

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
CATHOLIC DIOCESE OF WILMINGTON, INC.,)	Case No. 09-13560 (CSS)
a Delaware Corporation,)	
Debtor. ¹)	Honorable Christopher S. Sontchi

**CHAPTER 11 PLAN OF REORGANIZATION OF
CATHOLIC DIOCESE OF WILMINGTON, INC.**

[Dated: September 30, 2010](#)

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INTRODUCTION

Catholic Diocese of Wilmington, Inc., the debtor and debtor in possession in the above-captioned chapter 11 case, proposes this Chapter 11 Plan of Reorganization pursuant to the provisions of the Bankruptcy Code.

ARTICLE I: DEFINITIONS AND INTERPRETATION

1.1 DEFINED TERMS. For the purposes of this Plan, except as expressly provided and unless the context otherwise requires, all capitalized terms not otherwise defined in context have the meanings ascribed to them in Exhibit A hereto.

1.2 INTERPRETATION. For purposes of this Plan:

(a) any term that is not defined herein, but that is used in the Bankruptcy Code and/or the Bankruptcy Rules, shall have the meaning assigned to that term in the Bankruptcy Code and/or the Bankruptcy Rules, as applicable;

(b) unless otherwise specified, the term “including” is intended to be illustrative and not exhaustive, and shall be construed as “including, but not limited to” where possible;

(c) whenever the context requires, terms shall include the plural as well as the singular number, and the masculine gender shall include the feminine and the feminine gender shall include the masculine;

(d) the rules of construction set forth in § 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply;

(e) any reference in this Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

(f) any reference in this Plan to an existing document or exhibit Filed or to be Filed means such document or exhibit, as it may have been or may be amended, modified or supplemented;

(g) unless otherwise specified, all references in this Plan to Articles, Sections, Schedules and Exhibits are references to Articles, Sections, Schedules and Exhibits of or to this Plan;

(h) the words “herein,” “hereof” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; and

(i) captions and headings to Articles and Sections are inserted for ease of reference only and are not intended to be a part of or to affect the interpretation of this Plan.

1.3 TIME PERIODS. In computing any period of time prescribed or allowed by this Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply. If any act under this Plan is required to be made or performed on a date that is not a Business Day, then the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

1.4 EXHIBITS. All Exhibits to this Plan (including, without limitation, the Supplemental Plan Documents) are hereby incorporated by reference and made part of this Plan as if set forth fully herein.

**ARTICLE II:
TREATMENT OF UNCLASSIFIED CLAIMS**

2.1 ADMINISTRATIVE CLAIMS. As provided in § 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims shall not be classified for the purposes of voting or receiving distributions under this Plan. Rather, all such Claims shall be treated separately as unclassified Claims on the terms set forth in this Article II.

(a) **Treatment.** Subject to the bar date provisions herein and additional requirements for Professionals and certain other Persons set forth below, each holder of an Allowed Administrative Claim against the Debtor shall receive, in full satisfaction, settlement, release and extinguishment of such Claim, as set forth in this Section 2.1, Cash equal to the Allowed amount of such Administrative Claim, unless the holder agrees or shall have agreed to other treatment of such Claim no less favorable to the Debtor; provided, however, that any Administrative Claim incurred postpetition by the Debtor in the ordinary course of its operations or arising pursuant to one or more postpetition agreements or transactions entered into by the Debtor with Bankruptcy Court approval, shall be paid or performed in accordance with the terms and conditions of the particular transaction(s) and any agreement(s) relating thereto, or as otherwise agreed by the Debtor (if before the Effective Date) or the Plan Trustee (on and after the Effective Date), on the one hand, and the holder of such Administrative Claim, on the other. The holder of an Allowed Administrative Claim shall not be entitled to, and shall not be paid, any interest, penalty, or premium thereon, and any interest, penalty, or premium asserted with respect to an Administrative Claim shall be deemed Disallowed without the need for any further Order of the Bankruptcy Court.

