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UNITED STATES BANKRUPTCY COURT

DISTRICT OF OREGON

In re:

SOCIETY OF JESUS, OREGON
PROVINCE, an Oregon domestic nonprofit
religious corporation,

Debtor.

Case No. 09-30938-elp11

THIRD MODIFIED JOINT PLAN OF
REORGANIZATION (Dated July 18,
2011)

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1 Society of Jesus, Oregon Province, an Oregon non-profit religious corporation,
2 the Debtor and Debtor-in-Possession in this Case, the Official Committee of Unsecured
3 Creditors appointed in this Case, and the Future Claimants Representative appointed in
4 this Case as the legal representative for the Future Abuse Claimants, propose the
5 following Plan of Reorganization pursuant to the provisions of Chapter 11 of the
6 Bankruptcy Code.

7 **1. DEFINITIONS.**

8 For purposes hereof, any term used in an initially capitalized form in this Plan will
9 have the defined meaning ascribed to it in the definitions set forth below and, if not
10 defined below, in Section 101 of the Bankruptcy Code. All definitions in the Bankruptcy
11 Code and below will be subject to the rules of construction set forth in Section 102 of the
12 Bankruptcy Code. In addition, the use of the words “includes” or “including” is not
13 limiting, and means “including but not limited to” and “including without limitation;”
14 “and/or” means either or both, and the words “related to” or “relating to” mean with
15 regard to, by reason of, based on, arising out of, or in any way connected with.
16 Whenever the context requires, such terms include the singular as well as the plural, the
17 masculine gender includes the feminine, and the feminine gender includes the
18 masculine. Any specific references to promissory notes, deeds of trust or other debt
19 instruments or security documents includes any amendments, modifications and
20 extensions thereto. Nothing contained in this Plan constitutes an admission or denial by
21 any party of liability for, or the validity, priority, amount, or extent of any Claim, lien, or
22 security interest asserted against the Debtor or against any third party.

23 The Plan includes as exhibits the (i) Safeco Settlement Agreement, (ii) Travelers
24 Settlement Agreement, and (iii) the Western World Settlement Agreement, which are all
25 incorporated herein by reference. The Safeco Settlement Agreement, the Travelers
26 Settlement Agreement, the Western World Settlement Agreement, and Supplemental

1 Injunctions at sections 11.5 and 11.6 of the Plan, include: (i) terms that are not defined
2 in the Plan, and (ii) terms contained in the Plan but that are defined differently than in
3 the Plan. For the purposes of the interpretation and enforcement of the Safeco
4 Settlement Agreement, the Supplemental Injunctions, and the Plan provisions relating to
5 the Safeco Settlement Agreement, the definitions in the Safeco Settlement Agreement
6 control, and any conflicts between the defined terms in the Plan and the defined terms
7 in the Safeco Settlement Agreement shall be resolved in favor of the defined terms in
8 the Safeco Settlement Agreement. For the purposes of the interpretation and
9 enforcement of the Travelers Settlement Agreement, the Supplemental Injunctions, and
10 the Plan provisions relating to the Travelers Settlement Agreement, the definitions in the
11 Travelers Settlement Agreement control, and any conflicts between the defined terms in
12 the Plan and the defined terms in the Travelers Settlement Agreement shall be resolved
13 in favor of the defined terms in the Travelers Settlement Agreement. For the purposes
14 of the interpretation and enforcement of the Western World Settlement Agreement, the
15 Supplemental Injunctions, and the Plan provisions relating to the Western World
16 Settlement Agreement, the definitions in the Western World Settlement Agreement
17 control, and any conflicts between the defined terms in the Plan and the defined terms
18 in the Western World Settlement Agreement shall be resolved in favor of the defined
19 terms in the Western World Settlement Agreement.

20 **1.1 “Abuse”** means any act of Sexual Abuse, or physical, non-sexual,
21 mental, emotional, or cultural abuse.

22 **1.2 “Abuse Claim”** means a Claim, asserted by or on behalf of an individual
23 who is or claims to be the victim of Abuse, against the Debtor and/or a Participating
24 Party, related to Abuse that occurred prior to the Petition Date causing a personal injury
25 or wrongful death, or is a Claim for paternity. The term “Abuse Claim” does not include
26 any Abuse Related Contribution/Indemnity Claim.

1 **1.3 “Abuse Claims Reviewer”** means the person, including the designee of
2 such person, who will administer an Allocation Plan. Subject to the Plan’s provisions for
3 replacement of the Abuse Claims Reviewer, the Abuse Claims Reviewer for Allocation
4 Plan I is Hon. William L. Bettinelli, Ret. The Abuse Claims Reviewer for Allocation
5 Plans II and III is Katrina Pflaumer.

6 **1.4 “Abuse Claimant”** means the holder of an Abuse Claim, the estate of a
7 deceased Abuse Claimant, or the personal executor or personal representative of the
8 estate of a deceased Abuse Claimant, as the case may be.

9 **1.5 “Abuse Related Contribution/Indemnity Claim”** means any Entity’s
10 Claim against any other Entity for contribution, indemnity, or reimbursement arising as a
11 result of such Entity having paid or defended against any Abuse Claim.

12 **1.6 “Administrative Claim”** means a Claim for payment of an administrative
13 expense of a kind specified in Section 503(b) of the Bankruptcy Code and referred to in
14 Section 507(a)(1) of the Bankruptcy Code including the actual, necessary costs and
15 expenses of preserving the Debtor’s estate and operating the Debtor’s business
16 including Current Obligations, compensation for professional services and
17 reimbursement of expenses awarded under Sections 330(a) or 331 of the Bankruptcy
18 Code, and all fees and charges assessed against the Debtor’s estate under chapter 123
19 of Title 28, United States Code.

20 **1.7 “Administrative Claimant”** means the holder of an Administrative Claim.

21 **1.8 “Aged & Infirm Fund”** means the Oregon Province Aged & Infirm Fund
22 Charitable Trust, also known as the Arca Praevisionis.

23 **1.8.a “Allocation Plans”** means Allocation Plan I, Allocation Plan II, and
24 Allocation Plan III.

25 **1.9 “Allocation Plan I”** means the protocol which is set forth as Exhibit 1.9 to
26 the Plan.

1 **1.10 “Allocation Plan II”** means the protocol which is set forth as Exhibit 1.10
2 to the Plan.

3 **1.11 “Allocation Plan III”** means the protocol which is set forth as Exhibit 1.11
4 to the Plan.

5 **1.12 “Allowance Date”** means, with respect to a Claim, the date such Claim
6 becomes Allowed.

7 **1.13 “Allowed”** means, with respect to a Claim, the extent to which: (a) the
8 Claim is agreed to by the Claimant and by the Debtor or the Reorganized Debtor; (b)
9 the Claim is expressly allowed in this Plan; or (c) proof of such Claim was (i) timely filed
10 with the Claims Agent, (ii) deemed filed pursuant to Section 1111(a) of the Bankruptcy
11 Code, or (iii) tardily filed with leave of the Bankruptcy Court, and, in any case, as to
12 which the Claim is not Disputed or, if the Claim is or was Disputed, the Claim has been
13 Allowed by a Final Order.

14 **1.14 “Apostolic Works Fund”** means the Oregon Province Apostolic Works
15 Fund Charitable Trust, also known as the Arca Operum Apostolicorum.

16 **1.15 “Arcas”** means collectively the Aged & Infirm Fund, the Apostolic Works
17 Fund, the Formation Fund, and the Foundations Fund, and the trusts under civil law
18 created thereunder.

19 **1.16 “Average Future Claim Point Award”** means the average award per
20 point for all pools utilizing Allocation Plan I, excluding those Abuse Claimants electing
21 treatment as the holder of a Convenience Abuse Claim or who are otherwise awarded
22 no points.

23 **1.17 “Avoidance Rights”** means those rights that may be asserted by the
24 Debtor, as a debtor-in-possession, to avoid and recover transfers, liens, or obligations,
25 described in Sections 544, 545, 546, 547, 548, 549, and 550 of the Bankruptcy Code,
26 and any other actions provided for under applicable law that allows a debtor-in-

1 possession or trustee to avoid certain transfers, but excluding those Avoidance Rights,
2 if any, against the Participating Parties and the Settling Insurers that are compromised
3 and released pursuant to Section 11.9 of the Plan.

4 **1.18 “Award”** means the liquidated amount of any Abuse Claim as determined
5 in accordance with the terms of this Plan.

6 **1.19 “Ballot”** means the ballot that is used by a Creditor to accept or reject the
7 Plan, and pursuant to which Abuse Claimants will make certain elections regarding the
8 treatment of their Abuse Claims as provided in the Plan.

9 **1.20 “Bankruptcy Code”** means the Bankruptcy Reform Act of 1978,
10 principally codified in 11 USC Section 101, et seq., and any amendments thereto
11 applicable to this case.

12 **1.21 “Bankruptcy Court”** means the United States Bankruptcy Court for the
13 District of Oregon, located in Portland, Oregon.

14 **1.22 “Bankruptcy Rules”** means the Rules and Forms of Practice and
15 Procedures in Bankruptcy promulgated under 28 USC § 2075, as amended, and the
16 local rules and general orders of the Bankruptcy Court, as applicable to Chapter 11
17 cases, together with all amendments and modifications thereto.

18 **1.23 “Beneficiary Claims”** means those Claims asserting (1) a right or
19 entitlement to the use or benefit, including any religious use or benefit, of property,
20 funds or other assets held by the Debtor or a Participating Party in trust or otherwise
21 restricted in their use, including the property, funds, or other assets in the Apostolic
22 Works Fund, the Formation Fund, the Aged & Infirm Firm, and the Foundations Fund, or
23 (2) that the use of such property, funds, or other assets to pay Claims against the
24 Debtor or a Participating Party violates the terms of any such trust or other restriction.

25 **1.24 “Business Day”** means any day other than Saturday, Sunday, or a “legal
26 holiday”, as that term is defined in Bankruptcy Rule 9006(a).

1 **1.25 “Canon Law”** means the 1983 Code of Canon Law promulgated on
2 January 25, 1983 by Pope John Paul II, and any amendments thereto.

3 **1.26 “Case”** means the case under Chapter 11 of the Bankruptcy Code
4 commenced by the Debtor on February 17, 2009, Case No. 09-30938-elp11.

5 **1.27 “Cash”** means cash, cash equivalents, bank deposits, and negotiable
6 instruments payable on demand.

7 **1.28 “Channeled Claim”** means any Abuse Claim, Tort Claim (as defined in
8 the Safeco Settlement Agreement), Tort Claim (as defined in the Travelers Settlement
9 Agreement), Tort Claim (as defined in the Western World Settlement Agreement),
10 and/or Claim against a Channeling Injunction Beneficiary arising from, in connection
11 with, or related in any way to an Abuse Claim, Tort Claim (as defined in the Safeco
12 Settlement Agreement), Tort Claim (as defined in the Travelers Settlement Agreement),
13 or Tort Claim (as defined in the Western World Settlement Agreement). Each Claim
14 described in this Section 1.28 shall include all such Claims whenever and wherever
15 arising or asserted, whether sounding in tort, contract, warranty or any other theory of
16 law, equity or admiralty, including without limitation all Claims by way of direct action,
17 statutory or regulatory action, or otherwise, Claims for exemplary or punitive damages,
18 for attorneys’ fees and other expenses, or for any equitable remedy. A Channeled
19 Claim does not include an Abuse Claim against: (i) a Person or Persons having
20 personally committed an act or acts of Abuse resulting in a Claim against the Debtor or
21 a Participating Party, (ii) the Society of Jesus; (iii) the Father General of the Society of
22 Jesus and his predecessors, (iv) the Society of Jesus General Curia; (v) a successor or
23 predecessor of the Debtor to the extent of such successor’s or predecessor’s
24 independent liability for an act or acts of Abuse; (vi) Gonzaga University; (vii) Seattle
25 University, and (viii) the Jesuit High Schools.

26 **1.29 “Channeling Injunction”** means the injunction provided for under Section

1 11.7 of the Plan.

2 **1.29(a) “Channeling Injunction Beneficiaries”** means the Participating Parties,
3 the Released Parties, Safeco, the Safeco Released Parties, Travelers, the Travelers
4 Released Parties, Western World, the Western World Released Parties, the Settling
5 Insurers, and the Settling Insurer Released Parties.

6 **1.30 “Chapter 11 Professionals”** means, collectively, the Debtor’s
7 Professionals, the Committee’s Professionals, and the Future Claimants
8 Representative’s Professionals.

9 **1.31 “Charitable Gift Annuities”** means the gifts made to the Debtor by
10 various donors for charitable gift annuities, in exchange for which such donors are to
11 receive certain fixed payments during their lives or the life of another person, the
12 payments for which were fixed at the date of the gift based on actuarial life expectancy
13 tables and uniform gift annuity rates.

14 **1.32 “Claim”** means any claim, as that term is defined in Section 101(5) of the
15 Bankruptcy Code, arising on or prior to entry of the Confirmation Order.

16 **1.33 “Claim Allowance Agreement”** means an agreement between the
17 Debtor and a Claimant which is entered into prior to the Effective Date and approved by
18 the Bankruptcy Court as reasonable under Bankruptcy Rule 9019, whereby the Debtor
19 and the Claimant agree to the Allowed amount of the Claimant’s Claim.

20 **1.34 “Claimant”** means a Creditor that holds a Claim.

21 **1.35 “Claims Agent”** means BMC Group, Inc.

22 **1.36 “Claims Bar Date”** means November 30, 2009.

23 **1.37 “Claims Bar Date Notice”** means the various notices of the last day to
24 file Claims mailed to all known Creditors together with the publication notice published
25 in various newspapers and other publications providing notice of the Claims Bar Date.

26 **1.38 “Claims Bar Date Order”** means the order of the Bankruptcy Court

1 setting the Claims Bar Date and approving the method of notification of the Claims Bar
2 Date.

3 **1.39 “Claims Objection Bar Date”** means, unless extended by the Court, the
4 first Business Day that follows the 30th day after the Effective Date, by which any
5 objection to a Claim (excluding Class 4 Claims) must be filed with the Bankruptcy Court
6 or such objection will be forever barred.

7 **1.40 “Closing”** means the Reorganized Debtor’s execution and delivery of the
8 Plan Documents and payment to the Trust of those sums required to be paid in
9 accordance with Sections 6.2 and 6.7 of the Plan.

10 **1.41 “Co-Defendant”** means a Person or Entity that is named as a defendant
11 in a lawsuit in which the Debtor is also named as a defendant, and/or who is alleged to
12 be fully or partially responsible for a Claim asserted, or which may be asserted in the
13 future, against both such Person and/or Entity and the Debtor, including co-debtors as
14 described in Section 509 of the Bankruptcy Code.

15 **1.42 “Committee”** means the Official Committee of Unsecured Creditors
16 appointed by the United States Trustee in the Case, as such committee may be
17 reconstituted from time to time.

18 **1.43 “Committee’s Professionals”** means Pachulski Stang Ziehl & Jones
19 LLP; Morgan Lewis & Bockius LLP; LECG, LLC; Berkeley Research Group, LLC and all
20 other professionals, if any, which the Committee has retained or may retain to provide
21 professional services in accordance with Section 1103(a) of the Bankruptcy Code and
22 as approved by the Bankruptcy Court.

23 **1.44 “Conditional Payment”** means any payment made pursuant to Section
24 1395y(b)(2)(B) of the MSPA.

25 **1.45 “Confirmation Date”** means the date of the entry of the Confirmation
26 Order.

1 **1.46 “Confirmation Hearing”** means the hearing held by the Bankruptcy Court
2 regarding confirmation of the Plan, as such may be continued from time to time.

3 **1.47 “Confirmation Order”** means the order confirming the Plan.

4 **1.48 “Contingent”** means, with respect to a Claim, a Claim that has not
5 accrued or is not otherwise payable and the accrual of which or the obligation to make
6 payment on which is dependent upon a future event that may or may not occur.

7 **1.49 “Convenience Abuse Claim”** means an Abuse Claim in an amount of
8 \$2,500 or less, or voluntarily reduced to \$2,500 by the holder of such Abuse Claim or
9 otherwise deemed to be a Convenience Abuse Claim under the Plan.

10 **1.50 Intentionally omitted.**

11 **1.51 “Court”** means the Bankruptcy Court.

12 **1.52 “Creditor Pool”** means a group of not less than forty-five (45) Class 3
13 Creditors who are associated for the purpose of allocating a portion of the Trust assets
14 to each Abuse Claimant in the group pursuant to Allocation Plan I or Allocation Plan II.
15 Each Creditor Pool shall be identified by a number, i.e. Creditor Pool No. 1.

16 **1.53 “Current Sexual Abuse Claim”** means the Abuse Claim of an Abuse
17 Claimant: (a) who prior to any amendment or supplementation of a proof of claim filed a
18 proof of claim alleging Sexual Abuse; or (b) who (i) initially filed a proof of claim that did
19 not allege Sexual Abuse but later amended or supplemented the proof of claim to allege
20 Sexual Abuse and (ii) according to the Abuse Claims Reviewer, based upon a
21 preponderance of evidence, has a Claim for Sexual Abuse; and (c) who is not a Future
22 Abuse Claimant.

23 **1.54 “Current Obligations”** means (a) all accounts payable and other
24 liabilities or obligations of the Debtor that arose or accrued in the ordinary course of the
25 Debtor’s business subsequent to the Petition Date and prior to the Confirmation Date
26 (excluding any Abuse Claims), and (b) any taxes that were incurred subsequent to the

1 Petition Date and became or become legally due and payable by the Debtor
2 subsequent to the Petition Date and prior to the Confirmation Date.

3 **1.55 “Debtor”** means the Society of Jesus, Oregon Province, an Oregon non-
4 profit religious corporation, and includes (a) each Jesuit Community, and (b) the
5 Province, to the extent any of them are determined not to be a civil entity separate from
6 the Debtor under applicable law.¹ “Debtor” does not include Seattle University, a
7 Washington non-profit corporation, and Jesuit Community of Gonzaga University, Inc., a
8 Washington corporation.

9 **1.56 “Debtor and Participating Party Actions”** means any and all Claims,
10 causes of action, and rights of the Debtor and the Participating Parties against third
11 parties including Claims of the Debtor and Participating Parties for recovery of, or based
12 upon, or in any manner arising from or related to damages, general or exemplary (or
13 both), or other relief, including equitable relief relating to or based upon: (a)
14 indebtedness owing to the Debtor; (b) fraud, negligence, gross negligence, willful
15 misconduct, or any other tort actions; (c) breaches of contract; (d) violations of federal
16 or state laws (including corporate and securities laws); (e) breaches of fiduciary or
17 agency duties; (f) Abuse Related Contribution/Indemnity Claims, and (g) any other
18 Claim of the Debtor or a Participating Party to the extent not assigned to the Trust or
19 specifically compromised or released pursuant to this Plan or an agreement
20 incorporated into this Plan. Debtor and Participating Party Actions shall not include: (a)
21 Insurance Claims, and (b) Avoidance Rights.

22 **1.57 “Debtor and Participating Party Action Recoveries”** means the rights
23 of the Debtor and the Participating Parties to any and all proceeds or other relief,
24 including equitable relief, from (a) any award, judgment, relief, or other determination

25 _____

26 ¹ The separate legal existence of a Jesuit Community and/or the Province has not been
determined by the Bankruptcy Court and is not being decided in connection with
confirmation of the Plan.

1 rendered or made as to any Debtor or Participating Party Action; or (b) any compromise
2 or settlement of any Debtor or Participating Party Action.

3 **1.58 “Debtor’s Professionals”** means the law firms Sussman Shank LLP,
4 Schwabe Williamson & Wyatt PC, Dickstein Shapiro LLP, Rothgerber Johnson & Lyons
5 PC, Hoffman Hart & Wagner LLP, and Hughes Pfiffner Gorski Seedorf & Odsen, LLC;
6 the public relations firm The Ulum Group; the Debtor’s Claims Agent, BMC Group, Inc.;;
7 the accounting firm Moss Adams LLP; and all other professionals, if any, which the
8 Debtor has retained or may retain to provide professional services in accordance with
9 Sections 327(a) and 327(e) of the Bankruptcy Code.

10 **1.59 “Disallowed”** means, with respect to any Claim, the extent to which the
11 Claim has not been Allowed pursuant to a Final Order.

12 **1.60 “Disputed”** means, with respect to a Claim, that an objection to such
13 Claim has been timely filed, or such Claim is listed as disputed in the Debtor’s
14 schedules filed with the Bankruptcy Court, and such objection or dispute has not been
15 resolved by Final Order, or by agreement between the Claimant and the Debtor, the
16 Reorganized Debtor, or the Trustee, as applicable.

17 **1.61 “Documents”** means to the extent such documents relate to Sexual
18 Abuse, documents that have been produced in any Rule 2004 Examination of the
19 Debtor and in any other litigation in which the Debtor or the Province Entities have been
20 a party, subject to (a) the privileges enumerated in Section 13.15; (b) restrictions under
21 other federal and state laws or regulations; (c) application of any court orders, except
22 those regarding privileges not enumerated in Section 13.15; and (d) redaction of
23 survivor’s identities. Notwithstanding the foregoing, the Reorganized Debtor and the
24 Province shall not assert the enumerated privileges in Section 13.15 to any Documents
25 already produced in any Rule 2004 Examination of the Debtor and in any other litigation
26 in which the Province Entities have been a party if not previously asserted. The prior

1 production of Documents shall not constitute a waiver of any of the privileges
2 enumerated in Section 13.15. The Debtor shall have a continuing obligation to produce
3 Documents as set forth in FRCP 26(e)(1)(A).

4 **1.62 “Donor Claims”** means those Claims of Persons and Entities that have
5 donated real or personal property, money, or funds to the Debtor and/or a Participating
6 Party, and as to which it is asserted (a) that such funds or property were donated for a
7 specific purpose, including without limitation any religious purpose, or otherwise are
8 restricted as to use, and that any use inconsistent with such purpose or restriction
9 constitutes a Claim, and (b) that the use of such funds or property pursuant to the
10 provisions of this Plan to pay Claims against the Debtor or a Participating Party is in any
11 way inconsistent with such specified purpose or restricted use.

12 **1.63 “Effective Date”** means the first Business Day after the Confirmation
13 Date on which (i) all conditions to effectiveness specified in this Plan have been
14 satisfied or waived, and (ii) no stay of the Confirmation Order is in effect.

15 **1.64 Intentionally omitted.**

16 **1.65 “Estate”** means the bankruptcy estate of the Debtor as created under
17 Section 541 of the Bankruptcy Code.

18 **1.66 “Estimated Amount”** means the amount at which the Bankruptcy Court
19 or the Oregon U.S. District Court, pursuant to 28 USC §157(b)(2)(B), Section 502(c) of
20 the Bankruptcy Code, and Bankruptcy Rule 3018(a), as the case may be, estimates any
21 Claim or class of Claims that is Contingent, unliquidated, or disputed, including any
22 Abuse Claim or class thereof, for the purpose of (a) allowance, (b) distribution, (c)
23 confirming this Plan pursuant to Section 1129 of the Bankruptcy Code, (d) voting to
24 accept or reject this Plan pursuant to Section 1126 of the Bankruptcy Code, or (e) any
25 other purpose.

