physical, sexual and emotional abuse of children that occurred within the Catholic Church are still being uncovered to this day: Post Traumatic Stress Disorder and/or anxiety, depression and thoughts of suicide, sexual anxiety and related disorders and alcohol abuse, drug abuse, self-mutilation, or bingeing and purging, are all too common. Even still, many believe the Catholic Church has resisted transparency, further harming survivors by depriving them of an apology, of closure and most importantly, mere recognition of what was wrought upon them.

Compounding the problem is survivors' belief that the brutality and pervasive sexual abuse inflicted upon children is only discussed in sanitized terms, which fails to honor the reality of trauma now since grown children, and their families, live with every day. Making matters even worse, many reports of childhood sexual abuse did not lead to criminal prosecutions: many of the accused have died, or statutes of limitations have expired.

These Protocols build on and reinforce the USCCB Charter to address allegations of sexual abuse of minors by Catholic clergy. As revised in 2018, the USCCB Charter contains four primary pledges:

(i) We pledge most solemnly to one another and to you, God's people, that we will work to our utmost for the protection of children and youth.

(ii) We pledge that we will devote to this goal the resources and personnel necessary to accomplish it.

(iii) We pledge that we will do our best to ordain to the diaconate and priesthood and put into positions of trust only those who share this commitment to protecting children and youth.

(iv) We pledge that we will work toward healing and reconciliation for those sexually abused by clerics.

These Protocols are designed to effectuate and honor these pledges within the Diocese of Oakland. To that end, the Protocols aim to achieve four main objectives: (i) foster support,

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promote healing and reconciliation, and empower survivors in our community; (ii) educate the Church community, including clergy, church staff, and volunteers, on the prevalence and impact of sexual abuse; (iii) establish accountability measures to ensure offenders take ownership of their actions; and iv) protect the faithful, including the most vulnerable—children—through the establishment and preservation of a safe environment for all. While we cannot change the sinful and heinous acts of the past, through rigorous adherence to these Protocols from all individuals and entities within the jurisdiction of the Diocese of Oakland, we can try to make certain the tragedies of the past are not repeated. The Diocese of Oakland expects nothing less from all individuals and entities within its jurisdiction.

All children have the right to be safe and protected from harm in all environments, particularly religious institutions, without exception. The Bishop, on behalf of the Diocese of Oakland, is committed to the protection of children and vulnerable adults, the public acknowledgement of sinful actions that have occurred in its past and the pursuit of healing and hope. The Bishop will do everything in his power to create and enforce a safe environment in support of the healing ministry.

The Bishop shares the conviction of His Holiness Pope Leo XIV, expressed on June 21, 2025, that "It is urgent to root in the whole church a culture of prevention that does not tolerate any form of abuse - neither of power or authority, nor abuse of conscience, spiritual or sexual abuse. … This culture will only be authentic if it is born of active vigilance, of transparent processes and sincere listening to those who have been hurt." Pope Leo XIV, June 21, 2025. As such the Bishop, on behalf of himself and the Diocesan Entities now pledges and agrees:

1. To strictly abide by the USCCB Charter and these Child Protection Protocols at all times and under all circumstances, by undertaking a comprehensive practice of screening clergy and Diocesan Personnel whose scope of duties includes Direct Contact with Minors, among other efforts.

2. To recognize forthrightly the tragedy of sexual abuse of minors in society and specifically, in the Catholic Church.

3. To maintain focus on the healing, reconciliation, and spiritual well-being of persons who were sexually abused as minors. The Bishop pledges to reach out to survivors of abuse to offer whatever pastoral and professional care he can, and to address their spiritual and emotional needs. The Bishop also pledges to assist these survivors of sexual abuse in locating resources and providers to address their emotional and mental health needs that arise from the tragic experience of sexual abuse.

4. To help accusers know their respective rights under the law.

5. To immediately notify appropriate civil authorities, even when not required by civil law, of every report of suspected abuse within the Diocesan Entities.

6. To receive every accusation of suspected abuse within the Diocesan Entities with compassion and to treat every accusation with seriousness and diligent attention.

7. To make the Child Protection Policies (defined below) regarding the sexual abuse

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of minors known and available in openness and transparency and to strictly follow these policies, practices and procedures in each case.

8. To educate the Church community in matters related to the sexual abuse of minors, especially its identification, prevention, and reporting.

9. To ensure that all clergy and Diocesan Personnel have undergone fulsome background checks and evaluations, including adequate screening and evaluative techniques regarding the fitness of candidates for ordination.

10. To make known to all clergy and Diocesan Personnel the provisions of these Child Protection Protocols and the Child Protection Policies implementing them, along with a "Code of Conduct" to guide interactions with minors, and to take all steps to ensure compliance with these Child Protection Protocols and the Child Protection Policies.

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II.

DEFINITIONS

The terms below have the meaning stated:

"**Accusation**" means a report of suspected Sexual Abuse of a Minor received from any source involving a Cleric or Diocesan Personnel affiliated in any way with any Diocesan Entity. Under these Child Protection Protocols, a self-report will be treated as an Accusation and will initiate all applicable provisions of these protocols.

"**Accused**" means a person against whom an Accusation has been made. Using this term does not suggest a judgment of guilt or innocence.

"**Accuser**" means a person making a report or Accusation. Using this term does not suggest a judgment on the veracity or falsehood of the Accusation.

"**Arbitrator**" means [_____], who shall arbitrate the disputes identified herein that may arise concerning these Child Protection Protocols and the Child Protection Procedures. Any subsequent Arbitrator shall be agreed to by the Bishop and the Compliance Monitor.

"**Bishop**" means the sitting Bishop of the Diocese at all relevant points in time.

"**Chapter 11 Case**" means the chapter 11 case filed on May 8, 2023 by the Diocese in the United States Bankruptcy Court for the Northern District of California and assigned Case No. 23-40523.

"**Child Protection Policies**" means the policies implementing these Child Protection Protocols, which shall govern the Diocesan Entities. The following policies shall be modified to comply with these Child Protection Protocols and collectively, along with any other policies adopted to implement these Child Protection Protocols, be called the "Child Protection Policies": any policies adopted related to the use of Virtus; policies related to *Background Screening and Training, Sexual Misconduct, and Minors Volunteering or Working with Younger Children*; *Code of Conduct Involving Interactions with Minors and Vulnerable Adults*, *Live Scan Requests*, *Approved Safe Environment Curriculum for Children and Youth*, the forms for both schools and churches regarding their *Safe Environment Reporting* and the *On Site Safe Environment Training Schedule*.

"**Clergy**" or "**Cleric**" means a bishop, priest or deacon in the Catholic Church, whether incardinated in a diocese or a member of an institute of consecrated life.

"**Code of Conduct**" means the *Code of Conduct Involving Interactions with Minors and Vulnerable Adults* required by the USCCB Charter or any future guidelines promulgated by the Bishop governing the conduct for Clergy and Diocesan Personnel.

"**Committee**" means the Official Committee of Unsecured Creditors appointed to

represent the interests of all unsecured creditors, including Survivors, in the Chapter 11 Case.

"**Communications Coordinator**" means the person designated by the Bishop who will be charged with developing, maintaining, and implementing the communications protocols set forth in section 5 of these Child Protection Protocols.

"**Compliance Advisory Board**" means the volunteer board, to be established within 30 days of the Effective Date of the Plan of Reorganization, which will consist of 5 members, all of whom shall be first selected by the Committee. The Compliance Advisory Board shall establish bylaws which will, among other things, set forth how the Compliance Advisory Board will function, including how subsequent members will be appointed and how it will operate. The Bishop will have no authority over the Compliance Advisory Board.

"**Compliance Monitor**" means the person to be chosen by the Committee, in consultation with the Bishop, whose identity will be disclosed prior to confirmation of the Plan of Reorganization, and who will have the duties and powers set forth herein. The Compliance Monitor will assume the position on the Effective Date of the Plan of Reorganization. Any successor to the initially appointed "Compliance Monitor" shall be chosen by the Compliance Advisory Board, in consultation with the Bishop.

"**Criminal Record**" means information collected by criminal justice agencies on individuals consisting of identifiable descriptions and notations of arrests, detentions, indictments, or other formal criminal charges, and any disposition arising therefrom, including acquittal, sentencing, correctional supervision, release or conviction, including, but not limited to, any sentence arising from a verdict or plea of guilty or nolo contendere, including a sentence of incarceration, a suspended sentence, a sentence of probation, or a sentence of conditional discharge.

"**Diocesan Affiliated Entities**" means any parishes, churches, missions, schools, institutions, corporations, and agencies that are affiliated with or related to the Diocese or otherwise operate under the control or permission of the Bishop or the Diocese, including, but not limited to, Adventus, Catholic Charities of the Diocese of Oakland, Catholic Church Support Services, Catholic Foundation for the Diocese of Oakland, Christ the Light Cathedral Corporation, Furrer Properties, Inc., The Catholic Cathedral Corporation of the East Bay, The Lumen Christi Academies of the Roman Catholic Bishop of Oakland, The Oakland Parochial Fund, The Oakland Society for the Propagation of the Faith, The Roman Catholic Cemeteries of the Diocese of Oakland and The Roman Catholic Welfare Corporation of Oakland.

"**Diocesan Entities**" means the Diocese and the Diocesan Affiliated Entities.

"**Diocesan Personnel**" means all Employees and Volunteers (other than Clergy) in the service of the Diocesan Entities expected to have Direct Contact with Minors, including, but not limited to, (i) Religious Brothers, (ii) Seminarians, (iii) permanent deacons, (iv) candidates for the diaconate, (v) Religious Sisters, (vi) consecrated individuals, (vii) individuals who are involved in any assignment or apostolate, full or part-time, employed or volunteer, in any ministries within the Diocesan Entities, (viii) candidates for Holy Orders and (ix) school and church personnel.

"**Diocesan Territory**" means the counties of Alameda and Contra Costa in the State of

California.

"**Diocese**" means The Roman Catholic Bishop of Oakland, a corporation sole.

"**Direct Contact with Minors**" means the care, supervision, interaction, guidance or control of Minors, or any access to Minors.

"**Effective Date**" has the meaning ascribed to it in the Plan of Reorganization.

"**Employee**" means persons on the payroll (full or part time) of any of the Diocesan Entities, including any individual working for a Diocesan Entity who might normally receive compensation for their services and any agents of the Diocesan Entities.

"**Employer**" means the Diocesan Entity that immediately employs or oversees the work or ministry of an Employee or Volunteer. The relationship pertains only during the time in which a person is directly acting within the scope of their employment or volunteer service.

"**Essential Norms**" means the *Essential Norms for Diocesan/ Eparchial Policies Dealing with Allegations of Sexual Abuse of Minors by Priests or Deacons* (available here) or any future guidelines issued by the USCCB that provide norms ensuring that each diocese/eparchy in the United States has procedures in place to respond promptly to all allegations of Sexual Abuse of a Minor by Clergy.

"**Independent Professional Investigator(s)**" means an investigative firm retained by the Compliance Monitor, on behalf of a Diocesan Entity, to investigate claims of Sexual Abuse of a Minor. The firm must have personnel with experience in investigating claims of Sexual Abuse of a Minor. At least one member of the firm must be either a former prosecutor or have meaningful experience working in a nationally recognized agency responsible for enforcing laws, maintaining public order, and managing public safety.

"**Mandated Reporting**" means a report of reasonable suspicion of child abuse, including sexual misconduct, that an individual must make under the current laws of the United States of America and the State of California, as they may be amended from time to time.

"**Minor Diocesan Review Board**" means the consultative body appointed by the Bishop to advise him in complying with the USCCB Charter. The Minor Diocesan Review Board shall advise the Bishop in strictly complying with the USCCB Charter, the Essential Norms, the Child Protection Protocols and the Child Protection Policies.

"**Minor**" means a person under the age of 18. For ease of reference, these Child Protection Protocols and the Child Protection Policies shall include in the definition of "Minor" any individual who would be considered legally incompetent under the laws of the State of California.

"**Perpetrator**" means anyone who has been determined to have engaged in any form of Sexual Abuse of a Minor as set forth these Child Protection Protocols.

"**Plan of Reorganization**" means the confirmed chapter 11 plan of reorganization in the Chapter 11 Case (as it may be amended, supplemented, or otherwise modified).

"**Religious Brothers**" means a Catholic man who, as part of a religious order, commits himself to following Christ in consecrated life of the Catholic Church, usually by the vows of poverty, chastity, and obedience. He works in a ministry appropriate to his capabilities and is accountable to the community through the superior.

"**Religious Sisters**" means a Catholic woman who has taken simple vows of poverty, chastity and obedience, lives a common life and is engaged in ministering to the needs of society as part of a religious community. She is accountable to the community through the superior.

"**Responsible Supervisor**" means the Employer, superior or highest-ranking supervisor of Clergy and Diocesan Personnel.

"**Safe Environment Badge**" means the personal identification badge issued by the Safe Environment Director to persons, including Clerics and Diocesan Personnel, who have passed the background certification, clearances and completed the safe environment training to be provided for in the Child Protection Policies. All Clerics and Diocesan Personnel must have a Safe Environment Badge before working for or serving the Diocesan Entities. All persons must carry the Safe Environment Badge on their persons whenever Minors are present, including, but not limited to, during mass or other religious services.

"**Safe Environment Director**" means the person to be appointed by the Bishop, with the approval of the Compliance Monitor, within 30 days of the Effective Date of the Plan of Reorganization, to develop, coordinate, and implement the Safe Environment Program strictly in accordance with these Child Protection Protocols. The Safe Environment Director must have a degree in social work, education, child development, or a related field. Any subsequent Safe Environment Director shall be named by the Bishop with the approval of the Compliance Monitor.

"**Safe Environment Program**" means the educational programs and training to be required by the Bishop as set forth in these Child Protection Protocols and the USCCB Charter and as to be described further in the Child Protection Policies. Before its implementation, the Safe Environment Program shall be subject to the review, and approval, of the Compliance Monitor.

"**Seminarians**" means men accepted by a diocese, including any of the Diocesan Entities (or an institute of consecrated life) as seminary students who seek ordination to the priesthood, individuals who are accepted by a diocese, including any of the Diocesan Entities, or men in formation toward Holy Orders.

"**Sexual Abuse of a Minor**" means any sexual offense committed against a Minor, as defined by the laws of the penal code of the State of California or the United States of America, as they may be amended or modified.

"**Substantiated Claim**" means an Accusation for which either (i) the Accused has pled guilty or been found guilty of Sexual Abuse of a Minor in a court of law, or (ii) sufficient evidence exists to establish reasonable grounds for an objective person to believe that the alleged conduct is more likely to have occurred than to not have occurred.

"**Support Counselor**" means a professional counselor who works with the Survivor.

"**Survivor Support Coordinator**" means a person, formerly referred to by the Diocesan Entities as the "Victim Assistance Coordinator," to be named by the Bishop with the approval of the Compliance Monitor within 30 days of the Effective Date of the Plan of Reorganization, responsible for all aspects of the outreach and assistance to Survivors and their immediate family members. The Survivor Support Coordinator shall be a licensed (i) social worker, (ii) psychologist or (iii) psychiatrist and shall not be a prior Employee or Volunteer at any of the Diocesan Entities. Any subsequent Survivor Support Coordinator shall be named by the Bishop with the approval of the Compliance Monitor.

"**Survivor**" means a person who is, or is alleged to be or have been, the injured party or direct subject of Sexual Abuse of a Minor.

"**Trust Administrator**" has the definition given to it in the Plan of Reorganization.

"**USCCB Charter**" means the most recent and revised *Charter for the Protection of Children and Young People* issued by the USCCB.

"**USCCB**" means the United States Conference of Catholic Bishops.

"**Volunteer**" means any volunteer for the Diocesan Entities, or agent of such volunteer, who has Direct Contact with Minors.

III.

CHILD PROTECTION PROTOCOLS

1. Responsible Individuals and Summary of Their Duties

1.1 **The Bishop.** The Bishop shall be (i) responsible for the implementation, operation and assessed effectiveness of these Child Protection Protocols and (ii) knowledgeable about the content of these Child Protection Protocols by, among other things, completing specialized training related to trauma and secondary trauma and recognition and reporting of Sexual Abuse of a Minor.

1.1.1 The Bishop will ensure the Diocesan Entities actively employ a consistent, ongoing and comprehensive approach to creating a safe environment for young people by, among other things, making certain these Child Protection Protocols are implemented through the Child Protection Policies.