(b) **General Administrative Bar Date.**

(1) Except for Professional Claims, which are addressed below, requests for payment of Administrative Claims must be Filed and served on the Post-Confirmation Notice Parties no later than (A) thirty (30) days after a notice of the Effective Date is Filed with the Bankruptcy Court and served, or (B) such later date, if any, as the Bankruptcy Court shall order upon application made

prior to the end of such 30-day period. Holders of Administrative Claims (including, without limitation, the holders of any Claims for federal, state or local taxes, but excluding Professional Claims) that are required to File a request for payment of such Claims and that do not File such requests by the applicable bar date shall be forever barred from asserting such Claims against the Debtor, the Plan Trust, the Reorganized Debtor, or any of their property. Notwithstanding the foregoing, any Bar Dates established during the course of this Chapter 11 Case shall remain in full force and effect.

(2) All objections to allowance of Administrative Claims (excluding Professional Claims) must be Filed by any parties in interest no later than ninety (90) days after the Administrative Claim Bar Date (the “Administrative Claim Objection Deadline”). The Administrative Claim Objection Deadline may be initially extended for an additional ninety (90) days at the sole discretion of the Plan Trustee upon the Filing of a notice of the extended Administrative Claim Objection Deadline with the Bankruptcy Court. Thereafter, the Administrative Claim Objection Deadline may be further extended by an Order of the Bankruptcy Court, which Order may be granted without notice to any party in interest. If no objection to the applicable Administrative Claim is Filed on or before the Administrative Claim Objection Deadline, as may be extended, such Administrative Claim will be deemed Allowed, subject to the Bankruptcy Court’s discretion to extend such bar date retroactively.

(c) Bar Date for Professional Claims.

(1) All Professionals or other Persons requesting compensation or reimbursement of expenses pursuant to any of §§ 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services rendered on or before the Effective Date (including, among other things, any compensation requested by any Professional or any other Person for making a substantial contribution in the Chapter 11 Case) shall File and serve on the Post-Confirmation Notice Parties and the Fee Examiner an application for final allowance of compensation and reimbursement of expenses accruing from the Petition Date to the Effective Date, no later than the Professional Claims Bar Date.

(2) Objections to Professional Claims or Claims of other Persons for compensation or reimbursement of expenses must be Filed and served on the Post-Confirmation Notice Parties, the Fee Examiner, and the Professionals or other Persons to whose application the objections are addressed on or before (A) forty-five (45) days after the Professional Claims Bar Date or (B) such later date as (i) the Bankruptcy Court shall order upon application made prior to the end of such 45-day period or (ii) is agreed between the Debtor (if before the Effective Date) or the Plan Trustee (on and after the Effective Date), as applicable, and the affected Professional or other Person.

2.2 STATUTORY FEES. All fees due and payable pursuant to 28 U.S.C. § 1930 and not paid prior to the Effective Date shall be paid in Cash as soon as practicable after the Effective Date. After the Effective Date, the Plan Trust shall pay quarterly fees to the U.S. Trustee, in Cash from the Plan Administration Expense Reserve, until the Chapter 11 Case is closed, and a Final Decree is entered. In addition, the Plan Trust shall File post-Confirmation quarterly reports in conformance with the U.S. Trustee guidelines. The U.S. Trustee shall not be required to File a request for payment of its quarterly fees, which will be deemed Administrative Claims against the Debtor and its Estate.

2.3 PRIORITY TAX CLAIMS. With respect to each Allowed Priority Tax Claim not paid prior to the Effective Date, the Plan Trust shall (i) pay such Claim in Cash as soon as practicable after the Effective Date, or (ii) provide such other treatment agreed to by the holder of such Allowed Priority Tax Claim and the Debtor (if before the Effective Date) or the Plan Trustee (on and after the Effective Date), as applicable, in writing, provided such treatment is no less favorable to the Debtor or the Plan Trust than the treatment set forth in clause (i) hereof. The holder of an Allowed Priority Tax Claim shall not be entitled to assess any premium or penalty on such Claim and any asserted premium or penalty shall be deemed Disallowed under this Plan without the need for a further Order of the Bankruptcy Court. In the event there are no Allowed Priority Tax Claims, this Section 2.3 shall be deemed stricken from this Plan.

**ARTICLE III:
CLASSIFICATION OF CLAIMS**

3.1 SUMMARY. The categories of Claims listed below classify Claims (except for Administrative Claims and Priority Tax Claims) for all purposes, including voting, Confirmation and distribution pursuant to this Plan.