26 **1.67 “Estimation Order”** means an order of the Bankruptcy Court or the

1 Oregon U.S. District Court, as applicable, that determines the Estimated Amount of any
2 Claim or Claims for any purpose, whether individually or as part of an aggregate.

3 **1.68 “Exculpated Parties”** means the Debtor and Reorganized Debtor; the
4 Participating Parties; the Released Parties; the Committee and each of its members; the
5 FCR; CRG Partners Group, LLC as consultant to the FCR; Safeco; Travelers; Western
6 World; the Settling Insurers; and all of their respective present or former members,
7 managers, officers, directors, employees, representatives, attorneys, and agents acting
8 in such capacity, but not including (i) a Person or Persons having personally committed
9 an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party,
10 (ii) the Society of Jesus; (iii) the Father General of the Society of Jesus and his
11 predecessors, (iv) the Society of Jesus General Curia or (v) a successor or predecessor
12 of the Debtor to the extent of such successor’s or predecessor’s independent liability for
13 an act or acts of Abuse; (vi) Gonzaga University; and (vii) the Jesuit High Schools.

14 **1.69 “FCR”** means the Future Claimants Representative.

15 **1.70 “FCR’s Professionals”** means the professionals, if any, which the FCR
16 has retained or may retain to provide professional services in accordance with Sections
17 327(a) and 327(e) of the Bankruptcy Code.

18 **1.71 “Final Order”** means an order, judgment, ruling or decree of the
19 Bankruptcy Court, a U.S. District Court, or any other court having jurisdiction as to
20 which (a) any appeal that has been taken has been finally determined or dismissed and
21 the time to take any further appeal, or to seek certiorari, further reargument or
22 rehearing, has expired or been waived in writing, or (b) the time to take an appeal has
23 expired and no appeal has been timely filed.

24 **1.72 “Formation Fund”** means the Oregon Province Formation Fund
25 Charitable Trust, also known as the Arca Seminarum.

26 **1.73 “Foundations Fund”** means the Oregon Province Foundations Fund

1 Charitable Trust, also known as the Arca Foundationum.

2 **1.74 “Future Abuse Claim”** means an Abuse Claim for which the Abuse
3 Claimant did not file his or her own proof of claim by the Claims Bar Date, and as of the
4 30th day immediately preceding the Claims Bar Date met one of the following three
5 criteria:

6 (a) The Abuse Claimant was under 18 years of age;

7 (b) The Abuse Claimant:

8 (i) was 18 years of age or older;

9 (ii) was unaware of the occurrence of the physical acts that
10 constituted the Abuse; and,

11 (iii) the Abuse Claimant’s Abuse Claim was not time-barred by
12 operation of a state law limitations period, or

13 (c) The Abuse Claimant:

14 (i) was 18 years of age or older;

15 (ii) was aware of the occurrence of the physical acts that
16 constituted the Abuse;

17 (iii) the Abuse Claimant’s Abuse Claim was not time-barred by
18 operation of a state law limitations period; and

19 (iv) the state law limitations period applicable to such Abuse
20 Claim had not begun to run.

21 The determination of whether an Abuse Claim was time-barred will be made
22 under applicable state law, with any state law enacted after the Petition Date having no
23 force or effect in such determination. This defined term shall be interpreted in
24 accordance with the “Order Appointing Future Claimants Representative” (Docket No.
25 412).

26 **1.76 “Future Abuse Claimant”** means the holder of a Future Abuse Claim.

1 **1.77 “Future Claimants Representative”** means Stephen S. Gray, the legal
2 representative for Future Abuse Claimants appointed by the Court pursuant to its order
3 entered August 10, 2009 [Docket No. 412], or any successor appointed or approved by
4 the Court or the Oregon U.S. District Court, as applicable.

5 **1.78 “Future Abuse Claims Bar Date”** means the fifteenth (15th) anniversary
6 of the Effective Date.

7 **1.79 “Future Abuse Claims Liquidation Process”** means the procedure for
8 liquidating and Allowing or Disallowing the Abuse Claim of a Future Abuse Claimant as
9 provided for in the Trust Documents.

10 **1.80 “Future Abuse Claims Reserve”** means that portion of the assets to be
11 held in the Trust that will be allocated to the payment of Allowed Future Abuse Claims
12 pursuant to the terms of the Plan and Trust Documents.

13 **1.81 “General Unsecured Claim”** means any Claim against the Debtor that is
14 not an Administrative Claim or a Claim that is otherwise classified under the Plan.

15 **1.82 “General Unsecured Convenience Claim”** means any General
16 Unsecured Claim in an amount of \$2,500 or less, or voluntarily reduced to \$2,500 by the
17 holder of such Claim.

18 **1.83 Intentionally omitted.**

19 **1.84 “Insurance Claims”** means all Claims, causes of action and enforceable
20 rights against any Non-Settling Insurer whether sounding in contract, tort, or otherwise,
21 including equity and bad faith, other than an Insured Non-Abuse Claim, held by:

22 (a) The Debtor for any reason related to an Abuse Claim including
23 those for (i) defense, indemnity and payment of any Abuse Claim; (ii) any Non-Settling
24 Insurer’s failure or refusal to provide Insurance Coverage under any Insurance Policy,
25 including the failure or refusal to provide a defense to any Abuse Claim against the
26 Debtor; (iii) any Non-Setting Insurer’s tortious or wrongful claims handling including the

1 failure or refusal of any Non-Settling Insurer to timely compromise and settle any Abuse
2 Claims against the Debtor pursuant to any Insurance Policy; and (iv) the interpretation
3 or enforcement of the terms of any Insurance Policy; and/or

4 (b) Any of the Participating Parties for any reason related to an Abuse
5 Claim against the Participating Party, whether independently or jointly liable with the
6 Debtor on such Abuse Claim, including (i) defense, indemnity and payment of any
7 Abuse Claim; (ii) any Non-Settling Insurer’s failure or refusal to provide Insurance
8 Coverage under any Insurance Policy, including the failure or refusal to provide a
9 defense to any Abuse Claim against the Debtor or a Participating Party; (iii) any Non-
10 Settling Insurer’s tortious or wrongful claims handling including the failure or refusal of
11 any Non-Settling Insurer to timely compromise and settle any Abuse Claims against the
12 Debtor or a Participating Party pursuant to any Insurance Policy; and (iv) the
13 interpretation or enforcement of the terms of any Insurance Policy.

14 **1.85 “Insurance Coverage”** means insurance that is available under any
15 Insurance Policy to cover all or any portion of an Abuse Claim asserted against (a) the
16 Debtor and/or (b) a Participating Party.

17 **1.86 “Insurance Policy”** means an insurance policy providing Insurance
18 Coverage.

19 **1.87 “Insurance Recoveries”** means the rights to any and all proceeds,
20 including any interest or income earned thereon, and other relief, from (a) any award,
21 judgment, relief, or other determination entered or made as to any Insurance Claims;
22 (b) any and all amounts payable by an Insurer under any settlement agreement with the
23 Debtor and/or a Participating Party with respect to Insurance Claims; and (c) any and all
24 proceeds of any Insurance Policy paid or payable to the Debtor and/or a Participating
25 Party with respect to Insurance Claims.

26 **1.88 “Insured”** means, with respect to an Abuse Claim, that portion of the

1 Claim for which there is Insurance Coverage being provided by an Insurer.

2 **1.89 “Insured Non-Abuse Claim”** means any Claim, other than an Abuse
3 Claim, all or part of which is covered by insurance.

4 **1.90 “Insurer”** means (a) any Person or Entity that during any period of time
5 either (i) provided Insurance Coverage to the Debtor and/or a Participating Party, its
6 predecessors, successors, or assigns, or (ii) issued an Insurance Policy to the Debtor
7 and/or a Participating Party, its predecessors, successors, or assigns; and (b) any
8 Person or Entity owing a duty to defend and/or indemnify the Debtor and/or a
9 Participating Party under any Insurance Policy.

10 **1.90(a) “Interest”** means all liens, Claims, encumbrances, interests, and other
11 rights of any nature, whether at law or in equity, including any rights of contribution,
12 indemnity, defense, subrogation, or similar relief.

13 **1.91 “Jesuit”** means a vowed member of the Society of Jesus.

14 **1.92 “Jesuit Community”** means a local community or group of Jesuits within
15 the Province Territory as described in the Statutes on Poverty, No. 46, §1, and the
16 Complimentary Norms Nos. 188 §§ 1 and 315 and not in the individual capacity of the
17 member or members of such local community or group, regardless of whether it is part
18 of the Debtor, or has a separate legal existence under civil law. As of the Effective
19 Date, any Jesuit community consisting entirely of Jesuits of provinces other than the
20 Province is not a Jesuit Community.

21 **1.93 “Jesuit High Schools”** means Bellarmine Preparatory School (Tacoma,
22 WA), Gonzaga Preparatory School (Spokane, WA), Jesuit High School (Portland, OR)
23 and Seattle Preparatory School (Seattle, WA).

24 **1.94 “Jesuit Novitiate of Sheridan”** means Jesuit Novitiate of Sheridan,
25 Oregon, Inc., an Oregon non-profit religious corporation.

26 **1.95 “Litigation Current Abuse Claim”** means an Abuse Claim for which the

1 holder has elected to opt out of Allocation Plan I or II and proceed with the liquidation of
2 the Abuse Claim through litigation.

3 **1.96 “Litigation Current Abuse Claimant”** means the holder of a Litigation
4 Current Abuse Claim.

5 **1.97 Medicare Beneficiary”** means an Abuse Claimant who is eligible to
6 receive or is receiving Medicare benefits.

7 **1.98 “Montana Catholic Missions”** means Montana Catholic Missions, S.J., a
8 Montana non-profit religious corporation.

9 **1.99 “MSPA”** means Medicare Secondary Payer Act, codified at 42 U.S.C.
10 § 1395y, and the regulations promulgated thereunder, found at 42 C.F.R. § 411.1 *et*
11 *seq.*

12 **1.100 “MSPRC”** means Medicare Secondary Payer Recovery Contractor.

13 **1.101 “Non-Settling Insurer”** means any Insurer that is not a Settling Insurer.

14 **1.102 “Non-Sexual Abuse Claim”** means the Claim of an Abuse Claimant:
15 (a) who filed a proof of claim alleging Abuse but not Sexual Abuse; or (b) who filed a
16 proof of claim alleging Abuse but not Sexual Abuse and amended or supplemented the
17 proof of claim to allege Sexual Abuse.

18 **1.103 “Omak Area Shelter Claim”** means the Claim of any Person or Entity
19 against the Debtor based on the Debtor’s promise or agreement to pay \$200,000 for the
20 establishment or support of a homeless shelter(s) and/or homeless services in the
21 Omak, Washington area.

22 **1.104 “Oregon U.S. District Court”** means the United States District Court for
23 the District of Oregon, located in Portland, Oregon.

24 **1.105 “Participating Party”** means those Persons or Entities listed on
25 Exhibit 1.105 to the Plan, as the same may be amended with the consent of the
26 Committee or, after the Effective Date, with the consent of the Trustee subject to

1 Bankruptcy Court approval, that are providing a portion of the funding for the Plan in
2 exchange for (a) the release of any Abuse Related Contribution/Indemnity Claim by the
3 Debtor against such Participating Party, (b) the benefit of the Channeling Injunction, and
4 (c) any other benefits in favor of Participating Parties under the Plan.

5 **1.106 “Penalty Claim”** means a Claim for a fine, penalty, forfeiture, multiple
6 damages, punitive damages, or exemplary damages, including any Claim not meant to
7 compensate the Claimant for actual pecuniary loss.

8 **1.107 “Petition Date”** means February 17, 2009, the date the Debtor filed the
9 petition commencing this Case.

10 **1.108 “Pioneer Educational Society”** means Pioneer Educational Society, a
11 Washington non-profit religious corporation.

12 **1.109 “Plan”** means this Plan of Reorganization and any and all modifications
13 and/or amendments thereto.

14 **1.110 “Plan Documents”** means all agreements, documents and exhibits, as
15 the same may be amended, modified, supplemented, or restated from time to time, that
16 are necessary or appropriate to implement the Plan and the Trust, including the Trust
17 Documents; provided that the Committee shall have approved each of said agreements,
18 documents and exhibits as to form and content, such approval not to be unreasonably
19 withheld.

20 **1.111 “Priority Claim”** means any Claim which, if Allowed, would be
21 entitled to priority under Section 507 of the Bankruptcy Code.

22 **1.112 “Priority Claimant”** means the holder of a Priority Claim.

23 **1.113 “Proponents”** means the Debtor, the Committee, and the FCR.

24 **1.114 “Pro Rata”** means proportionate, and when applied to a Claim means the
25 ratio of the amount distributed on account of an Allowed Claim in a class to the amount
26 distributed on account of all Allowed Claims in such class.

1 **1.115 “Province”** means the Oregon province of the Society of Jesus, an
2 ecclesiastical entity, and a *juridic person* under canon law, regardless of whether it is
3 part of the Debtor, or has a separate legal existence under civil law.

4 **1.116 “Province Entities”** means the Province and the Participating Parties.

5 **1.117 “Province Territory”** means the geographic area encompassing the
6 states of Alaska, Idaho, Montana, Oregon, and Washington.

7 **1.118 “Provincial”** means the Person who is the ecclesiastical superior of the
8 Province.

9 **1.119 “Punitive Damages”** means the portion of a Claim for punitive or
10 exemplary damages.

11 **1.120 “Qualified Counsel”** means those attorneys representing Abuse
12 Claimants (other than Future Abuse Claimants) who are utilizing Allocation Plans I, II or
13 III and who have entered into an enforceable written retainer or fee agreements with
14 such Claimant on or before the Effective Date; provided that such attorney agrees that
15 the attorney’s receipt of Qualified Counsel Fees is credited against the fees owed by
16 such Abuse Claimant.

17 **1.121 “Qualified Counsel Fees”** means the amount to be subtracted from the
18 balance in the Trust in an amount equal to the actual fees payable to Qualified Counsel
19 under enforceable written retainer or fee agreements with Abuse Claimants who are
20 utilizing Allocation Plans I, II or III. Before any distribution(s) to any Abuse Claimant
21 from the Creditor Pool, the Trustee will subtract all Qualified Counsel Fees and shall
22 pay such Qualified Counsel Fees to the appropriate Qualified Counsel at the time the
23 Abuse Claimant receives the first distribution from the Trustee.

24 **1.122 “Qualified Counsel Costs”** means the amount to be subtracted from the
25 balance in the Trust in an amount equal to the reimbursable expenses (prepetition and
26 postpetition) payable to Qualified Counsel under enforceable written retainer or fee

1 agreement with Abuse Claimants who are utilizing Allocation Plans I, II or III. Before
2 any distribution(s) to any Creditor Pool from the Trust, the Trustee will subtract all
3 Qualified Counsel Costs and shall pay such Qualified Counsel Costs to the appropriate
4 Qualified Counsel at the time the Abuse Claimant receives the first distribution from the
5 Trustee.

6 **1.123 “Released Parties”** means (a) the Debtor’s and Reorganized Debtor’s
7 present or former members, managers, officers, directors, employees, representatives,
8 attorneys, or agents acting in such capacity; (b) the Participating Parties; and (c) the
9 Participating Parties’ present or former members, managers, officers, directors,
10 employees, representatives, attorneys, or agents acting in such capacity. The term
11 “Released Parties” does not include: (i) a Person or Persons having personally
12 committed an act or acts of Abuse resulting in a Claim against the Debtor or a
13 Participating Party, (ii) the Society of Jesus; (iii) the Father General of the Society of
14 Jesus and his predecessors, (iv) the Society of Jesus General Curia or (v) a successor
15 or predecessor of the Debtor to the extent of such successor’s or predecessor’s
16 independent liability for an act or acts of Abuse; (vi) Gonzaga University; (vii) Seattle
17 University; and (viii) the Jesuit High Schools.²

18 **1.124 Intentionally omitted.**

19 **1.125 “Reorganized Debtor”** means the Debtor on and after the Effective Date;
20 provided that any successor to the Province, Debtor or the Reorganized Debtor through
21 a merger or suppression of the Province shall not have any rights or remedies by virtue
22 of the Plan or Confirmation Order on account of Abuse Claims for which the successor
23 was independently liable.

24 **1.126 “Representatives”** means the current and former officers, directors,
25

26 ² The exclusion of Seattle University from the defined term "Released Parties" shall not be construed to alter or impair the provisions of Section 11.10 of this Plan.

1 agents, attorneys, employees, and legal representatives of a Person or Entity, but
2 excluding (i) a Person or Persons having personally committed an act or acts of Abuse
3 resulting in a Claim against the Debtor or a Participating Party, (ii) the Society of Jesus;
4 (iii) the Father General of the Society of Jesus and his predecessors, (iv) the Society of
5 Jesus General Curia, (v) a successor or predecessor of the Debtor to the extent of such
6 successor's or predecessor's independent liability for an act or acts of Abuse; (vi)
7 Gonzaga University; (vii) Seattle University; and (viii) the Jesuit High Schools.

8 **1.127 "Represented Class 3 Abuse Claimant"** means a Class 3 Abuse
9 Claimant whose proof of claim, prior to any supplement or amendment filed with the
10 Bankruptcy Court, was signed by an attorney of record.

11 **1.128 "Safeco"** means American States Insurance Company, General
12 Insurance Company of America, and Safeco Insurance Company of America, and each
13 of their past and present subsidiaries, parents, and affiliates. "Safeco" also includes all
14 future subsidiaries, parents, and affiliates of American States Insurance Company,
15 General Insurance Company of America, and Safeco Insurance Company of America,
16 to the extent that their liability is derivative of Safeco's liabilities under the Safeco
17 Policies.

18 **1.129 "Safeco Coverage Litigation"** means that certain adversary proceeding
19 entitled General Insurance Company of America and American States Insurance
20 Company v. Society of Jesus, Oregon Province, Adversary Proceeding No. 09-3351-
21 elp, filed on October 23, 2009.

22 **1.129(a) "Safeco Other Releasing Parties"** means "Other Releasing Parties"
23 as defined in the Safeco Settlement Agreement.

24 **1.129(b) "Safeco Policies"** means "Policies" as defined in the Safeco
25 Settlement Agreement.

26 **1.129(c) "Safeco Released Parties"** means "Safeco Released Parties" as

1 defined in the Safeco Settlement Agreement.

2 **1.130 “Safeco Settlement Agreement”** refers to that certain Settlement
3 Agreement between Safeco and the Debtor dated March 23, 2011 attached as
4 Exhibit 1.130 to the Plan.

5 **1.131 “Safeco Settlement Amount”** means the payment of \$118 million to be
6 made by Safeco pursuant to Section 2.1 of the Safeco Settlement Agreement.

7 **1.132 “Section 363 Sale”** means a sale of property pursuant to the provisions
8 of Section 363 of the Bankruptcy Code.

9 **1.133 Intentionally omitted.**

10 **1.134 “Settled”** means, with respect to a Claim, a Claim that has been resolved
11 by agreement, and if required, approved by Final Order of the Bankruptcy Court or a
12 U.S. District Court, as applicable.

13 **1.135 “Settling Insurer”** means: (a) each of those Insurers listed on Exhibit
14 1.135 to the Plan, as the same may be amended before the Confirmation Hearing with
15 the consent of the Committee and the FCR, and after the Confirmation Hearing with the
16 consent of the Trustee; and (b) such Insurer’s predecessors, successors and assigns,
17 but only to the extent that: (i) such predecessor’s liability was assumed by the Insurer
18 listed on Exhibit 1.135 to the Plan, and (ii) such successor’s or assign’s liability is
19 derivative of the liability of the Insurer listed on Exhibit 1.135 to the Plan and not
20 independent of the liability of the Insurer listed on Exhibit 1.135 to the Plan.

21 **1.135(a) “Settling Insurer Other Releasing Parties”** means “Other Releasing
22 Parties” as defined in any settlement agreement between a Settling Insurer and the
23 Debtor, the Reorganized Debtor, a Participating Party, or the Trustee, as the case may
24 be.

25 **1.135(b) “Settling Insurer Policies”** means “Policies” as defined in any
26 settlement agreement between a Settling Insurer and the Debtor, the Reorganized

1 Debtor, a Participating Party, or the Trustee, as the case may be.

2 **1.135(c) “Settling Insurer Released Parties”** means the “Settling Insurer
3 Released Parties” as defined in any settlement agreement between a Settling Insurer
4 and the Debtor, the Reorganized Debtor, a Participating Party, or the Trustee, as the
5 case may be.

6 **1.136 “Sexual Abuse”** means sexual conduct or misconduct, sexual abuse, or
7 sexually-related harm or contacts, or interactions of a sexual nature between a child and
8 an adult, or a non-consenting adult and another adult. A child or non-consenting adult
9 is abused whether or not this activity involves explicit force.

10 **1.137 “Sexual Abuse Claims”** means Abuse Claims for Sexual Abuse.

11 **1.138 “Shelter Beneficiary(ies)”** means a minimum of one (1) and a maximum
12 of three (3) viable and recognized homeless shelters or programs serving the homeless
13 in the Omak, Washington area designated pursuant to Section 4.3 of the Plan.

14 **1.139 “Society of Jesus”** means the worldwide Roman Catholic religious order
15 of men founded in 1540 by Saint Ignatius Loyola and designated by him as “The
16 Company of Jesus.” That title was Latinized into “Societatis Jesu” in the Bull of Paul III
17 approving its formation and the first formula of its Institute (“Regimini militantis ecclesia”,
18 27 September, 1540).

19 **1.140 “Society of Jesus, Alaska”** means Society of Jesus, Alaska, an Alaska
20 non-profit religious corporation.

21 **1.141 “Statutes on Poverty”** means the Statutes on Religious Poverty in the
22 Society of Jesus first promulgated in 1976 and revised in 2003.

23 **1.142 “Student Loan Claims”** means those Claims of Persons or Entities in
24 probation or engaged in studies to become a member of the Society for payment or
25 reimbursement of their student loan obligations to an educational institution, including
26 any Claims of the educational institutions themselves, if any, based on the Debtor’s

1 agreement to pay or assume such student loan obligations.

2 **1.143 “Supplemental Injunction”** means each of the injunctions in Sections
3 11.5 and 11.6.

4 **1.144 “Temporarily Allowed”** with reference to a Claim means such Claim as
5 temporarily allowed for any purpose other than distribution on a Claim pursuant to
6 Bankruptcy Rule 3018(a) or otherwise.

7 **1.145 “Third Party Derivative Claims”** means Claims against any Person or
8 Entity for disregard of the corporate form, piercing the corporate veil, or alter ego, that
9 would subject such Person or Entity to liability for Abuse Claims against the Debtor.

10 **1.145(a) “Travelers”** means Fidelity and Guaranty Insurance Company, Fidelity
11 and Guaranty Insurance Underwriters, Inc., American Equity Insurance Company,
12 Travelers Indemnity Company of Illinois, Travelers Companies, Inc. and Travelers
13 Indemnity Company of Connecticut, and each of their past and present subsidiaries,
14 parents, and affiliates. “Travelers” also includes all future subsidiaries, parents, and
15 affiliates of Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance
16 Underwriters, Inc., American Equity Insurance Company, Travelers Indemnity Company
17 of Illinois, Travelers Companies, Inc. and Travelers Indemnity Company of Connecticut,
18 to the extent that their liability arises out of liabilities under insurance policies issued by
19 Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance
20 Underwriters, Inc., American Equity Insurance Company, Travelers Indemnity Company
21 of Illinois, Travelers Companies, Inc. and Travelers Indemnity Company of Connecticut,
22 or any of their past or present subsidiaries, parents, or affiliates.