1.1.2 The Bishop shall meet with the Compliance Monitor no less than quarterly and as otherwise requested by the Compliance Monitor, to assess and evaluate the effectiveness of these Child Protection Protocols and the Child Protection Policies. Before such meeting(s), the Compliance Monitor shall meet with the: (i) Compliance Advisory Board to review the Child Protection Policies so that it may make recommendations to the Compliance Monitor to ensure that the Bishop is taking all actions necessary to comply with these Child Protection Protocols and the Child Protection Policies and (ii) Minor Diocesan Review Board to review the Child Protection Policies so that it may make recommendations to the Bishop to ensure that the Bishop is taking all

actions necessary to comply with these Child Protection Protocols and the Child Protection Policies.

1.2 **Minor Diocesan Review Board.** The Minor Diocesan Review Board shall serve as a consultative and confidential body to the Bishop to advise the Bishop in his implementation and operation of these Child Protection Protocols and the Child Protection Policies. As set forth in the USCCB Charter, the Minor Diocesan Review Board is regularly to review the Child Protection Policies and procedures for dealing with Sexual Abuse of a Minor implemented by the Diocesan Entities.

1.2.1 Within 30 days of the Effective Date, the Bishop shall reconstitute the current Minor Diocesan Review Board by appointing nine members to five-year concurrent terms. The Minor Diocesan Review Board shall act in full conformity with these Child Protection Protocols, the USCCB Charter, the Essential Norms, the Safe Environment Program, and all other applicable provisions of canon and civil law.

1.2.1.1 The Minor Diocesan Review Board shall consist of nine lay persons not in the employ of the Diocesan Entities plus an experienced and respected pastor of the Diocese. The Minor Diocesan Review Board shall at all times include: (i) a licensed social worker or a licensed psychologist with particular expertise in the treatment of the sexual abuse of Minors; (ii) a lay minister; (iii) an educator; (iv) a parent of a student attending any school operated by a Diocesan Entity; (v) a member of law enforcement; (vi) three Survivors, and (vii) a pastor currently serving in ministry in the Diocese. At least one members of the Minor Diocesan Review Board shall be a non-Catholic.

1.2.1.2 Within 30 days of the date the Plan of Reorganization is confirmed by the Bankruptcy Court, the Committee shall list seven Survivors for consideration by the Bishop for membership on the Minor Diocesan Review Board. The Bishop shall select three of the proposed Survivors to be appointed to the nine-member Minor Diocesan Review Board.

1.2.1.3 At such future time as the Minor Diocesan Review Board seeks to appoint a Survivor to the Minor Diocesan Review Board to assure three Survivors are a member thereof, the Compliance Monitor shall provide the Bishop with a list of no less than three but no more than five Survivors, and the Bishop shall select from the list of the proposed Survivors to be appointed to the Minor Diocesan Review Board, *provided, however*, that if the Compliance Monitor does not provide such list to the Bishop within 30 days of the date of the Bishop's written request, the Bishop shall select such Survivor in his sole discretion. In assembling the list of Survivors for consideration, the Compliance Monitor shall first consult with the Compliance Advisory Board.

1.2.1.4 After the Compliance Monitor's term ends, the Bishop shall be permitted to appointment a Survivor(s) to replace any Survivor(s) who will no longer sit on the Minor Diocesan Review Board.

1.2.2 The Minor Diocesan Review Board shall meet and agree on the protocols and procedures it will adopt to make decisions, including the appointment of a chairperson, and post those protocols and procedures on the Diocesan Entities' websites.

1.2.3 The Minor Diocesan Review Board shall be knowledgeable about the Child Protection Protocols and the Child Protection Policies.

1.2.4 The Minor Diocesan Review Board shall complete bi-annual specialized training related to trauma and secondary trauma and recognition and reporting of Sexual Abuse of a Minor and the proper function and role of the Minor Diocesan Review Board.

1.3 **Safe Environment Director.** The Safe Environment Director shall develop, coordinate, and implement the Safe Environment Program through the Child Protection Policies strictly in accordance with these Child Protection Protocols. The Safe Environment Director shall:

1.3.1 Report directly to the Bishop, and in connection with developing, coordinating, and implementing the Safe Environment Program, shall be responsible for developing, implementing, and revising the Child Protection Policies to comport with these Child Protection Protocols and any other procedures needed for preventing, responding to, and ensuring the reporting of child sexual abuse.

1.3.2 Oversee the development, publication and modification of standards of ministerial conduct for all persons engaged in any ministry within the Diocesan Entities, including the Code of Conduct, which is published separately from these Child Protection Protocols and a copy of which shall be given to all Clergy and Diocesan Personnel, as well as to the Minor Diocesan Review Board (cf. USCCB Charter, art. 6).

1.3.3 Maintain complete and accurate databases to allow the Compliance Monitor to ensure all Diocesan Entities comply with the Child Protection Policies.

1.3.4 Remain up-to-date on laws and best practices in the area of child abuse prevention.

1.3.5 Oversee the "Prevention Requirements" set forth in Section 8 of these Child Protection Protocols, as they are adopted in the Child Protection Policies, and any other screening and training requirements set forth in USCCB Charter, the Essential Norms and the Safe Environment Program.

1.4 **Communications Coordinator.** The Communications Coordinator shall develop, maintain and implement the section on communications in these Child Protection Protocols.

1.5 **Survivor Support Coordinator.** The Survivor Support Coordinator shall oversee all aspects of the outreach and assistance to Survivors.

1.6 **Compliance Monitor.** The Compliance Monitor shall ensure the compliance of the Diocesan Entities with these Child Protection Protocols, as they are adopted in the Child Protection Policies, the USCCB Charter, and Essential Norms by, among other things: (i) making certain the Diocesan Entities properly and adequately implement these Child Protection Protocols through the Child Protection Policies; (ii) managing the processes for handling Accusations of Sexual Abuse by Clergy and Diocesan Personnel, including, but not limited to, determining whether an Accusation is a Substantiated Claim under Section 7.1.4 of these Child Protection Protocols (subject to the Arbitration Procedures set forth in Section 11.1 of these Child Protection

Protocols) and (iii) auditing the Diocesan Entities to make certain they are strictly abiding by the Child Protection Policies, the USCCB Charter and Essential Norms.

1.6.1 The Child Protection Policies shall set forth detailed procedures for terminating or replacing the Compliance Monitor "for cause," which decision shall be vested with the Bishop but subject to appeal by the Compliance Advisory Board. If a decision regarding the termination or replacement of the Compliance Monitor "for cause" is appealed by the Compliance Advisory Board, the issue shall be an Arbitration Matter which shall be resolved using the Arbitration Procedures in Section 11.1 of these Child Protection Protocols. If the Arbitration Procedures are used to resolve a dispute arising under this Section, the term "Compliance Advisory Board" shall be substituted for "Compliance Monitor" in Section 11.1.

1.6.2 The Compliance Monitor shall be a paid position. The Compliance Monitor shall be entitled to compensation by the Diocese that would ordinarily be paid for like services by like enterprises under like circumstances. The Child Protection Policies shall set forth detailed procedures for remunerating the Compliance Monitor and for agreeing upon an adequate and reasonable budget for future services which will be provided. If the Bishop and the Compliance Monitor cannot agree on the amount to be paid to the Compliance Monitor, or budgeted for future services, the issue shall be an Arbitration Matter which shall be resolved using the Arbitration Procedures in Section 11.1 of these Child Protection Protocols.

1.6.3 Within 30 days of the fifth anniversary of the appointment of the Compliance Monitor, the Compliance Monitor shall submit a written report to the Bishop, the Minor Diocesan Review Board and the Compliance Advisory Board setting forth, among other things, the Compliance Monitor's conclusions on the effectiveness of the Child Protection Policies, any areas of non-compliance and the risks associated with same and whether the continued retention of a compliance monitor by the Bishop is needed and, if so, for how long (the "**Compliance Monitor's Status Report**").

1.6.3.1 If the Compliance Monitor concludes that a compliance monitor is no longer needed in order to maintain the safety of Minors in the care of the Diocesan Entities, and the Bishop agrees, the Compliance Monitor shall be discharged from his or her duties with no replacement necessary.

1.6.3.2 If the Compliance Monitor concludes that a compliance monitor is needed in order to maintain the safety of Minors in the care of the Diocesan Entities, and the Bishop disagrees on whether a compliance monitor is still needed or the term during which a compliance monitor shall continue to serve, the issue shall be an Arbitration Matter which shall be resolved using the Arbitration Procedures in Section 11.1 of these Child Protection Protocols.

1.6.3.3 If the Arbitrator determines that a Compliance Monitor remains necessary following any appeal by the Bishop pursuant to section 1.6.3.2, the Compliance Monitor's initial term shall be extended an additional 3 years. At the end of that 3-year period, the Compliance Monitor shall submit another Compliance Monitor's Status Report pursuant to section 1.6.3.

1.6.4 Upon the termination and discharge of the Compliance Monitor: 1) all individuals reporting directly to the Compliance Monitor pursuant to these Child Protection Protocols shall thereafter report directly to the Bishop, or his designee, and 2) all powers, duties, and responsibilities of the Compliance Monitor shall revert to the Bishop, or his designee.

1.7 **Compliance Advisory Board.** The Compliance Advisory Board shall serve as a consultative body to the Compliance Monitor to advise the Compliance Monitor in its monitoring of the implementation and operation of these Child Protection Protocols and the Child Protection Policies. The term of the Compliance Advisory Board shall be coterminous with that of the Compliance Monitor such that upon the termination and discharge of the Compliance Monitor, the Compliance Advisory Board will cease to exist.

1.8 **The Arbitrator.** The Arbitrator shall resolve any disputes arising in connection with these Child Protection Protocols and the Child Protection Policies that are defined herein as Arbitration Matters.

1.8.1 The Child Protection Policies shall set forth detailed procedures for replacing or terminating the Arbitrator, all of which decisions shall be vested jointly with the Bishop and the Compliance Monitor..

1.8.2 The Arbitrator shall be a paid position. The Arbitrator shall be entitled to compensation by the Diocese that would ordinarily be paid to arbitrators requested to resolve similar disputes.

1.8.3 The term of the Arbitrator shall be coterminous with that of the Compliance Monitor such that upon the termination and discharge of the Compliance Monitor, the position of Arbitrator will cease to exist.

2. The Child Protection Policies

2.1 The Bishop, through the Safe Environment Director, and in consultation with the Minor Diocesan Review Board, shall create, or revise, a comprehensive set of documents setting forth in detail the policies and procedures implementing these Child Protection Protocols. This comprehensive set of documents shall first be approved by the Compliance Monitor before being finalized and implemented.

2.2 The Bishop shall institute a reasonable timeline for implementing, and complying with, these Child Protection Protocols, with time being of the essence.

2.3 The Child Protection Policies shall:

2.3.1 Be written and formatted so they are easy to read and understand and readily available on the Diocese's website at www.oakdiocese.org or a separate website linked therefrom that is established specifically for the purpose of hosting the Child Protection Policies and related information. Included on each Diocesan Entities website's homepage, if any, shall be links to: (i) information about how to report suspected Sexual Abuse of a Minor by a Cleric or any Diocesan Personnel, and (ii) the Diocese's website or any separate website linked therefrom as set forth in this section 2.3.1.

2.3.2 Require publication, no less than four times per year, in *The Catholic Voice*, and/or any other similar Diocesan Entities' publication, including any parish bulletins and school newsletters, of a statement by the Bishop urging Survivors to report Sexual Abuse of a Minor and seek assistance and support.

2.3.3 Set forth, in detail, the procedures for screening, selecting, and supervising of Clergy and Diocesan Personnel with respect to Direct Contact with Minors.

2.3.4 Direct the Safe Environment Director to draft and implement the Safe Education Program, which shall include courses required to be taken by all Clergy and Diocesan Personnel regarding, among other things, what is considered "appropriate" versus "inappropriate" physical or non-physical contact.

2.3.5 State that a report to the Diocesan Entities does not relieve an individual from reporting known or suspected abuse as may be required under the laws of the United States of America or the State of California.

2.3.6 Require the Diocesan Entities to provide law enforcement with the residential address of each Cleric incardinated in any Diocesan Entity subject to an Accusation and/ or a Substantiated Claim of Sexual Abuse of a Minor.

2.3.7 Include guidelines for the lawful and acceptable use of technology, including regulations regarding communications with Minors through social media and cellular phones.

2.3.8 Grant the Diocesan Entities and the Compliance Monitor the ability to inspect, review, audit, intercept, or access all matters on systems of the Diocesan Entities related to an Accusation, including, but not limited to, Clergy and Diocesan Personnel email, voicemail, and computer systems at any time, with or without notice, to the extent permitted under applicable federal and state law, and not inconsistent with applicable principles of common law, with all appropriate steps taken in connection with retention or transmission of known or suspected child pornography.

2.3.9 Set forth procedures by which the Safe Environment Director shall make certain Safe Environment Badges are carried on the persons of Clergy and Diocesan Personnel in compliance with these Child Protection Protocols and the Child Protection Policies and the remedial action which may be taken for failure to do so.

2.3.10 Prohibit Clergy and Diocesan Personnel from being alone (out of sight of at least one other adult) with any unrelated Minor while serving in the Diocesan Entities, including, but not limited to, prohibiting (i) Clergy and Diocesan Personnel from traveling alone or taking overnight trips alone with any unrelated Minor; (ii) Clergy and Diocesan Personnel from sleeping in the same private space (e.g., room, tent, bed, etc.) with any unrelated Minor; and (iii) Minors from having access to Diocesan rectories; *provided, however*, the foregoing shall be subject to common sense exceptions, such as emergency situations, interactions with Minors that are incidental and not extended, interactions with family members, and Diocesan Personnel transporting the children of friends and neighbors subject to the approval of a parent or guardian; *provided, further however*, that nothing in these Child Protection Protocols or the Child Protection Policies shall prevent Minors from

receiving the sacrament of confession in confidence and privacy, *provided, further however*, that the Diocesan Entities shall take precautions to ensure that Minors participating in confession are protected by using premises suitable for the age and stage of development of Minors, notwithstanding the confidential nature of confession. Such precautions include having an adult with a Safe Environment Badge present in an area outside of earshot but next to the confessional and, where existing or future improvements to facilities so permit, conducting confession in a manner that allows others to visually observe the confession participants.

2.3.11 Include a whistleblower policy under which the Diocesan Entities shall not discharge from employment any Clergy or Diocesan Personnel, or discriminate against any Clergy or Diocesan Personnel, with respect to compensation, hire, tenure, terms, conditions or privileges of employment, because that person reported suspected Sexual Abuse of a Minor to authorities, provided such Clergy or Diocesan Personnel was acting in good faith in making the report.

2.3.12 Require the delivery of a Code of Conduct to Clergy and Diocesan Personnel. Clergy and Diocesan Personnel must acknowledge receipt of the Code of Conduct, their understanding of the Code of Conduct, and their agreement to comply with the Code of Conduct by executing a Code of Conduct acknowledgment form (the "**Code of Conduct Acknowledgment Form**"). The Code of Conduct Acknowledgment Form shall refer to the reporting requirements required by these Child Protection Protocols as adopted under the Child Protection Policies. The Code of Conduct Acknowledgment Form may be completed electronically.

2.3.12.1 The Safe Environment Director and his or her staff shall collect, and the Compliance Monitor shall maintain, the Code of Conduct Acknowledgment Forms. Such files may be kept electronically. The Safe Environment Director shall collect, and the Compliance Monitor maintain, the Code of Conduct Acknowledgment Form within 30 days of each of these events: (1) assignment of a Cleric to a continuing ministry in the Diocesan Territory; (2) the commencement of any employment or continuing volunteer service; and (3) a Seminarian's commencement of study.

2.3.12.2 The Compliance Monitor shall request, no less than annually, that each Diocesan Entity furnish the Compliance Monitor with records demonstrating compliance with this requirement. If a Diocesan Entity fails to provide such records as requested, the Compliance Monitor shall, within a reasonable amount of time, notify the Bishop and any officers, directors, or board of trustees of said Diocesan Entity in writing of such failure, and the Bishop shall direct the Diocesan Entity to comply with this Section.