CLASS	DESCRIPTION	IMPAIRMENT	VOTING
1	Secured Claims	Unimpaired	No
2	Priority Claims	Unimpaired	No
3A	Personal Injury Tort Claims	Impaired	Yes
3B	Lay Pension Claims	Impaired	Yes
3C	Allied Irish Bank Claim	Impaired	Yes
3D	Clergy Pension Claims	Potentially Impaired	Yes
3E	Gift Annuity Claims	Potentially Impaired	Yes
3F	Other Unsecured Claims	Impaired	Yes
4	Penalty Claims	Impaired	No

3.2 CLASSIFICATION. The Claims against the Debtor shall be classified as specified above (other than Administrative Claims and Priority Tax Claims, which shall be unclassified and treated in accordance with Article II above). Consistent with § 1122 of the Bankruptcy Code, a Claim is classified by this Plan in a particular Class only to the extent the

Claim is within the description of the Class, and a Claim is classified in a different Class to the extent it is within the description of that different Class.

3.3 IMPAIRMENT; VOTING.

(a) **Non-Voting Classes.** As set forth above, Classes 1 and 2 are Unimpaired by this Plan and holders of Claims in these Classes are conclusively presumed to have accepted this Plan. Class 4 is Impaired by this Plan, but because holders of Claims in this Class will not retain or receive any property under this Plan on account of such Claims, this Class is conclusively presumed to have rejected this Plan.

(b) **Voting Classes.** Classes 3A, 3B, 3C, 3D, 3E and 3F are (or may be) Impaired by this Plan, and holders of Claims in these Classes shall be entitled to vote to accept or reject this Plan.

ARTICLE IV: TREATMENT OF CLASSIFIED CLAIMS

4.1 SECURED CLAIMS (CLASS 1). Class 1 consists of Secured Claims. With respect to each Allowed Class 1 Claim, the legal, equitable, and contractual rights to which such Allowed Claim entitles its holder shall be reinstated in full on the Effective Date.

4.2 PRIORITY CLAIMS (CLASS 2). Class 2 consists of Priority Claims. Unless the holder of an Allowed Class 2 Claim and the Debtor (if prior to the Effective Date) or the Plan Trustee (on and after the Effective Date) agree to a different treatment, on the later of the Effective Date (or as soon thereafter as practicable) and the date a Class 2 Claim becomes an Allowed Claim (or as soon thereafter as is practicable), the Plan Trust shall pay each such Allowed Class 2 Claim in full, in Cash, without interest.

4.3 PERSONAL INJURY TORT CLAIMS (CLASS 3A). Class 3A consists of the Personal Injury Tort Claims. Class 3A Claims will be (i) estimated for distribution purposes in accordance with Section 5.3 of this Plan, and (ii) liquidated and Allowed, or Disallowed, in accordance with Section 4.3(a) of this Plan (for Convenience Personal Injury Tort Claims), Section 5.4 of this Plan (for ADR Personal Injury Tort Claims) or Section 5.5 of this Plan (for Litigation Personal Injury Tort Claims), as applicable.

(a) **Convenience Treatment.** Each holder of a Class 3A Claim may elect on his or her Ballot to be treated as a holder of a Convenience Personal Injury Tort Claim, which election shall be irrevocable. Each holder of a Convenience Personal Injury Tort Claim shall tender to the Special Arbitrator a sworn statement in the form to be Filed as a Supplemental Plan Document. Each Convenience Personal Injury Tort Claim shall be Allowed in the amount of \$75,000 (for Claims against Diocesan priests or employees) or \$25,000 (for Claims against Religious Order priests), as applicable, if the Special Arbitrator determines that the sworn statement, along with the Proof of Claim filed by the holder of such Claim, establish a *prima facie* case that the holder suffered sexual abuse for which the Debtor and/or a Non-Debtor Catholic Entity could be held civilly liable under applicable nonbankruptcy law. Within ten (10) days after Allowance

of a Convenience Personal Injury Tort Claim as provided in the previous sentence, the holder of such Claim shall receive a distribution from the Personal Injury Tort Claims Payment Account equal to 50% of the Allowed amount of his or her Class 3A Claim. For the avoidance of doubt, any distribution made pursuant to this Section 4.3(a) shall be final and indefeasible, and shall not be subject to reduction or disgorgement in the event the percentage distribution on other Allowed 3A Claims under Section 4.3(b) hereof is less than 50%.