23 **1.145(b) “Travelers Other Releasing Parties”** means “Other Releasing
24 Parties” as defined in the Travelers Settlement Agreement.

25 **1.145(c) “Travelers Policies”** means “Policies” as defined in the Travelers
26 Settlement Agreement.

1 **1.145(d) “Travelers Released Parties”** means “Travelers Released Parties” as
2 defined in the Travelers Settlement Agreement.

3 **1.145(e) “Travelers Settlement Agreement”** refers to that certain Settlement
4 Agreement between Travelers and the Debtor dated June 8, 2011 attached as Exhibit
5 1.145(e) to the Plan.

6 **1.146 “Trust”** means the trust to be established pursuant to the Plan and the
7 Trust Documents for the benefit of all Abuse Claimants.

8 **1.147 “Trust Documents”** means the agreements, instruments, and other
9 documents that are reasonably necessary or desirable in order to implement the
10 provisions of the Plan that relate to the creation, administration and funding of the Trust.
11 A trust agreement is attached as Exhibit 1.147 to the Plan.

12 **1.148 “Trustee”** means Omni Management Group, LLC, the trustee of the
13 Trust, and any successor trustee appointed pursuant to the terms of this Plan and the
14 Trust Documents.

15 **1.149 “U.S. District Court”** means a United States District Court.

16 **1.150 “Unrepresented Class 3 Abuse Claimant”** means a Class 3 Abuse
17 Claimant whose proof of claim, prior to any supplement or amendment filed with the
18 Bankruptcy Court, was not signed by an attorney of record. Retention of counsel after
19 the filing of the original proof of claim does not relieve the Class 3 Abuse Claimant of
20 the foregoing classification, unless counsel has executed and filed a proof of claim
21 superseding the proof of claim executed and filed by the Class 3 Abuse Claimant.

22 **1.151 “Unrepresented Class 3A Abuse Claimant”** means a Class 3A Abuse
23 Claimant whose proof of claim, prior to any supplement or amendment filed with the
24 Bankruptcy Court, was not signed by an attorney of record. Retention of counsel after
25 the filing of the original proof of claim does not relieve the Class 3A Abuse Claimant of
26 the foregoing classification, unless counsel has executed and filed a proof of claim

1 superseding the proof of claim executed and filed by the Class 3A Abuse Claimant.

2 **1.152 “Unresolved”** means, with respect to a Claim, a Claim that has neither
3 been Allowed or Disallowed or liquidated.

4 **1.153 “Voting Procedures”** means those procedures approved by the
5 Bankruptcy Court pursuant to Motion for Order: (A) Approving Disclosure Statement; (B)
6 Fixing Voting Record Date; (C) Approving Solicitation Materials and Procedures for
7 Distribution Thereof; (D) Approving Forms of Ballots and Establishing Procedures for
8 Voting on Plan; (E) Scheduling Hearing and Establishing Notice and Objection
9 Procedures in Respect of Confirmation of Plan; and (F) Granting Related Relief.

10 **1.154 “Western World”** means Western World Insurance Company, and its
11 past and present subsidiaries, parents, and affiliates. “Western World” also includes all
12 future subsidiaries, parents, and affiliates of Western World Insurance Company, to the
13 extent that their liability is derivative of Western World’s liabilities under the Western
14 World Policies.

15 **1.156 “Western World Other Releasing Parties”** means “Other Releasing
16 Parties” as defined in the Western World Settlement Agreement.

17 **1.157 “Western World Policies”** means “Policies” as defined in the Western
18 World Settlement Agreement.

19 **1.158 “Western World Released Parties”** means “Western World Released
20 Parties” as defined in the Western World Settlement Agreement.

21 **1.159 “Western World Settlement Agreement”** refers to that certain
22 Settlement Agreement between Western World and the Debtor dated June 10, 2011
23 attached as Exhibit 1.159 to the Plan.

24 **2. TREATMENT OF UNCLASSIFIED CLAIMS.**

25 **2.1 Administrative Claims.** Except as provided in section 6.7(b) of the Plan,
26 the Reorganized Debtor will pay Administrative Claimants the full amount of their

1 Allowed Administrative Claims in Cash either (a) on or as soon as practicable following
2 the Effective Date, or, if later, the Allowance Date; or (b) upon such terms as may be
3 agreed to in writing by the Administrative Claimant and the Debtor or the Reorganized
4 Debtor; provided, however, that any Current Obligations will be paid in full in the
5 ordinary course of business in accordance with the terms and conditions of any
6 agreement relating thereto.

7 **3. CLASSIFICATION OF CLAIMS.**

8 All Claims except Administrative Claims are placed in the following classes for all
9 purposes. A Claim is classified in a particular class only to the extent the Claim
10 qualifies within the description of that class and is classified in a different class to the
11 extent the Claim qualifies within the description of that different class. If a Claim is
12 acquired or transferred, the Claim will be placed in the class where it would have been
13 placed if it were owned by the original holder of such Claim. If a Claimant has more
14 than one Claim in the same class, such Claims will be aggregated and treated as a
15 single Claim. If a Claimant has Claims in different classes, such Claims will be
16 aggregated only within the same class and not between classes.

17 Class 1: Priority Claims

18 Class 2: General Unsecured Convenience Claims

19 Class 3: Current Sexual Abuse Claims

20 Class 3A: Non-Sexual Abuse Claims

21 Class 4: Future Abuse Claims

22 Class 5: Omak Area Shelter Claim

23 Class 6: Insured Non-Abuse Claims

24 Class 7: General Unsecured Claims

25 Class 8: Penalty Claims

26 Class 9: Student Loan Claims

- 1 Class 10: Intentionally Omitted.
- 2 Class 11: Formation Fund Claim
- 3 Class 12: Charitable Gift Annuity Claims
- 4 Class 13: Donor and Beneficiary Claims
- 5 Class 14: Convenience Abuse Claims
- 6 Class 15: Abuse Related Contribution/Indemnity Claims

7 **4. TREATMENT OF UNIMPAIRED CLASSES OF CLAIMS.**

8 **4.1 Class 1: Priority Claims.** The holders of Allowed Priority Claims will
9 receive either (a) payment from the Reorganized Debtor of the full amount of their
10 Allowed Claims in Cash, on or as soon as practicable following the Effective Date or, if
11 later, the Allowance Date; or (b) payment of their Allowed Claims upon such terms as
12 may be agreed in writing by the Claimant and the Reorganized Debtor.

13 **4.2 Class 2: General Unsecured Convenience Claims.** The holders of
14 Allowed General Unsecured Convenience Claims will receive either (a) payment from
15 the Reorganized Debtor of the full amount of their Allowed General Unsecured
16 Convenience Claims in Cash, on or as soon as reasonably practicable following the
17 Effective Date or, if later, the Allowance Date; or (b) payment of their Allowed General
18 Unsecured Convenience Claims upon such terms as may be agreed in writing by the
19 Claimant and the Reorganized Debtor.

20 **4.3 Class 5: Omak Area Shelter Claim.** John Allison, counsel for the
21 holders of Omak Area Shelter Claims, shall, within ninety (90) days after the Effective
22 Date, with the approval of a majority of the holders of Allowed Class 5 Claims,
23 designate in writing to the Reorganized Debtor the “Shelter Beneficiary(ies) for whose
24 benefit the Reorganized Debtor will convey the total sum of \$200,000. If more than one
25 Shelter Beneficiary is designated by Allison, each Shelter Beneficiary shall be entitled to
26 its proportional share of the total sum of \$200,000. This conveyance shall be due and

1 owing on the one (1) year anniversary following the date on which Allison has
2 designated the Shelter Beneficiary(ies) to the Reorganized Debtor. If Allison has not
3 designated the Shelter Beneficiary(ies) within ninety (90) days after the Effective Date,
4 then the Reorganized Debtor shall within a reasonable period, but not more than ninety
5 (90) additional days therefrom, select a Shelter Beneficiary(ies) and notify Allison of its
6 decision. The Reorganized Debtor shall then have one (1) year after the date of its
7 notification to Allison to convey \$200,000 to the Shelter Beneficiary(ies). Upon
8 conveyance of \$200,000 to the Shelter Beneficiary(ies), whether designated by Allison
9 or by the Reorganized Debtor as the case may be, the Reorganized Debtor shall advise
10 Allison. Such notification shall complete the Reorganized Debtor's obligation to these
11 Claimants, which shall be deemed fully and completely satisfied.

12 **4.4 Class 9: Student Loan Claims.** The legal, equitable, and contractual
13 rights of holders of Allowed Student Loan Claims will not be altered by the Plan and will
14 be paid in the ordinary course by the Reorganized Debtor.

15 **4.5 Class 12: Charitable Gift Annuity Claims.** The legal, equitable, and
16 contractual rights of holders of Allowed Charitable Gift Annuity Claims will not be altered
17 by the Plan and will be paid in the ordinary course by the Reorganized Debtor.

18 **4.6 Class 14: Convenience Abuse Claims.** The holders of Allowed
19 Convenience Abuse Claims will receive payment from the Trust of the full amount of
20 their Allowed Convenience Abuse Claims in Cash, on or as soon as reasonably
21 practicable following the Effective Date or, if later, the Allowance Date.

22 **5. TREATMENT OF IMPAIRED CLASSES OF CLAIMS.**

23 **5.1 Classes 3 and 3A: Abuse Claims.**

24 **5.1.1** On the Effective Date, and subject to sections 6.3 and 6.4 of the
25 Plan, the Trust shall assume all liability for and the Trust will pay all Abuse Claims
26 pursuant to the provisions of the Plan and Trust Documents. The assumption of liability

1 and payment of the Abuse Claims by the Trust shall not release the Debtor's liability on
2 account of the Abuse Claims. Provided however, all of the Debtor's liability on account
3 of the Abuse Claims shall be discharged pursuant to the provisions of Section 11.1 of
4 this Plan. As provided in Bankruptcy Code §524(e), such discharge shall not affect the
5 liability of any other entity on, or the property of any other entity for, the Abuse Claims
6 including the liability of any Non-Settling Insurer, which liability shall continue unaffected
7 by the terms of this Plan (except to the extent this Plan incorporates the Safeco
8 Settlement Agreement, Travelers Settlement Agreement, Western World Settlement
9 Agreement, and any settlement agreements with other Settling Insurers) or the
10 discharge granted to the Debtor under this Plan and Bankruptcy Code §1141(d).

11 **5.1.2** On the Effective Date, and without any further action by any party,
12 each Class 3 and 3A Claimant who has elected to use Allocation Plans I, II or III to the
13 extent permitted by the Plan, shall be deemed to have assigned to the Trust that
14 Claimant's Class 3 or 3A Abuse Claim against the Debtor and each of the Participating
15 Parties, if such assignment is valid. If such assignment is determined by the
16 Bankruptcy Court not to be valid, then each Class 3 and 3A Claimant will retain that
17 Claimant's Class 3 or 3A Abuse Claim and shall be deemed to have appointed the
18 Trustee as his or her attorney-in-fact for the purpose of: (a) asserting his or her Class 3
19 or 3A Abuse Claim against the Reorganized Debtor and/or the Participating Parties,
20 subject to the provisions of Section 6.9 of this Plan and (b) provided that such Abuse
21 Claim results in a judgment against the Reorganized Debtor, asserting any rights that
22 such Class 3 or 3A Claimant may have against any Non-Settling Insurer. All recoveries
23 received on account of such Abuse Claims shall be deemed to be held in trust for the
24 benefit of the Trust and shall be remitted to the Trust as soon as practicable following
25 the Class 3 or 3A Claimant's receipt of such Insurance Recoveries. The determination
26 of whether the assignment by the Class 3 and 3A Claimants' of the Class 3 and 3A

1 Abuse Claims to the Trust is valid shall be made by the Bankruptcy Court at the
2 Confirmation Hearing. A determination that such assignment of the Class 3 and 3A
3 Abuse Claims to the Trust is valid shall include, *inter alia*, a determination that the
4 assignment in no way affects the ability of the Trust to pursue collection of the Class 3
5 and 3A Abuse Claims from the Non-Settling Insurers, and each of them. That
6 determination shall be binding upon all parties receiving notice of the Confirmation
7 Hearing, which shall include notice of this provision. If a party in interest, including Non-
8 Settling Insurers, fails to timely file an objection to the proposed assignment by the
9 deadline for filing objections to confirmation of this Plan, that party in interest shall be
10 deemed to have irrevocably consented to the assignment and will be forever barred
11 from asserting that the assignment in any way affects the ability of the Trust to pursue
12 collection of the Class 3 and 3A Abuse Claims from the Non-Settling Insurers, and each
13 of them.

14 **5.1.3** At such time as a Litigation Current Abuse Claimant obtains a final
15 non-appealable judgment against the Debtor and/or the Reorganized Debtor pursuant
16 to Section 5.4 of this Plan, such Litigation Current Abuse Claimant shall be deemed to
17 have assigned to the Trust such final non-appealable judgment against the Debtor
18 and/or the Reorganized Debtor and any rights such Litigation Current Claimant may
19 have against any Non-Settling Insurer, if such assignment is valid. If such assignment
20 is determined by the Bankruptcy Court not to be valid, then each Litigation Current
21 Abuse Claimant will retain that Claimant's final non-appealable judgment and any rights
22 such Litigation Current Abuse Claimant may have against any Non-Settling Insurer and
23 shall be deemed to have appointed the Trustee as his or her attorney in fact for the
24 purpose of asserting any rights such Litigation Current Abuse Claimant may have
25 against any Non-Settling Insurer. All recoveries received on account of such final non-
26 appealable judgment and any rights such Litigation Current Abuse Claimant may have

1 against any Non-Settling Insurer shall be deemed to be held in trust for the benefit of
2 the Trust and shall be remitted to the Trust as soon as practicable following the
3 Litigation Current Abuse Claimant's receipt of any Insurance Recoveries. The
4 determination of whether the assignment of the final non-appealable judgment against
5 the Debtor and/or the Reorganized Debtor and any rights such Litigation Current Abuse
6 Claimant may have against any Non-Settling Insurer to the Trust is valid shall be made
7 by the Bankruptcy Court at the Confirmation Hearing. A determination that such
8 assignments to the Trust is valid shall include, *inter alia*, a determination that the
9 assignment in no way affects the ability of the Trust to pursue collection of such
10 Litigation Current Abuse Claims from the Non-Settling Insurers, and each of them. That
11 determination shall be binding upon all parties receiving notice of the Confirmation
12 Hearing, which shall include notice of this provision. If a party in interest, including Non-
13 Settling Insurers, fails to timely file an objection to the proposed assignment by the
14 deadline for filing objections to confirmation of this Plan, that party in interest shall be
15 deemed to have irrevocably consented to the assignment and will be forever barred
16 from asserting that the assignments in any way affects the ability of the Trust to pursue
17 collection of the Litigation Current Abuse Claims from the Non-Settling Insurers, and
18 each of them.

19 **5.1.4** Upon the completion of the Abuse Claims Reviewer's review of
20 Abuse Claims in a given Creditor Pool utilizing Allocation Plans I, II or III, including the
21 reconsideration of any point award for an Abuse Claim pursuant to the applicable
22 Allocation Plan, the Abuse Claims Reviewer shall provide written notification to the
23 Trustee of the points awarded to each Abuse Claimant in the Creditor Pool. The
24 Trustee shall calculate the average value of each awarded point in the Creditor Pool
25 based on the net funds in each Creditor Pool available for distribution to the Abuse
26 Claimants in the Creditor Pool, i.e. the funds available after the reserves and deductions

1 provided for in the Plan and Plan Documents. The Trustee shall determine each Abuse
2 Claimant's monetary award from such net funds by multiply the average value of each
3 awarded point by the number of points awarded to a particular Abuse Claimant. Upon
4 making such determination, the Trustee shall distribute the monetary award to the
5 Abuse Claimant in accordance with the Plan.

6 **5.1.5** Under no circumstance shall the monetary award to an Abuse
7 Claimant pursuant to Allocation Plans I, II or III have any effect on the rights of a Non-
8 Settling Insurer.

9 **5.1.6** Debtor, the Reorganized Debtor and their counsel shall reasonably
10 cooperate with the Abuse Claims Reviewer and the Trustee as requested by the Abuse
11 Claims Reviewer or the Trustee in connection with any inquiries by either in the
12 administration of the Allocation Plans.

13 **5.1.7** The Abuse Claims Reviewer also may, but shall not be required to,
14 obtain discovery through use of process from any party other than the Debtor and the
15 Reorganized Debtor, and shall have all of the rights and powers of the Debtor to take
16 such discovery under Part VII of the Bankruptcy Rules. The Abuse Claims Reviewer's
17 determination shall be made expeditiously. The extent to which the Federal Rules of
18 Evidence will be applied by the Abuse Claims Reviewer in assessing the credibility and
19 competency of the evidence shall be within the sole discretion of the Abuse Claims
20 Reviewer. The Federal Rules of Evidence, to the extent determined by the Abuse
21 Claims Reviewer to be applicable, shall be liberally construed to promote justice.

22 **5.1.8** No Class 3 or 3A Abuse Claimant may challenge the merit, validity,
23 or amount of any Class 3 or 3A Claim.

24 **5.2 Treatment of Class 3 Claims.**

25 **5.2.1** The ballot shall provide Class 3 Abuse Claimants the following
26 alternatives to treatment in the Creditor Pool reflected on the Ballot:

1 (a) Treatment of the Class 3 Abuse Claimant's Claim as a
2 Litigation Current Abuse Claim or

3 (b) Treatment of the Class 3 Abuse Claimant's Claim as an
4 Abuse Claim in a Creditor Pool or

5 (c) Treatment of the Class 3 Abuse Claimant's Claim as a
6 Convenience Abuse Claim.

7 **5.2.2** If a Class 3 Abuse Claimant does not return a marked Ballot
8 indicating one of the elections in Section 5.2.1, the Class 3 Abuse Claimant shall
9 irrevocably will be treated as a Convenience Abuse Claim. Notwithstanding the
10 foregoing, the Committee's counsel shall notify the Class 3 Abuse Claimant by mail of
11 the failure to mark a Ballot and the treatment of the Abuse Claim as a Convenience
12 Abuse Claim, and the Class 3 Abuse Claimant shall have ten (10) days from mailing of
13 such notice to deliver to Committee's counsel a marked Ballot which marked Ballot will
14 govern the treatment of the Class 3 Abuse Claim.

15 **5.2.3** Assignment to a Creditor Pool. All Class 3 Abuse Claimants shall
16 be assigned to a Creditor Pool.

17 **5.2.4** Represented Class 3 Abuse Claimant.

18 (a) Ballot Designation of Creditor Pool: The assignment of a
19 Represented Class 3 Abuse Claimant to a Creditor Pool shall reflect the written
20 recommendation of the Represented Class 3 Abuse Claimant's attorney of record,
21 provided that the Committee has received such written recommendation from the
22 Represented Class 3 Abuse Claimant's attorney of record in accordance with the Voting
23 Procedures. If such written recommendation is not received in accordance with the
24 Voting Procedures, the Represented Class 3 Abuse Claimant shall be treated as an
25 Unrepresented Class 3 Abuse Claimant solely for the purpose of the assignment of
26 such Represented Class 3 Abuse Claimant to a Creditor Pool and Allocation Plan.

1 (b) Opt Out From Designated Creditor Pool. Each Represented
2 Class 3 Abuse Claimant, in accordance with the Voting Procedures, may opt out of the
3 Creditor Pool designated on the Ballot and select any alternative Creditor Pool. If the
4 Represented Class 3 Abuse Claimant opts out of the Creditor Pool designated on the
5 Ballot, but does not designate an alternative Creditor Pool, the Represented Class 3
6 Abuse Claimant shall be assigned to a Creditor Pool on a random basis by the
7 Committee; provided that the random assignments shall result in assignments to
8 Allocation Plans in proportion to the Allocation Plan assignments designated in the
9 original Ballots and that the first random assignment shall be to a Creditor Pool using
10 the Allocation Plan that has the greater number of Class 3 Abuse Claimants as
11 designated in the original Ballots. If more than one Creditor Pool has selected an
12 Allocation Plan, such Represented Class 3 Abuse Claimant will be assigned to one of
13 the Creditor Pools on a random basis by the Committee provided that such Creditor
14 Pool assignments shall be in proportion to the number of Class 3 Abuse Claimants in
15 each Creditor Pool as designated in the original Ballots.

16 For example purposes only, assume that Ballot designations reflect that two-
17 thirds (2/3) of the Class 3 Abuse Claimants are assigned to Creditor Pools utilizing
18 Allocation Plan I and one-third (1/3) of the Class 3 Abuse Claimants are assigned to
19 Creditor Pools utilizing Allocation Plan II. If fifteen Represented Class 3 Abuse
20 Claimants opt out of the Creditor Pool designated on the Ballot but do not designate an
21 alternative Creditor Pool, ten (10) of the Represented Class 3 Abuse Claimants will be
22 assigned to Creditor Pools utilizing Allocation Plan I and five (5) of the Represented
23 Class 3 Abuse Claimants will be assigned to Creditor Pools utilizing Allocation Plan II.
24 The same method will be used for assigning such Represented Class 3 Abuse
25 Claimants to Creditor Pools.

26 (c) If the Represented Class 3 Abuse Claimant does not return

1 the Ballot opting out of the assigned Creditor Pool in accordance with the Voting
2 Procedures, the Represented Class 3 Abuse Claimant irrevocably will be assigned to
3 the Creditor Pool designated on the Ballot.

4 (d) If a Represented Class 3 Abuse Claimant's counsel has not
5 associated into a minimum sized pool, the Represented Class 3 Abuse Claimant will
6 use the ballot to elect an Allocation Plan and Creditor Pool. If a Represented Class 3
7 Abuse Claimant fails to make the election of an Allocation Plan on the ballot, the
8 Represented Class 3 Abuse Claimant will be assigned to the Allocation Plan on a
9 random basis but the assignments shall be prorated between Allocation Plan I and
10 Allocation Plan II based on the numbers of Class 3 Abuse Claimants in the originally
11 constituted Creditor Pools. If the Represented Class 3 Abuse Claimant does not elect
12 into a Creditor Pool, the Represented Class 3 Abuse Claimant will be assigned to a
13 Creditor Pool on a random basis but the assignments shall be prorated between the
14 Creditor Pools based on the numbers of Claimants in the originally constituted Creditor
15 Pools.

16 **5.2.5** Unrepresented Class 3 Abuse Claimant. The Ballot for an
17 Unrepresented Class 3 Abuse Claimant shall not reflect any assignment to a Creditor
18 Pool. If the Unrepresented Class 3 Abuse Claimant does not elect treatment as a
19 Litigation Current Abuse Claimant, such claimant may mark the Ballot to select the
20 Creditor Pool to which the Unrepresented Class 3 Abuse Claimant will be assigned.