2.3.13 Require the Diocesan Entities to maintain complete copies of all insurance policies under which they are identified as an insured party for claims of Sexual Abuse of a Minor and undertake all reasonable efforts to maintain related correspondence and other memorializing and evidencing documentation relating to the existence and terms of such policies. The documents required to be maintained pursuant to this section may be kept electronically.

2.3.14 Direct that each Diocesan Entity where Direct Contact with Minors regularly occurs designate a safe environment coordinator to assist the Safe Environment Director in overseeing the screening, selecting, and supervising of Diocesan Personnel. The Safe

Environment Director shall provide training to such coordinators upon their assumption of those responsibilities and then no less than annually. For the avoidance of doubt, if a Diocesan Entity does not employ any Diocesan Personnel or does not engage in activities where Direct Contact with Minors occurs on a regular basis, such Diocesan Entity need not designate a safe environment coordinator.

2.3.14.1 Each Diocesan Entity shall confirm, in writing, to the Compliance Monitor that a safe environment coordinator has been designated in each Diocesan Entity. If a Diocesan Entity fails to confirm the designation of a safe environment coordinator, the Compliance Monitor shall notify the Bishop, any officers, directors or board of trustees of said Diocesan Entity in writing that a safe environment coordinator has not been designated and the Bishop shall take the appropriate remedial steps.

2.3.15 Require the Annual Compliance Audit (defined below) to ensure compliance with these Child Protection Protocols, the Child Protection Policies, the USCCB Charter, Essential Norms, and any other applicable policies and procedures published by the Bishop to protect Minors (upon approval of the Compliance Monitor).

2.3.16 Set forth the repercussions of any intentional or negligent failure to implement the necessary background certification and clearances and/or education practices and programs mandated by these Child Protection Protocols, the Child Protection Policies, the USCCB Charter or the Essential Norms.

3. Reporting Requirements

3.1 **Immediate Reporting to Law Enforcement**. Any Clergy or Diocesan Personnel who reasonably suspects, observes, or receives a report of, Sexual Abuse of a Minor, or any Diocesan Entity that receives a report of Sexual Abuse of a Minor, shall, without delay or alteration, ***first***, report such abuse to law enforcement and the California Emergency Response Child Abuse Reporting Telephone at (510) 259-1800 in Alameda County and at (877) 881-1116 in Contra Costa County or, for vulnerable adults, Adult Protective Services at (833) 401-0832 and ***second***, report such abuse to the Compliance Monitor, who shall then immediately confirm that such abuse has been reported to law enforcement and document the report and the other actions taken. Immediately thereafter the Compliance Monitor shall provide such report to the Bishop, and if the abuse occurred at a Diocesan Entity, shall, in consultation with the Bishop, determine when to provide such report to any officers, directors or board of trustees of said Diocesan Entity. The Child Protection Policies shall not prohibit the Compliance Monitor from reporting any Accusation to any other appropriate law enforcement or governmental agency after the above reporting obligations are adhered to.

3.1.1 When a Diocesan Entity receives an Accusation and the Compliance Monitor makes a report to law enforcement, the Diocesan Entities shall not interfere in any way with law enforcement.

3.1.2 Any Clergy or Diocesan Personnel who provides a report contemplated by this Section to the Compliance Monitor shall document, in writing, among other things, (i) their

production of a report to the Compliance Monitor and (ii) information detailing the nature of the report.

3.1.3 After a Diocesan Entity receives a report of child sexual abuse and the Compliance Monitor makes a report to law enforcement, the Diocesan Entities shall not conduct an internal investigation of such incident until law enforcement concludes its investigation, closes its file without an investigation, or authorizes the Diocesan Entities to proceed with their own internal investigation.

3.1.4 If a Diocesan Entity learns of any effort(s) to hide or delay discovery of one or more incidents of Sexual Abuse of a Minor, or to hinder discovery of any related fact(s), the Diocesan Entity shall provide a detailed report of such efforts or activity to law enforcement and the Compliance Monitor, who shall then notify the Bishop.

3.1.5 If an Accusation is made against a bishop, whether serving currently or previously in the Diocese, the Compliance Monitor shall also report the matter to the Vicar General, who shall refer the matter immediately to the Apostolic Nuncio in Washington, D.C. utilizing the Catholic Bishop Abuse Reporting Service (CBAR), and then follow the directions of the Nuncio (cf. Vos Estis Lux Mundi).

3.1.6 If an Accusation is made against any Cleric, Seminarian or consecrated individual who is incardinated in, or in formation for, another diocese, in addition to the reporting requirements set forth in this Section, the Bishop, together with the Compliance Monitor, shall contact the proper bishop of the Accused without delay to forward the Accusation.

3.2 **Sexual Abuse of a Minor by another Minor.** If an Accusation is received alleging that one Minor abused another Minor, the Compliance Monitor shall determine whether such an Accusation is subject to Mandated Reporting. If it is, or if there is any uncertainty about determination, the Accusation shall be forwarded without delay to the appropriate civil authority.

3.2.1 The Child Protection Policies shall ensure that the person reporting suspicion of Sexual Abuse of a Minor is provided with: (1) an adequate explanation of the Diocesan Entities' overall process and procedures for dealing with allegations of Sexual Abuse of a Minor, including its policy on reporting to civil authorities; (2) advice that the Diocesan Entities shall endeavor to conduct, when permitted herein, its investigation with appropriate discretion and, as much as possible, protect the privacy and reputations of both the person reporting and the person about whom the report was made, and (3) a timely response to inquiries and, as necessary, periodic update(s) as to the status or resolution of the report.

4. Education

4.1 **Safe Environment Director.** The Safe Environment Director's responsibilities shall include, among other things, implementation, through the Child Protection Policies, and oversight of the educational programs required by these Child Protection Protocols, including:

4.1.1 Making certain each of the Diocesan Entities where Direct Contact with Minors regularly occurs maintain and implement all programs and efforts necessary to prevent

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Sexual Abuse of a Minor and to train all Clergy and Diocesan Personnel to identify signs of Sexual Abuse of a Minor. For the avoidance of doubt, Direct Contact with Minors regularly occurs at the following Diocesan Entities: All parishes, churches, missions and schools that are affiliated with or related to the Diocese or otherwise operate under the control or permission of the Bishop or the Diocese and The Catholic Cathedral Corporation of the East Bay, The Lumen Christi Academies of the Roman Catholic Bishop of Oakland, and The Roman Catholic Welfare Corporation of Oakland.

4.1.2 Developing and implementing procedures by which each such Diocesan Entity will report annually on its educational programs. This report is to be forwarded to the Bishop, the Minor Diocesan Review Board, and the Compliance Monitor, who may share such report with the Compliance Advisory Board.

4.1.3 Ensuring that each such Diocesan Entity teaching religious education has adopted a program of instruction regarding the recognition, prevention and reporting of Sexual Abuse of a Minor, and promoting healthy relationships between adults and minors.

4.2 **Educational Programs.** All Clergy who may have Direct Contact with Minors and Diocesan Personnel shall complete educational programs on the topics set forth in Section 4.2.2, which shall be designed for both children and adults.

4.2.1 Educational programs must include topics such as education in healthy relationships between adults and Minors; maintaining appropriate professional boundaries; human sexuality and the prevention of Sexual Abuse of a Minor; recognition and reporting of the Sexual Abuse of a Minor; trauma and secondary trauma, and recognition of sexual abuse perpetrator behavior. The educational programs designed for children shall also instruct children that they are not responsible for keeping themselves safe.

4.2.2 All Clergy are to be educated in all relevant criminal and civil laws pertaining to Sexual Abuse of a Minor and in the requirements under these Child Protection Protocols and the Child Protection Policies and USCCB Charter regarding reporting of Sexual Abuse of a Minor. All mandated reporters, as defined in applicable statutes, as well as individuals who may not be mandatory reporters under applicable law but who are required to report abuse under these Child Protection Protocols and the Child Protection Policies, including Clerics and Church Personal, shall receive specific training regarding reporting obligations every two years and within 30 days of their retention if newly hired. The foregoing educational requirements must be completed by all international Clerics prior to them having any Direct Contact with Minors.

4.2.3 The Safe Environment Director shall ensure that materials regarding these Child Protection Protocols and the Child Protection Policies are produced, regularly updated, and made available to all Diocesan Entities.

4.2.4 Minors engaged in volunteer work are not required to obtain clearance certifications.

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5. Communications and Disclosures

5.1 **Communications Coordinator.** In accord with the USCCB Charter, the Bishop shall designate a Communications Coordinator. Any person offering statements or commentary to the media other than the Bishop or the Communications Coordinator must be understood as offering only personal viewpoints and opinions, not necessarily reflecting the position of the Diocesan Entities in any official manner.

5.2 The Communications Coordinator shall work with the Safe Environment Director in developing and maintaining the section on communications to be set forth in the Child Protection Policies. The Diocesan Related Entities' communications policy will reflect a commitment to openness in a manner which respects the right to privacy and the reputation of all persons involved in Accusations, including the Accuser or Survivor as well as the Accused.

5.3 The Diocesan Entities shall be open and transparent and forthcoming in communicating with the public about the Sexual Abuse of a Minor within the confines of respect for the privacy and the reputation of the individuals involved; *provided, however*, the Diocesan Entities shall not disclose the identity, or information that may allow the identification, of the individual who makes an Accusation to any person or entity other than law enforcement without written permission from the individual that made the Accusation.

5.4 **Sharing Information.** The primary means of communicating to the Catholic community within the Diocese Territory and the larger public is through the diocesan website, *The Catholic Voice*, parish bulletins and school newsletters. As appropriate and as determined by the Communications Coordinator, in consultation with the Safe Environment Director, other means of communication, including the secular media, will be used to make known the Child Protection Policies.

5.5 The Communications Coordinator is to recommend to the Safe Environment Director specific policies for keeping the persons below or groups of persons properly informed as needed:

(i) The secular media, regarding a specific Accusation or determination of whether such Accusation is a Substantiated Claim.

(ii) The secular or religious media, regarding policies, procedures, and statistics.

(iii) The Clergy of the Diocesan Entities.

(iv) The Diocesan Personnel of the Diocesan Entities.

(v) The people of the Diocesan Entities.

(vi) The public of California.

5.6 **Disclosure and Confidentiality.** The Communications Coordinator shall ensure that annual announcements on how to report the suspected Sexual Abuse of a Minor by a Cleric

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or any Diocesan Personnel will be made in all Diocesan Entities (by announcement or printed in bulletins) (cf. USCCB Charter, art. 2).

5.7 Through the annual announcements, Clergy will encourage all Survivors of sexual abuse to report any Accusations to legal authorities and/ or the Diocesan Entities. While the Diocesan Entities' primary focus is the healing and well-being of Survivors, these public announcements should assure Survivors of the eagerness of the Diocesan Entities to assist them and encourage them to come forward to prevent ongoing or future abuse.

5.7.1 Except to the extent law enforcement officials or a government agency having prosecutorial powers request that the Bishop refrain from publicly disclosing the existence of an Accusation so as to avoid interfering with an ongoing investigation, the Bishop shall make a public announcement of the fact that an Accusation has been made, and that it has been reported to law enforcement for investigation. The announcement shall not disclose the identity of the Accuser unless the Accuser explicitly authorizes such disclosure in accordance with Section 5.3 hereof. The announcement shall not disclose the identity of the Accused if, in the discretion of the Bishop, with the consent of the Compliance Monitor, it would be imprudent to do so to protect the Accused's privacy and reputation before an investigation is concluded. The determination of whether to identify the Accused prior to the conclusion of an investigation shall be an Arbitration Matter subject to the Arbitration Procedures set forth in Section 11.1 of these Child Protection Protocols. The Bishop shall provide a final public update as soon as a determination regarding substantiation of the Accusation is made by law enforcement and/or pursuant to Section 7.1.4 hereof. The Diocese will provide this update on its website.

5.8 If the existence of an Accusation related to a particular parish or school is publicly made to the community of that school or parish at large, the Safe Environment Director, together with the Survivor Support Coordinator, shall ensure that mental health professionals will be available on-site at such parish or school to offer support, including crisis counseling, to any who desire it, and to offer additional Survivors the opportunity to report incidents of Sexual Abuse of a Minor.

5.9 Any disclosure hereunder shall be made with the expectation of confidentiality and privacy, under possible penalty in canon or civil law. If an Accusation becomes public by any means, the Safe Environment Director shall direct the Communications Coordinator to inform the appropriate personnel at the Accused's current assignment or employment that an inquiry is being conducted. Media questions are to be directed to the Communications Coordinator.

5.10 If any Diocesan Entity is contacted by a prospective employer of any current or former Cleric or Diocesan Personnel, the Diocesan Entity shall disclose all Substantiated Claims of Sexual Abuse of a Minor involving members of its Clergy or Diocesan Personnel, or former members of its Clergy or Diocesan Personnel, except to the extent such disclosure is prohibited by, or otherwise inconsistent with, applicable federal or state or common law.

5.11 Within 120 days after the later of (i) the date on which all claims are settled or otherwise resolved with all the insurers to the Diocesan Entities (the "**Litigation Cessation Date**") and (ii) the Effective Date, or (iii) as otherwise agreed between the Bishop and the Compliance Monitor, the Bishop will make available to the Compliance Monitor copies of the documents

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maintained by the Diocesan Entities (a) on all Clergy and Diocesan Personnel, who were included as credible perpetrators of sexual abuse in the letter by Bishop Barber dated February 18, 2019 (https://www.oakdiocese.org/credibly-accused-clergy-diocese-of-oakland) because allegations of Sexual Abuse of a Minor have been admitted, substantiated or determined or considered to be credible (the "**Credibly Accused List**") and (b) setting forth all policies and procedures that the Diocesan Entities had in place to protect children and others from Sexual Abuse of a Minor by any agent or representative of the Diocesan Entities. The Bishop may redact and/or remove from such production any privileged information, including attorney-client privileged, work product privileged information, unrelated personal information and communications, and medical information to the extent such information is unrelated to Sexual Abuse of a Minor and any other information subject to privileges under California state or federal law (the "**Removed Documents or Information**").

5.12 The Bishop will identify for the Compliance Monitor the Removed Documents or Information in a detailed log that identifies with sufficient particularity the nature of the Removed Documents or Information. The Compliance Monitor and the Bishop agree to work cooperatively and in good faith to resolve any dispute regarding whether the Removed Documents or Information should not be provided to the Compliance Monitor. If an agreement cannot be reached between the Bishop and the Compliance Monitor on any dispute regarding any Removed Documents or Information, such dispute shall be an Arbitration Matter subject to the Arbitration Procedures set forth in Section 11.1 of these Child Protection Protocols. Specifically, the Compliance Monitor will have a reasonable period of time to notify the Bishop, in writing, if the Compliance Monitor believes that any of the Removed Documents or Information should be provided or made public. The Bishop will have a reasonable time after receipt of the Compliance Monitor's written notification under the preceding sentence to notify the Compliance Monitor, in writing, of its objection to providing or making public any Removed Documents or Information. The Bishop shall not be required to provide or make public the Removed Documents and Information until the Arbitrator has determined that good cause exists for the Bishop to do so pursuant to Section 11.1 of these Child Protection Protocols. Nothing contained herein shall relate to or require the production of any files related to non-Diocesan Clergy, employees, or personnel.

5.13 Within one hundred 120 days after the later of (i) the Litigation Cessation Date; (ii) the Effective Date; and/or (iii) as otherwise agreed between the Bishop and the Compliance Monitor, the Bishop will make available to the Compliance Monitor all documents maintained by the Diocesan Entities related to any claim asserted by an individual against any Diocesan Entity not included on the Credibly Accused List that was asserted prior to the Effective Date (the "**Disputed Documents**"). The Compliance Monitor and the Bishop agree to work cooperatively and in good faith to resolve any dispute regarding the Disputed Documents. If an agreement cannot be reached between the Bishop and the Compliance Monitor on any dispute regarding any Removed Documents or Information, such dispute shall be an Arbitration Matter subject to the Arbitration Procedures set forth in Section 11.1of these Child Protection Protocols. Specifically, the Compliance Monitor will have a reasonable period of time to notify the Bishop after receipt of the Disputed Documents, in writing, if the Compliance Monitor believes that any of the Disputed Documents should be made public. The Bishop will have a reasonable time after receipt of the Compliance Monitor's written notification under the preceding sentence to notify the Compliance Monitor, in writing, of its objection to public release of any Disputed Documents. The Compliance Monitor will not publicly release any of the Disputed Documents unless the Bishop affirmatively

permits the public release in writing or the Arbitrator has determined that good cause exists for the Compliance Monitor to do so pursuant to Section 11.1of these Child Protection Protocols. Nothing contained herein shall relate to or require the production of any files related to non-Diocesan Clergy, employees, or personnel.