(b) **General Treatment.** After (i) every Class 3A Claim has been Allowed or Disallowed, as applicable, and such Allowance or Disallowance shall have become final and non-appealable, and (ii) all fees and expenses payable from the Personal Injury Tort Claims Payment Account pursuant to Section 5.8 have been paid, each holder of an Allowed Class 3A Claim shall receive a Pro Rata Distribution on such Claim from the Personal Injury Tort Claims Payment Account in full satisfaction, settlement, and release of, and in exchange for, his or her Class 3A Claim, provided that the amount of Distribution to any holder of a Convenience Personal Injury Tort Claim shall be reduced by the amount of the Distribution made pursuant to Section 4.3(a).

4.4 LAY PENSION CLAIMS (CLASS 3B). Class 3B consists of the Lay Pension Claims. Each holder of an Allowed Class 3B Claim shall be entitled to a Pro Rata Distribution from the General Claims Payment Account in full satisfaction, settlement, and release of, and in exchange for, his or her Allowed Class 3B Claim, which distribution shall be made to the Lay Pension Plan Trust on behalf of such holder. As soon as practicable after the Confirmation Date, the Debtor shall File a motion in the Bankruptcy Court pursuant to § 502(c)(1) of the Bankruptcy Code to estimate for purposes of allowance and distribution the aggregate Allowed amount of all Lay Pension Claims.

ALLIED IRISH BANK CLAIM (CLASS 3C)

Class 3C consists of the Allied Irish Bank Claim. ~~RESERVED~~² in full satisfaction, settlement, and release of, and in exchange for, the Class 3C Claim, on the Effective Date, the holder of such Claim shall receive a promissory note substantially in the form to be filed with the Supplemental Plan Documents, which note shall (i) be executed by the Reorganized Debtor in a principal amount equal to the Allowed amount of the Class 3C Claim, and (ii) be payable on economic terms no less favorable to the Reorganized Debtor than the economic terms of the DEDA Loan Agreement, provided, however, that if the Capital Campaign Fund is determined by a Final Order to have been an Unrestricted Asset of the Debtor, then as soon as practicable thereafter, (i) the Reorganized Debtor shall direct the Custodian to liquidate the Capital Campaign Fund and contribute the proceeds thereof to the Plan Trust on behalf of the Debtor, and (ii) the holder of the Class 3C Claim shall receive a Pro Rata distribution on such Claim from the General Claims Payment Account in full satisfaction, settlement, and release of, and in exchange for, its Class 3C Claim.

² ~~[The Debtor is in advanced negotiations with the holder of the Class 3C Claim regarding the Plan's treatment of its Claim and, in the interest of not upsetting those negotiations, declines to propose treatment at this time. The Debtor will amend this Plan at a later date to include the treatment of the Class 3C Claim.]~~

4.6 CLERGY PENSION CLAIMS (CLASS 3D). Class 3D consists of Clergy Pension Claims. With respect to each Class 3D Claim, the legal, equitable, and contractual rights to which such Claim entitles its holder shall be reinstated in full on the Effective Date; provided, however, that if the Clergy Pension Fund is determined by a Final Order to have been an Unrestricted Asset of the Debtor, then as soon as practicable thereafter, (i) the Reorganized Debtor shall direct the Custodian to liquidate the Clergy Pension Fund and contribute the proceeds thereof to the Plan Trust on behalf of the Debtor, (ii) the Plan Trustee shall file a motion in the Bankruptcy Court pursuant to Bankruptcy Code § 502(c)(1) to estimate for distribution purposes the Allowed amount of each Class 3D Claim, and (iii) each holder of an Allowed Class 3D Claim shall receive a Pro Rata distribution on such Claim from the General Claims Payment Account in full satisfaction, settlement, and release of, and in exchange for, his Class 3D Claim.