21 (a) If the Unrepresented Class 3 Abuse Claimant does not
22 designate a Creditor Pool, the Unrepresented Class 3 Abuse Claimant shall be
23 assigned to a Creditor Pool on a random basis by the Committee; provided that the
24 random assignments shall result in assignments to Allocation Plans in proportion to the
25 Allocation Plan assignments designated in the original Ballots and that the first random
26 assignment shall be to a Creditor Pool using the Allocation Plan that has the greater

1 number of Abuse Claimants as designated in the original Ballots. If more than one
2 Creditor Pool has selected an Allocation Plan, such Unrepresented Class 3 Abuse
3 Claimant will be assigned to one of the Creditor Pools on a random basis by the
4 Committee provided that such Creditor Pool assignments shall be in proportion to the
5 number of Abuse Claimants in each Creditor Pool as designated in the original Ballots.
6 For example purposes only, assume that Ballot designations reflect that two-thirds (2/3)
7 of the Abuse Claimants are assigned to Creditor Pools utilizing Allocation Plan I and
8 one-third (1/3) of the Abuse Claimants are assigned to Creditor Pools utilizing Allocation
9 Plan II. If fifteen Unrepresented Class 3 Abuse Claimants do not designate a Creditor
10 Pool or do not return the Ballot in accordance with the Voting Procedures, ten (10) of
11 the Unrepresented Class 3 Abuse Claimants will be assigned to Creditor Pools utilizing
12 Allocation Plan I and five (5) of the Unrepresented Class 3 Abuse Claimants will be
13 assigned to Creditor Pools utilizing Allocation Plan II. The same method will be used
14 for assigning such Unrepresented Class 3 Abuse Claimants to Creditor Pools.

15 (b) An Unrepresented Class 3 Claimant will use the ballot to
16 elect an Allocation Plan and Creditor Pool. If such a Claimant fails to make the election
17 of an Allocation Plan on the Ballot, the Claimant will be assigned on a random basis by
18 the Committee but the assignments shall be prorated between the Allocation Plans
19 based on the numbers of Claimants in the originally constituted Creditor Pools.

20 **5.2.6** The Trustee shall establish a monetary reserve for each of the
21 Creditor Pools. The amount of such reserve shall be determined by multiplying the
22 number of Claims in a Creditor Pool by the average distribution to a Class 3 Abuse
23 Claimant, net of certain deductions from the funds received by the Trust, including
24 deductions set forth in the Plan (a) Chapter 11 Professionals unpaid Allowed
25 Administrative Claims and Allowed expenses, (b) \$7.233 million, plus additional
26 amounts as provided in the Plan, on account of a reserve for Future Abuse Claims,(c)

1 fees and costs of Abuse Claim Reviewers in relation to the preliminary review of certain
2 Abuse Claims as set forth in the Plan; (d) and distribution to a reserve for Class 3A
3 Abuse Claimants as set forth in Section 5.3; (e) distribution to a reserve for Litigation
4 Current Abuse Claimants as set forth in Section 5.4; (f) a reserve to be established by
5 the Trustee, subject to Bankruptcy Court approval, for certain attorney's fees, costs and
6 expenses to be incurred by the Debtor and/or the Reorganized Debtor; and (g) any
7 other deductions and/or reserves required by the Plan. The Trustee shall also establish
8 a reasonable administrative expense reserve for each Creditor Pool's post-confirmation
9 expenses, including the fees and expenses of administering the Creditor Pool's
10 Allocation Plan.

11 **5.2.7** Confirmation of the Plan shall be conditioned on no Creditor Pool
12 having have more than 10% of its original membership of Represented Class 3 Abuse
13 Claimants opt out of the Creditor Pool. This condition may be waived by the
14 Committee.

15 **5.2.8** The Abuse Claims Reviewer for each Creditor Pool will divide the
16 Claims in the Creditor Pool into two categories: (a) Claims originally filed as Current
17 Sexual Abuse Claims and (b) Claims filed by the Law Office of Joseph A. Blumel III,
18 P.S. and Breck Barton & Associates, P.A. The Abuse Claims Reviewer shall determine
19 if any of these Claims is a Claim of Sexual Abuse supported by credible evidence. The
20 Abuse Claims Reviewer's powers to examine such a Claim will include all of the
21 discovery powers permitted the Abuse Claims Reviewer in the subsequent evaluation of
22 the Claims in the Creditor Pool. If the Abuse Claims Reviewer determines based on a
23 preponderance of evidence, that the Claim is not a Sexual Abuse Claim, such Claim will
24 be classified and treated as a Class 3A Claim. If Abuse Claims Reviewer determines
25 based on a preponderance of evidence that the Claim is a Sexual Abuse Claim, the
26 Claim will be classified and treated as a Class 3 Claim. The Abuse Claims Reviewer

1 determination will be subject solely to a right to seek reconsideration as provided in the
2 applicable Allocation Plan. After the Abuse Claims Reviewer has determined the
3 amount awarded to the Class 3 Claims filed by the Law Office of Joseph A. Blumel III,
4 P.S. and Breck Barton & Associates, P.A., the total awards on account of such Class 3
5 Claims will be compared to the amount funded into a Creditor Pool on account of such
6 Claims. If the total amount awarded is less than the total amount funded into a Creditor
7 Pool on account of all such Claims, the difference shall be withdrawn from such Creditor
8 Pool's reserve and distributed amongst all of the Creditor Pools on a pro rata basis
9 determined by the number of Abuse Claimants in each Creditor Pool. If the difference is
10 \$0, no withdrawals from such Creditor Pool's reserve shall be made. If the total amount
11 awarded is more than the total amount funded into a Creditor Pool on account of all
12 such Claims, each other Creditor Pool shall contribute its pro rata share determined by
13 the number of Abuse Claimants in all of the Creditor Pools to the Creditor Pools
14 containing such Claims, provided however, that the Class 3 Claims filed by the Law
15 Office of Joseph A. Blumel III, P.S and Breck Barton & Associates, P.A. shall not
16 participate in any of such additional funds.

17 **5.2.9** The Claims of Unrepresented Abuse Claimants also shall be
18 preliminarily reviewed by the Abuse Claims Reviewer assigned to the Creditor Pool.
19 The Abuse Claims Reviewer's powers to preliminarily investigate such a Claim will
20 include all of the discovery powers permitted the Abuse Claims Reviewer under the
21 applicable Allocation Plan.

22 **5.2.10** If the Abuse Claims Reviewer determines that an Unrepresented
23 Class 3 Abuse Claimant for Sexual Abuse fails to meet Rule 9011's certifications, the
24 Abuse Claims Reviewer shall deny the Claim. A Claimant whose Sexual Abuse Claim
25 is so denied shall have the right to request reconsideration from the Abuse Claims
26 Reviewer and shall have the right to submit additional evidence that in support of that

1 request. If the Claimant fails to seek reconsideration on a timely basis in accordance
2 with the applicable Allocation Plan, or if the Abuse Claims Reviewer denies the
3 reconsideration request, the Unrepresented Class 3 Abuse Claimant shall have no right
4 to any distribution under the Plan.

5 **5.2.11** If the Abuse Claims Reviewer finally determines that a Claim
6 should be denied hereunder, the amount reserved for such Claim in the creditor Pool
7 shall be distributed amongst the Creditor Pools on a prorated basis based on the
8 number of Abuse Claimants in each Creditor Pool.

9 **5.3 Treatment of Class 3A Claims (Non-Sexual Abuse Claims).**

10 **5.3.1** The Trustee shall establish a reserve for Class 3A Claims in
11 amount equal to \$17,500 multiplied by the number of Class 3A Claims. The Abuse
12 Claims Reviewer assigned to Allocation Plan II shall review the Claims and make
13 awards ranging from \$0 to \$17,500 in accordance with Allocation Plan III.

14 **5.3.2** When an Abuse Claim is reclassified from a Creditor Pool to Class
15 3A, the difference between the amount reserved for such Claim in the Creditor Pool and
16 \$17,500 shall be distributed amongst the Creditor Pools on a prorated basis based on
17 the number of Abuse Claimants in each Creditor Pool.

18 **5.3.3** The Trustee, up to five business days prior to notifying the Class 3A
19 Claimants of the Abuse Claims Reviewer's awards, shall have the right to settle a Class
20 3A Claim without Bankruptcy Court approval.

21 **5.3.4** Any amounts reserved for the Class 3A which are not awarded to
22 Class 3A Claimants shall be distributed on a prorated basis to each Creditor Pool based
23 on the number of Abuse Claimants in each Creditor Pool.

24 **5.4 Treatment of Litigation Current Abuse Claims.**

25 **5.4.1** At the Confirmation Hearing, the Committee shall ask the Court to
26 estimate the Litigation Current Abuse Claims pursuant to Bankruptcy Code §502 and

1 the Trustee shall establish a reserve equal to the amount of the Court's estimate. The
2 reserve shall be used for the payment of Allowed Litigation Current Abuse Claims and
3 reasonable attorneys' fees and expenses to be incurred by the Debtor and Reorganized
4 Debtor in the litigation and settlement of Litigation Current Abuse Claims.

5 **5.4.2** Litigation Current Abuse Claims for which a prepetition action was
6 pending: (a) shall be transferred back to the U.S. District Court from which it was
7 originally transferred, (b) shall, upon the appropriate motion in the U. S. District Court to
8 which it was transferred back, be subject to remand to the court from which it was
9 originally removed if the prepetition action was removed during the Case, (c) the
10 complaint shall be deemed amended to replace the Debtor's name with the fictitious
11 name to be designated in the Confirmation Order and (c) liquidated pursuant to a final
12 non-appealable judgment by the court to which it was transferred and/or remanded.
13 The Litigation Current Abuse Claimant/plaintiff shall file a motion in the appropriate court
14 to put the prepetition action back onto the court's active trial docket, and serve such
15 motion on the Reorganized Debtor and the Trustee. Consistent with the discharge
16 provided for in Section 11.1 any judgment obtained in such action shall not be enforced
17 against the Debtor, the Reorganized Debtor and/or any of their assets, and shall be paid
18 in accordance with the Plan only from the reserve in the Trust established for the
19 payment of Litigation Current Abuse Claims and related fees and expenses. If a
20 Litigation Current Abuse Claimant does not timely file the motion seeking to put the
21 case on the active trial docket of the appropriate court within sixty (60) days of the
22 Effective Date, the Abuse Claim will be treated as a Convenience Abuse Claim, which
23 treatment will be irrevocable and in complete satisfaction, payment and release of such
24 Litigation Current Abuse Claim.

25 **5.4.3** Within sixty (60) days after the Effective Date each Litigation
26 Current Abuse Claimant who does not have a pending prepetition action must: file a

1 complaint in the U.S. District Court for the District of Oregon against the Reorganized
2 Debtor, using the fictitious name for the Reorganized Debtor as set forth in the
3 Confirmation Order asserting his or her Abuse Claim and serve such complaint upon
4 the Reorganized Debtor and Trustee. Consistent with the discharge provided for in
5 Section 11.1 any judgment obtained in such action shall not be enforced against the
6 Debtor, the Reorganized Debtor and/or any of their assets, and shall be paid in
7 accordance with the Plan only from the reserve in the Trust established pursuant to
8 Section 5.4.1 of the Plan.

9 **5.4.4** If a Litigation Current Abuse Claimant does not timely file such a
10 complaint set forth in Section 5.4.3, then his or her Abuse Claim will be treated as a
11 Convenience Abuse Claim, which treatment will be irrevocable and in complete
12 satisfaction, payment and release of the Litigation Current Abuse Claim.

13 **5.4.5** The Debtor and/or the Reorganized Debtor will retain all of the
14 Debtor's rights, defenses, privileges, affirmative defenses, including statute of
15 limitations, counterclaims, setoffs, and recoupments, with respect to Litigation Current
16 Abuse Claims. The Debtor and Reorganized Debtor will have complete control of
17 litigation and settlements of Litigation Current Abuse Claims, subject to the rights of the
18 Trustee and/or any Non-Settling Insurer that is defending such a Claim pursuant to the
19 terms of the applicable Insurance Policy or policies. All attorneys' fees, costs and
20 expenses of this litigation and/or settlements of Litigation Current Abuse Claims shall be
21 paid by the Trust without prejudice to any party's rights against a Non-Settling Insurer
22 for reimbursement thereof.

23 **5.4.6** If a Non-Settling Insurer contests Insurance Coverage for a final
24 non-appealable judgment in favor of a Litigation Current Abuse Claimant:

25 (a) At the request of the Trust, the Reorganized Debtor shall
26 assert its Insurance Claims to the extent requested by the Trust against any Non-

1 Settling Insurer;

2 (b) The Reorganized Debtor shall select and retain counsel to
3 pursue its Insurance Claims, subject to the Trustee's approval, which approval shall not
4 be unreasonably withheld;

5 (c) The Trust shall pay the reasonable attorneys' fees that are
6 incurred by the Reorganized Debtor in pursuing its Insurance Claims pursuant to this
7 Section 5.4.6;

8 (d) The Trust shall, in addition to reasonable attorneys' fees,
9 reimburse the Reorganized Debtor for any reasonable out of pocket costs and
10 expenses it incurs as a direct consequence of pursuing such Insurance Claims, but will
11 not compensate the Reorganized Debtor for any time any of its employees expend; and

12 (e) Upon receipt by the Reorganized Debtor, all Insurance
13 Recoveries received by the Reorganized Debtor on account of such Insurance Claims
14 shall be deemed to be held in trust for the benefit of the Trust and shall be remitted by
15 the Reorganized Debtor to the Trust as soon as practicable following the Reorganized
16 Debtor's receipt of such Insurance Recoveries.

17 **5.4.7** Each holder of an Allowed Litigation Current Abuse Claim will be
18 paid in cash by the Trust such holder's pro rata share of a reserve for Litigation Current
19 Abuse Claims net of the Debtor and Reorganized Debtor's fees, costs, and attorneys
20 fees and costs defending and settling all Litigation Current Abuse Claims, within thirty
21 (30) days after of the later of the date on which all Litigation Current Abuse Claims have
22 been Allowed or Disallowed by Final Order or upon settlement or other final disposition
23 of all the Litigation Current Abuse Claims.

24 **5.5 Class 4: Future Abuse Claims.**

25 **5.5.1** On the Effective Date, and subject to section 6.3 and 6.4 of the
26 Plan, all Class 4 Claims will be assumed by the Trust, which will pay those Claims

1 pursuant to the provisions of the Trust Documents. The assumption of the Class 4
2 Claims by the Trust shall not release the Debtor's liability on account of the Class 4
3 Abuse Claims. Provided however, all liability on account of Class 4 Abuse Claims shall
4 be discharged pursuant to the provisions of Section 11.1 of the Plan. As provided in
5 section 524(e) of the Bankruptcy Code, such discharge shall not affect the liability of
6 any other entity on, or the property of any other entity for, the Class 4 Claims including
7 the liability of any Non-Settling Insurer, which liability shall continue unaffected by the
8 terms of this Plan (except to the extent the Safeco Settlement Agreement, the Travelers
9 Settlement Agreement, the Western World Settlement Agreement, or any settlement
10 agreement with a Settling Insurer is incorporated into the Plan) or the discharge granted
11 to the Debtor under this Plan and Bankruptcy Code section 1141(d).

12 **5.5.2** On the Effective Date, and without any further action by any party,
13 each Class 4 Claimant shall be deemed to have assigned to the Trust that Class 4
14 Claimant's Class 4 Claim against the Debtor and each of the Participating Parties, if
15 such assignment is valid. If such assignment is determined by the Bankruptcy Court not
16 to be valid, then each Class 4 Claimant will retain that Claimant's Class 4 Claim and
17 shall be deemed to have appointed the Trustee as his or her attorney-in-fact for the
18 purpose of: (a) asserting his or her Class 4 Claim against the Reorganized Debtor and
19 the Participating Parties, subject to the provisions of Section 6.9 of this Plan and (b)
20 provided that such Abuse Claim results in a judgment against the Reorganized Debtor,
21 asserting any rights that such Class 4 Claimant may have against any Non-Settling
22 Insurer. All recoveries received on account of such Claims shall be deemed to be held
23 in trust for the benefit of the Trustee and shall be remitted to the Trustee as soon as
24 practicable following the Class 4 Claimant's receipt of such Insurance Recoveries. The
25 determination of whether the assignment of the Class 4 Claimants' Abuse Claims to the
26 Trust is valid shall be made by the Bankruptcy Court at the Confirmation Hearing. A

1 determination that such assignment of the Class 4 Claims to the Trust is valid shall
2 include, *inter alia*, a determination that the assignment in no way affects the ability of the
3 Trust to pursue collection of the Class 4 Claims from the Non-Settling Insurers, and
4 each of them. That determination shall be binding upon all parties receiving notice of
5 the Confirmation Hearing, which shall include notice of this provision. If a party in
6 interest fails to timely file an objection to the proposed assignment by the deadline for
7 filing objections to confirmation of this Plan, that party in interest shall be deemed to
8 have irrevocably consented to the assignment and will be forever barred from asserting
9 that the assignment in any way affects the ability of the Trustee to pursue collection of
10 the Class 4 Abuse Claim from the Non-Settling Insurers, and each of them.

11 **5.5.3 Creation of Future Abuse Claims Reserve Fund:**

12 Pursuant to the Trust Agreement, the Trustee shall establish the Future Abuse Claims
13 Reserve Fund consisting of:

- 14 (a) \$7.23 million;
- 15 (b) 45% of any sums paid to the Trust from Non-Settling
16 Insurers; and
- 17 (c) 30% of any sums paid to the Trust from entities on account
18 of such entities becoming a Participating Party other than those listed on Exhibit 1.105.

19 **5.5.4 Intentionally Omitted.**

20 **5.5.5 Liquidation of Class 4 Claims.**

21 (a) The Future Abuse Claims Reserve Fund shall reimburse the
22 Trust for its Pro Rata share of attorneys' fees, costs and expenses incurred by the Trust
23 after the Effective Date in recovering any amounts from Non-Settling Insurers and
24 Participating Parties.

25 (b) The holder of a Class 4 Claim shall proceed with allowance
26 of the Class 4 Claim by filing with the Trustee a Future Abuse Claim proof of claim to be

1 requested from and furnished by the Trustee upon request of a Class 4 Claimant.
2 Class 4 Claims will be reviewed pursuant to Allocation Plan I by the Abuse Claim
3 Reviewer Hon. William B. Bettinelli, Ret'd. Each Class 4 Claim will be assigned a score
4 consistent with similar Claims filed during the Case.

5 **5.5.6 Distribution to Class 4 Claimants.**

6 (a) Valuation of Class 4 Claims: The points awarded to a Class
7 4 Claimant will be multiplied by the Average Future Claim Point Award. For illustration
8 purposes only, if the total number of Class 3 Claims in pools using Allocation Plan I
9 were 250, with 40 Claimants electing treatment as holders of Convenience Abuse
10 Claims and an additional 10 Claimants receiving zero points (i.e. no award), the
11 average would be calculated by dividing the total awards for the remaining 200 Class 3
12 Claims by the total number of points for those Claims. Thus, Class 4 Claimants will
13 receive shares in the Future Abuse Claim Reserve Fund equal to the number of points
14 awarded their Claim times the average award per point as determined above. At any
15 time prior to final liquidation of a Class 4 Claim, the holder of such Class 4 Claim may
16 settle the value of the Class 4 Claim with the Abuse Claim Reviewer.

17 (b) Number of Shares.

18 (i) The total number of shares in the Future Abuse
19 Claims Reserve Fund is determined initially by 63 (the estimated number of Class 4
20 Claimants) multiplied by the Average Future Claim Point Award plus an additional 20%.
21 (For example, if the Average Future Claim Point Award is \$300,000, the initial number
22 of shares authorized for the Future Abuse Claims Reserve Fund would be $63 \times 300,000$
23 $\times 1.2$ or 22,680,000 shares).

24 (ii) The number of shares will be adjusted as follows:

25 (1) The minimum number of unallocated shares
26 begins equal to the initial share calculation. In the example above 22,680,000 shares.

1 (2) The minimum number of unallocated shares
2 declines by $1/15^{\text{th}}$ of the initial authorization each anniversary of the Effective Date.
3 Over the course of time, the minimum number of shares would decline until the 15^{th}
4 anniversary of the Effective Date, at which time the minimum number of shares would
5 be 0.

6 (3) If the issuance of shares to Class 4 Claimants
7 were to bring the unallocated share balance below the minimum, additional shares in
8 the Future Abuse Claims Reserve Fund would be authorized to bring the unallocated
9 balance back to the required minimum number of shares.

10 (4) On the 15^{th} anniversary of the Effective Date,
11 all authorized but unawarded shares in the Future Abuse Claims Reserve Fund would
12 be cancelled.

13 (c) Dividends.

14 (1) Class 4 Claimants awarded shares in the
15 Future Abuse Claims Reserve Fund will be paid a dividend on such shares. The
16 dividend will be determined by dividing the Future Abuse Claims Reserve Fund, net of
17 reserves agreed upon by the Trustee and Future Claimants Representative, by the
18 number of authorized shares. For example if the Future Abuse Claims Reserve Fund,
19 net of reserves agreed upon by the Trustee and Future Claimants Representative is
20 \$13,000,000 and the initial number of authorized shares is 22,680,000, the Base
21 Dividend Rate would be $\$13,000,000 / 22,680,000$ or \$0.573 per share. The dividend
22 per share is recalculated annually, the denominator being updated with any additional
23 shares authorized, the numerator being updated with any changes to the Future Abuse
24 Claims Reserve Fund, net of agreed upon reserves. If the dividend rate increases,
25 Class 4 Claimants previously receiving dividends will receive additional dividends to
26 bring them up to the then current rate. If the dividend decreases, Class 4 Claimants

1 previously receiving dividends have no liability to any entity for the amount previously
2 received. The dividend rate can never exceed \$1.00 per share.

3 (2) After the 15th anniversary of the Effective Date,
4 authorized but unawarded shares in the Future Abuse Claims Reserve Fund will be
5 cancelled. The Trustee will calculate a dividend rate based solely on the awarded
6 shares, but not to exceed a dividend of \$1.00 per share). Class 4 Claimants previously
7 receiving less than such dividend rate would receive additional dividends to bring their
8 aggregate dividend up to such rate. Any excess reserve funds after reaching \$1.00 per
9 share is to be donated to a charity supporting survivors of childhood sexual abuse to be
10 chosen by the Trustee.

11 (d) Class 4 Claims Filed after the Future Claims Bar Date
12 Are Barred. All Class 4 Claims filed after the Future Claims Bar Date (i.e. the fifteenth
13 (15th) anniversary of the Effective Date) will have no right to payment or any other right
14 under the Plan, and all such Claims will be discharged under the Plan.

15 (e) Effect of Disallowance. In accordance with the
16 discharge provisions in Section 11.1 and the provisions in sections 11.4, 11.5, 11.6 and
17 11.7 of the Plan, if a Class 4 Claim is liquidated at \$0, the holder of such Claim will have
18 no further rights against the Debtor, the Reorganized Debtor, Settling Insurers,
19 Participating Parties, Released Parties, or the Trust and/or their respective assets.