5.14 Within 90 days of the Effective Date, and notwithstanding anything to the contrary contained within these Child Protection Protocols, the Diocesan Entities shall disclose on each of the Diocesan Entities' websites the names of all Perpetrators that are the subject of a Substantiated Claim to the extent they have not already done so; *provided, however*, the Diocesan Entities shall not disclose any information to the extent doing so is prohibited by, or otherwise inconsistent with, applicable federal, state, or common law.

5.15 **Inquiries from Third Parties**.

5.15.1 Any inquiries from the media concerning Accusations of Sexual Abuse of a Minor by a Cleric or Diocesan Personnel who are in any way affiliated with the Diocesan Related Entities are to be forwarded to the Communications Coordinator. The Child Protection Policies shall provide for the provision of accurate and up-to-date information concerning the number of Accusations received within a given time, the inquiries conducted, and the number of Substantiated Claims. This includes information about the current employment or ministerial status of Clergy or any Diocesan Personnel. The Diocesan Entities will not ordinarily offer commentary regarding an open inquiry or any matter in litigation before secular or ecclesiastical courts.

5.15.2 When an Accusation involves Clergy from another diocese, institute or society of consecrated life, or an employee or volunteer of either, the Communications Coordinator will be kept informed of the Accusation and the progress of the inquiry, but normally all questions about the matter are referred to the person's proper diocese or institute of consecrated life.

6. Prevention Requirements

6.1 The Child Protection Policies shall specify (1) the necessary background checks, screenings, certifications and clearances needed to be employed by, or volunteer within, the Diocesan Entities, (2) who must obtain and/ or receive background checks, screenings, certifications and clearances and who may view them and (3) any required specialized child protection education or training. All of the foregoing determinations shall be made in consultation with, and after the consent of, the Compliance Monitor.

6.2 An Employer or other person responsible for employment decisions that fails to require an applicant to submit the required certification and clearances before the applicant's hiring shall be subject to discipline, including possible termination, as will be set forth in detail in the Child Protection Policies.

6.3 The Child Protection Policies shall provide for the following clearances and screenings needed to be employed by, or volunteer within, the Diocesan Related Entities.

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6.3.1 Clearances.

6.3.1.1 All current Clergy and Diocesan Personnel of the Diocesan Entities shall undergo a criminal background check from a reputable third-party provider within 30 days of the effectiveness of the Children Protection Policies as well as at least every 36 months thereafter.

6.3.1.2 All prospective Clergy and Diocesan Personnel of the Diocesan Entities are (i) required to undergo a criminal background check from a reputable third party provider before serving in any capacity with, or being employed or retained by, or being transferred to, the Diocesan Entities, as well as at least every 36 months thereafter and (ii) in the case of Clergy and Diocesan Personnel, required to obtain a letter from their own bishop or superior attesting to the good standing.

6.3.1.3 All prospective international Clerics of the Diocesan Entities (i) must obtain an Interpol clearance before their employment or retention by any Diocesan Entities and (ii) shall undergo a criminal background check from a reputable third-party provider within 180 days of their employment or retention by any Diocesan Entities as well as at least every 36 months thereafter. The Diocesan Entities shall also obtain a Letter of Suitability from the international Cleric's proper bishop or religious superior before their employment or retention by any Diocesan Entities.

6.3.1.4 Employees and Volunteers who have obtained the necessary background certification and clearances for their employment or volunteer work in one agency or institution, may carry the same certification and clearances for volunteer work in another agency or institution without having to obtain new certification and clearances if those clearances remain current. Nevertheless, certification and clearances obtained for volunteer purposes cannot be used for employment purposes.

6.3.2 Employee or Volunteer Clearance Results.

6.3.2.1 If a background check reveals that a prospective Employee or Volunteer is a Perpetrator who has engaged in any form of Sexual Abuse of a Minor, no Diocesan Entity may employ the prospective Employee or receive services from the Volunteer.

6.3.2.2 If a background check reveals that a prospective Employee or Volunteer has a Criminal Record, other than being adjudged a Perpetrator, no Diocesan Entity may employ the prospective Employee or receive services from a Volunteer unless the Compliance Monitor approves of such action.

6.3.2.3 The Diocesan Entities shall not recommend or otherwise place any layperson, and shall direct Clergy not to recommend or otherwise place any layperson, into any position or role that provides such layperson with Direct Contact with Minors if such layperson has an unresolved Accusation of Sexual Abuse of a Minor pending against them.

6.3.3 Clergy Screening Requirements. Clergy, Seminarians and consecrated individuals shall be screened by the Compliance Monitor before admission to the seminary or a formation program.

6.3.3.1 Clergy, Seminarians, and consecrated individuals must undergo a psychological assessment, including mandatory psychological evaluations of new members of the Clergy (seminarians, clergy transfers etc.) through the administration of the Child Abuse Protection Inventory (CAPI) and the Minnesota Multiphasic Personality Inventory (MMPI - latest edition) by a clinician independent of any association with the Diocesan Related Entities, as part of the screening process in a manner designated by the Compliance Monitor. At the discretion of those responsible for their formation, the psychological assessment may be repeated before ordination.

6.3.3.2 Clergy from other dioceses seeking to incardinate into any Diocesan Entity or requesting the faculties of any Diocesan Entity shall also first be screened by the Compliance Monitor prior to receiving any ministerial assignment or faculties in any Diocesan Entity, following consultation with, and documentation from, the Cleric's proper bishop. The Compliance Monitor shall require a letter from the Cleric's own bishop attesting to the good standing of the Cleric. This letter, which must state that the Cleric has never been the subject of a Substantiated Claim of Sexual Abuse of a Minor, is necessary before the Cleric is given an assignment within any Diocesan Entity or is granted the faculties of any Diocesan Entity. If the Cleric served previously in the United States, background certification and clearances (criminal record checks) will also be conducted in the State of his last U.S. assignment prior to his grant of faculties in any Diocesan Entity.

6.3.3.3 Priests, deacons, brothers, or students from institutes of consecrated life assigned to any Diocesan Entity are to be screened by documentation from their major superiors, obtained by the Compliance Monitor before any assignment to ministry in any Diocesan Entities. The Compliance Monitor will require a letter from the Cleric's major superior attesting to the good standing of the Cleric. This letter, which must state that the Cleric has never been the subject of a Substantiated Claim of Sexual Abuse of a Minor, is necessary before the Cleric is given an assignment within any Diocesan Entities or is granted the faculties of any Diocesan Entities. All background certification and clearances specified in the Child Protection Policies will also be required.

6.3.4 Disclosure. If a Cleric seeks assignment, transfer, or residence outside the Diocesan Territory, the Bishop will provide to the receiving diocese, religious community, or organization, a complete copy of his Clergy file and any other files materially related to the Cleric. Notwithstanding the foregoing, the Bishop shall not disclose such information to the extent doing so would violate, or be inconsistent with, applicable federal, state, or common law.

6.3.5 The Bishop shall disclose any Accusation or Substantiated Claim of Sexual Abuse of a Minor to any diocese, Catholic entity, or secular employer that inquiries about such an Accusation of Sexual Abuse of a Minor with respect to any past or present Cleric or Diocesan Personnel. The Bishop shall also disclose the status or resolution of that Accusation as reflected in his records. Notwithstanding the foregoing, the Bishop shall not disclose such information to the extent doing so would violate, or be inconsistent with, applicable federal, state, or common law.

6.3.6 Prohibited Recommendations. The Child Protection Policies shall prohibit a Cleric or Diocesan Personnel from recommending any Cleric or Diocesan Personnel for a position

that engages in Direct Contact with Minors to the extent such individual is the subject of a Substantiated Claim or has an Accusation of Sexual Abuse of a Minor pending against him or her.

7. Response to an Accusation of Sexual Abuse and Re-Review of Prior Accusations of Sexual Abuse

7.1 **Steps to be Taken After Accusation of Sexual Abuse is Received.** The steps set forth in Section 3 of these Child Protection Protocols shall be strictly followed whenever any Diocesan Entity receives a report of Sexual Abuse of a Minor.

7.1.1 Each Diocesan Entity shall restrict the Accused's access to Minors until the later of (i) the civil legal authorities conclude that the Accusation is not a Substantiated Claim and (ii) the Accusation is determined not to be a Substantiated Claim pursuant to Section 7.1.4 hereof.

7.1.2 The Compliance Monitor shall conduct an internal investigation of an Accusation at such time as law enforcement concludes its investigation, closes its file without an investigation, or authorizes the Diocesan Entity to proceed with its own internal investigation.

7.1.3 If an Accusation is made against any Cleric, Seminarian or consecrated individual who is incardinated in, or in formation for, another diocese, the Compliance Monitor shall conduct an internal investigation of an Accusation as set forth in this Section 7.

7.1.4 After the proper civil authorities have been consulted and give approval, the Compliance Monitor shall retain Independent Professional Investigators of his or her choosing to investigate the Accusation. The Independent Professional Investigators shall collect all available evidence (including files of the Diocesan Entities) and, consistent with best practices for evaluating Accusations of Sexual Abuse of a Minor, shall interview such persons as they deem necessary, reasonable, and appropriate to investigate the matter, including, if available, the Accuser, witnesses, and the Accused. Any Accuser or Survivor shall be advised of the right to have counsel or any other person the Accuser or the Survivor wishes present for such interview, including, but not limited to, a professional counselor. The Accused will be informed, before any interview, that civil authorities have been informed of the Accusation and will be encouraged to obtain legal counsel. The Accused shall be given, in writing, a list of rights enjoyed by both the Accused and the Accuser. Upon completion of their investigation, the Independent Professional Investigators shall present a written summary of their findings to the Compliance Monitor and the Bishop. The Compliance Monitor and the Bishop shall then jointly determine whether any Accusation made is a Substantiated Claim. If the Compliance Monitor and the Bishop cannot agree on whether an Accusation constitutes a Substantiated Claim, the issue shall be resolved using the Arbitration Procedures set forth in Section 11.1 of these Child Protection Protocols.

7.1.5 Any person Accused of the Sexual Abuse of a Minor shall be placed on enforced leave from their assignment, office, or employment as soon as reasonably practicable upon notice to the Accused by the Compliance Monitor. This administrative or enforced leave incurs no interruption of salary and accrual of benefits. The faculty to impose temporary administrative or enforced leave in such circumstances and, in cases involving Clerics, to demand withdrawal from a particular rectory or place of residence, is expressly granted by the Bishop as particular law under these Child Protection Protocols to the Compliance Monitor. This action is

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not penal in nature and is intended only to facilitate the free and unhindered investigation of a serious Accusation of a crime (cf. Essential Norms, n. 9). If a person is placed on leave, such leave shall extend through the earlier of (i) the date the Bishop and the Compliance Monitor agree that the Accusation is not a Substantiated Claim or (ii) the date the Arbitrator determines that the Accusation is not a Substantiated Claim.

7.1.6 The Bishop shall not recommend or otherwise place any member of the Clergy into active ministry if such individual has an unresolved Accusation of Sexual Abuse of a Minor pending against them.

7.2 **Outcomes of the Investigation Process**.

7.2.1 When Sexual Abuse of a Minor is Not Substantiated. If an Accusation of Sexual Abuse of a Minor against a Cleric has been conclusively determined to not be a Substantiated Claim, the Bishop, after consultation with, and approval of, the Compliance Monitor, shall make inquiry into, and determination of, the given Cleric's fitness for ministry.

7.2.2 When Sexual Abuse of a Minor is Substantiated. When the Sexual Abuse of a Minor is deemed to be a Substantiated Claim, the Accused shall be removed from all active ministry, if applicable, and the Accused's employment, volunteer status, and Safe Environment Badge will be revoked as further set forth below:

(a) Employee. A Substantiated Claim of Sexual Abuse of a Minor made against an Employee shall result in permanent dismissal of the Accused from all employment by any Employer. The Accused will not be permitted to be employed by, or volunteer in any position of ministry in, any Diocesan Entity.

(b) Volunteer. A Substantiated Claim of Sexual Abuse of a Minor made against a Volunteer shall result in permanent removal of the Accused from all his or her volunteer positions in the Diocesan Entities, and the Accused shall not be permitted to volunteer or seek employment within any Diocesan Entities in the future.

(c) Seminarian. A Substantiated Claim of Sexual Abuse of a Minor made against a Seminarian will result in the dismissal of the Accused from formation and the Accused shall not be permitted to re-enter a seminary within any Diocesan Entity in the future.

(d) Cleric incardinated in any Diocesan Entity. Any Cleric found to have a Substantiated Claim of Sexual Abuse of a Minor against him shall be deemed unfit for ministry within any Diocesan Entity and the Bishop shall (i) notify an inquiring organization of his determination regarding fitness for ministry and (ii) not recommend such Cleric to any religious organization. Furthermore, a Substantiated Claim of Sexual Abuse of a Minor made against a Cleric incardinated in any Diocesan Entity will result in the removal of the Accused from his place of assignment (parish, campus, hospital, etc.), from any assignment or participation in ministry, and if a

priest, his faculties will be withdrawn, and he will be placed under penal precept. Following all appropriate canonical processes, the Bishop will seek to permanently remove from all ministry any Accused Cleric who is the subject of Substantiated Claim (cf. USCCB Charter, art. 5; Essential Norms, n. 8). In every case where the Accusation of Sexual Abuse of a Minor by a Cleric is a Substantiated Claim, the Bishop will forward the case file to the Dicastery for the Doctrine of the Faith as required by the norms of the Holy See document, *Sacramentorum sanctitatis tutela*. Also, in every case the pertinent processes provided in Canon Law will be strictly observed (cf. Book VI of the Code of Canon Law; the USCCB Charter; the USCCB Essential Norms), and dismissal from the clerical state may be sought, if the case warrants it (cf. USCCB Essential Norms, n. 8). A report will also be made to the appropriate civil authorities. Pending permanent removal, the Bishop and each Diocesan Entities shall take all actions within their control to restrict the Cleric's access to Minors.

(i) A Cleric who is the subject of a Substantiated Claim of Sexual Abuse of a Minor may be offered professional assistance to prevent any future Sexual Abuse of a Minor. Such Accused Cleric will be given help from any Diocesan Entities if he wishes to seek voluntary laicization.

(ii) To the extent permitted by applicable state, federal, and canon law, and not inconsistent with applicable principles of common law, the Diocesan Entities will take all reasonable actions within their control to discontinue payments of any kind to Clergy incardinated in any Diocesan Entities against whom a Substantiated Claim has been established.

(e) Cleric Incardinated in Another Diocese or is a Member of an Institute or Society of Consecrated Life. The Compliance Monitor shall promptly notify the proper bishop or superior of a Substantiated Claim of Sexual Abuse of a Minor. The Perpetrator shall be removed from any assignment or participation in ministry, and if the Perpetrator is Clergy, his faculties will be withdrawn, and he will be placed under penal precept. The proper bishop or religious superior will be responsible for the residence of the Accused apart from any diocesan or parochial facility.

(f) Consecrated Individuals. The Compliance Monitor will promptly notify the proper superior of the Accused of a Substantiated Claim of Sexual Abuse of a Minor. The Accused will be removed from residence within the Diocesan Entities, from any assignment or participation in ministry (volunteer or paid), and he or she will be placed under penal precept.

7.2.3 Additional Steps in the Case of Substantiated Claims. In addition to the outcomes set forth above, the Employer or Responsible Supervisor of the Accused (for any Diocesan) or the Compliance Monitor (for any Cleric, Seminarian, or consecrated individual) shall

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undertake reasonable efforts to effect appropriate action in the case of Substantiated Claims, including the following:

(a) If the Accused is a Cleric incardinated in any Diocesan Entity, to request that he seek a medical or psychological assessment, evaluation, or treatment, which does not preclude other appropriate actions at the same time.

(b) The Diocesan Entities shall aid the Communications Coordinator so that he or she may appropriately respond to media inquiries and provide media responses designed to reassure the community that Accusations are taken seriously and that the Diocesan Entities cooperates fully with civil authorities.