4.7 GIFT ANNUITY CLAIMS (CLASS 3E). Class 3E consists of Gift Annuity Claims. With respect to each Class 3E Claim, the legal, equitable, and contractual rights to which such Claim entitles its holder shall be reinstated in full on the Effective Date; provided, however, that to the extent any Gift Annuity Fund is determined by a Final Order to have been an Unrestricted Asset of the Debtor, then as soon as practicable thereafter, (i) the Reorganized Debtor shall direct the Custodian to liquidate such Gift Annuity Fund and contribute the proceeds thereof to the Plan Trust on behalf of the Debtor, (ii) the Plan Trustee shall File a motion in the Bankruptcy Court pursuant to Bankruptcy Code § 502(c)(1) to estimate for distribution purposes the Allowed amount of the Class 3E Claim corresponding to the Gift Annuity Fund, and (iii) the holder of such Allowed Class 3E Claim shall receive a Pro Rata distribution on such Claim from the General Claims Payment Account in full satisfaction, settlement, and release of, and in exchange for, his or her Class 3E Claim.

4.8 OTHER UNSECURED CLAIMS (CLASS 3F). Class 3F consists of ~~General~~ Unsecured Claims other than the Personal Injury Tort Claims, Lay Pension Claims, Allied Irish Bank Claim, Clergy Pension Claims, and Gift Annuity Claims. Each holder of an Allowed Class 3F Claim shall receive a Pro Rata distribution from the General Claims Payment Account in full satisfaction, settlement, and release of, and in exchange for, its Class 3F Claim.

4.9 PENALTY CLAIMS (CLASS 4). Class 4 consists of Penalty Claims. Holders of Class 4 Claims shall not receive or retain any property under this Plan on account of such Claims.

**ARTICLE V:
PROCEDURES FOR LIQUIDATION AND ALLOWANCE
OF PERSONAL INJURY TORT CLAIMS**

5.1 CLASS 3A ELECTION OF ADR, LITIGATION, OR CONVENIENCE TREATMENT. Each holder of a Class 3A Claim may elect on his or her Ballot to be treated as a holder of (a) an ADR Personal Injury Tort Claim, allowance and liquidation of which shall be governed by the Personal Injury Tort ADR Process, (b) a Litigation Personal Injury Tort Claim, allowance and liquidation of which shall be governed by the

Personal Injury Tort Litigation Process, or (c) a Convenience Personal Injury Tort Claim, allowance and liquidation of which shall be governed by the terms of Section 4.3(a) of this Plan.

5.2 ASSUMPTION OF LIABILITIES BY PLAN TRUST. The Plan Trust shall assume all liabilities, and succeed to all rights and defenses, of the Debtor and the Third-Party Releasees with respect to Personal Injury Tort Claims (including Unknown Claims) arising from or relating to any sexual abuse that occurred prior to the Confirmation Date.

5.3 GLOBAL REMOVAL OF PENDING STATE-COURT LITIGATION; ESTIMATION. To the extent not previously removed pursuant to Bankruptcy Rule 9001 and 28 U.S.C. § 1452, all cases pending in the Superior Court in which Personal Injury Tort Claims and/or Third-Party Indemnity Claims are asserted shall be removed to the District Court for estimation and liquidation of Personal Injury Tort Claims under the Personal Injury Tort ADR Process or the Personal Injury Tort Litigation Process, as applicable. As soon as practicable after the Confirmation Date, the Debtor shall File a motion in the District Court pursuant to § 502(c)(1) of the Bankruptcy Code to estimate for distribution purposes the aggregate Allowed amount of all Personal Injury Tort Claims.

5.4 PERSONAL INJURY TORT ADR PROCESS. After consultation with the Creditors Committee, but in no event later than 21 days prior to the Voting Deadline, the Debtor shall identify a disinterested Person to serve as special arbitrator (the “Special Arbitrator”), and propose binding arbitration procedures, subject to approval by the Bankruptcy Court at the Confirmation Hearing, by which the Special Arbitrator shall determine the Allowed amount of any ADR Personal Injury Tort Claims (which, for the avoidance of doubt, shall be limited only to compensatory damages and shall not include any punitive or exemplary damages). The identity of the Special Arbitrator and the Arbitration Procedures shall be set forth in a Supplemental Plan Document. At a minimum, the Arbitration Procedures will require, as a prerequisite to commencement of the arbitration, that the claimant shall have tendered to the Plan Trust a sworn statement substantially in the form to be Filed as a Supplemental Plan Document, along with demand as to the Allowed amount of the claimant’s Personal Injury Tort Claim. The Plan Trust may either accept the demand or make a counter-demand. In the event the matter proceeds to arbitration, the Arbitration Procedures will require the claimant to establish, by a preponderance of the evidence, (i) the occurrence of sexual abuse for which the Debtor and/or a Non-Debtor Catholic Entity may be held civilly liable for damages under applicable nonbankruptcy law, and (ii) the amount of compensatory damages to which the claimant is entitled under applicable nonbankruptcy law, provided, however, that nothing in the Arbitration Procedures shall preclude the Plan Trust from stipulating to liability and proceeding with arbitration solely as to the amount of compensatory damages, if deemed appropriate by the Plan Trustee in his or her sole discretion. The Arbitration Procedures shall also permit the claimant to determine whether (i) the arbitration proceedings will be held in a public or a private forum, and (ii) any record of the arbitration proceedings (including, without limitation, the arbitrator’s findings and decision) will be made publicly available or placed under seal, which determination shall be in the claimant’s sole discretion and may not be challenged. Holders of Class 3A Claims electing ADR Personal Injury Tort Claim treatment may change their election within 14 days after entry of the Confirmation Order; thereafter, such election becomes irrevocable.