20 **5.6 Class 6: Insured Non-Abuse Claims.** Each holder of an Insured Non-
21 Abuse Claim that is covered by an insurance policy issued by a Non-Settling Insurer will
22 retain the right to pursue the recovery of such Claim, including the filing of a lawsuit
23 against the Reorganized Debtor, the Participating Parties, and the Non-Settling Insurer
24 providing coverage for the Claim to obtain a judgment establishing the Allowed amount
25 of the Claim but will be restricted to seeking payment solely from the insurance
26 coverage available for such Claim. Consistent with the discharge provided for in

1 Section 11.1, and sections 11.4, 11.5, 11.6, and 11.7 of the Plan, any judgment
2 obtained in such action may not be enforced against the Debtor, the Reorganized
3 Debtor, the Participating Parties, the Released Parties, the Settling Insurers, and/or any
4 of their respective assets. Once the Claim has been Allowed, and the Non-Settling
5 Insurer has paid all amounts for which there is coverage, the remaining portion, if any,
6 excluding Punitive Damages, will be included in Class 7 and treated as a General
7 Unsecured Claim. The Punitive Damage portion, if any, will be included in Class 8.

8 **5.7 Class 7: General Unsecured Claims.** The holders of Allowed General
9 Unsecured Claims will receive payment from the Reorganized Debtor of their Pro Rata
10 share of the sum of \$500,000, to be paid as soon as reasonably practicable after all
11 General Unsecured Claims have either been Allowed or Disallowed, but subject to the
12 filing and allowance of Claims under Section 502(h) of the Bankruptcy Code.

13 **5.8 Class 8: Penalty Claims.** Allowed Penalty Claims, if any, will be
14 subordinated to all other Allowed Claims and will receive no distribution under the Plan.

15 **5.9 Class 10:** Intentionally omitted.

16 **5.10 Class 11: Formation Fund Claim.** The Formation Fund Claim of
17 approximately \$8,953,046 consisting of a loan from the Formation Fund to the Apostolic
18 Works Fund is not a Claim against the Debtor but against the Apostolic Works Fund. As
19 a result, the Formation Fund will not be entitled to vote on the Plan, its Claim will be
20 Disallowed, and it will receive no distribution under the Plan. The Formation Fund will
21 retain its rights to pursue collection of its Claim solely from the Apostolic Works Fund.

22 **5.11 Class 13: Donor Claims and Beneficiary Claims.** The holders of Donor
23 Claims and Beneficiary Claims, if any, will be Disallowed and will receive no distribution
24 under the Plan.

25 **5.12 Class 15: Abuse Related Contribution/Indemnity Claims.** Each Abuse
26 Related Contribution/Indemnity Claim held by (a) any Person or Entity against the

1 Debtor, the Reorganized Debtor, a Participating Party, and/or the Trust; or (b) by the
2 Debtor, the Reorganized Debtor, a Participating Party, and/or the Trust against any
3 Person or Entity will be treated as follows:

4 i. If an Abuse Claim is asserted against the Debtor, the Reorganized Debtor,
5 a Participating Party, and/or the Trust (collectively, the “Province Defendants”) on the
6 one hand, and also against any other Persons or Entities (collectively the “Non-Province
7 Defendants”) on the other hand,³ the court in which the Abuse Claim is to be tried will
8 determine, subject to the applicable law governing that court: (a) the total amount of
9 damages to which an Abuse Claimant may be entitled; and (b) the allocation of fault, if
10 any, between or among Defendants and any other Person or Entity with whom an
11 Abuse Claimant has settled. A payment to an Abuse Claimant from the Trust in
12 accordance with Sections 5.2 through 5.5 of the Plan is a settlement for purposes of (a)
13 this Section 5.12.

14 ii. Notwithstanding the determination by a court of the total amount of
15 damages to which an Abuse Claimant may be entitled and/or the Province Defendants’
16 respective allocable percentage of fault for the Abuse Claim, the holder of the Abuse
17 Claim will only be entitled to recover, on account of the Province Defendants’ liability for
18 the Abuse Claim, the amount payable by the Trust as determined in accordance with
19 Sections 5.2 through 5.5 of the Plan. No Abuse Claimant will be entitled to any recovery
20 whatsoever from the Debtor, the Reorganized Debtor, or any Participating Party, but
21 shall be paid solely from the Trust for any sums due on account of the Province
22 Defendants’ liability for an Abuse Claim. This provision is not intended to replace, and
23 does not affect the liability of any Non-Province Defendant under, state law governing
24 joint and several liability.

25
26

³The Province Defendants and Non-Province Defendants are collectively referred to in
this Section 5.12 as the “Defendants”

1 iii. Each of the Non-Province Defendants' liability for payment of an Abuse
2 Claim will be determined by the rights of such Non-Province Defendant under generally
3 applicable law governing allocation of liability among multiple defendants and any other
4 Person or Entity with whom an Abuse Claimant has settled. Nothing in this Plan is
5 intended to affect the treatment of a claim asserted against the Roman Catholic
6 Archbishop of Portland in Oregon, and successors, a corporation sole, dba Archdiocese
7 of Portland in Oregon (the "Archdiocese of Portland") as a "Future Claim" under the
8 Archdiocese of Portland's Third Amended and Restated Joint Plan of Reorganization
9 confirmed on April 17, 2007. This provision is not intended to replace, and does not
10 affect the liability of any Non-Province Defendant under, state law governing joint and
11 several liability.

12 iv. Except for Litigation Current Abuse Claims, the determination by a court of
13 the amount of damages to which an Abuse Claimant is entitled will have no effect
14 whatsoever on the distribution the holder of such Abuse Claim will be entitled to receive
15 from the Trust, with such distribution being determined solely pursuant to Sections 5.2
16 through 5.5 of the Plan. The amount paid to any Abuse Claimant by the Trust will not be
17 considered in determining the allocation of fault amongst the Defendants and will be
18 inadmissible as evidence in any proceedings or trial to determine liability or the
19 allocation of fault for any Abuse Claim.

20 v. None of the Province Defendants will be entitled to recover any amounts
21 from any of the Non-Province Defendants, and none of the Non-Province Defendants
22 will be entitled to recover any amounts from any of the Province Defendants, by way of
23 contribution, indemnity, or otherwise, for any of the Abuse Claims. The Defendants will,
24 however, be entitled to assert such Claims for contribution or indemnity against each
25 other solely for the purposes of establishing the respective liability of, or to allocate fault
26 to, those Persons or Entities allegedly responsible for an Abuse Claim, but there shall

1 be no affirmative recovery by any Province Defendant against any Non-Province
2 Defendant or by any Non-Province Defendant against any Province Defendant.

3 **6. TRUST.**

4 **6.1 Establishment of Trust.** On the Effective Date, the Trust shall be
5 established in accordance with the Trust Documents. Except as otherwise specified in
6 the Plan, the purposes of the Trust, among other things, shall be to: (a) enter into,
7 accept, and enforce the terms of the Plan and the Plan Documents regarding the Abuse
8 Claims; (b) assume all of the Debtor's, Reorganized Debtor's and Participating Parties'
9 rights, Claims, defenses, liabilities and obligations concerning the Abuse Claims; (c)
10 defend, litigate, arbitrate, mediate, negotiate, and settle the Litigation Current Abuse
11 Claims; (d) exercise the Avoidance Rights; (e) subject to Section 8.1, fund and pay for
12 any litigation, arbitration, mediation and negotiation regarding the Insurance Claims
13 against the Non-Settling Insurers related to the Abuse Claims; (f) receive, hold, and
14 invest funds in accordance with and subject to the provisions of this Plan and the Trust
15 Documents; (g) issue payments and disburse funds subject to the terms of this Plan
16 and the Trust Documents, (h) retain attorneys, accountants, experts, and other
17 professionals to assist the Trustee in carrying out its duties under the Plan and the Trust
18 Documents; (i) pay the expenses, including professional fees of the attorneys,
19 accountants, experts, and other professionals to assist the Trustee in carrying out its
20 duties under the Plan and the Trust Documents; (j) pay the reasonable attorney's fees,
21 costs and expenses incurred by the Reorganized Debtor as provided in the Plan; and
22 (k) aid in the enforcement of the Channeling Injunction. The Trust shall qualify as a
23 Qualified Settlement Fund pursuant to Section 468B of the Internal Revenue Code and
24 the Treasury Regulations promulgated thereunder. Neither the Trust nor the Trustee
25 will have the power or authority to bring, nor will the Trust or the Trustee be deemed to
26 succeed to, the Debtor's and Participating Parties' rights with respect to, any of the

1 Debtor and Participating Party Actions.

2 **6.1.1** Nothing in the Plan or Plan Documents shall limit the Trust's rights
3 to dispute a Non-Settling Insurer's contribution, indemnity, or other equitable or legal
4 claims.

5 **6.1.2** Neither the Trust nor the Trustee will succeed to any of Debtor's or
6 Reorganized Debtor's or the Estate's rights or claims against Seattle University. Neither
7 the Trust nor the Trustee will initiate, conduct or pursue any litigation or other
8 proceeding against Seattle University. Neither the Trust nor the Trustee will pay any
9 fees, costs or expenses incurred by or on behalf of any Entity or Person relating to or
10 concerning any litigation or other proceeding against Seattle University. In the event
11 that the Trustee or the Trust assigns any Abuse Claim to any Entity or Person, the
12 assignment and the assignee will be subject to the foregoing restrictions against the
13 initiation or pursuit of or payment for any litigation or proceeding against Seattle
14 University. The provisions of this paragraph 6.1.2 are not intended to prohibit the Trust
15 or the Trustee from seeking, subject to applicable law and rules, third-party discovery
16 from Seattle University.

17 **6.2 Formation of Trust.** On or before the Effective Date (but after entry of
18 the Confirmation Order and after the Confirmation Order becomes a Final Order), the
19 Reorganized Debtor will cause the following to occur: (a) the execution and delivery of
20 the Trust Documents, (b) delivery to the Trustee of any amounts due to the Trust; (c)
21 delivery of such assignments from the Reorganized Debtor to give effect to the right of
22 the Trustee to receive any portion of the amounts due to the Trust; and (d) delivery of
23 such documents, agreements and assignments that are necessary to convey to the
24 Trust the Debtor's Insurance Claims against the Non Settling Insurers.

25 **6.3 Trustee Assumes Responsibility.** On the Effective Date, and subject to
26 the rights of the beneficiaries described in section 6.4 of the Plan, and in accordance

1 with the Plan, the Trustee will assume all liability and full responsibility for resolving and
2 paying the Abuse Claims of all Abuse Claimants electing to use Allocation Plans I, II
3 and III, and the Trustee will assume all liability and full responsibility for resolving and
4 paying all Litigation Current Abuse Claims and Future Abuse Claims. Subject to section
5 6.4 of the Plan, the Trustee will assume full responsibility for: (a) establishing the
6 respective reserves with respect to the Trust; (b) making payments to the holders of
7 Class 3, 3A and 4 Claims that become payable under the Plan and Trust Documents,
8 (c) collecting, investing and distributing the Trust's funds for the benefit of the Trust and;
9 and (d) fulfilling all other obligations under the Trust Documents.

10 **6.4 Beneficiaries.** The sole beneficiaries of the Trust are:(a) the holders of
11 the Abuse Claims and (b) those for whom reserves for the various fees, costs and
12 expenses, including reasonable attorneys' fees and costs, in administering the Trust
13 have been established by the Plan the Trust Documents. No beneficiary of the Trust
14 shall have any interest in any reserve established by the Trustee pursuant to the Plan
15 and Trust Documents other than the reserve established for the payment of such
16 beneficiary's Claim. No other creditors, including but not limited to the Class 15
17 creditors have any right, title or interest in the assets of the Trust.

18 **6.5 Trustee.** The Trustee will be Omni Management Group, LLC. The
19 Trustee will act only pursuant to the provisions of this Plan and the Trust Documents.
20 The Trustee may not assign any of his rights or obligations. The Trustee will be entitled
21 to receive a reasonable fee and reimbursement of reasonable costs and expenses for
22 his services, with such fees and cost to be paid from the Trust.

23 **6.6 Intentionally omitted.**

24 **6.7 Trust Funding.** The Trust will be funded as follows:

25 (a) On the thirteenth (13th) day after the entry of the Confirmation
26 Order, the Debtor and the Participating Parties will, deposit into a trust account the sum

1 of Forty-Three Million One Hundred Thousand Dollars (\$43,100,000) in Cash. On the
2 Effective Date the Reorganized Debtor and Participating Parties will transfer all funds in
3 the trust account, including accrued interest, to the Trust. In the event the Effective Date
4 does not occur within three (3) business days after the Debtor and the Participating
5 Parties make such deposit into the trust account, the Debtor and Participating Parties
6 shall have the sole and exclusive option to withdraw the money from the trust account
7 and deposit such money back into the Reorganized Debtor's and Participating Parties'
8 accounts, as the case may be.

9 (b) On the Effective Date, the Reorganized Debtor and the
10 Participating Parties will segregate and deposit into an interest bearing account an
11 additional Five Million Dollars (\$5,000,000) in Cash from which the Allowed Amount of
12 all unpaid fees and expenses of the Chapter 11 Professionals are to be paid. Payments
13 to each Chapter 11 Professional will be made within 10 days after entry of a Final Order
14 Allowing its fees and expenses. After all such payments are made, any funds remaining
15 in the segregated account, including accrued interest thereon, shall be paid into the
16 Trust;

17 (c) Safeco, Travelers, and Western World will pay or deliver to the
18 Trust the sums due pursuant to the Safeco Settlement Agreement, the Travelers
19 Settlement Agreement, and the Western World Settlement Agreement.

20 (d) The Reorganized Debtor and the Participating Parties will pay or
21 deliver to the Trustee such sums received by them from any settlements of Insurance
22 Claims prior to the Effective Date; and,

23 (e) On the Effective Date, without any further act by any party, the
24 Reorganized Debtor and the Committee will be deemed to have assigned to the Trustee
25 and the Trust all Avoidance Rights (not otherwise released, compromised, enjoined or
26 discharged under the Plan) and Third Party Derivative Claims against Entities other

1 than Participating Parties and Seattle University, provided, however, that any Third
2 Party Derivative Claims against the Jesuit High Schools shall be brought no later than
3 nine (9) months from the Effective Date and shall be brought in a single lawsuit in the
4 U.S. District Court for the District of Oregon or the U. S. Bankruptcy Court for the District
5 of Oregon.

6 **6.8 Deposit and Payment of Funds.** All funds paid to the Trustee pursuant
7 to this Plan will be deposited in the Trust. The Trustee shall invest all funds that are
8 deposited in the Trust at his discretion subject to the terms of the Trust Documents.
9 The Trustee may distribute funds to the beneficiaries of the Trust by payment to the
10 client trust accounts of the attorneys of record representing the beneficiaries as
11 determined by the filed proofs of claim. The Trustee shall have no liability to the
12 beneficiaries of the Trust on account of the administration of the funds once the funds
13 are transferred to the client trust accounts of the beneficiaries' attorneys of record.
14 Pursuant to the instructions of the Abuse Claims Reviewer and notwithstanding any
15 provision of Allocation Plans I II or III, the Trustee may make interim payments to
16 Beneficiaries of a Creditor Pool.

17 **6.9 Prosecution of Actions.** An action may be prosecuted against the
18 Reorganized Debtor as follows:

19 (a) In the event that, pursuant to Section 5.1.2 of this Plan, the
20 assignment of the Class 3 and/or 3A Abuse Claims to the Trust is determined to be
21 valid, or pursuant to Section 5.5.2 of this Plan, the assignment of the Class 4 Abuse
22 Claims to the Trust is determined to be valid, the Trust may prosecute an action on
23 account of such validly assigned Claims as provided in part (c) of this Section.

24 (b) In the event that the assignment of the Class 3, 3A and 4 Claims
25 provided for at Section 5.1.2 of this Plan, or either of them, is not determined to be valid,
26 any such Class 3, 3A or 4 Claimant may prosecute an action on account of such

1 assigned claim by the Trust as his or her attorney-in-fact as provided in part (c) of this
2 Section. Any recovery from the prosecution of such an action is deemed assigned to
3 the Trust.

4 (c) Pursuant to parts (a) and (b) of this Section 6.9, following the
5 Effective Date of this Plan, the Trust or any Class 3, 3A or 4 Claimant who has elected
6 to use Allocation Plans I, II or III, as the case may be and has the consent of the
7 Trustee, may commence an action against the Reorganized Debtor solely for the
8 purpose of liquidating an Abuse Claim for the purpose of pursuing Insurance
9 Recoveries with respect to such Abuse Claim from Non-Settling Insurers. Any such
10 action shall identify the Reorganized Debtor as set forth in the Confirmation Order and
11 shall be deemed by operation of law to be an action against the Debtor. Consistent with
12 the discharge provided for in Section 11.1 any judgment obtained in such action may
13 not be enforced against the Debtor, the Reorganized Debtor and/or any of their assets,
14 and shall be paid in accordance with the Plan and shall be fully enforceable solely
15 against and paid by any Non-Settling Insurer under the terms of that Non-Settling
16 Insurer's Insurance Policy. Any recovery from the prosecution of such an action is
17 deemed assigned to the Trust.

18 **6.10 Winding Up/Distribution of Excess Funds.** Upon entry of an order by a
19 court of competent jurisdiction authorizing termination and dissolution of the Trust, the
20 Trustee will promptly proceed to wind up the affairs of the Trust. Under no
21 circumstance shall the Trust be terminated or dissolved prior to the fifteenth (15th)
22 anniversary of the Effective Date. Upon termination of the Trust, and provided that all
23 fees and expenses of the Trust have been paid or provided for in full, the Trustee will
24 deliver all funds and other investments remaining in the Trust, if any, including any
25 investment earnings thereon, to a charity supporting survivors of childhood sexual
26 abuse to be chosen by the Committee prior to confirmation of the Plan and named in

1 the Confirmation Order.

2 **6.11 No Execution.** All funds held in the Trust will remain property of the Trust
3 until such time as the funds have actually been paid to and received by a Person or
4 Entity entitled to receive payment pursuant to the terms of this Plan and the Trust
5 Documents. Except as expressly provided in the Plan, Confirmation Order and the
6 Trust Documents, the Trust shall not be responsible for any Claims against the Debtor.

7 **7. LIQUIDATION AND PAYMENT OF ABUSE CLAIMS.**

8 **7.1 Liquidation of Abuse Claims.** The Trust shall liquidate the Abuse
9 Claims in accordance with the terms and conditions of the Plan and Trust Documents.
10 The Trust's liquidation of the Abuse Claims shall not be binding upon any Non-Settling
11 Insurer unless such Non-Settling Insurer agrees in writing to be bound by the Trust's
12 Liquidation of the Abuse Claims no later than 21 days following the Effective Date.
13 Absent such consent, Non-Settling Insurers shall only be bound by judgments obtained
14 against the Debtor and/or the Participating Parties prior to the Petition Date and by
15 judgments obtained in proceedings brought in accordance with section 5.4 and 6.9 of
16 this Plan.

17 **7.2 Payment of Abuse Claims.**

18 **7.2.1** The Trust shall pay Abuse Claims in accordance with the terms of
19 the Plan, Confirmation Order and Trust Documents. It is not anticipated that the Trust
20 will have sufficient assets to pay all of the Abuse Claims in the full amount that all Abuse
21 Claimants may be owed in the event that all Abuse Claimants elected to liquidate their
22 Claims pursuant to Allocation Plans I, II or III. For the avoidance of doubt, neither the
23 Debtor's or the Participating Parties' obligations to Abuse Claimants shall be deemed to
24 have been paid in full, nor their liability to Abuse Claimants fully satisfied, as a result of
25 payments received by Abuse Claimants from the Trust. Rather, because Abuse Claims
26 are being paid by the Trust without regard to whether those Claims are covered by

1 Insurance Policies issued by Settling Insurers: (a) the Trust shall be shall be deemed to
2 be subrogated to the Claims of the Abuse Claimants paid by the Trust to the extent of
3 those payments, (b) the Trust may pursue such subrogation Claim and any contribution
4 Claim in an action brought pursuant to Section 6.9 of the Plan and (c) the Trust may
5 pursue any deficiency between the amount of an Abuse Claim and the amount that the
6 Abuse Claimant received from the Trust in an action brought pursuant to Section 6.9 of
7 the Plan. Except as provided in Section 6.9, and subject to sections 11.1, 11.4, 11.5,
8 11.6, and 11.7 of the Plan, the Trust may not bring any action under this Section against
9 the Debtor, the Reorganized Debtor, the Participating Parties, Seattle University, any
10 Settling Insurer and/or their respective assets.

11 **7.2.2** Before the Trustee will pay any portion of any Abuse Claim to any
12 Abuse Claimant, that Claimant must provide a third-party vendor, which vendor has
13 been approved by the Trustee, Safeco, Travelers, and Western World, and which
14 approval shall not be unreasonably withheld, (“Approved Vendor”) or if no Approved
15 Vendor has been retained by or on behalf of an Abuse Claimant, the Trustee, with the
16 Abuse Claimant’s name, date of birth, Social Security Number or Health Insurance
17 Claim Number (together, the “Personal Information”), a signed Social Security Release
18 Form or a Medicare Release form, or both, when requested by the Approved Vendor or
19 the Trustee, as the case may be, and any other information or documents reasonably
20 required to comply with Sections 7.2.3 and 7.2.4.

21 **7.2.3** Each Abuse Claimant who claims that he or she is not a Medicare
22 Beneficiary expressly authorizes the Approved Vendor or the Trustee, as the case may
23 be, to use the Personal Information to submit a query to the Social Security
24 Administration to verify whether he or she is a Medicare Beneficiary. Before the Trustee
25 will pay any portion of any Abuse Claim to an Abuse Claimant who claims that he or she
26 is not a Medicare Beneficiary, the Abuse Claimant will provide a letter from an

1 Approved Vendor supported by documentation from the Social Security Administration,
2 received within the last sixty (60) days or if no Approved Vendor has been retained by
3 or on behalf of an Abuse Claimant, documentation from the Social Security
4 Administration received within the last sixty (60) days, confirming that the Abuse
5 Claimant is not a Medicare Beneficiary. In the absence of such a confirming letter or
6 documentation, each Abuse Claimant will be presumed to be a Medicare Beneficiary.
7 Notwithstanding the foregoing, the Abuse Claimant may provide the Trustee with the
8 documentation from the Social Security Administration received within sixty (60) days
9 prior to a distribution from the Trustee, confirming that the Abuse Claimant is not a
10 Medicare Beneficiary.

11 **7.2.4** Each Medicare Beneficiary expressly authorizes the Approved
12 Vendor or the Trustee, as the case may be, to use the Personal Information to submit a
13 query to the MSPRC to determine the amount of each and every Conditional Payment,
14 if any, subject to reimbursement by a “primary plan.” Before the Trustee will pay any
15 portion of any Abuse Claim to a Medicare Beneficiary, such Medicare Beneficiary, must
16 provide the Trustee with a letter from MSPRC received within sixty (60) days prior to a
17 distribution from the Trustee: (a) setting forth the Conditional Payment estimate made to
18 or on behalf of the Medicare Beneficiary that is subject to reimbursement by a “primary
19 plan,” as the phrase is defined in Section 1395y(b)(2) of the MSPA; or (b) stating that no
20 such Conditional Payment has been made to or on behalf of the Medicare Beneficiary.
21 Notwithstanding the foregoing, the Abuse Claimant may provide the Trustee within sixty
22 (60) days prior to a distribution from the Trustee, a letter from MSPRC: (a) setting forth
23 the Conditional Payment estimate made to or on behalf of the Medicare Beneficiary that
24 is subject to reimbursement by a “primary plan,” as the phrase is defined in Section
25 1395y(b)(2) of the MSPA; or (b) stating that no such Conditional Payment has been
26 made to or on behalf of the Medicare Beneficiary.