(c) The Bishop shall make public disclosures of any Cleric or consecrated individual against whom there is a Substantiated Claim of Sexual Abuse of a Minor. In each case of a Substantiated Claim against a Cleric or consecrated individual, the Bishop will add the name of the individual to the disclosure section of the Diocesan Entities' websites. Such disclosures under this paragraph shall be made as soon as reasonably practicable but, in any event, no later than 30 days after the relevant determination.

(d) If an Accusation made against Diocesan Personnel results in the filing of criminal charges against such individual, the Bishop will publicly disclose the fact that such charges were filed in the news/current events section of the Diocese's website promptly upon learning of such criminal charges.

(e) The Diocesan Entities shall remove from public display any photographs and visible honors (such as a plaque or naming of a building) which prominently feature any Cleric or Diocesan Personnel against whom an Accusation of Sexual Abuse of a Minor has been made which is found to be a Substantiated Claim. This does not prevent the Diocesan Entities from displaying photos of Clerics or Diocesan Personnel with a Substantiated Claim in a group setting where such individual is not prominently featured or if that photo or the words accompanying it explain that the individual had a Substantiated Claim of Sexual Abuse of a Minor asserted against him.

7.2.4 Anonymous Accusations (When Lawfully Permitted). The Diocesan Entities strongly discourage anonymous Accusations of suspected Sexual Abuse of a Minor because anonymous reports can prevent the healing and reconciliation of the Survivor and generally provide insufficient information for a competent and fair inquiry. Anonymous Accusations may inadvertently allow Sexual Abuse of a Minor to continue and are therefore, strongly discouraged. Such Accusations, when permitted by California law, will, however, be investigated consistent with these Child Protection Protocols and will always be reported to appropriate civil authorities.

7.2.5 Role of the Bishop in the Process.

7.2.5.1 At times the Bishop's personal presence, or that of his delegate, may help foster healing and reconciliation. The Bishop or his delegate will offer, through the Survivor Support Coordinator, to meet with Survivors and their families (cf. Charter, art. 1). He will listen with patience and compassion to their experiences and concerns, and he will share with them his own sentiments and that of the Diocesan Entities, as expressed on May 1, 2016 by His Holiness, Pope Francis in his weekly address: "This (the abuse of minors) is a tragedy… We must not tolerate the abuse of minors. We must defend minors. And we must severely punish the abusers."

7.2.5.2 At times, the Bishop's personal presence, or that of his delegate, may also help foster healing and reconciliation for the Accused.

7.2.5.3 If an Accusation is deemed a Substantiated Claim, the Bishop shall send a letter to the Survivor indicating that the Accusation has been deemed a Substantiated Claim.

7.2.6 Legal Considerations.

7.2.6.1 If either the Survivor or the Accused requests the counsel of a canon lawyer, the Survivor Support Coordinator will help the Survivor or the Accused in locating competent outside canonical counsel to assist them.

7.2.6.2 During a penal process, if requested by the Survivor, the Diocesan Entities may agree to assume part or all the costs associated with canonical counsel to the Survivor, if those costs are within acceptable standards suggested by the Canon Law Society of America. Such costs may also be assumed by the Accused, to the extent authorized by Canon Law or agreed to by the Accused.

7.2.6.3 The Diocesan Entities will not assist in providing legal fees for any person who is found to be a Perpetrator by a court of competent jurisdiction.

7.2.6.4 The Diocesan Entities will not require, as a condition to any settlement with a Survivor, that the Survivor enter into a confidentiality agreement with respect to such settlement. The Diocesan Entities will enter into a confidentiality agreement only if specifically requested by the Survivor or the Survivor's legal representative. At no time will the Diocesan Entities initiate such a confidentiality agreement. If such a request for confidentiality is made and agreed upon by the Diocesan Related Entities, such a request of the Survivor will be noted in the text of the agreement (cf. USCCB Charter, art. 3).

7.3 **Re-Review of Prior Accusations of Sexual Abuse.** Following consultation with the Bishop, the Compliance Monitor may recommend, in his or her discretion, or pursuant to a request made by a Survivor, Accuser, the Survivor Support Coordinator or any other individual, that any Accusation previously reported to any Diocesan Entity be re-reviewed. An Independent Professional Investigator shall then re-review such Accusation, and any files maintained with respect thereto, determine such Accusation, and report its determination to the Compliance Monitor, who shall than deliver such report to the Bishop**.** If a claim is re-reviewed in connection with this provision, the claim inquiry provisions set forth in these Child Protection Protocols shall apply.

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8. Outreach and Assistance for Survivors

8.1 **Survivor Support Coordinator.** The Survivor Support Coordinator shall oversee all aspects of the outreach and assistance to Survivors of sexual abuse (cf. USCCB Charter, art. 2). The Survivor Support Coordinator will attend Minor Diocesan Review Board meetings as an ex-officio member.

8.2 The Survivor Support Coordinator will be the Diocesan Entities contact and support person for Survivors. Before any internal investigation into any Accusation, the Survivor Support Coordinator will designate a support counselor to assist the Survivor. The Survivor Support Coordinator is responsible for the ongoing assistance to a Survivor until they mutually determine that such support and assistance is no longer needed. The Survivor Support Coordinator will help the Survivor obtain counseling or therapy from a qualified provider selected by the Survivor in consultation with the Survivor Support Coordinator. The Survivor Support Coordinator will also answer any questions the Survivor may have about the process.

8.3 If requested, the Survivor Support Coordinator will help the Survivor obtain any needed urgent medical assistance as well as pastoral or spiritual care. If requested, the Survivor Support Coordinator will also help the Survivor locate any available financial assistance to satisfy any outstanding financial expenses of mental health therapy.

8.4 **Welfare of the Survivor.** The welfare of the Survivor is of primary concern to the Diocesan Related Entities. All Survivors are to be offered spiritual, pastoral, and mental health assistance, regardless of their ability to pay for these services (cf. USCCB Charter, art. 1).

8.4.1 If the Diocesan Entities do not appear to have legal liability in a case involving a Substantiated Claim of Sexual Abuse of a Minor, the expenses for the Survivor's therapy are the personal responsibility of the Accused, and the Diocesan Entities will assist in obtaining a financial commitment from the Accused as much as possible. If the Accused is unwilling to pay the therapy expenses, the Bishop may use reasonable efforts to compel the Accused to pay as much as possible under applicable law, including, consistent with the above, through the attachment of wages. Notwithstanding the foregoing, in the event no other party pays for these services, the Diocesan Entities will do so as set forth below.

8.4.2 In cases involving a Substantiated Claim of Sexual Abuse of a Minor against a Cleric from an institute or society of consecrated life or another diocese, the Cleric's proper superior or bishop will be asked to make arrangements to pay for the Survivor's counseling expenses.

8.5 **Financial Assistance to Survivors.** The Diocesan Entities shall offer reasonable financial assistance to offset costs of counseling as part of their pastoral outreach to Survivors. Such action implies no legal liability for the Diocesan Related Entities. Financial assistance will include one-hour sessions of counseling, provided by a mutually agreed upon and properly credentialed therapist, which may be terminated if: (1) all parties agree or (2) it is obvious to the Survivor Support Coordinator, in consultation with the Compliance Monitor, that the therapy is not effective, in which case, and at the request of the Survivor, reasonable efforts will be made by

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the Survivor Support Coordinator to help the Survivor obtain another mutually agreed upon and credentialed therapist.

8.5.1 In connection with this Section, the Diocesan Entities shall pay the reasonable hourly rate, or any other rate that may be mutually agreed, for a licensed counselor in the Survivor's state of residence providing counseling assistance to a Survivor.

8.5.2 The Diocesan Entities shall not request access to the medical records of Survivors who receive counseling, including any records maintained by a counselor providing services to such individuals, *provided however*, that a Survivor may, in his or her discretion, authorize the release of such records to the Diocesan Entities in connection with any assessment by the Survivor Support Coordinator regarding continued financial assistance from the Diocesan Entities for counseling or for any other reason that the Survivor may determine in his or her discretion. To the extent the Diocesan Entities are in possession of the Survivor medical records that it obtained before the adoption of these Child Protection Protocols, it shall destroy such records within its possession unless the Diocesan Entities have already received the authorization. If a Survivor at any time requests that such records in the possession of the Diocesan Entities be destroyed, the Diocesan Entities will do so.

9. Record Keeping

9.1 The Safe Environment Director shall maintain records relating to Clergy and the Safe Environment Program.

9.2 The Safe Environment Director shall maintain records of the training sessions and educational requirements required under the Child Protection Policies.

9.3 The Diocesan Entities shall maintain files for all Clergy.

9.4 The Diocesan Entities shall ensure that files for any Diocesan Personnel are maintained.

9.5 The Diocesan Entities shall maintain, and not destroy, the files required by sections 9.3 and 9.4 herein and any of these records, all of which files and records may be maintained electronically:

9.5.1 Signed documents under the Child Protection Policies.

9.5.2 Copies of all returned background checks.

9.5.3 Internal memoranda or documentation regarding Cleric or Diocesan Personnel misconduct.

9.5.4 Records of any allegation of Sexual Abuse of a Minor made against the Cleric or Diocesan Personnel.

9.5.5 Records of any Mandated Reporting made to law enforcement about a Cleric or Diocesan Personnel.

9.5.6 Records of any internal investigation into the Cleric or Diocesan Personnel.

9.5.7 Records relating to any reviews of Cleric or Diocesan Personnel.

10. Compliance Auditing

10.1 Not less than annually, the Compliance Monitor shall retain an auditor to certify the Diocesan Entities' compliance with these Child Protection Protocols, the Child Protection Policies, the USCCB Charter, the Essential Norms, and any other policies and procedures published by the Bishop, upon approval of the Compliance Monitor, to protect Minors, including, but not limited to, compliance with background certification and clearances and the mandatory educational programs set forth in these Child Protection Protocols (the "**Annual Compliance Audit**"). The Annual Compliance Audit shall be conducted by a firm with demonstrated competencies to conduct a compliance audit with policies like these Child Protection Protocols. The Compliance Monitor shall provide the Bishop and the Minor Diocesan Review Board with the written Annual Compliance Audit no less than 30 days after it is received.

10.1.1 Included in the Annual Compliance Audit shall be a report from the Safe Environment Director on the curricula and Safe Environment Program training in use by the Diocesan Entities.

10.1.2 In connection with the Annual Compliance Audit, the Compliance Monitor shall provide a copy of these Child Protection Protocols and the Child Protection Policies to each Diocesan Entity along with a letter requiring comprehensive and consistent compliance with the Child Protection Protocols and the Child Protection Policies and a specific reminder of the requirement to report abuse consistent with these Child Protection Protocols and the Child Protection Policies. Each Diocesan Entity shall then certify, in writing, that they have received the Child Protection Protocols and the Child Protection Policies, agree to abide by, and have abided by, them, including by conducting the background certification and clearances set forth in the Child Protection Policies and that all Clergy and Diocesan Personnel have completed the educational programs set forth in the Child Protection Policies.

10.1.3 In addition to the Annual Compliance Audit, the Compliance Monitor may retain auditors to conduct any other audit or compliance assurance reports for any element of these Child Protection Protocols and the Child Protection Policies.

10.1.4 Within 30 days after the retention of the Compliance Monitor, the Compliance Monitor shall obtain from each Clergy member working within the Diocesan Entities, a signed and dated written statement affirming that the Clergy member (1) has not sexually abused any Minor at any time, and (2) is unaware of the Sexual Abuse of a Minor by another Cleric or Diocesan Personnel that has not been reported to law enforcement and the Diocesan Entities.

10.1.5 The Compliance Monitor shall also obtain from any visiting Cleric who is given open-ended faculties to minister in the Diocesan Entities or has an assignment in a parish or related Diocesan entity (this does not include Clergy visiting for a single event) a signed and dated statement under this paragraph no later than 30 days after assignment or open-ended faculties are given.

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10.1.6 Copies of all statements obtained under this paragraph shall be provided timely to the Bishop and the Minor Diocesan Review Board.

11. Arbitration of Disputes Concerning the Child Protection Protocols

11.1 The Compliance Monitor and the Bishop agree to work cooperatively and in good faith with one another to resolve any dispute arising under these Child Protection Protocols or the Child Protection Policies. If an agreement cannot be reached between the Bishop and the Compliance Monitor on any dispute regarding specific matters described herein as being subject to the procedures of this Section 11.1 (such procedures being the "**Arbitration Procedures,**" and such matters being the "**Arbitration Matters**"), the Arbitrator shall make the ultimate determination of such dispute pursuant to the following procedures:

(a) Both the Compliance Monitor and the Bishop shall submit their positions concerning the Arbitration Matter at issue to the Arbitrator in writing. Either party may request a hearing before the Arbitrator, which may occur virtually. The decision whether to conduct a hearing on the Arbitration Matter at issue shall be within the discretion of the Arbitrator. Within 30 days following the later of: (i) receipt of the parties' written submissions or (ii) any hearing regarding such Arbitration Matter (or communication by the Arbitrator of the denial of such hearing), the Arbitrator shall make a determination regarding the Arbitration Matter. The decision of the Arbitrator as to the Arbitration Matter shall be final.

(b) If an Arbitration Matter concerns a specific individual, including an Accused or an individual named on the Credibly Accused List, such individual or their attorney, agent, estate, executor, or otherwise, shall be noticed by the Compliance Monitor of the proceeding before the Arbitrator on no less than 30 days' written notice and may appear and be heard by the Arbitrator as to the Arbitration Matter, including by written submission.

(c) Nothing herein shall limit the rights of any Accused or individual that is named on the Credibly Accused List from asserting any legal, equitable, or other rights with respect to the Arbitration Matter including, but not limited to, assertions of privilege.

11.2 **Resolution of Conflicts or Inconsistencies**. To the extent of any conflict or inconsistency as between the requirements of the USCCB Charter and these Child Protection Protocols, these Child Protection Protocols shall govern. To the extent of any conflict or inconsistency as between these Child Protection Protocols and applicable federal, state, or common law, such applicable federal, state, or common law shall govern.

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IV.

A PROMISE TO HEAL

1. The Diocesan Entities shall support and encourage the reporting of suspected Sexual Abuse of a Minor on their websites and in print documents posted in their office facilities. The websites and documents shall seek to educate Clergy and Diocesan Personnel on the reporting of Sexual Abuse of Minors and the protection afforded to Accusers who make good-faith Accusations.

2. In instances where a claim of Sexual Abuse of a Minor is deemed a Substantiated Claim, if requested by the Survivor (i) Diocesan Entities' leadership, including the Bishop, shall meet with the Survivor or his or her support person(s) as may be reasonably arranged, with due respect for the needs of both the Survivor and Diocesan Entities' personnel and (ii) the Bishop shall, on behalf of the Diocesan Entities, send a personally signed letter of apology to the Survivor.

3. In consultation with Survivors, the Bishop shall lend support that leads to healing. For example, the Bishop shall willingly and pastorally preside over a healing service at least once per calendar year dedicated to supporting Survivors and preventing sexual abuse of children. In connection therewith, the Bishop shall issue a public statement acknowledging that he is grateful that Survivors came forward and encouraging all Clergy in writing to attend the annual healing service. The Diocesan Entities shall cause to be announced in bulletins at least one month in advance the time and location of this annual healing service. The location of this annual healing service shall be the Cathedral of Christ the Light in Oakland, California.

4. At least once a year, the Bishop shall send written statements to each of the Diocesan Entities, stating that Survivors of Sexual Abuse of a Minor are not at fault for their abuse and are not enemies of the church. Suggested language for the Bishop's written statement includes: "God's children are valued members of the flock who need and deserve the Catholic's community's empathy, care, and above all, protection."

5. The Diocesan Entities shall continue (i) posting the names of all known Clergy, including diocesan priests, nuns, teachers and/or other agents, for whom childhood sexual abuse allegations are found to be a Substantiated Claim in accordance with the Child Protection Protocols and the Child Protection Policies on the Diocese's website for not less than 25 years after the Effective Date of the Plan of Reorganization and (ii) providing contact information on their websites for anonymously reporting abuse complaints.

6. The Diocesan Entities shall make an announcement on their websites of (i) the full and complete release of all Survivors from any previous confidentiality requirement and (ii) a commitment and promise not to require any confidentiality provision concerning the sexual perpetrators or factual circumstances surrounding sexual abuse going forward, except upon written request of a settling Survivor. Confidentiality shall be respected only to preserve the identity or privacy of the Survivor.