5.5 PERSONAL INJURY TORT LITIGATION PROCESS. Pursuant to Del. Bankr. L.R. 9019-3, the Court shall refer all Litigation Personal Injury Tort Claims to mediation before a disinterested Person (the “Special Mediator”) identified by the Debtor in consultation with the Creditors Committee not later than 21 days prior to the Voting Deadline and subject to approval by the Bankruptcy Court at the Confirmation Hearing. The identity of the Special Mediator shall be set forth in a Supplemental Plan Document. Should the Plan Trust and the holder of a Litigation Personal Injury Tort Claim be unable to reach agreement as to the Allowed amount of the Litigation Personal Injury Tort Claim (which, for the avoidance of doubt, shall be limited to compensatory damages and shall not include any punitive or exemplary damages) via mediation, the claimant may elect (i) to submit to binding arbitration before the Special Arbitrator, which election shall be irrevocable, or (ii) to proceed with litigation against the Plan Trust in the District Court, which election shall be revocable at any time prior to the earliest of the date on which the Plan Trust has Filed a dispositive motion with respect to, or a trial has commenced on, the Claim.

5.6 EFFECT OF NO ELECTION. Each holder of a Class 3A Claim who does not elect on his or her Ballot to be treated as a holder of (i) an ADR Personal Injury Tort Claim, (ii) a Litigation Personal Injury Tort Claim, or (iii) a Convenience Personal Injury Tort Claim by making such election on such holder’s Ballot and executing and delivering the Ballot to the Debtor on or before the Voting Deadline shall be deemed to have elected treatment as a holder of a Convenience Personal Injury Tort Claim, which election shall be irrevocable.

5.7 CIVIL COMPLAINT BY PERSONAL INJURY LITIGATION TORT CLAIMANT. If holder of a Personal Injury Litigation Tort Claim has not Filed a civil complaint alleging such Claim in the Superior Court or District Court before making an election to be treated as a holder of a Personal Injury Litigation Tort Claim, such holder must File in the District Court and serve on the Plan Trustee such a petition within sixty (60) days after the Effective Date. If a holder of a Personal Injury Litigation Tort Claim does not File and serve such complaint, such holder shall be deemed to have elected treatment as a holder of a Convenience Personal Injury Tort Claim, which election shall be irrevocable.

5.8 FEES AND EXPENSES.

(a) **Arbitration and Mediation.** Fees and expenses of the Special Arbitrator, the Special Mediator, and counsel to the Plan Trust in connection with any arbitration or mediation, shall constitute Plan Administration Expenses payable from the Plan Administration Expense Reserve. The Reorganized Debtor shall reasonably cooperate with the Plan Trust, the Special Arbitrator, and the Special Mediator in connection with any arbitration or mediation, and the reasonable expenses of the Reorganized Debtor, including professional fees, in so doing shall constitute Plan Administration Expenses payable from the Plan Administration Expense Reserve.

(b) **Litigation.** Fees and expenses of counsel to the Plan Trust in connection with any litigation shall be chargeable to the Personal Injury Tort Claims Payment Account. The Reorganized Debtor shall cooperate with the Plan Trust and the litigation claimant with respect to discovery and shall make witnesses available for deposition and trial, and the reasonable ~~legal fees and~~ expenses of the Reorganized

Debtor, [including professional fees](#), in so doing shall be chargeable to the Personal Injury Tort Claims Payment Account.