1 **7.2.5** The failure by one or more Medicare Beneficiaries or other Abuse
2 Claimants to comply with these provisions shall not delay or impair the payment by the
3 Trustee to any other Medicare Beneficiary or other Abuse Claimant complying with
4 these provisions.

5 **7.2.6** In the event of a violation or breach of the undertaking in Section
6 2.3 of the Safeco Settlement Agreement, then pursuant to Section 3.4 of the Safeco
7 Settlement Agreement, the Trust is liable to Safeco for the damages, injunctive relief,
8 attorneys' fees, costs, and expenses. In the event of a violation or breach of the
9 undertaking in Section 2.3 of the Travelers Settlement Agreement, then pursuant to
10 Section 3.4 of the Travelers Settlement Agreement, the Trust is liable to Travelers for
11 the damages, injunctive relief, attorneys fees, costs, and expenses. In the event of a
12 violation or breach of the undertaking in Section 2.3 of the Western World Settlement
13 Agreement, then pursuant to Section 3.4 of the Western World Settlement Agreement,
14 the Trust is liable to Western World for the damages, injunctive relief, attorneys fees,
15 costs, and expenses.

16 **7.2.7** If the Abuse Claimant is the estate of an Abuse Claimant, then the
17 letters or documentation required pursuant to Sections 7.2.3 and 7.2.4 need not be
18 dated within sixty (60) days of the date of payment by the Trustee to such Claimant.

19 **7.2.8** In the event that the Trustee does not comply with the provisions of
20 Sections 7.2.2 through 7.2.6, Safeco, Travelers, and/or Western World, as applicable,
21 shall be entitled to injunctive relief or damages resulting from such breach plus
22 attorneys' fees and costs.

23 **7.3 Future Abuse Claims Bar Date.** Each holder of a Future Abuse Claim
24 must, on or before the Future Abuse Claims Bar Date, file with the Trustee a proof of
25 claim or such Claimant's Future Abuse Claim will be forever barred and the holder of
26 such Claim will have no right to payment or other rights under the Plan or the Trust

1 Documents.

2 **7.4 Effect of Disallowance of Abuse Claims.** If an Abuse Claim is denied
3 payment pursuant to the Allocation Plans or an Abuse Claimant fails to obtain a
4 judgment against the Debtor, Reorganized Debtor, Released Parties, Participating
5 Parties, or the Trust, the holder of such Abuse Claim will have no further rights against
6 the Debtor, Reorganized Debtor, Released Parties, Participating Parties, the Settling
7 Insurers, the Trust or Trustee relating to such Abuse Claim.

8 **7.5 Treatment of Attorneys' Fees of Abuse Claimants.** Subject to the
9 treatment of Qualified Counsel Fees pursuant to the Plan, the fees and expenses of
10 attorneys representing Abuse Claimants who receive payment from the Trust will be
11 borne by such Abuse Claimants based on applicable state law and individual
12 arrangements made between such Abuse Claimants and their respective attorneys. In
13 no event will the Debtor, the Reorganized Debtor, the Participating Parties, the
14 Released Parties, the Settling Insurers, the Trust, or the Trustee have any liability for
15 any fees and expenses of attorneys representing any of the Abuse Claimants except for
16 the provisions relating to Qualified Counsel Fees, and any such Claims for fees and
17 expenses, if any, will be Disallowed.

18 **7.6 Treatment of Punitive Damages.** Claims for punitive or exemplary
19 damages in connection with any of the Claims will be treated as Penalty Claims and will
20 receive no distribution under the Plan.

21 **7.7 Withdrawal of Abuse Claims.** An Abuse Claimant may withdraw an
22 Abuse Claim at any time on written notice to the Trustee. If withdrawn, the Claim will be
23 withdrawn with prejudice and may not be reasserted.

24 **8. INSURANCE MATTERS.**

25 **8.1 Transfer of Insurance Rights.** On the Effective Date, and without any
26 further action by any party, but subject to the provisions of Sections 8.2 and 8.3, the

1 Debtor, the Reorganized Debtor, and each of the Participating Parties will be deemed to
2 have assigned to the Trust the Debtor's, the Reorganized Debtor's, and the
3 Participating Parties' rights to all Insurance Claims and Insurance Recoveries against
4 the Non-Settling Insurers. The foregoing transfer shall be effective to the maximum
5 extent permissible under applicable law and the terms of the Insurance Policies and
6 shall not be construed: (a) as an assignment of the Insurance Policies or (b) to entitle
7 any person or entity to Insurance Coverage other than those persons or entities entitled
8 to such coverage under the terms of the Insurance Policies. The determination of
9 whether the assignment of the Insurance Claims and Insurance Recoveries, or either of
10 them, to the Trust is valid or would defeat or impair the Insurance Coverage with
11 respect to an Insurance Policy, shall be made by the Bankruptcy Court at the
12 Confirmation Hearing. If a party in interest fails to timely file an objection to the
13 proposed assignment by the deadline for filing objections to confirmation of this Plan,
14 that party in interest shall be deemed to have irrevocably consented to the assignment
15 and will be forever barred from asserting that the assignment in any way affects the
16 ability of the Trust to pursue Insurance Claims and Insurance Recoveries, or either of
17 them, from the Non-Settling Insurers, and each of them, or Insurance Coverage. In the
18 event that the Bankruptcy Court determines that the assignment of the Insurance
19 Claims and Insurance Recoveries is valid and does not defeat or impair the Insurance
20 Coverage, following the Effective Date, the Trust shall assume responsibility for, and be
21 bound by, all of the obligations of the Debtor and Participating Parties under the
22 Insurance Policies; provided, however, that the Trust's assumption of such responsibility
23 shall not relieve the Debtor the Reorganized Debtor or the Participating Parties from any
24 obligation that such entities may have under the Insurance Policies.

25 **8.2 Appointment of Trustee as Estate Representative to Enforce**
26 **Insurance Rights and Obtain Insurance Recoveries.** Pursuant to the provisions of

1 section 1123(b)(3)(B) of the Bankruptcy Code and subject to the provisions of Sections
2 5.1.2, 5.4, 6.9 and 8.3 of the Plan, the Trust is hereby appointed as the representative
3 of the Debtor's estate for the purpose of retaining and enforcing the Debtor's and the
4 Debtor's estate's Insurance Coverage and for Insurance Claims with respect to the
5 Abuse Claims against the Debtor.

6 **8.3 Consequences of Determination That Assignment is Invalid.** In the
7 event that the Bankruptcy Court determines that the assignment of Insurance Claims
8 provided for in Section 8.1, or that the appointment of the Trust as the Debtor's and the
9 Debtor's estate's representative provided for in Section 8.2, is invalid or would defeat or
10 impair the Insurance Coverage with respect to an Insurance Policy, as to such
11 Insurance Policy, the assignment and/or appointment, as the case may be, will be
12 deemed not to have been made. If the assignment and/or appointment is not deemed
13 to have been made, the Debtor, the Reorganized Debtor, and each of the Participating
14 Parties will retain the Insurance Claims under such Insurance Policy, and:

15 (a) At the request of the Trust, subject to Section 8.6, the
16 Reorganized Debtor will assert its Insurance Claims to the extent requested by the Trust
17 against any Non-Settling Insurer,

18 (b) The Reorganized Debtor will select and retain counsel to
19 pursue its Insurance Claims pursuant to this Section 8.3, subject to the Trustee's
20 approval, which approval shall not be unreasonably withheld,

21 (c) The Trust shall pay the reasonable attorneys' fees, costs
22 and expenses allowed by the Bankruptcy Court that are incurred by the Reorganized
23 Debtor in pursuing its Insurance Claims pursuant to this Section 8.3,

24 (d) The Trust shall, in addition to reasonable attorneys' fees,
25 costs and expenses provided for in Section 8.3(c), reimburse the Reorganized Debtor
26 for any reasonable out of pocket costs and expenses it incurs as a direct consequence

1 of pursuing such Insurance Claims, but will not compensate the Reorganized Debtor for
2 any time any of its employees expend.

3 (e) Upon receipt by the Reorganized Debtor, all Insurance
4 Recoveries received by the Reorganized Debtor on account of such Insurance Claims
5 shall be deemed to be held in trust for the benefit of the Trust and shall be remitted by
6 the Reorganized Debtor to the Trust as soon as practicable following the Reorganized
7 Debtor's receipt of such Insurance Recoveries.

8 **8.4 Preservation of Insurance Rights.** Nothing in this Plan shall be
9 construed to impair or diminish in any way any Non-Settling Insurers obligations under
10 any Insurance Policy. No provision of this Plan shall impair diminish any Non-Settling
11 Insurer's legal, equitable, or contractual obligations relating to the Insurance Policies
12 issued by the Non-Settling Insurers or the Insurance Claims against the Non-Settling
13 Insurers in any respect. In the event that any court determines that any provision of this
14 Plan impairs or diminishes any Non-Settling Insurer's obligations with respect to the
15 Insurance Claims or Insurance Recoveries, such provision of this Plan shall be given
16 effect only to the extent that it shall not cause such impairment or diminishment.

17 **8.5 Post-Judgment Actions Against Non-Settling Insurers.** In the event
18 that the Trust or any Abuse Claimant obtains a judgment against the Reorganized
19 Debtor pursuant to Sections 5.4 or 6.9, the Reorganized Debtor will cooperate with the
20 Trust or Abuse Claimant in the pursuit of any action brought by the Trust or Abuse
21 Claimant against a Non-Settling Insurer that the Trust contends provides Insurance
22 Coverage for such judgment. Reorganized Debtor agrees that it will provide the Trust
23 or Abuse Claimant with any non-privileged and relevant documents and information
24 reasonably requested by the Trust or Abuse Claimant in pursuit of such an action. The
25 Trust agrees that it will reimburse the Reorganized Debtor for any reasonable out of
26 pocket costs it incurs, including attorneys' fees, as a direct consequence of such

1 cooperation, but will not compensate the Reorganized Debtor for any time any of its
2 employees expend.

3 **8.6 Settlement with Non-Settling Insurers.** Following the Effective Date,
4 the Reorganized Debtor shall not enter into a settlement agreement affecting any
5 Insurance Policy or Insurance Policies with any Non-Settling Insurer without the express
6 written consent of the Trust, which consent may be granted or withheld at the Trust's
7 sole and absolute discretion. Following the Effective Date, the Reorganized Debtor
8 authorizes the Trust to exclusively act on its behalf to negotiate a settlement with any
9 Non-Settling Insurer on account of such Insurance Claims.

10 **8.7 Cooperation with Non-Settling Insurer in Defense of Claims.** Without
11 limiting its obligations pursuant to Section 8.1, in the event that the Trust or any Abuse
12 Claimant prosecutes an action against the Reorganized Debtor pursuant to Sections
13 5.4, or 6.9, the Reorganized Debtor will cooperate, in accordance with the terms of any
14 applicable Insurance Policy, with a Non-Settling Insurer that is providing a defense to
15 such a Claim. The Trust agrees that it will reimburse the Reorganized Debtor for any
16 reasonable out of pocket costs, including attorneys' fees, it incurs as a direct
17 consequence of such cooperation, but will not compensate the Reorganized Debtor for
18 any time any of its employees expend.

19 **8.8 Insurance Neutrality.** Other than as expressly provided in this Section 8,
20 no provision of this Plan shall diminish or impair the right of any Insurer to assert any
21 defense to any Insurance Claim. Neither the assumption by the Trust of the Abuse
22 Claims nor the fact that the Trust is liquidating and paying monies on account of the
23 Abuse Claims shall be construed in any way to diminish any obligation of any Insurer
24 under any Insurance Policy to provide Insurance Coverage to the Debtor, the Debtor's
25 Estate or the Reorganized Debtor for Abuse Claims. The duties and obligations, if any,
26 of the Non-Settling Insurers under each Non-Settling Insurer's Insurance Policy shall not

1 be impaired, altered, reduced or diminished by: (a) the discharge granted to the Debtor
2 under the Plan pursuant to section 1141(d) of the Bankruptcy Code, (b) the
3 exonerations, exculpations and releases contained in the Plan or (c) the Channeling
4 Injunction.

5 **9. MEANS FOR IMPLEMENTATION OF THE PLAN.**

6 **9.1 Closing.** Closing will be conducted in the offices of Sussman Shank LLP,
7 or at such other location designated by the Reorganized Debtor, as soon as reasonably
8 practicable following the Effective Date for the purpose of the Reorganized Debtor, the
9 Participating Parties, and the Settling Insurers executing and delivering the Plan
10 Documents and completing those actions necessary for the Reorganized Debtor, the
11 Participating Parties, and the Settling Insurers to establish and fund the Trust and make
12 other distributions required to be made upon, or promptly following, the Effective Date.
13 As soon as practicable after the conditions set forth in Section 10.1 have been satisfied
14 or waived in accordance with Section 10.2, the Reorganized Debtor will give written
15 notice of the Closing to the Committee, the FCR, and any Claimant, Insurer,
16 Participating Party, or other Person or Entity that will be directly involved in the Closing.

17 **9.2 Continuation of Future Claimants Representative.**

18 **9.2.1** Notwithstanding the entry of the Confirmation Order or the
19 occurrence of the Effective Date, the duty of the FCR, or his successor, will be generally
20 to represent the collective interests of the Future Abuse Claimants to ensure the
21 Trustee's compliance with the Plan and Trust Documents as they relate to the Class 4
22 Claims. Such duty will continue until the Trust reserve for Class 4 Claims is wound
23 down in accordance with the provisions of the Plan and Trust Documents.

24 **9.2.2** The FCR will have no duty of any kind to give or offer legal advice
25 to any individual who is, or contends that he or she is, an Abuse Claimant, make
26 available to any such individual an attorney or other professional person, or assist any

1 such individual in proving his or her own Claim or negotiating a settlement of such
2 Claim. In addition to the FCR's other powers, the FCR will be empowered to: (a) retain
3 counsel and other professional advisors; (b) act as an advisor to the Trustee; (c)
4 enforce the Trust Documents and the Plan, or any provisions thereof, for the benefit of
5 the Future Abuse Claimants through legal proceedings or otherwise; and (d) initiate,
6 prosecute and defend any appeal arising out of or relating to (i) the Confirmation Order
7 or the Plan, (ii) any Plan Documents, or (iii) any other order or judgment entered in, or
8 relating to, the Case. Upon termination of the Trust, without the necessity for any other
9 or further action by any party and without court order, the FCR will be discharged from
10 all further authority, duties, responsibilities and obligations relating to or arising from or
11 in connection with the Case or this Plan. All reasonable fees, costs and expenses of
12 the FCR, including the fees and expenses of the FCR's professionals, will be paid by
13 the Trust from the reserve established for Class 4 Claims.

14 **9.3 Obligations of the Reorganized Debtor and Participating Parties.**

15 The Reorganized Debtor and the Participating Parties will:

16 (a) In the exercise of their respective business judgment, review
17 all Claims filed against the Estate except for Abuse Claims and, if advisable, object to
18 such Claims;

19 (b) After the Effective Date, not object to any Omak Area Shelter
20 Claims or Abuse Claims, except those Abuse Claims described in Sections 5.4 and 6.9
21 of the Plan.

22 (c) In the exercise of their respective business judgment,
23 investigate, prosecute, settle, or dismiss all Debtor and Participating Parties Actions that
24 are not otherwise resolved under this Plan. Unless otherwise provided in this Plan or
25 the Plan Documents, the Reorganized Debtor and Participating Parties will be entitled to
26 receive all Debtor and Participating Party Action Recoveries and insurance proceeds

1 not related to the Abuse Claims;

2 (d) Notwithstanding anything to the contrary in this Plan, honor
3 the Debtor's obligations under the Insurance Policies issued by the Non-Settling
4 Insurers and under applicable non-bankruptcy law, with the Reorganized Debtor's
5 attorneys' fees, costs and expenses incurred in doing so, if any, to be paid by the Non-
6 Settling Insurers and/or the Trust, as provided under the Insurance Policies, this Plan,
7 or the Trust Documents, as applicable;

8 (e) Honor the Debtor's obligations arising under any settlement
9 agreement between the Debtor and any Settling Insurer that has been approved by the
10 Bankruptcy Court; and,

11 (f) Perform all of their obligations under this Plan and Plan
12 Documents, in each case, as and when the same become due or are to be performed.

13 **9.4 Objections to Claims.** Objections to a Claim (except for Abuse Claims)
14 as to which no objection is pending as of the Effective Date, must be filed by the Claims
15 Objection Bar Date.

16 **9.5 Provisions Governing Distributions.**

17 **9.5.1 Distribution Only to Holders of Allowed Claims.** Except as
18 otherwise provided in the Plan, distributions under this Plan and the Plan Documents
19 will be made only to the holders of Allowed Claims and in the case of Abuse Claims,
20 only to liquidated Claims pursuant to the Plan and the Trust Documents. To the extent
21 of any funds paid to the Trust under the Safeco Settlement Agreement, Travelers
22 Settlement Agreement, or Western World Settlement Agreement, distributions to Abuse
23 Claimants under this Plan and the Plan Documents will be made in accordance with the
24 Safeco Settlement Agreement, Travelers Settlement Agreement, and Western World
25 Settlement Agreement, as applicable. Until a Disputed Claim becomes an Allowed
26 Claim, the holder of that Disputed Claim will not receive any distribution otherwise

1 provided to the Claimants under this Plan or the Plan Documents. If necessary in
2 determining the amount of a Pro Rata distribution due to the holders of Allowed Claims
3 in any class, the Reorganized Debtor or the Trustee, as applicable, will make the Pro
4 Rata calculation as if all Unresolved Claims were Allowed Claims in the full amount
5 Claimed or in the Estimated Amount. When an Unresolved Claim in any class becomes
6 an Allowed Claim, the Reorganized Debtor or the Trustee, as applicable, will make full
7 or partial distributions, as applicable, with respect to such Allowed Claim, net of any
8 setoff contemplated by the order, if any, allowing such Claim and/or any required
9 withholding of applicable federal and state taxes.

10 **9.5.2** Transmittal of Distributions. Except as otherwise provided in this
11 Plan, in the Plan Documents, or in an order of the Bankruptcy Court, distributions to be
12 made under this Plan or the Plan Documents to Claimants holding Allowed Claims or in
13 the case of Abuse Claim, Claimants holding liquidated Claims will, in each case, be
14 made by the Reorganized Debtor or Trustee, as applicable, by first class United States
15 mail, postage prepaid, (a) to the client trust account for attorneys of record of Abuse
16 Claimants, (b) if the Abuse Claimant does not have an attorney of record, to the latest
17 mailing address set forth in a proof of claim filed with the Claims Agent or the
18 Bankruptcy Court by or on behalf of such Claimant, or to such other address as may be
19 provided to the Reorganized Debtor or Trustee, as applicable, by such Claimant in
20 writing, or (c) if no such proof of claim has been filed and no written notice setting forth a
21 mailing address is provided by or on behalf of such Claimant to the Reorganized Debtor
22 or Trustee, as applicable, to the mailing address set forth in the schedules filed by the
23 Debtor in this Case. If a Claimant's distribution is not mailed or is returned to the
24 Reorganized Debtor or Trustee because of the absence of a proper mailing address,
25 the Reorganized Debtor or Trustee, as the case may be, shall make a reasonable effort
26 to locate or ascertain the correct mailing address for such Claimant from information

1 generally available to the public and from such party's own records, but shall not be
2 liable to such Claimant for having failed to find a correct mailing address.
3 Notwithstanding the foregoing, the Trustee may deliver Abuse Claimants' distributions
4 to the client trust accounts of attorneys of record.

5 **9.5.3** Timing of Distributions. Unless otherwise agreed by the
6 Reorganized Debtor or Trustee, as applicable, and the recipient of a distribution under
7 this Plan or the Plan Documents, whenever any payment to be made is due on a day
8 other than a Business Day, such payment will instead be made on the next Business
9 Day, with interest to the extent expressly contemplated by this Plan or any applicable
10 agreement or instrument.

11 (a) Form of Distributions. Unless otherwise agreed by the
12 Reorganized Debtor or Trustee, as applicable, and the recipient of a distribution under
13 this Plan or the Plan Documents, all distributions will be made, at the option of the
14 Reorganized Debtor or Trustee, by a check or wire transfer.

15 (b) No Professional Fees or Expenses. No professional
16 fees or expenses incurred by a Claimant will be paid by the Debtor, the Reorganized
17 Debtor, or the Trustee with respect to any Claim except as specified in this Plan or the
18 Trust Documents.

19 **9.6 Closing of the Case.** As soon as practicable after the Effective Date,
20 when the Reorganized Debtor deems appropriate, the Reorganized Debtor will seek
21 authority from the Court to close the Case in accordance with the Bankruptcy Code and
22 the Bankruptcy Rules; provided, however, that entry of a final decree closing the Case
23 shall, whether or not specified therein, be without prejudice to the right of the
24 Reorganized Debtor, the Trustee, or any other party in interest to reopen the Case for
25 any matter over which the Court or Oregon U.S. District Court has retained jurisdiction
26 under this Plan. Any order closing this Case will provide that the Bankruptcy Court or

1 Oregon U.S. District Court, as appropriate, will retain (a) jurisdiction to enforce, by
2 injunctive relief or otherwise, the Confirmation Order, any other orders entered in this
3 Case, and the obligations created by this Plan and the Plan Documents; and (b) all
4 other jurisdiction and authority granted to it under this Plan and the Plan Documents.

5 **10. CONDITIONS PRECEDENT.**

6 **10.1 Conditions to Effectiveness.** The Effective Date will occur when each of
7 the following conditions have been satisfied or waived in accordance with Section 10.2
8 of this Plan:

9 **10.1.1** The Bankruptcy Court shall have entered a Final Order or Final
10 Orders approving all settlement agreements between the Debtor, the Participating
11 Parties, and the Settling Insurers, and any appropriate judgments consistent therewith,
12 in form and substance reasonably acceptable to each of those parties, and no stay of
13 such Orders shall be in effect;

14 **10.1.2** The Bankruptcy Court shall have entered the Confirmation Order
15 in form and substance reasonably acceptable to the Proponents, the Participating
16 Parties, and the Settling Insurers, and no stay of such Order shall be in effect.

17 **10.2 Waiver of Conditions.** Any condition set forth in Section 10.1 of this Plan
18 may be waived by the mutual consent of the Proponents, the Participating Parties, and
19 the Settling Insurers.