7. For ten years after the Effective Date, the Diocesan Entities shall allow Survivors to publish their stories of abuse in *The Catholic Voice*.

8. The Diocesan Entities shall display in each diocesan or parish school signage, in form and substance approved by the Compliance Monitor, stating that Sexual Abuse of Minors by any person, including Clergy, in that parish, church or school or anywhere, shall not be tolerated and advising that any report or complaint of child sexual abuse will be fully investigated in a manner that respects and protects the victim of such abuse.

Schedule 1.1.35

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 BORROMEO 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 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

Schedule 1.1.106

Legal Description of Livermore Property

The land referred to is situated in the County of Alameda, City of Livermore, State of California, and is described as follows:

Beginning at the Northwest corner of Plot F of the Rancho Las Positas, running thence North 89° 49' East, 24.65 chains; thence South 74° 15' East, 16.10 chains; thence South 68° 55' East 12.90 chains; thence South 38° 14' East, 13.84 chains; thence South 83° 7' West, 21.76 chains; thence South 4° 40' West 8.18 chains; thence North 57° 04' West, 7.68 chains; thence North 65° 44' West, 5.885 chains; thence South 83° 18' West, 25.80 chains; thence North 2° 11' West, 27.02 chains to the point of beginning. Containing 122.66 acres and being a portion of Plot F of the Rancho Las Positas.

EXCEPTING THEREFROM, that portion conveyed to the State of California in the Grant Deed recorded September 30, 1952, Book 6837, Page 111, Official Records.

APN: 902-0008-001

EXHIBIT B

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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 WJL

Chapter 11

ORDER CONFIRMING DEBTOR'S MODIFIED FOURTH AMENDED PLAN OF REORGANIZATION

Judge: Hon. William J. Lafferty

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

The Court conducted an evidentiary hearing (the "Confirmation Hearing") commencing on June 15, 2026, in connection with the following:

A. *Debtor's Modified Fourth Amended Plan of Reorganization Dated March 27, 2026*, filed on March 29, 2026 [Docket No. 2758] including the *Plan Supplement* [Docket No. •] (as it may be amended, modified, or supplemented, and including all exhibits thereto, the "Plan"),[1] filed by 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");

B. *Declaration of Andres A. Estrada With Respect to Solicitation and the Tabulation of Votes on the Debtor's Third Amended Plan of Reorganization* [Docket No. 2040] (the "Initial Voting Report");

C. *Supplemental Declaration of Andres A. Estrada with Respect to Solicitation and the Tabulation of Votes on the Modified Fourth Amended Plan of Reorganization Dated March 27, 2026* [Docket No. •] (the "Supplemental Voting Report" and, together with the Initial Voting Report, the "Voting Reports");

D. *Declaration of [•] in Support of Confirmation of the Modified Fourth Amended Plan of Reorganization Dated March 27, 2026* [Docket No. •];

E. *Debtor's Memorandum of Law in Support of Confirmation of the Modified Fourth Amended Plan of Reorganization Dated March 27, 2026* [Docket No. •] (the "Confirmation Brief"); and

F. The following objections to the Plan (together, the "Objections"):

- _____
- _____

Having considered the pleadings, the matters judicially noticed under Rule 201 of the Federal Rules of Evidence, the testimony presented at the Confirmation Hearing, the exhibits introduced into evidence at the Confirmation Hearing, the record of the Chapter 11 Case the arguments of counsel, the Court finds that: (1) adequate notice of the Confirmation Hearing and the time for filing objections to confirmation of the Plan was provided to all Holders of Claims and other parties-in-interest entitled to

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

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receive such notice under the Bankruptcy Code and Bankruptcy Rules and no other or further notice of the Confirmation Hearing or confirmation of the Plan is necessary or required; (2) the Debtor has satisfied the applicable requirements of section 1129 of the Bankruptcy Code by a preponderance of the evidence; (3) the Objections, to the extent not otherwise resolved, should be overruled; and (4) the Plan is confirmed for the following reasons:[2]

A. Jurisdiction and Venue: This Court Has Jurisdiction Over the Chapter 11 Case, and Venue of the Chapter 11 Case Is Appropriate in this Court

1. This Court has jurisdiction over the Chapter 11 Case pursuant to 28 U.S.C. §§ 157 and 1334. The Chapter 11 Case has been referred to the Court pursuant to 28 U.S.C. § 157(a), and an order of reference in this District. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a "core" proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (L), and (O), and this Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and whether it should be confirmed. The Court has both statutory and constitutional authority to enter a final order confirming the Plan.

B. Modifications to Plan Comply with Applicable Provisions of the Bankruptcy Code

2. Pursuant to § 1127 of the Bankruptcy Code, the modifications to the Plan, and any additional modifications to the Plan described or set forth in this Confirmation Order constitute technical or clarifying changes, changes with respect to particular Claims by agreement with Holders of such Claims, or modifications that do not otherwise materially and adversely affect or change the treatment of any other Claim under the Plan. These modifications are consistent with the disclosures previously made pursuant to the *Disclosure Statement in Support of Debtor's Modified Fourth Amended Plan of Reorganization* [Docket No. 2759] (the "Disclosure Statement") and the Solicitation Packages served pursuant to the Solicitation Motion Order and notice of these modifications was adequate and appropriate under the facts and circumstances of this Chapter 11 Case.

3. In accordance with Bankruptcy Rule 3019, these modifications do not require additional

[2] The Court reserves the right to supplement this Order with a written opinion and/or additional findings of fact and conclusions of law.

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disclosure under section 1125 of the Bankruptcy Code or the resolicitation of votes on the Plan under section 1126 of the Bankruptcy Code, and they do not require that Holders of Claims be afforded an opportunity to change previously cast votes accepting or rejecting the Plan. Accordingly, the Plan is properly before this Court and all votes cast with respect to the Plan prior to such modifications shall be binding and shall apply with respect to the Plan.

C. Section 1129(a)(1) of the Bankruptcy Code: The Plan Complies with Applicable Provisions of the Bankruptcy Code

4. Under § 1129(a)(1) of the Bankruptcy Code, a plan must comply with the applicable provisions of the Bankruptcy Code, particularly the requirements of §§ 1122 and 1123 of the Bankruptcy Code governing classification of claims and contents of a plan, respectively. The Plan complies with the requirements of §§ 1122 and 1123 of the Bankruptcy Code, as well as other applicable provisions.

Section 1122: The Plan's Classification Structure Is Proper.

5. The Claims in each Class are substantially similar to the other Claims in such Class, and all substantially similar Claims have been placed in the same Class except where valid business or legal reasons warrant separate classification. The classification structure of the Plan is rational, is supported by adequate business reasons, and complies with § 1122 of the Bankruptcy Code and the guidelines established by the Ninth Circuit.

Section 1123(b): The Plan's Content Is Proper.

Mandatory Provisions

6. Section 1123(a) of the Bankruptcy Code sets forth seven requirements that a plan must satisfy. Except for one requirement not applicable to the Debtor,[3] the Plan satisfies each applicable requirement:

- Section 1123(a)(1). The Plan designates Classes of Claims.
- Section 1123(a)(2). The Plan specifies whether each Class of Claims is Impaired or

[3] Section 1123(a)(6) is not applicable to the Debtor because it is a non-profit entity that does not issue equities as defined in the Bankruptcy Code.

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Unimpaired.

- Section 1123(a)(3). The Plan specifies the treatment of each Class of Claims that is Impaired.
- Section 1123(a)(4). Except as otherwise agreed to by a Holder of a particular Claim, the opportunity for recovery for Holders of each Claim in each Class is the same as the opportunity for recovery for all Holders in such Class.
- Section 1123(a)(5). Section 1123(a)(5) of the Bankruptcy Code provides a non-exclusive list of ways a debtor can provide adequate means of implementing a plan. Articles IX and XII of the Plan provide for:
  - the funding and sources of consideration for Plan distributions, including the Debtor Cash Contribution, any Cash contributions from RCWC, the Exit Facility, and any other source identified in the Plan;
  - the establishment of the Survivors' Trust for the benefit of Abuse Claimants, the vesting of the Survivors' Trust Assets in the Survivors' Trust, the appointment of the Survivors' Trustee, and the creation of the Survivors' Trust Advisory Committee;
  - the appointment of the Abuse Claims Reviewer;
  - the Abuse Claims reconciliation process through the Survivors' Trust;
  - the settlement of certain Claims, including the CCEB Settlement and any Insurance Settlement Agreements as identified in the Plan;
  - the vesting of assets in the Reorganized Debtor (with the exception of the Survivors' Trust Assets);
  - the preservation of certain Causes of Action (other than those included in Survivors' Trust Assets) to the Reorganized Debtor and respective assignment of other causes of action to the Survivors' Trust;
  - the continuation of the non-monetary measures related to the Reorganized Debtor's Mission to Effect Reconciliation and Compensation and the implementation of the Child Protection Protocols;
  - the establishment and funding of the Non-Abuse Litigation Reserve and treatment for Holders of Class 6 Claims set forth in Section 12.7 of the Plan;
  - the continued corporate existence of the Debtor and Reorganized Debtor (as applicable);
  - the effectuation of documents and further transactions;
  - the § 1146 exemption from certain taxes and fees; and
  - means for closing this Chapter 11 Case.
- Section 1123(a)(7). The Plan provisions governing the manner of selection of any officer, director, or manager under the Plan are consistent with applicable state law, the Bankruptcy Code, the interests of creditors, and public policy.

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Permissive Provisions

7. The Plan includes numerous permissive provisions that are consistent with § 1123(b) of the Bankruptcy Code, including:

- Section 1123(b)(1). The Plan impairs certain Classes and leaves other Classes unimpaired. All Impaired and Unimpaired Classes are receiving appropriate treatment under the Plan.
- Section 1123(b)(2). Section 7.2 of the Plan provides that this Confirmation Order will constitute an Order approving the assumption of (a) all Assumed Employee Benefit Plans and (b) any Executory Contract that was not previously rejected by order of the Bankruptcy Court, subject to a pending motion to reject before the Bankruptcy Court, previously expired or terminated pursuant to its own terms, or treated otherwise under the Plan. Sections 7.3 and 7.4 of the Plan provide that this Confirmation Order will constitute an Order approving, as of the Effective Date, the rejection of the Unexpired Lease between the Debtor and CCCEB and any Executory Contract or Unexpired Lease listed on the Executory Contract Rejection Schedule.
- Section 1123(b)(3)(A). The Plan provides that the Debtor and Reorganized Debtor (as applicable) irrevocably and unconditionally, without limitation, release, acquit, forever discharge, and waive any and all Released Parties.
- Section 1123(b)(3)(B).
    - The Plan provides for the creation of the Survivors' Trust that will serve as a representative of the Debtor and Reorganized Debtor (as applicable) in: (a) assuming responsibility for the liabilities of the Debtor and Reorganized Debtor (as applicable) for the Abuse Claims within the limitations set out in the Plan and as permitted under applicable bankruptcy law; and (b) receiving, liquidating, and distributing Survivors' Trust Assets in accordance with the Plan and Survivors' Trust Documents.
    - The Plan reserves to the Debtor and Reorganized Debtor (as applicable) the right to offset Causes of Action against Non-Abuse Claims.
    - The Plan reserves to the Debtor and Reorganized Debtor (as applicable) any and all rights, Claims, Causes of Action, defenses, and counterclaims of, or accruing to, the applicable Debtor or Reorganized Debtor (as applicable), whether or not litigation relating thereto is pending on the Effective Date,

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except as set forth in the Plan or the Insurance Settlement Orders, including any types of Causes of Action described in Plan Supplement § [____], and as to the Debtor and Reorganized Debtor (as applicable), any types of Causes of Action described in Plan Supplement § [____]).[4]

- Section 1123(b)(6). The Plan includes other appropriate provisions that are not inconsistent with the Bankruptcy Code:
  - Section 13.3: Discharge of Claims;
  - Section 13.4: Confirmation Injunction;
  - Section 13.5: Injunction Against Interference with the Plan;
  - Section 13.6: Exculpation Provisions;
  - Section 13.7: Injunction Related to Exculpation;
  - Section 13.8: Releases by the Debtor;
  - Section 13.9: Injunction Related to Discharge;
  - Section 13.10: Disallowed Claims;
  - Section 13.11: Channeling Injunction;
  - Section 13.12: Provisions Relating to the Channeling Injunction;
  - Section 13.13: Effect of Channeling Injunction;
  - Section 13.14: Exclusion Regarding Non-Settling Insurers;

8. The injunctions, releases, and exculpations set forth in the Plan, including without limitation those detailed in Section 13 thereof~~: (a) are fair and equitable and were given for valuable consideration; (b) are in the best interests of the Debtor or Reorganized Debtor (as applicable), and all parties in interest; (c)~~ (a) are appropriate and consistent with the Bankruptcy Code and applicable law; (b~~d~~) are hereby approved and authorized ~~in all respects~~ as set forth in the Plan and this Confirmation Order; and (c~~e~~) shall be, and hereby are, immediately effective and binding on all persons and Entities on and after the Effective Date, as and to the extent set forth in the Plan, without further order or action of this Court or any other party. The Plan's compliance with applicable law relating to settlements, releases, exculpations, and injunctions, is discussed in more detail below.

The Plan Exculpations and Limitation of Liability Provisions Are Approved

9. The Plan contains Exculpations of the Exculpated Parties.

[4] For the avoidance of doubt, Causes of Action do not include Claims or Causes of Action against the Settling Insurers.

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10. The Debtor, RCC, RCWC, Adventus, any Settling Insurers, and each of their respective present and former members, officers, directors, employees, advisors, attorneys, and agents have acted in good faith within the meaning of and with respect to all of the actions described in Section 1125(e) of the Bankruptcy Code and are, therefore, not liable for the violation of any applicable law, rule, or regulation governing such actions. The Debtor and Reorganized Debtor (as applicable) have also satisfied the good faith requirement of § 1129(a)(3) of the Bankruptcy Code. Accordingly, the Exculpated Parties are eligible for exculpatory relief.

11. The Exculpations represent a critical component of the Plan, are narrowly tailored to protect the Exculpated Parties from inappropriate litigation based on the Chapter 11 Case, and do not release any claim based on (i) an express contractual obligation owing by any such Person or Entity; (ii) willful misconduct or gross negligence; (iii) with respect to Professionals, liability arising from claims of professional negligence, which shall be governed by applicable non-bankruptcy law. The Exculpations are consistent with applicable Ninth Circuit case law. Accordingly, the Exculpations are appropriate and are approved.

The Injunctions Are Appropriate and Are Approved

12. The Plan has been accepted by Classes [__]. ~~In addition, no Creditor objected to the Injunctions in the Plan.~~

13. The Channeling Injunction is an integral part of the Plan and essential to its consummation and implementation. The Channeling Injunction is narrowly tailored to prevent the assertion of Abuse Claims against any Released Parties or Settling Insurer. The Channeling Injunction does not bar any Claims against Non-Settling Insurers. ~~Consequently, the Channeling Injunction is not a non-consensual release by Abuse Claimants against third parties.~~

~~The Settlements and Compromises Embodied in the Plan Are Integral Components of the Plan and Are Approved~~

~~14. The Plan provides that pursuant to § 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, injunctions, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall~~

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constitute a good faith compromise and settlement of all Claims, Causes of Action, and controversies resolved pursuant to the Plan, including the CCEB Settlement incorporated therein. The Plan also incorporates the settlements reached with the Settling Insurers pursuant to the Insurance Settlement Agreements, as provided in Section 8.8.1 of the Plan.

15. The settlements and compromises embodied in the Plan satisfy all applicable standards and are approved.

- First, they are in the best interest of the Estate of the Debtor and an appropriate exercise of the Debtor's business judgment.
- Second, the settlements are integral to the Plan and essential for its consummation and implementation as the settlements are part of the consideration for the sizeable Plan funding contributions by the Non-Debtor Catholic Entities.
- Third, the probability of success on the merits is mixed and dependent on the claims at issue. Nevertheless, the history of the Chapter 11 Case demonstrates that further litigation of various Claims and Causes of Action not settled through the Plan would be bitter, protracted (including likely appeals), and expensive and would involve complex issues of forensic accounting, insurance law, and many other areas of law.
- Fourth, the Plan is the product of extensive good-faith negotiations between and among a variety of constituents.