5.9 AGREEMENTS OUTSIDE THE ADR AND LITIGATION PROCEDURES. For the avoidance of doubt, nothing in this Plan shall preclude the holder of a Personal Injury Tort Claim and the Debtor (if before the Effective Date) or the Plan Trust (on and after the Effective Date) from stipulating to the Allowed amount of a Class 3A Claim as otherwise permitted by the Bankruptcy Code and Bankruptcy Rules.

**ARTICLE VI:
SETTLEMENT WITH NON-DEBTOR CATHOLIC ENTITIES**

6.1 DEBTOR-RELEASE CONSIDERATION. Within thirty (30) days after the Effective Date, the Non-Debtor Catholic Entities shall contribute to the Plan Trust Cash or other property having a value not less than \$1.461 million in the aggregate (such value being determined by Order of the Bankruptcy Court, after notice and a hearing), in consideration for, and conditioned upon, the treatment set forth in Sections 6.2 and 6.3 of this Plan.

6.2 RESOLUTION OF PIA INVESTMENT CLAIMS. The Confirmation Order shall provide that the PIA Investment Claims of the Non-Debtor Pooled Investors shall be Allowed in the amounts with respect to each of the Disputed Non-Debtor PIA Funds set forth in [Exhibit B](#) hereto, provided, however, that to the extent any Disputed Non-Debtor PIA Funds are determined by a Final Order not to be Assets of the Estate, the PIA Investment Claims with respect to such Disputed Non-Debtor PIA Funds shall be Disallowed.

6.3 RELEASE OF CHAPTER 5 ACTIONS AGAINST NON-DEBTOR CATHOLIC ENTITIES. Effective upon receipt of the Debtor-Release Consideration by the Plan Trust, the Debtor, on behalf of the Estate, its representatives (including, without limitation, the Creditors Committee, to the extent authorized to act on behalf of the Estate), and its successors (including, without limitation the Plan Trust and the Reorganized Debtor) (collectively, the “[Debtor Releasers](#)”), irrevocably and unconditionally, without limitation, shall be deemed to have released, acquitted, and forever discharged each of the Debtor Releasees from any and all Chapter 5 Actions which any Debtor Releaser has ever had, or now has, or may claim to have, against any Debtor Releasee or the property of any Debtor Releasee.

6.4 THIRD-PARTY RELEASE CONSIDERATION. Within thirty (30) days after the Effective Date, the Non-Debtor Catholic Entities shall contribute to the Plan Trust Cash or other property having a value not less than \$4.7 million in the aggregate (such value being determined by Order of the Bankruptcy Court, after notice and a hearing, [which hearing may be the Confirmation Hearing](#)), in consideration for, and conditioned upon, treatment as Third-Party Releasees under Section 14.3. As additional consideration for such treatment, the Non-Debtor Catholic Entities (i) will waive any and all Third-Party Indemnity Claims, (ii) consent to the compromise by the Plan Trust or the Reorganized Debtor, as applicable, of the Shared Insurance Policies; and (iii) contribute to the Plan Trust the rights under, or right to proceeds of, the Parish-Only Policies, all as shall be set forth in the Confirmation Order.

6.5 RESERVATION OF RIGHTS. The Debtor reserves the right to compromise other Causes of Action on behalf of itself and the Debtor Releasors against Non-Debtor ~~Pooled Investors~~ Catholic Entities at any time prior to the Effective Date. Notice of any such compromise sought as part of this Plan shall be Filed as a Supplemental Plan Document, and approval of such settlement shall be considered at the ~~hearing to consider confirmation of this Plan~~ Confirmation Hearing or as soon thereafter as is practicable.

**ARTICLE VII:
MEANS OF IMPLEMENTING THE PLAN**

7.1 IMPLEMENTATION OF PLAN. The Debtor proposes that this Plan be implemented and consummated through the means contemplated by §§ 1123(a)(5)(B), (D), (E), (F) and (G) and 1123(b)(2), (b)(3) and (b)(4) of the Bankruptcy Code on and after the Effective Date.