20 **11. EFFECTS OF PLAN CONFIRMATION.**

21 **11.1 Discharge.** Notwithstanding anything to the contrary in the Plan, on the
22 Effective Date, pursuant to Section 1141(d) of the Bankruptcy Code, the Debtor and the
23 Reorganized Debtor will be discharged from all liability for any and all Claims and
24 Debts, known or unknown, whether or not giving rise to a right to payment or an
25 equitable remedy, that arose, directly or indirectly, from any action, inaction, event,
26 conduct, circumstance, happening, occurrence, agreement, or obligation of the Debtor,

1 or the Debtor's Representatives before the Confirmation Date, or that otherwise arose
2 before the Confirmation Date, including all interest, if any, on any such Claims and
3 Debts, whether such interest accrued before or after the date of commencement of this
4 Case, and including all Claims and Debts based upon or arising out of Abuse, and from
5 any liability of the kind specified in Sections 502(g), 502(h), and 502(i) of the Bankruptcy
6 Code, whether or not (a) a proof of claim is filed or is deemed filed under Section 501 of
7 the Bankruptcy Code; (b) such Claim is Allowed under this Plan; or (c) the holder of
8 such Claim has accepted this Plan.

9 **11.1.1** Section 11.1 of the Plan does not apply to (a) the obligations of
10 any Non-Settling Insurers for any Claims; (b) the obligations arising under any
11 settlement agreement between the Debtor and any Settling Insurer approved by the
12 Bankruptcy Court, which are not and will not be discharged; (c) the performance by the
13 Reorganized Debtor of any and all obligations due to the Non-Settling Insurers under
14 their Insurance Policies with respect to any Abuse Claim, and (d) (i) a Person or
15 Persons having personally committed an act or acts of Abuse resulting in a Claim
16 against the Debtor or a Participating Party, (ii) the Society of Jesus; (iii) the Father
17 General of the Society of Jesus and his predecessors, (iv) the Society of Jesus General
18 Curia (v) a successor or predecessor of the Debtor to the extent of such successor's or
19 predecessor's independent liability for an act or acts of Abuse; (vi) Gonzaga University;
20 (vii) Seattle University; and (viii) the Jesuit High Schools.

21 **11.2 Post-Petition Abuse Claims.** Abuse Claims, other than Future Claims,
22 arising or occurring after the Petition Date will not be discharged, released or impaired,
23 with the exception of any Abuse Claim against a Settling Insurer.

24 **11.3 Vesting.** Except as otherwise expressly provided in this Plan or in the
25 Confirmation Order, on the Effective Date, the Reorganized Debtor (a) will be vested
26 with all of the property of the Estate free and clear of all Claims, liens, encumbrances,

1 charges and other interests of Creditors and Claimants; and (b) may hold, use, dispose,
2 and otherwise deal with such property and conduct its affairs, in each case, free of any
3 restrictions imposed by the Bankruptcy Code or by the Bankruptcy Court.

4 **11.4 Exculpation And Limitation Of Liability.** Except as expressly provided
5 in this Plan, none of the Exculpated Parties will have or incur any liability to, or be
6 subject to any right of action by, any holder of a Claim, any other party in interest, or any
7 of their respective agents, employees, representatives, financial advisors, attorneys, or
8 affiliates, or any of their successors or assigns, for any act or omission in connection
9 with, relating to, or arising out of the Case, including the exercise of their respective
10 business judgment and the performance of their respective fiduciary obligations, the
11 pursuit of confirmation of the Plan, or the administration of the Plan or the Trust, except
12 liability for their willful misconduct or gross negligence (provided however the Debtor
13 and Reorganized Debtor will be discharged from any such liability for such acts or
14 omissions occurring prior to the Confirmation Date), and in all respects, such parties will
15 be entitled to reasonably rely upon the advice of counsel with respect to their duties and
16 responsibilities under the Plan or in the context of the Case.

17 **11.5 Supplemental Injunction Preventing Prosecution of Abuse Claims**
18 **Against Settling Insurers.** Pursuant to sections 105(a) and 363 of the Bankruptcy
19 Code, any and all Persons and Entities who now hold or who may in the future hold
20 Claims and Interests of any kind or nature (including all debt holders, all equity holders,
21 governmental, tax and regulatory authorities, lenders, trade and other creditors, Abuse
22 Claimants, other insurers, and all others holding Claims or Interests of any kind or
23 nature whatsoever) against the Debtor, the Reorganized Debtor, the Province, the
24 Participating Parties, the Settling Insurers, the Settling Insurer Other Releasing Parties,
25 or the Settling Insurer Policies, arising out of, relating to, or in connection with the
26 Settling Insurer Policies or Abuse Claims are hereby permanently stayed, enjoined,

1 barred, and restrained from taking any action, directly or indirectly, to assert, to enforce
2 or to attempt to assert or enforce any such Claim and Interests against the Settling
3 Insurers, the Settling Insurer Released Parties, and/or the Settling Insurer Policies.

4 **11.6 Supplemental Injunctions Preventing Prosecution of Abuse Claims**
5 **Against Safeco, Travelers, and Western World.**

6 **11.6.1** In accordance with the Safeco Settlement Agreement and the
7 Approval Order that approved the Agreement (as defined in the Safeco Settlement
8 Agreement), pursuant to sections 105(a) and 363 of the Bankruptcy Code, any and all
9 Persons and Entities who now hold or who may in the future hold any Claims (as
10 defined in the Safeco Settlement Agreement) or Interests (as defined in the Safeco
11 Settlement Agreement) of any kind or nature (including, without limitation, all debt
12 holders, all equity holders, governmental, tax and regulatory authorities, lenders, trade
13 and other creditors, Tort Claim (as defined in the Safeco Settlement Agreement)
14 holders, other insurers, and all others holding Claims (as defined in the Safeco
15 Settlement Agreement) or Interests (as defined in the Safeco Settlement Agreement) of
16 any kind or nature whatsoever) against SJOP, Safeco Other Releasing Parties, Safeco,
17 Safeco Released Parties, or the Safeco Policies, relating to or in connection with the
18 Safeco Policies, Tort Claims (as defined in the Safeco Settlement Agreement), or Abuse
19 Claims (as defined in the Plan), are hereby permanently stayed, enjoined, barred, and
20 restrained from taking any action, directly or indirectly, to assert, to enforce or to attempt
21 to assert or enforce any such Claim (as defined in the Safeco Settlement Agreement) or
22 Interest (as defined in the Safeco Settlement Agreement) against Safeco, the Safeco
23 Released Parties, and/or the Safeco Policies.

24 **11.6.2** Pursuant to sections 105(a) and 363 of the Bankruptcy Code and in
25 consideration of the undertakings of Travelers pursuant to the Travelers Settlement
26 Agreement, including any of the Travelers' purchases of Travelers Policies from the

1 Debtor free and clear of all Claims (as defined in the Travelers Settlement Agreement)
2 and Interests pursuant to Section 363(f) of the Bankruptcy Code, any and all Persons
3 and Entities who have held, now hold or who may in the future hold Claims (as defined
4 in the Travelers Settlement Agreement) or Interests of any kind or nature (including all
5 debt holders, all equity holders, governmental, tax and regulatory authorities, lenders,
6 trade and other creditors, Abuse Claimants, Future Abuse Claimants, Tort Claimants
7 (as defined in the Travelers Settlement Agreement), other insurers, and all others
8 holding Claims or Interests of any kind or nature whatsoever) against the Debtor, the
9 Estate, the Province, Travelers Other Releasing Parties, Travelers, Travelers Released
10 Parties, or the Travelers Policies, arising out of, relating to, or in connection with the
11 Travelers Policies, Abuse Claims, and/or Tort Claims (as defined in the Travelers
12 Settlement Agreement), are hereby permanently stayed, enjoined, barred, and
13 restrained from taking any action, directly or indirectly, to assert, to enforce or to attempt
14 to assert or enforce any such Claim (as defined in the Travelers Settlement Agreement)
15 or Interest against Travelers, Travelers Released Parties, and/or the Travelers Policies.

16 **11.6.3** In accordance with the Western World Settlement Agreement and
17 the Approval Order that approved the Agreement (as defined in the Western World
18 Settlement Agreement), pursuant to sections 105(a) and 363 of the Bankruptcy Code,
19 any and all Persons and Entities who now hold or who may in the future hold any
20 Claims (as defined in the Western World Settlement Agreement) or Interests (as defined
21 in the Western World Settlement Agreement) of any kind or nature (including, without
22 limitation, all debt holders, all equity holders, governmental, tax and regulatory
23 authorities, lenders, trade and other creditors, Tort Claim (as defined in the Western
24 World Settlement Agreement) holders, other insurers, and all others holding Claims (as
25 defined in the Western World Settlement Agreement) or Interests (as defined in the
26 Western World Settlement Agreement) of any kind or nature whatsoever) against SJOP,

1 Western World Other Releasing Parties, Western World, Western World Released
2 Parties, or the Western World Policies, relating to or in connection with the Western
3 World Policies, Tort Claims (as defined in the Western World Settlement Agreement), or
4 Abuse Claims (as defined in the Plan), are hereby permanently stayed, enjoined,
5 barred, and restrained from taking any action, directly or indirectly, to assert, to enforce
6 or to attempt to assert or enforce any such Claim (as defined in the Western World
7 Settlement Agreement) or Interest (as defined in the Western World Settlement
8 Agreement) against Western World, the Western World Released Parties, and/or the
9 Western World Policies.

10 **11.6.4** Any Insurer, other than Safeco, Travelers, and Western World, that
11 becomes a Settling Insurer and signs a settlement agreement substantially in the form
12 of the Safeco Settlement Agreement, shall be entitled to the benefits, including all
13 injunctions, as set forth in the form of settlement agreement signed by such Insurer.

14 **11.7 Channeling Injunction Preventing Prosecution of Abuse Claims**
15 **Against Channeling Injunction Beneficiaries.** In consideration of the undertakings of
16 the Channeling Injunction Beneficiaries, pursuant to their respective settlements with
17 the Debtor and/or a Participating Party, the funding of the Trust, other consideration,
18 and to further preserve and promote the agreements between and among the
19 Channeling Injunction Beneficiaries, and the protections afforded the Channeling
20 Injunction Beneficiaries, and pursuant to section 105 of the Bankruptcy Code:

21 (a) any and all Channeled Claims are channeled into the Trust;
22 and

23 (b) all Persons or Entities that have held or asserted, hold or
24 assert, or may in the future hold or assert, any Channeled Claim are hereby
25 permanently stayed, enjoined, barred and restrained from taking any action, directly or
26 indirectly, for the purposes of asserting, enforcing, or attempting to assert or enforce

1 any Channeled Claim, including:

2 (i) commencing or continuing in any manner any action or other
3 proceeding of any kind with respect to any Channeled Claim against any Channeling
4 Injunction Beneficiaries, their respective predecessors, successors, and assigns, or
5 their respective employees, officers, and directors, or against the property of any
6 Channeling Injunction Beneficiaries, their respective predecessors, successors, and
7 assigns, or their respective employees, officers, and directors;

8 (ii) enforcing, attaching, collecting or recovering, by any manner or means,
9 from any Channeling Injunction Beneficiaries, their respective predecessors,
10 successors, and assigns, or their respective employees, officers, and directors, or from
11 the property of any Channeling Injunction Beneficiaries, their respective predecessors,
12 successors, and assigns, or their respective employees, officers, and directors, with
13 respect to any such Channeled Claim, any judgment, award, decree, or order against
14 any Channeling Injunction Beneficiaries, or other Person or Entity;

15 (iii) creating, perfecting or enforcing any lien of any kind against any
16 Channeling Injunction Beneficiaries, their respective predecessors, successors, and
17 assigns, or their respective employees, officers, and directors, or the property of any
18 Channeling Injunction Beneficiaries, their respective predecessors, successors, and
19 assigns, or their respective employees, officers, and directors, with respect to any such
20 Channeled Claim; and

21 (iv) asserting, implementing or effectuating any Channeled Claim of any
22 kind against:

23 (1) any obligation due any Channeling Injunction Beneficiaries, their
24 respective predecessors, successors, and assigns, or their respective employees,
25 officers, and directors;

26 (2) any Channeling Injunction Beneficiaries, their respective

1 predecessors, successors, and assigns, or their respective employees, officers, and
2 directors; or

3 (3) the property of any Channeling Injunction Beneficiaries, their
4 respective predecessors, successors, and assigns, or their respective employees,
5 officers and directors, with respect to any such Channeled Claim.

6 Notwithstanding any provision of this Plan, the foregoing “Channeling Injunction
7 Preventing Prosecution of Abuse Claims Against Channeling Injunction Beneficiaries”
8 provides absolutely no protection to (i) a Person or Persons having personally
9 committed an act or acts of Abuse resulting in a Claim against the Debtor or a
10 Participating Party, (ii) the Society of Jesus; (iii) the Father General of the Society of
11 Jesus and his predecessors, (iv) the Society of Jesus General Curia; (v) a successor or
12 predecessor of the Debtor to the extent of such successor’s or predecessor’s
13 independent liability for an act or acts of Abuse; (vi) Gonzaga University; (vii) Seattle
14 University; and (viii) the Jesuit High Schools.

15 **11.7.1** To the extent not otherwise enjoined in Section 11.6, assertion and
16 enforcement of Channeled Claims, and any attempt to assert or enforce such Claims,
17 by any Person or Entity, against Safeco, the Safeco Released Parties, Travelers, the
18 Travelers Released Parties, Western World, and the Western World Released Parties is
19 hereby permanently stayed, enjoined, barred, and restrained.

20 **11.7.2** Safeco, the Safeco Released Parties, Travelers, the Travelers
21 Released Parties, Western World, and the Western World Released Parties are entitled
22 to and hereby shall receive the benefits and protections of the injunctions in Sections
23 11.5 and 11.7 of this Plan as if Section 11.5 and 11.7 of the Plan applied specifically to
24 Safeco, the Safeco Released Parties, Travelers, the Travelers Released Parties,
25 Western World, and the Western World Released Parties.

26 **11.8 Term of Injunctions or Stays and Confirmation of Settlements With**

1 **Settling Insurers, Released Parties, and Participating Parties.** All injunctions and/or
2 stays provided for in this Plan, the injunctive provisions of Sections 524 and 1141 of the
3 Bankruptcy Code, and all injunctions or stays protecting Safeco, the Safeco Released
4 Parties, Travelers, the Travelers Released Parties, Western World, the Western World
5 Released Parties, Settling Insurers, Settling Insurer Released Party, Released Parties,
6 and/or Participating Parties, and their respective predecessors, successors, and
7 assigns, including Safeco, Travelers, Western World, or any other Settling Insurer that
8 has purchased its Insurance Policy or Policies in a Section 363 Sale, are permanent
9 and will remain in full force and effect following the Effective Date and are not subject to
10 being vacated or modified. Debtor's settlement agreements, if any, with Safeco,
11 Travelers, Western World, the Settling Insurers, the Released Parties, and the
12 Participating Parties previously authorized by the Bankruptcy Court are hereby affirmed
13 and any obligations of Debtor with respect to such settlement agreements shall be
14 assumed by the Reorganized Debtor and Trustee, as applicable, on the Effective Date.
15 None of the injunctions or stays under the Plan provide any protection whatsoever to (i)
16 a Person or Persons having personally committed an act or acts of Abuse resulting in a
17 Claim against the Debtor or a Participating Party; (ii) the Society of Jesus; (iii) the
18 Father General of the Society of Jesus and his predecessors or (iv) the Society of Jesus
19 General Curia; (v) a successor or predecessor of the Debtor to the extent of such
20 successor's or predecessor's independent liability for an act or acts of Abuse; (vi)
21 Gonzaga University; (vii) Seattle University; and (viii) the Jesuit High Schools.

22 **11.9 Release of Avoidance Claims Against Participating Parties and**
23 **Settling Insurers.** On the Effective Date, all Avoidance Claims, including those arising
24 under Sections 544, 547, 548, 549, 550, and 553 of the Bankruptcy Code, against each
25 of the Participating Parties and the Settling Insurers, and the Debtor and Reorganized
26 Debtor as trustee of the Arcas (and any other Person or Entity that may be determined

1 to be a trustee of the Arcas), and each of their predecessors, successors, and assigns,
2 shall be deemed settled, compromised, and released by this Plan. The foregoing
3 release has absolutely no application to the Avoidance Actions set forth on Exhibit 11.9.

4 **11.10 Release of Claims Against Seattle University.** Except for obligations
5 arising under any executory contract assumed by Reorganized Debtor pursuant to
6 Section 12.2 of this plan, On the Effective Date, Debtor, Reorganized Debtor and the
7 Estate waive, release and discharge any and all claims or causes of action of every kind
8 and nature that Debtor, Reorganized Debtor, or the Estate have or may have against
9 Seattle University, including any Third Party Derivative Claims, Avoidance Claims, and
10 any claim that Seattle University or its assets are a part of or owned by Debtor or the
11 Estate. No such claim will survive the Effective Date or be deemed to be assigned to
12 the Trust.

13 **11.11 Limitation on Exercise of Rights Against the Jesuit High Schools.** On
14 or after the Effective Date, no Third Party Derivative Claims may be brought against the
15 Jesuit High Schools unless such claims are consolidated in a single action which action
16 shall be brought in the U.S. District Court for the District of Oregon or the U. S.
17 Bankruptcy Court for the District of Oregon. The Jesuit High Schools each consent to
18 jurisdiction in U.S. District Court for the District of Oregon or the U. S. Bankruptcy Court
19 for the District of Oregon for purposes of the Third Party Derivative Claims.

20 **12. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED**
21 **LEASES.**

22 **12.1 Assumed Employee and Retiree Benefit Plans and Collective**
23 **Bargaining Agreements.** To the extent not previously assumed, all employee and
24 retiree benefit plans and all collective bargaining agreements to which the Debtor is a
25 party will be deemed assumed by the Reorganized Debtor on the Effective Date.

26 **12.2 General; Assumed if Not Rejected.** Subject to the requirements of

1 Section 365, all executory contracts and unexpired leases of the Debtor that have not
2 been rejected by order of the Bankruptcy Court or are not the subject of a motion to
3 reject pending on the Confirmation Date will be deemed assumed by the Reorganized
4 Debtor on the Effective Date. If any party to an executory contract or unexpired lease
5 that is being assumed objects to such assumption, the Bankruptcy Court may conduct a
6 hearing on such objection on any date that is either mutually agreeable to the parties or
7 fixed by the Bankruptcy Court. All payments to cure defaults that may be required
8 under Section 365(b)(1) of the Bankruptcy Code will be made by the Reorganized
9 Debtor. In the event of a dispute regarding the amount of any such payments, or the
10 ability of the Debtor to provide adequate assurance of future performance, the
11 Reorganized Debtor will make any payments required by Section 365(b)(1) of the
12 Bankruptcy Code after the entry of the Final Order resolving such dispute.

13 **12.3 Claims for Contract Rejection.** All proofs of claim with respect to Claims
14 arising from the rejection of executory contracts or unexpired leases must be filed with
15 the Bankruptcy Court within 30 days after the Effective Date or such Claims will be
16 forever barred. If any order providing for the rejection of an executory contract or
17 unexpired lease did not provide a deadline for the filing of Claims arising from such
18 rejection, proofs of Claim with respect thereto must be filed within 30 days after the later
19 to occur of (a) the Effective Date or, (b) if the order is entered after the Effective Date,
20 the date such order becomes a Final Order, or such Claims will be forever barred.

21 **13. NON-MONETARY COMMITMENTS.**

22 In order to further promote healing and reconciliation, and in order to continue the
23 Plan proponents efforts to prevent sexual abuse from occurring in the Province in the
24 future, the Debtor and Reorganized Debtor agree that beginning thirty (30) days after
25 the Effective Date (unless a different date is provided below):

26 **13.1** For a period of not less than ten (10) years after the Effective Date, the

1 Reorganized Debtor will post on the homepage of the Province's website,
2 www.nwjesuits.org, a prominent link to the names of all members of the Province, who
3 are identified as perpetrators of Sexual Abuse in proofs of claim filed in the Case.
4 Notwithstanding the foregoing, the Province shall maintain the posting for any longer
5 period of time if recommended by the U.S. Conference of Catholic Bishops. Provided,
6 that the posting will not include the names of any of the five (5) Province members who
7 deny that they are perpetrators of Sexual Abuse unless the Province concludes that the
8 accusations are credible. Upon the Province determining that any of the five (5) the
9 Province members are credibly accused, such member's name will be added to the
10 posting. [Link to statement from Oregon Province.](#)

11 **13.2** The Confirmation Order shall vacate any order(s) entered in the Case
12 restricting the publication of the names of any members of the Province who are
13 identified as perpetrators of Sexual Abuse in proofs of claim filed in the Case. [Link to](#)
14 [statement from Oregon Province.](#)

15 **13.3** The Province will make available for two (2) years after the Effective Date
16 one printable page per quarter on the Province's website, www.nwjesuits.org, for Abuse
17 Claimants to tell their stories of Abuse, if they desire to publish their stories. [Link to](#)
18 [statement from Oregon Province.](#)

19 **13.4** The Provincial will send letters of apology to all Abuse Claimants at the
20 address listed on their proof of claim. Letters of apology will state that the Abuse
21 Claimant was not at fault for the Abuse, and that the Province and the Reorganized
22 Debtor takes responsibility for its part in the Abuse. The Provincial will personally sign
23 the letters of apology. Nothing in the letter shall be deemed a reaffirmation of the Abuse
24 Claim or a waiver of any of the Reorganized Debtor's rights under the Plan. [Link to](#)
25 [statement from Oregon Province.](#)

26 **13.5** For a period of five (5) years after the Effective Date, the Provincial will be

1 available upon reasonable notice in Portland Oregon, during scheduled visits to
2 Anchorage, Seattle, and Spokane, and at additional locations where he is having
3 manifestations with the Province members_ to have a private conference with any person
4 who has alleged to have an Abuse Claim. [Link to statement from Oregon Province.](#)

5 **13.6** Reorganized Debtor and the Province will institute a policy requiring that
6 its employees, representatives, agents and spokespersons, not refer either verbally or
7 in print to sexual abuse claimants as "alleged" claimants, "alleged" victims or "alleged"
8 survivors. [Link to statement from Oregon Province.](#)

9 **13.7** The Province and the Reorganized Debtor will include a link on the
10 Province's website, www.nwjesuits.org, for five (5) years after the Effective Date to a
11 prominent statement urging persons sexually abused by priests or religious to come
12 forward and contact law enforcement, and the Province's Victim's Assistance
13 Coordinator, and/or any survivor group or organization felt appropriate by the person
14 wishing to make a report of abuse. [Link to statement from Oregon Province.](#)

15 **13.8** On the Effective Date, the Reorganized Debtor and the Province shall
16 adopt and implement a written policy for members of the Province and all employees of
17 the Reorganized Debtor requiring all members and employees to report to state and
18 local police and law enforcement authorities any knowledge of child Sexual Abuse
19 (provided that reporting of knowledge of Abuse obtained within the Sacrament of
20 Confession is not mandatory). [Link to statement from Oregon Province.](#)

21 **13.9** Irrespective of an apology, the Provincial shall issue a statement of
22 gratitude for the survivors of Sexual Abuse who have had the courage to speak about
23 the Sexual Abuse they endured and continue to live with every day. This statement shall
24 be posted on www.nwjesuits.org and published prominently as a retail ad of no less
25 than a-quarter page in the Oregonian, the Seattle Times, the Missoulian, the Idaho
26 Statesman, the Spokesman Review, the Anchorage Daily News, Indian Country Today,

1 Indian Times, the Fairbanks Daily News-Miner, Omak Chronicle, Fort Belknap News,
2 Billings Gazette, The Charkoosta, Lake County Leader, Valley Journal, Blaine County
3 Journal, The Mountaineer, Havre Daily News, and Great Falls Tribune. In the
4 statement, the Provincial shall encourage victims to report abuse to law enforcement
5 and seek help from professional counselors. This statement shall include contact
6 information for support groups such as SNAP, SOAR Inc., and/or similar organizations.
7 [Link to statement by Oregon Province.](#)

8 **13.10** The Reorganized Debtor will publicly announce and post on the Province's
9 website, www.nwjesuits.org, the full and complete release of all survivors of Sexual
10 Abuse from any confidentiality requirement in settlements that they have signed as a
11 condition of settlement. No survivor's identity may be released or revealed without his or
12 her permission. The Reorganized Debtor and the Province shall contact by first class
13 mail each survivor of Sexual Abuse who has previously entered into such a
14 confidentiality agreement. The letter shall be addressed to the survivor at the address
15 listed in such agreement or to the person's attorney, if any, to notify them of the full and
16 complete release. Any future settlement related to Sexual Abuse entered into by the
17 Reorganized Debtor and/or the Province shall not contain any confidentiality provision
18 except at the written request of the survivor claimant. [Link to statement by Oregon](#)
19 [Province.](#)

20 **13.11** The Reorganized Debtor and the Province shall adopt a whistle blower
21 policy concerning the method by which a report concerning abuse within the Province
22 can be made and expressly providing that the Reorganized Debtor and the Province will
23 not take any retaliatory actions against persons who report such information in good
24 faith. [Link to statement by Oregon Province.](#)

25 **13.12** The Provincial shall request that the Attorneys General of the five states
26 incorporated in the Province to form a Joint Task Force on Child Protection to annually

1 investigate and monitor all institutions under the auspices of the Reorganized Debtor
2 and the Province. [Link to statement by Oregon Province.](#)

3 **13.13** The Reorganized Debtor and the Province will never seek to, direct, pay
4 or hire any agent or employee or third party, to retract, oppose or challenge the
5 constitutionality or legitimacy of any reform of a statute of limitations affecting sexual
6 abuse in the five states in the Province or similar legislation or law in any other state or
7 jurisdiction. [Link to statement by Oregon Province.](#)

8 **13.14** The Reorganized Debtor and the Province shall continue to provide a toll-
9 free phone number and website for anonymous abuse complaints and include that
10 information on the main page of the Province’s website - www.nwjesuists.org. If a report
11 of abuse is made formally to anyone in the Province or through the aforementioned
12 avenues, the Reorganized Debtor and the Province will encourage the alleged victim to
13 report the information to law enforcement and the Reorganized Debtor and the Province
14 will report the information to law enforcement as well. If a perpetrator is found to be
15 guilty either by the state or federal court system or by the Province, the Provincial will
16 publicly identify the perpetrator and will encourage any other possible survivors to report
17 the abuse to local law enforcement. [Link to statement by Oregon Province.](#)

18 **13.15** In connection with the production of Documents set forth herein, the
19 Province Entities shall waive any and all privilege and defenses, if any, associated with
20 any statutory or Constitutional protections the Province Entities might otherwise seek to
21 assert, including any privileges and defenses associated with or in any way based upon
22 Canon Law, except for the following enumerated privileges under Oregon law:

- 23 1. Attorney-Client;
24 2. Priest-Penitent;
25 3. Psychologist/Psychoanalyst-Client;
26 4. Licensed Counselor/Social Worker-Client;

- 1 5. Physician-Patient; and,
2 6. Attorney Work Product.