The Plan Releases Are Approved

16. Similar to the reasons stated above regarding the Plan's settlements, the releases under the Plan are both fair and equitable and in the best interest of the estate. Additionally, the releases comply with the standards for approving settlements under Bankruptcy Rule 9019, taking into consideration the probability of success of litigation (with due consideration for the uncertainty in fact and law); the complexity and likely duration of the litigation and any attendant expense, inconvenience, and delay, including the difficulties, if any, to be encountered in the matter of collection; the paramount interest of the creditors and a proper deference to their respective views; the extent to which the settlement is truly

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~~the product of arm's-length bargaining and not fraud or collusion, and all other factors bearing on the wisdom of the compromise.~~

~~17. Moreover, the releases here are not third-party releases but releases by the Debtor of Causes of Action. Additionally, the consensual releases are specific in language, integral to the Plan, a condition of settlement, and given for consideration that does not violate the Bankruptcy Code.~~

The Indemnification and Judgment Reduction Provisions of the Plan Are Approved.

~~18.~~14. The indemnification and reimbursement provisions in the Plan are hereby approved and are binding in all respects.

~~19.~~15. Section 9.12 of the Plan is specifically approved and authorized by the Court as necessary and appropriate.

D. Section 1129(a)(2): The Debtor Has Complied with the Bankruptcy Code

~~20.~~16. Section 1129(a)(2) of the Bankruptcy Code requires that a plan proponent complies with the applicable provisions of the Bankruptcy Code and focuses on the conduct of the plan proponent in seeking confirmation of that plan, particularly the disclosure and solicitation requirements under §§ 1125 and 1126 of the Bankruptcy Code. The Debtor has complied with §§ 1125 and 1126 of the Bankruptcy Code as well as the Disclosure Statement Order and, therefore, has satisfied the requirement of § 1129(a)(2) of the Bankruptcy Code.

E. Section 1129(a)(3): The Plan Has Been Proposed in Good Faith and Not by Any Means Forbidden by Law

~~21.~~17. Section 1129(a)(3) of the Bankruptcy Code requires that a plan be "proposed in good faith and not by any means forbidden by law." The Plan was proposed with the legitimate and honest purpose to reorganize and has a reasonable hope of success. Considering the totality of the circumstances and the Bankruptcy Code's fresh start principles, the Plan has been proposed in good faith because it bears some relationship to the Bankruptcy Code's objective of reviving a financially troubled entity.

~~22.~~18. Finally, the Plan was not proposed by any means forbidden by law, and indeed, is in full compliance with the Bankruptcy Code and applicable non-bankruptcy law.

~~23.~~19. Accordingly, the Debtor has satisfied § 1129(a)(3) of the Bankruptcy Code.

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F. Section 1129(a)(4): The Plan Provides that Professional Fees and Expenses Are Subject to Court Approval

~~24.~~20. Consistent with § 1129(a)(4) of the Bankruptcy Code, the Plan provides that all payments for professional services provided to the Debtor and Reorganized Debtor (as applicable) during this Chapter 11 Case prior to entry of this Confirmation Order must be approved by the Court as reasonable. Moreover, the Plan provides that all fees of retained professionals must be approved by the Court pursuant to final fee applications, to be filed no later than the Professional Fee Claims Bar Date, which is forty-five (45) days after the Effective Date, thereby providing an adequate period of time for interested parties to review such Professional Fees. Accordingly, the Plan complies with the requirements of § 1129(a)(4) of the Bankruptcy Code.

G. Section 1129(a)(5): The Debtor Has Disclosed All Necessary Information Regarding Directors, Officers, and Insiders

~~25.~~21. In accordance with § 1129(a)(5) of the Bankruptcy Code, Sections 5.7(a) and 5.7(b) of the Plan Supplements disclose the identities and affiliations of the persons proposed to serve as directors and officers of the Reorganized Debtor, on and after the Effective Date. The continuance of such officers and directors is in the interests of creditors as such officers and directors will bring to bear institutional knowledge that will benefit the Reorganized Debtor in implementing the Plan and pursuing future operations. As for public policy, retaining the officers and directors is consistent with the free exercise of religion clause of the First Amendment to the United States Constitution.

~~26.~~22. In connection with the Survivors' Trust, as successor to the Debtor and Reorganized Debtor (as applicable) as set forth in the Plan, the Survivors' Trust Agreement has been filed, and the identity and qualifications of the Survivors' Trustee, [_____], and Abuse Claims Reviewer, [__], have been disclosed, have not been objected to by any Holders of Claims or other parties in interest or such objections were overruled, and are consistent with the best interests of the Abuse Claimants.

~~27.~~23. Accordingly, the Plan satisfies the requirements under § 1129(a)(5) of the Bankruptcy Code.

H. Section 1129(a)(6): The Plan Does Not Contain Any Rate Changes

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~~28.~~24. Because the Debtor and Reorganized Debtor (as applicable) are not subject to government regulation, the Plan does not provide for any rate changes, and § 1129(a)(6) is inapplicable to the Chapter 11 Case.

I. Section 1129(a)(7): The Plan Satisfies the Best Interests Test

~~29.~~25. Section 1129(a)(7) of the Bankruptcy Code requires that each individual holder of an impaired claim has either accepted the plan or will receive or retain property having, as of the effective date of the plan, a present value of not less than what such holder would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code at that time—commonly referred to as the "best interests" test.

~~30.~~26. The Debtor has demonstrated that the best interests test is overwhelmingly satisfied. Holders of Claims will receive more under the Plan than they would receive in a hypothetical chapter 7 case because substantial sums outside of the Estate are being contributed under the Plan that would not be available in a chapter 7 case.

J. Section 1129(a)(8): The Plan Is Confirmable Notwithstanding Section 1129(a)(8) of the Bankruptcy Code

~~31.~~27. Section 1129(a)(8) of the Bankruptcy Code requires that each class of claims or interests must either accept a plan or be unimpaired under a plan.

~~32.~~28. Holders of Claims in Class 2 (Priority Unsecured Claims) are Unimpaired and, therefore, conclusively presumed to accept the Plan pursuant to § 1126(f) of the Bankruptcy Code. Classes 1 (RCC Secured Claim), 3 (General Unsecured Claims), 4 (Abuse Claims), 5 (Unknown Abuse Claims), and 6 (Non-Abuse Litigation Claims) are Impaired and entitled to vote to accept or reject the Plan. Holders of Claims in Classes 7A (Abuse Related Contribution Claims Related to Class 4 Claims) and 7B (Abuse Related Contribution Claims Related to Class 5 Claims) are not entitled to vote and are treated as no recovery and thus deemed to have rejected the Plan pursuant to § 1126(g) of the Bankruptcy Code. As evidenced by the Voting Report, all of the Holders of Claims in Classes [•] voted to accept the Plan.

~~33.~~29. While the Plan does not satisfy the requirements of § 1129(a)(8) of the Bankruptcy Code, as discussed more fully below, the Debtor has satisfied the requirements under § 1129(b) of the

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Bankruptcy Code and may obtain confirmation of the Plan notwithstanding the deemed rejection by [Classes 7A and 7B].

K. Section 1129(a)(9): The Plan Provides for Payment in Full of All Allowed Priority Claimants

~~34.~~30. Section 1129(a)(9) of the Bankruptcy ode requires that claims entitled to priority under § 507(a) of the Bankruptcy Code be paid in full in cash unless the holders thereof agreed to a different treatment with respect to such claims. The treatment of Allowed Administrative Expense Claims, Allowed Priority Tax Claim, Professional Fee Claims, Other Priority Claims, Cure Claims, and U.S. Trustee Fees under Article III of the Plan satisfies the requirements of, and complies in all respects with, section 1129(a)(9) of the Bankruptcy Code.

L. Section 1129(a)(10): At Least One Class of Impaired Claims Has Accepted the Plan

~~35.~~31. Section 1129(a)(10) of the Bankruptcy Code requires the affirmative acceptance of the Plan by at least one class of impaired claims, "determined without including any acceptance of the plan by any insider." Classes 1 (RCC Secured Claim), 3 (General Unsecured Claims), 4 (Abuse Claims), 5 (Unknown Abuse Claims), and 6 (Non-Abuse Litigation Claims) are Impaired and are Voting Classes. As evidenced by the Voting Reports, all Impaired Classes that are Voting Classes, with the exception of [Class •], have voted to accept the Plan. Thus, the Plan satisfies § 1129(a)(10) of the Bankruptcy Code.

M. Section 1129(a)(11): The Plan Is Feasible

~~36.~~32. Section 1129(a)(11) of the Bankruptcy Code requires the Court to find that the Plan "is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan " Section 1129(a)(11) codifies what is typically referred to as the "feasibility" test.

~~37.~~33. Under a plurality of factors, the Plan is feasible:

- Adequacy of capital structure. The Debtor and Reorganized Debtor (as applicable) will be able to fund the Plan without the need for further liquidation or restructuring, while providing for retention of assets for a cushion against unexpected future contingencies.
- Earning power of the business. While the Debtor and Reorganized Debtor (as applicable) are not a "business" in the traditional sense, they can acquire cash and property, in part through charitable contributions that are likely to increase upon their exit from bankruptcy.

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- Ability of Management. Management of the Debtor and Reorganized Debtor (as applicable) are uniquely equipped by education and calling to continue their various ministries.

~~38.~~34. Accordingly, the Plan satisfies the feasibility requirements of § 1129(a)(11) of the Bankruptcy Code. Confirmation is not likely to be followed by a liquidation or further restructuring.

N. Section 1129(a)(12): All Statutory Fees Have Been or Will Be Paid

~~39.~~35. Section 1129(a)(12) of the Bankruptcy Code requires the payment of "[a]ll fees payable under section 1930 of title 28, as determined by the court at the hearing on confirmation of the plan." Section 507 of the Bankruptcy Code provides that "any fees and charges assessed against the estate under [section 1930] of title 28" are afforded priority as administrative expenses. In accordance with these provisions of the Bankruptcy Code, Section 3.5 of the Plan provides that all U.S. Trustee Fees due and payable before the Effective Date shall be paid. Section 12.9.4 of the Plan further provides that the Reorganized Debtor shall continue to pay all U.S. Trustee Fees accruing on or before the earlier of (i) the closing of the Chapter 11 Case, and (ii) December 31, 2027. Should the Chapter 11 Case remain open through January 1, 2028, or later, the Survivors' Trust shall pay all U.S. Trustee Fees accruing on or after that date until the Chapter 11 Case is closed. All U.S. Trustee Fees shall be paid at the rate in effect at the time such fees come due.

~~40.~~36. Accordingly, the Plan satisfies § 1129(a)(12).

O. Section 1129(a)(13) Is Satisfied

~~41.~~37. Section 1129(a)(13) of the Bankruptcy Code requires that a plan provide "for the continuation after its effective date of payment of all retiree benefits." The Plan provides for the payment of retiree benefits and, therefore, satisfies § 1129(a)(13) of the Bankruptcy Code.

P. Sections (a)(14) and (a)(15) Are Not Applicable

~~42.~~38. Section 1129(a)(14) of the Bankruptcy Code relates to the payment of domestic support obligations. The Debtor and Reorganized Debtor (as applicable) are not subject to any domestic support obligations and, as such, § 1129(a)(14) does not apply.

~~43.~~39. Section 1129(a)(15) of the Bankruptcy Code applies only in cases in which the debtor is

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an "individual" (as that term is defined in the Bankruptcy Code). The Debtor and Reorganized Debtor (as applicable) are not "individuals" and, accordingly, § 1129(a)(15) is inapplicable.

Q. Section 1129(a)(16) Is Satisfied

~~44.~~40. Section 1129(a)(16) of the Bankruptcy Code conditions confirmation of a plan on all transfers contemplated thereby being made in accordance with applicable non-bankruptcy law that governs "the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust."

~~45.~~41. The Debtor and Reorganized Debtor (as applicable) are not a moneyed, business, or commercial corporation and, accordingly, § 1129(a)(16) is applicable. But to the extent there are any transfers of property made pursuant to the Plan, such transfers will be made in accordance with applicable non-bankruptcy law. Therefore, the provisions of § 1129(a)(16) are satisfied.

R. The Plan Satisfies "Cram Down" Requirements Under § 1129(b) of the Bankruptcy Code for Non-Accepting Classes

~~46.~~42. Classes 7A and 7B are deemed to have rejected the Plan, and [Class [•] is the only Impaired Class that voted to reject the Plan]. For the reasons stated below, the Plan satisfies all applicable standards under § 1129(b) of the Bankruptcy Code.

No Unfair Discrimination

~~47.~~43. Section 1129(b)(1) of the Bankruptcy Code prohibits unfair discrimination of claims of equal legal priority.

~~48.~~44. The Plan does not unfairly discriminate against claims of equal legal priority. First, legitimate business reasons exist not only for separate classification but also separate treatment between classes of equal priority. Second, the Debtor has acted in good faith in allocating estate and non-estate assets across multiple classes of claims, even if it results in some discrimination, such as contributions to the Plan being made by entities outside of the Estate who are unwilling to fund any claims other than Abuse Claims. Third, for the same reasons, without the discrimination generated by the contribution of non-Estate property to select classes, the Debtor is unlikely to confirm a plan. Fourth, while there is disparate treatment among classes of equal priority, no class that considers itself discriminated against

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is receiving less than it would in a hypothetical chapter 7 case. The Plan does not discriminate unfairly.

Fair and Equitable

~~49.~~45. The Plan satisfies the "fair and equitable" requirement of § 1129(b) of the Bankruptcy Code in light of the evidence presented at the Confirmation Hearing and based on the criteria described in this Confirmation Order, including the fact that the Plan is feasible.

S. Section 1129(c): The Plan Is the Only Plan Before the Court

~~50.~~46. Section 1129(c) of the Bankruptcy Code provides that the Court may confirm only one plan. For purposes of § 1129(c), the Plan is the only plan currently before the Court. Accordingly, § 1129(c) of the Bankruptcy Code is satisfied.

T. Section 1129(d): The Principal Purpose of the Plan Is Not Avoidance of Taxes

~~51.~~47. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of § 5 of the Securities Act. Consequently, the Plan satisfies the requirements of § 1129(d) of the Bankruptcy Code.

U. Section 1129(e): Inapplicable Provisions

~~52.~~48. The provisions of § 1129(e) of the Bankruptcy Code apply only to "small business cases" as defined therein. The Chapter 11 Case is not a "small business case." Accordingly, § 1129(e) of the Bankruptcy Code is inapplicable.

V. The Debtor is Likely to Satisfy the Conditions Precedent to the Effective Date

~~53.~~49. Based on the foregoing, the Debtor and the Plan satisfy the requirements for confirmation set forth in § 1129 of the Bankruptcy Code.

W. The Debtor is Likely to Satisfy the Conditions Precedent to the Effective Date

~~54.~~50. The Plan shall not become effective unless and until the conditions set forth in Article X have been satisfied or waived in accordance with the Plan. Each of the conditions precedent to the Effective Date has been or is reasonably likely to be satisfied or, as applicable, waived in accordance with the Plan.

X. The Debtor is Authorized to Take All Actions Necessary to Implement the Plan and Transactions Therein

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~~55.~~51. ~~All documents necessary to implement the Plan and the settlements and transactions contemplated therein, including those contained in the Plan Supplement, and all other relevant and necessary or desirable documents have been negotiated in good faith and at arm's length, are in the best interests of the Debtor, and shall, upon completion of documentation and execution, be valid, binding, and enforceable agreements, not avoidable and not in conflict with any federal, state, or foreign Law. The documents and agreements are essential elements of the Plan, and entry into and consummation of the transactions contemplated by each such document or agreement are in the best interests of the Debtor, its Estate, and the Holders of Claims.~~ The Debtor has ~~exercised reasonable business judgment in determining which documents and agreements to enter into and have~~ provided sufficient and adequate notice all documents necessary to implement the Plan and the settlements and transactions contemplated therein, including those contained in the Plan Supplement~~of such documents and agreements~~. The Debtor and Reorganized Debtor (as applicable) is authorized to take any action reasonably necessary or appropriate to consummate such agreements and the transactions contemplated thereby.

~~**Y. The Debtor is Authorized to Take All Actions Necessary to Implement the Plan and Transactions Therein**~~

~~56. Under the circumstances, good cause exists for waiving the stays imposed by operation of Bankruptcy Rules 3020(e) and 6004(h) to permit the Debtor to consummate the Plan and commence implementation immediately after entry of this Confirmation Order. Each day that the Debtor and Reorganized Debtor (as applicable) remain in chapter 11 causes them to incur significant administrative and professional costs, and waiting until the expiration of fourteen (14) days after entry of this Confirmation Order would otherwise serve no purpose. Moreover, Holders of Claims and other parties in interest need the necessary comfort that once the Plan has gone effective, there is finality on the issues.~~

THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

A. The Plan is APPROVED and CONFIRMED in its entirety, except as modified herein.

B. The failure to specifically describe or include herein any provision of the Plan shall not diminish or impair the effectiveness of such provision, as the Court intends that the Plan be approved and

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confirmed in its entirety. Each provision of the Plan shall be deemed authorized and approved hereby and shall have the same binding effect of every other provision of the Plan, whether or not mentioned herein.

C. As of the Effective Date, all provisions of the Plan, including all agreements, instruments, and other documents, including, but not limited to the Survivors' Trust Documents and the Insurance Settlement Agreements, filed in connection with the Plan by the Debtor or the Reorganized Debtor will be binding upon the Debtor, the Reorganized Debtor, Settling Insurers, Non-Settling Insurers (except as otherwise limited by this Order or the Plan), Holders of Claims against the Debtor or Reorganized Debtor (as applicable) (including all Abuse Claimants), each such Creditor's respective successors and assigns, and all other Entities that are affected in any manner by the Plan, regardless of whether the Claim of such Creditor is Impaired under the Plan or whether such Creditor has accepted the Plan. Except as otherwise expressly provided in the Plan, all agreements, instruments, and other documents, including, but not limited to, the Survivors' Trust Documents and the Insurance Settlement Agreements, filed in connection with the Plan will be given full force and effect and will bind all Entities referred to therein on and after the Effective Date, whether or not such agreements are actually issued, delivered, or recorded on or after the Effective Date~~, and whether or not such Entities have actually executed any such agreement~~.

D. Any Creditor asserting a Professional Fee Claim must file a Fee Application seeking final Allowance of such Professional Fee Claim by no later than the Professional Fee Claims Bar Date, which is forty-five (45) days after the Effective Date.

E. All fees due and payable pursuant to 28 U.S.C. § 1930, shall be paid as they become due and as set forth in the Plan.

F. As of the Effective Date, the assumption and rejection of Executory Contracts and Unexpired Leases is hereby approved in accordance with Article VII of the Plan.

G. Except as otherwise provided in the Plan, the Debtor and Reorganized Debtor (as applicable) are expressly discharged to the fullest extent provided by § 1141 of the Bankruptcy Code, and consistent with § 524 of the Bankruptcy Code, the discharge injunctions in the Plan are approved and in full force and effect. Notwithstanding anything to the contrary in the Plan (including Section 13.3) or this Order, the discharge of any and all Abuse Claims shall occur on the Effective Date of the Plan.

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H. Subject to the exceptions contained in the Plan, as of the Effective Date, all Holders of Claims are, and will be, expressly, conclusively, absolutely, unconditionally, irrevocably, and forever stayed, restrained, prohibited, barred and enjoined from taking the actions identified in the Plan against any Exculpated Party.

I. Subject to any exceptions in the Plan, any and all Channeled Claims against the Released Parties and Settling Insurers are channeled into the Survivors' Trust and will be treated, administered, determined, and resolved under the procedures and protocols and in the amounts established under the Plan and the Survivors' Trust Documents as the sole and exclusive remedy for all Entities holding Channeled Claims.

J. The Channeling Injunction set forth in Section 13.11 of the Plan is hereby approved, subject to any applicable terms and limitations set forth in the Plan, including Section 13.14 of the Plan.

Channeling Injunction. In consideration of the undertakings under the Plan by the Released Parties, their contributions to the Survivors' Trust, and other consideration and to further preserve and promote the agreements among the Released Parties and Settling Insurers, and to supplement where necessary the injunctive effect of the discharge as provided in sections 524 and 1141 of the Bankruptcy Code, and pursuant to sections 105 and 363 of the Bankruptcy Code:

a. Any and all Channeled Claims, including without limitation Unknown Abuse Claims, are channeled into the Survivors' Trust and shall be treated, administered, determined, resolved, and paid in the amounts as provided by the Survivors' Trust Distribution Plan and procedures established under this Plan and the Survivors' Trust Agreement as the sole and exclusive remedy for all Holders of Channeled Claims;

b. Except as set forth in Articles VIII and IX hereof for Abuse Claimants who elect the Litigation Option to sue the Debtor (as a nominal party only), all Persons who held or asserted, hold or assert, or may in the future hold or assert any channeled claims are hereby permanently stayed, enjoined, barred, and restrained from taking any action, directly or indirectly, for the purpose of asserting, enforcing, or attempting to assert or enforce any channeled claim against the Released Parties and the Settling Insurers, including

i. commencing or continuing in any manner or other proceeding of any kind with respect to any channeled claim against any of the Released Parties or Settling Insurers or against the property of any of the Released parties or Settling Insurers;

ii. enforcing, attaching, collecting, or recovering, by any manner or means, from any of the Released Parties or the property of any of the Released Parties or Settling Insurers, any judgment, award, decree, or other with respect to any channeled claim against any of the Released Parties or Settling Insurers;

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iii. creating, perfecting, or enforcing any lien of any kind relating to any channeled claim against any of the Released Parties or Settling Insurers or the property of the Released Parties or Settling Insurers;

iv. asserting, implementing or effectuating any Channeled Claim of any kind against any obligation due any of the Released Parties or Settling Insurers, any of the Released Parties or Settling Insurers, or the property of any of the Released Parties or Settling Insurers;

v. taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of this Plan or the Survivors' Trust Documents; and

vi. asserting or accomplishing any setoff, right of indemnity, subrogation, contribution or recoupment of any kind against any obligation due to any of the Released Parties or Settling Insurers.

c. The foregoing Channeling Injunction is an integral part of the Plan and is essential to the Plan's consummation and implementation. The channeling of the Channeled Claims as provided in this § 13.11 of the Plan will inure to the benefit of the Released Parties and the Settling Insurers. In any action to enforce the injunctive provisions § 13.11 of the Plan against a Holder of Claim whereby it is held by a Final Order that such Holder willfully violated the terms of § 13.11 of the Plan, the moving party may seek an award of costs (including reasonable attorneys' fees) against such Holder, and such other legal or equitable remedies as are just and proper, after notice and a hearing.

K. All Holders of Claims are precluded and enjoined from taking any actions to interfere with the implementation and consummation of the Plan.

~~L. Pursuant to § 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, Distributions, Survivors' Trust Distributions, releases, and other benefits provided under the Plan, on the Effective Date, the Plan constitutes a good-faith compromise and settlement of any and all Claims and controversies resolved pursuant to the Plan and are approved.~~

~~M.~~L. No exculpation (including the Exculpations), injunction (including the Injunctions), or release provision contained in the Plan or this Confirmation Order will provide any protection or benefit to any excluded party.

~~N.~~M. The settlement of certain Claims identified in the Plan is approved in full.

~~O.~~N. The release of certain Avoidance Actions identified in the Plan is approved.

~~P.~~O. The reservation and retention of Causes of Action is approved as provided in Section 12.4 of the Plan.

~~Q.~~P. As provided in the Plan, any and all injunctions or stays arising before the Confirmation Date in accordance with §§ 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, will remain in full force and effect until the Effective Date.

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~~R. The provisions of the Plan related to Non-Settling Insurers' Policies are approved in full.~~

~~S.~~Q. Except as otherwise provided herein, or in the Plan, on the Effective Date, all property of the Estate as defined in Section 541 of the Bankruptcy Code, other than the Survivors' Trust Assets including any Causes of Action, will be revested in the Reorganized Debtor, free and clear of all Liens and encumbrances and all Claims, rights, interests, and entitlements. Thereafter, the Reorganized Debtor may use, sell, transfer, or exchange such property in its discretion, subject to any restriction or limitation set forth in the Plan, and will hold, use, dispose of, or otherwise deal with such property, operate its business, and conduct its ministries and mission without notice to any Entity, without supervision or approval by the Court, and free of any restrictions imposed by the Bankruptcy Code or the Court.

~~T.~~R. The Exit Facility is hereby approved. On the Effective Date, the Debtor and Reorganized Debtor (as applicable) are authorized to execute and deliver the Exit Facility Documents without further notice to or order of the Bankruptcy Court or vote, consent, authorization, or approval of any Person. The Exit Facility shall constitute legal, valid, binding, and authorized indebtedness and obligations of the Reorganized Debtor, not subject to discharge, impairment, release, or avoidance under the Plan or this Confirmation Order. All liens and security interests granted under the Exit Facility Documents shall be deemed automatically perfected on the Effective Date without the need for any further filing, recordation, or other action, and shall not be subject to avoidance, recharacterization, or subordination under the Bankruptcy Code or applicable non-bankruptcy law.

~~U.~~S. On the Effective Date, the Restricted Assets Adversary Proceeding and all surviving claims asserted therein shall be assigned to the Survivors' Trust. The Survivors' Trust is hereby authorized to succeed the Committee as plaintiff in the Restricted Assets Adversary Proceeding upon the filing of a Notice of Substitution of Parties no earlier than the Effective Date and no later than fourteen (14) days after the Effective Date, and such substitution is approved.

~~V.~~T. Except as otherwise provided herein or in the Plan, on the Effective Date, the Insurance Assignment is made free and clear of all Claims, Liens, encumbrances, charges and other Interests, except for rights, Claims, Liens, encumbrances, Interests and defenses of the Non-Settling Insurers, including available limits of liability for coverage of certain types of claims under one or more

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of the Abuse Insurance Policies that may have been reduced by certain prepetition payments made by an Insurer under any of the Abuse Insurance Policies. Further, each Settling Insurer Abuse Insurance Policy shall be sold to the issuing Settling Insurer free and clear of all. Liens, ~~and~~ Claims, and Interests of all Persons, to the extent provided for in each applicable Insurance Settlement Agreement, provided that such sale shall not affect the rights and defenses of any remaining Non-Settling Insurers (with all other Liens, Claims, and Interests thereof to be adequately protected).

~~W.~~U. Under § 1146 of the Bankruptcy Code, any transfers of property pursuant to the Plan are not subject to any document, recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment in the United States, and the appropriate state or local governmental officials or agents are directed herein to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

~~X.~~V. The form of the RCWC Release filed with the Plan Supplement is hereby approved. Any Abuse Claimant who returns a signed RCWC Release shall be deemed to have fully and completely released all claims against RCWC to the extent provided in the RCWC Release form. Such release shall become effective in accordance with Section 9.3.2.3 of the Plan upon the RCWC Escrow Agent's release to the Survivors' Trust of such RCWC Claimant's pro rata share of the RCWC Cash Contribution.

~~Y.~~W. Upon entry of this Confirmation Order, the Survivors' Trust shall be established in accordance with Survivors' Trust Documents. On and after the Effective Date, the Survivors' Trust shall be vested with the Survivors' Trust Assets, and the Survivors' Trust shall be administered and implemented by the Survivors' Trustee as provided in the Survivors' Trust Documents and the Plan. The Survivors' Trust shall be funded with the Survivors' Trust Assets subject to and in accordance with the Plan.

~~Z.~~X. On the Effective Date, the Survivors' Trustee shall implement the allocation protocol in accordance with the terms of the Survivors' Trust Documents. The allocation protocol was developed by the Survivors' Trust Advisory Committee and was not developed by, or submitted for the approval of, any

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of the Released Parties, the Settling Insurers, or the Non-Settling Insurers, nor are the Released Parties, the Settling Insurers, or the Non-Settling Insurers deemed to have accepted or acquiesced in the adoption of the allocation protocol. For the avoidance of doubt, the Insurance Settlement Agreements do not indicate the Settling Insurers' or the Non-Settling Insurers' support for the allocation protocol, and no Entity shall argue that the Settling Insurers or the Non-Settling Insurers agreed to or acquiesced in the terms or use of the allocation protocol in any proceeding, the Settling Insurers take no position on the allocation protocol, and the Non-Settling Insurers reserve all rights under applicable bankruptcy and non-bankruptcy law as to the allocation protocol.

~~AA.~~Y. 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 Survivors' Trustee shall be the "administrator" of the Survivors' Trust within the meaning of § 1.468B-2(k)(3) of the Treasury Regulations and, in such capacity, such administrator shall (i) prepare and timely file, or cause to be prepared and timely filed, such income tax and other tax returns and statements required to be filed and shall timely pay all taxes required to be paid by the Survivors' Trust out of the Survivors' Trust Assets, which assets may be sold by the Survivors' Trustee to the extent necessary to satisfy tax liabilities of the Survivors' Trust, (ii) comply with all applicable tax reporting and withholding obligations, (iii) satisfy all requirements necessary to qualify and maintain qualification of the Survivors' Trust as a qualified settlement fund, and (iv) take no action that could cause the Survivors' Trust to fail to qualify as a qualified settlement fund.

~~BB.~~Z. [•] has been appointed the Survivors' Trustee. The Survivors' Trustee shall serve in accordance with, and shall have the functions and rights provided in, the Survivors' Trust Documents and Plan.

~~CC.~~AA. [•] has been appointed the Abuse Claims Reviewer, and shall serve in accordance with, and shall have the functions and rights provided in, the Survivors' Trust Documents and Plan.

~~DD.~~BB. On and after the Effective Date, and subject in all respects to the provisions of the Plan, this Court retains ~~exclusive~~ jurisdiction over any and all matters arising out of, or related to, any Chapter 11 Case or the Plan pursuant to §§ 105(a) and 1142 of the Bankruptcy Code, including those

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matters identified in the Plan.

~~EE.~~CC. On the Effective Date, the Committee will dissolve automatically, whereupon their members, Professionals, and agents will be discharged from any further duties and responsibilities in the Chapter 11 Case and under the Bankruptcy Code; provided, however, that such parties will continue to be bound by any obligations arising under confidentiality agreements, joint defense/common interest agreements (whether formal or informal), mediation and settlement privileges, and protective Orders entered during the Chapter 11 Case, which will remain in full force and effect according to their terms. For the avoidance of doubt, the Committee and Committee's Professionals will continue to have a right to be heard with respect to all fee applications for their professional fees and appeals from the Confirmation Order.

~~FF.~~DD. On and after the Effective Date, the Reorganized Debtor may employ and pay any professional without any further notice to or action, Order, or approval of the Court.

~~GG.~~EE. The terms and provisions of the Plan are mutually dependent and non-severable. Each term and provision of the Plan is (a) valid and enforceable pursuant to its terms, (b) integral to the Plan and may not be deleted or modified without the written consent of the Debtor or Reorganized Debtor (as applicable), Survivors' Trust Advisory Committee, or Settling Insurers, and (c) non-severable and mutually dependent.

~~HH. On the Effective Date, the Plan will be deemed to be substantially consummated under §§ 1101 and 1127(b) of the Bankruptcy Code.~~

II. In compliance with the Plan, the Reorganized Debtor will file in the Chapter 11 Case a notice of occurrence of the Effective Date by no later than three (3) days after the Effective Date. Such notice shall state (a) that all conditions of the Plan's becoming effective have been satisfied and (b) the date of the Effective Date.

JJ. Pursuant to § 1142 of the Bankruptcy Code, the Debtor, the Reorganized Debtor, and the Survivors' Trustee (as applicable) are authorized and directed to take all steps and perform such acts as may be necessary to implement and effectuate the Plan, and are further authorized and directed to execute and deliver any instrument and perform any other act that is necessary for consummation of the

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Plan.

~~KK. Notwithstanding Bankruptcy Rule 3020(e), and to the extent applicable, Bankruptcy Rules 6004(h), 7062, and 9014, this Confirmation Order is effective immediately and not subject to any stay.~~

~~LL.~~KK. Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 7062, or otherwise, upon the occurrence of the Effective Date, the terms of the Plan (including the Plan Supplements) will be

~~MM.~~LL. The Court may properly, and upon the Effective Date shall, to the full extent set forth in the Plan, retain jurisdiction over all matters arising out of, and related to, this Chapter 11 Case, including the matters set forth in the Plan and § 1142 of the Bankruptcy Code. Notwithstanding anything in the Plan or this Confirmation Order to the contrary, this Court retains jurisdiction to the maximum extent otherwise allowed by law under the applicable circumstance.

*** END OF ORDER ***

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COURT SERVICE LIST

All ECF Recipients

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