3 [Link to statement by Oregon Province.](#)

4 **13.16** Any Person may publish the Documents. [Link to statement by Oregon](#)
5 [Province.](#)

6 **13.17** In connection with the production of Documents, and other than with
7 respect to video depositions, no victim's identity may be released or revealed without
8 his or her express permission. Judge Gregg Zive¹ will rule on any disputes regarding
9 the production of Documents. Decisions by Judge Zive (or, as applicable, his
10 successor) shall be final and non-reviewable by any court or other tribunal or authority.

11 [Link to statement by Oregon Province.](#)

12 **13.18** No Province Entity will retain or pay for counsel for any third party to
13 contest the production of any Document. [Link to statement by Oregon Province.](#)

14 **13.19** Upon a showing of good cause and after the Reorganized Debtor's
15 opportunity to respond thereto, the Reorganized Debtor shall allow Judge Zive (or his
16 successor) to have complete access to inspect Reorganized Debtor and the Province
17 files and archives to ensure that all Documents have been produced, subject to any
18 generally applicable rules regarding access to the Province archives. The purpose of
19 this inspection right is to verify that all Documents have been produced, which
20 verification shall be final and non-reviewable by any court or other tribunal or authority.

21 [Link to statement by Oregon Province.](#)

22 **13.20** The Reorganized Debtor shall provide the Trustee with a compliance
23 report semi-annually for the first year and then annually. The Trustee shall be a party in

25 ¹ Or, as applicable, a successor agreed upon by the Reorganized Debtor and the
26 Trustee. If the Reorganized Debtor and Trustee cannot agree on a successor, a
successor designated by the Bankruptcy Court upon joint application of the
Reorganized Debtor and the Trustee.

1 interest regarding the compliance report and the enforcement of the covenants in
2 Sections 13.1 through 13.22. [Link to statement by Oregon Province.](#)

3 **13.21** The Reorganized Debtor and the Province shall not oppose, expressly or
4 implicitly, any proposed or enacted statutes or laws or judicial precedent that require
5 mandatory reporting of child abuse, abandonment or neglect. [Link to statement by](#)
6 [Oregon Province.](#)

7 **13.22** The Reorganized Debtor and the Province Entities, having exercised their
8 best efforts to produce, upon request, to an Abuse Claimant or the designee, any and
9 all of the Abuse Claimant's personal records, including but not limited to school
10 records, health records and communion records within 30 days of request, represent to
11 the Committee that they have no such documents or records in their possession,
12 custody, or control. [Link to statement by Oregon Province.](#)

13 **14. MISCELLANEOUS PROVISIONS.**

14 **14.1 Retention of Jurisdiction.** Notwithstanding entry of the Confirmation
15 Order or the occurrence of the Effective Date:

16 **14.1.1** Except as otherwise set forth in this Plan or in the Confirmation
17 Order, the Bankruptcy Court will retain jurisdiction over all matters arising under, in
18 furtherance of, or in connection with this Plan, including the following:

19 (a) The determination of objections to Disputed Claims; the
20 determination of requests for payment of Claims entitled to priority under Section 507 of
21 the Bankruptcy Code, including compensation of and reimbursement of expenses of
22 parties entitled thereto;

23 (b) The resolution of controversies and disputes regarding
24 interpretation and implementation of this Plan and the Plan Documents;

25 (c) The granting of relief in aid of this Plan and the Plan
26 Documents including the entry of appropriate orders (which may include contempt or

1 other sanctions) to protect the Reorganized Debtor, the Participating Parties, the
2 Settling Insurers, Seattle University, and the Released Parties from actions prohibited
3 under this Plan or the Plan Documents;

4 (d) Amendments to and modifications of this Plan;

5 (e) Subject to the limitations and exclusions described above,
6 the determination of any and all applications, adversary proceedings, and contested or
7 litigated matters pending on the Effective Date; and

8 (f) The closing of this Case.

9 **14.2 Modification of Plan.** The Proponents reserve the right, in accordance
10 with the Bankruptcy Code, to amend, modify or withdraw this Plan prior to the entry of
11 the Confirmation Order. After the entry of the Confirmation Order, the Proponents may,
12 upon order, amend or modify this Plan in accordance with Section 1127(b) of the
13 Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in
14 this Plan in such manner as may be necessary to carry out the purpose and intent of
15 this Plan.

16 **14.3 Severability.** In the event of a successful collateral attack on any
17 provision of this Plan (i.e., an attack other than through a direct appeal of the
18 Confirmation Order), the remaining provisions of this Plan will remain binding on the
19 Debtor, the Reorganized Debtor, the Participating Parties, the Settling Insurers, the
20 Trustee, the Committee, the FCR, all Claimants, all Creditors, and all other parties in
21 interest.

22 **14.4. Post-Confirmation Professional Fees and Expenses.** Except as
23 otherwise provided in the Plan, all professional fees and expenses incurred or payable
24 by the Reorganized Debtor, the Trustee, and the FCR after the Effective Date will be
25 paid in the ordinary course of business of the Reorganized Debtor and the Trust without
26 the need for approval of the Bankruptcy Court. The Bankruptcy Court will retain

1 jurisdiction to resolve any dispute with respect to such fees or expenses upon
2 application by the affected professional, the Trustee, the Committee, the FCR, or the
3 Reorganized Debtor.

4 **14.5 Headings.** The headings of the sections of this Plan are inserted for
5 convenience only and will not affect the interpretation hereof.

6 **14.6 Computation of Time Periods.** In computing any period of time
7 prescribed or allowed by this Plan, the day of the act, event, or default from which a
8 designated period of time begins to run will not be included. The last day of the period
9 so computed will be included so long as it is a Business Day. When the period of time
10 prescribed or allowed is less than 11 days, any day that is not a Business Day will be
11 excluded in the computation.

12 **14.7 Notices.** All notices or requests to the Reorganized Debtor in connection
13 with this Plan shall be in writing and served either by (i) United States mail, postage
14 prepaid, (ii) hand delivery, or (iii) reputable overnight delivery service, all charges
15 prepaid, and shall be deemed given when received by the following parties:

16 If to the Debtor or Reorganized Debtor:

17 Society of Jesus, Oregon Province
18 3215 SE 45th Avenue
19 Portland, OR 97206
Attn: Provincial

20 With a copy to:

21 Sussman Shank LLP
22 1000 SW Broadway, Suite 1400
Portland, OR 97205
Attention: Thomas W. Stillely and Howard M. Levine

23 If to the Trustee:

24 Pachulski Stang Ziehl & Jones LLP
25 10100 Santa Monica Boulevard, 11th Floor
Los Angeles, CA 90067-4100
26 Attention: James I. Stang

1 If to the FCR:

2 Stephen S. Gray
3 CRG Partners Group, LLC
4 2 Atlantic Avenue
5 Boston, MA 02110

6 All notices and requests to a Person or Entity holding any Claim will be sent to
7 them at the last known address listed for such Person or Entity with the Court or with the
8 Debtor's Claims Agent, or to the last known address of their attorney of record. The
9 holder of a Claim may designate in writing any other address, which designation will be
10 effective upon actual receipt by the Reorganized Debtor and the Trustee. Any Person or
11 Entity entitled to receive notice under this Plan will have the obligation to provide the
12 Reorganized Debtor and the Trustee with such Person's or Entity's current address for
13 notice purposes. The Reorganized Debtor and Trustee will have no obligation to attempt
14 to locate a more current address in the event any notice proves to be undeliverable to
15 the most recent address which has been provided to the Reorganized Debtor and the
16 Trustee.

17 **14.8 Post-Confirmation Court Approval.** Any action requiring Bankruptcy
18 Court, U.S. District Court, or state court approval after the Effective Date will require the
19 Person or Entity seeking such approval to file an application, motion, or other request
20 with the Bankruptcy Court, U.S. District Court, or state court, as applicable, and obtain a
21 Final Order approving such action before the requested action may be taken. The
22 Person or Entity filing such application, motion, or other request shall serve such
23 application, motion, or other request, together with a notice setting forth the time in
24 which objections must be filed with the court, on the Reorganized Debtor, the
25 Committee, the FCR, and the Trustee by first-class mail, electronic mail, ECF, overnight
26 courier, facsimile, or hand delivery. Unless the court orders otherwise, all notices shall
27 provide the recipients at least 21 days in which to file an objection to the application,

1 motion, or other request. If no objection is timely filed, the court may authorize the
2 proposed action without further notice or a hearing. If an objection is timely filed, the
3 court will determine whether to conduct a hearing, or to require the submission of further
4 documentation, prior to ruling on the application, motion, or other request.

5 **14.9 Election Pursuant to Section 1129(b) of the Bankruptcy Code.** The
6 Proponents hereby request confirmation of the Plan pursuant to Section 1129(b) of the
7 Bankruptcy Code if the requirements of all provisions of Section 1129(a) of the
8 Bankruptcy Code, except Section (a)(8) thereof, are met with regard to the Plan. In
9 determining whether the requirements of Section 1129(a)(8) of the Bankruptcy Code
10 have been met, any Class or subclass of a Class that does not contain as an element
11 thereof an Allowed Claim or a Claim temporarily allowed under Bankruptcy Rule 3018
12 as of the date fixed by the Bankruptcy Court for filing acceptances or rejections of this
13 Plan shall be deemed deleted from this Plan for purposes of voting to accept or reject
14 this Plan and for purposes of determining acceptance or rejection of this Plan by such
15 Class or subclass.

16 **14.10 Consummation of the Plan.** The Proponents reserve the right to request
17 that the Confirmation Order include (i) a finding by the Court that Bankruptcy Rule
18 3020(e) shall not apply to the Confirmation Order, and (ii) the Court's authorization for
19 the Debtor to consummate the Plan immediately after entry of the Confirmation Order.

20 **14.11 Exemption from Transfer Taxes.** Pursuant to Section 1146(c) of the
21 Bankruptcy Code, the delivery of any deed or other instrument of transfer under, in
22 furtherance of, or in connection with this Plan, whether occurring prior or subsequent to
23 the Confirmation Date, including any deeds, bills of sale or assignments executed in
24 connection with any disposition of assets contemplated by this Plan, shall not be subject
25 to any stamp tax, real estate transfer tax, excise tax, sales tax, use tax or other similar
26 tax.

1 **14.12 Waivers.** Except as otherwise provided in the Plan or in the Confirmation
2 Order, any term of the Plan may be waived by the party benefited by the term to be
3 waived.

4 **14.13 Setoffs, Recoupments, and Defenses.** With the exception of the
5 Sections of the Plan concerning the cancellation and waiver of the Abuse Related
6 Contribution/Indemnity Claims, nothing contained in the Plan shall constitute a waiver or
7 release by the Debtor, Reorganized Debtor, Participating Parties, or Trustee of any
8 rights of setoff or recoupment, or of any defense, they may have with respect to any
9 Claim (including rights under Section 502(d) of the Bankruptcy Code). Except as
10 otherwise provided in the Plan or in the Confirmation Order or in agreements previously
11 approved by a Final Order, the Debtor, Reorganized Debtor, Participating Parties, or
12 Trustee may, but will not be required to, set off against any Claim or any distributions
13 with respect to such Claim, any and all of the Claims, rights and causes of action of any
14 nature that the Debtor, the Reorganized Debtor, Participating Parties, or Trustee, as
15 applicable, may hold against the holder of such Claim; provided, however, that neither
16 the failure to effect such a setoff, the allowance of any Claim hereunder, the payment of
17 any distribution hereunder or any other action or omission of the Debtor, Reorganized
18 Debtor, Participating Parties, or Trustee, nor any provision of the Plan, shall constitute a
19 waiver or release by the Debtor, the Reorganized Debtor, Participating Parties, or
20 Trustee, as applicable, of any such Claims, rights and causes of action that the Debtor,
21 the Reorganized Debtor, Participating Parties, or Trustee, as applicable, may possess
22 against such holder.

23 **14.14 Compromise of Controversies.**

24 **14.14.1 Court Approval of Settlements.** In consideration for the
25 classification, distributions and other benefits provided under the Plan, the provisions of
26 the Plan shall constitute a good faith compromise and settlement of all Claims or

1 controversies resolved pursuant to the Plan. The entry of the Confirmation Order shall
2 constitute the Court's approval of each of the compromises and settlements provided for
3 in the Plan, and the Court's findings shall constitute its determination under the
4 standards of Bankruptcy Rule 9019 that such compromises and settlements are in the
5 best interests of the Debtor and the Estate. The Debtor and Participating Parties
6 expressly reserve the right to compromise and settle other Claims and Debtor and
7 Participating Party Actions up to and including the Effective Date.

8 **14.14.2** Settlement of the Property of the Estate Litigation. Specifically
9 included within the Court's approval of compromises and settlements of Claims and
10 controversies is the Court's approval of the settlement and compromise reached
11 between the Debtor and the Committee of that certain adversary proceeding entitled
12 *Official Committee of Unsecured Creditors v. Society of Jesus, Oregon Province, et al,*
13 Adversary Proceeding No. 10-30275-elp, filed on September 23, 2010 (the "Estate
14 Property Litigation"). Pursuant to that settlement, on the Effective Date, and without the
15 need for the execution of any further documents the Estate Property Litigation will be
16 dismissed, with prejudice.

17 **14.14.3** Settlement with Safeco. Specifically included within the Court's
18 approval of compromises and settlements of Claims and controversies is the Court's
19 approval of the Safeco Settlement Agreement. The Safeco Settlement Agreement is
20 incorporated in this Plan by reference. If a conflict exists between the Plan and the
21 Safeco Settlement Agreement, the Safeco Settlement Agreement control such conflict.
22 The Safeco Settlement Agreement controls the protections and benefits afforded
23 Safeco and the Safeco Released Parties under the Safeco Settlement Agreement, as
24 well as the rights and obligations of the parties thereto, to the extent of any conflict with
25 the Plan. The Safeco Settlement Agreement is binding on the Trust.

26 **14.14.4** Settlement with Travelers. Specifically included within the Court's

1 approval of compromises and settlements of Claims and controversies is the Court's
2 approval of the Travelers Settlement Agreement. The Travelers Settlement Agreement
3 is incorporated in this Plan by reference. If a conflict exists between the Plan and the
4 Travelers Settlement Agreement, the Travelers Settlement Agreement controls such
5 conflict. The Travelers Settlement Agreement controls the protections and benefits
6 afforded Travelers and the Travelers Released Parties under the Travelers Settlement
7 Agreement, as well as the rights and obligations of the parties thereto, to the extent of
8 any conflict with the Plan. The Travelers Settlement Agreement is binding on the Trust.

9 **14.14.5 Settlement with Western World.** Specifically included within
10 the Court's approval of compromises and settlements of Claims and controversies is the
11 Court's approval of the Western World Settlement Agreement. The Western World
12 Settlement Agreement is incorporated in this Plan by reference. If a conflict exists
13 between the Plan and the Western World Settlement Agreement, the Western World
14 Settlement Agreement controls such conflict. The Western World Settlement Agreement
15 controls the protections and benefits afforded Western World and the Western World
16 Released Parties under the Western World Settlement Agreement, as well as the rights
17 and obligations of the parties thereto, to the extent of any conflict with the Plan. The
18 Western World Settlement Agreement is binding on the Trust.

19 **14.15 Withdrawal or Revocation of the Plan.** The Proponents reserve the
20 right to revoke or withdraw the Plan prior to the Confirmation Date. If the Plan is
21 revoked or withdrawn, or if the Confirmation Date does not occur, the Plan shall have no
22 force and effect and in such event nothing contained herein shall be deemed to
23 constitute a waiver or release of any Claims by or against the Estate or any other
24 Person or Entity, or to prejudice in any other manner the rights of a Proponent, whether
25 one or more, or any other entity in further proceedings involving a Proponent or
26 Proponents and specifically shall not modify or affect the rights of any party under any

1 prior orders of the Court.

2 **14.16 Default.** Except as otherwise provided in the Plan or in the Confirmation
3 Order, in the event the Reorganized Debtor, a Participating Party, a Settling Insurer, or
4 the Trustee shall default in the performance of any of their respective obligations under
5 the Plan or under any of the Plan Documents and shall not have cured such a default
6 within any applicable cure period (or, if no cure period is specified in the Plan or Plan
7 Documents or in any instrument issued to or retained by a Claimant under the Plan,
8 then within 30 days after receipt of written notice of default), then the entity to whom the
9 performance is due may pursue such remedies as are available at law or in equity. An
10 event of default occurring with respect to one Claim shall not be an event of default with
11 respect to any other Claim.

12 **14.17 Filing and Payment of Allowed Administrative Claims.** All requests for
13 the payment of Administrative Claims, including applications for the compensation of the
14 FCR and the Chapter 11 Professionals, must be filed with the Bankruptcy Court no later
15 than 30 days after the Effective Date or at such time as the Bankruptcy Court may
16 otherwise order. Once a Final Order is entered Allowing a Disputed Administrative
17 Claim, the Reorganized Debtor will pay such Claim in accordance with this Plan.

18 **14.18 Payment of United States Trustee Fees.** All fees due to the United
19 States Trustee pursuant to 28 USC §1930(a) accruing before or after the Effective Date
20 will be paid by the Reorganized Debtor as and when they become due and will be
21 based on the Reorganized Debtor's total disbursements, including ordinary course of
22 business disbursements, but will not include disbursements made directly to Claimants
23 or to the Trust under this Plan. Such fee obligations will not terminate until this Case is
24 converted or dismissed, or until this Case is no longer pending upon entry of a Final
25 Order closing this Case, whichever first occurs.

26 **14.19 Governing Law.** Except to the extent that federal law (including the

1 Bankruptcy Code or Bankruptcy Rules) is applicable, the rights and obligations arising
2 under the Plan or under the Plan Documents shall be governed by and construed and
3 enforced in accordance with the laws of the State of Oregon without giving effect to the
4 principles of conflicts of laws.

5 **14.20 Reservation of Rights.** If the Plan is not confirmed by a Final Order, or if
6 the Plan is confirmed and the Effective Date does not occur, the rights of all parties in
7 interest in the Case are and will be reserved in full. Any concessions or settlement
8 reflected herein, if any, are made for purposes of the Plan only, and if the Plan does not
9 become effective, no party in interest in the Case shall be bound or deemed prejudiced
10 by any such concession or settlement.

11 **14.21 Controlling Documents.** To the extent any provision of the Plan
12 Documents (other than the Safeco Settlement Agreement, Travelers Settlement
13 Agreement, or Western World Settlement Agreement) is inconsistent with this Plan, the
14 provisions of the Plan shall control. To the extent any provision of the Safeco Settlement
15 Agreement, Travelers Settlement Agreement, or Western World Settlement Agreement
16 is inconsistent with this Plan or the Plan Documents (other than the Safeco Settlement
17 Agreement, Travelers Settlement Agreement, or Western World Settlement
18 Agreement), the Safeco Settlement Agreement, Travelers Settlement Agreement, and
19 Western World Settlement Agreement, as applicable, shall control.

20 **14.22 Successors and Assigns.** The Plan shall be binding upon and inure to
21 the benefit of the Debtor, the Reorganized Debtor, all Claimants and all other parties in
22 interest affected thereby and their respective successors, heirs, legal representatives
23 and assigns.

24 **14.23 Rounding of Fractional Numbers.** All fractional numbers, including
25 payments or distributions under the Plan and Trust Documents shall be rounded (up or
26 down) to the nearest whole number.

1 **14.24 Dissolution of the Committee.** Upon the Effective Date, the Committee
2 will be dissolved.

3 **14.25 Exhibits.** All Exhibits to this Plan, are incorporated into and are a part of
4 this Plan as if set forth in full herein.

5 DATED: July 18, 2011

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

FUTURE CLAIMANTS
REPRESENTATIVE

8
9 By: */s/ Michael A. Tyrrell, SJ for*
Patrick J. Lee, S.J.
10 Patrick J. Lee, S.J., President

/s/ Stephen S. Gray
Stephen S. Gray

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