7.2 VESTING OF ASSETS IN THE PLAN TRUST. On the Effective Date, all Plan Trust Assets shall vest in the Plan Trust, and the Debtor shall be deemed for all purposes to have transferred legal and equitable title of all Plan Trust Assets to the Plan Trust for the benefit of the holders of Claims against its Estate, whether or not such Claims are Allowed Claims as of the Effective Date. On the Effective Date or as soon as practicable thereafter, the Reorganized Debtor shall take all actions reasonably necessary to transfer control of the Plan Trust Assets to the Plan Trust, provided, however, that the Reorganized Debtor shall administer the IBNR Reserves, the Disputed Non-Debtor PIA Funds, the Lay Pension Fund, and the Disputed Restricted Funds, if any, as set forth in ~~Section 15.4, Article XV hereof.~~ Upon the transfer of control of Plan Trust Assets in accordance with this Section 7.2, the Reorganized Debtor shall have no further interest in or with respect to the Plan Trust Assets or the Plan Trust.

7.3 ASSUMPTION OF PLAN OBLIGATIONS AND PERSONAL INJURY TORT LIABILITY. On the Effective Date, all of the Debtor's rights and obligations with respect to each and every Secured Claim, Administrative Claim, Priority Tax Claim, and Priority Claim, and all other rights and obligations of the Debtor under this Plan, shall be assigned to and assumed by the Plan Trust, provided that the Reorganized Debtor shall have standing, and shall retain the right, to object to any such Claims. In addition, on the Effective Date the Plan Trust shall assume liability for all Personal Injury Tort Claims against the Debtor and the Third-Party Releasees in accordance with Sections 5.2 and 14.3.

7.4 TREATMENT OF THE TRANSFER OF PLAN TRUST ASSETS. For federal income tax purposes, all parties (including the Debtor, the Plan Trust, and the holders of Claims) shall treat the transfer of the Plan Trust Assets to the Plan Trust in accordance with the terms of this Plan as a transfer to the holders of the Claims that have a beneficial interest in the Plan Trust, with the holders of Claims receiving an undivided interest in the Plan Trust Assets attributable to the Debtor with respect to which their Claim relates, followed by a transfer of the Plan Trust Assets by such holders to the Plan Trust, and the beneficiaries of the Plan Trust shall be treated as the grantors and owners of such beneficiaries' respective portion of the Plan Trust.

**ARTICLE VIII:
THE PLAN TRUST**

8.1 FORMATION OF THE PLAN TRUST. On or prior to the Effective Date, the Plan Trust shall be formed. The holders of Claims shall be the sole beneficiaries of the Plan Trust.

8.2 PLAN TRUST AGREEMENT. The Debtor will File the [proposed](#) Plan Trust Agreement with the Bankruptcy Court as a Supplemental Plan Document. The Plan Trust Agreement shall contain provisions customary to trust agreements utilized in comparable circumstances, including, but not limited to, any and all provisions necessary to govern the rights, powers, obligations and appointment and removal of the Plan Trustee and to ensure the treatment of the Plan Trust as a “liquidating trust” for federal income tax purposes within the meaning of Treasury Regulation 301.7701-4(d).

8.3 APPOINTMENT OF THE PLAN TRUSTEE. After consultation with the Official Committees, the Debtor shall ~~select~~[nominate](#) a Plan Trustee, who shall be identified in the Plan Trust Agreement Filed in accordance with Section 8.2. The Plan Trustee shall be appointed by the Bankruptcy Court in the Confirmation Order and shall commence serving as the Plan Trustee on the Effective Date; provided, however, that the Person appointed as Plan Trustee shall be permitted to act in accordance with the terms of the Plan Trust Agreement from such earlier date as authorized by the Debtor, in consultation with the Official Committees, through the Effective Date and shall be entitled to seek compensation in accordance with the terms of the Plan Trust Agreement and this Plan.

8.4 TERM AND COMPENSATION OF THE PLAN TRUSTEE

(a) The Plan Trustee shall initially be compensated as set forth in the Plan Trust Agreement and shall not be required to File a Fee Application to receive compensation.

(b) The term of the Plan Trustee, and procedures and causes for removal or replacement of the Plan Trustee, and the appointment of a successor trustee, shall be as set forth in the Plan Trust Agreement.

8.5 RIGHTS AND RESPONSIBILITIES OF THE PLAN TRUSTEE

(a) The Plan Trustee shall be deemed the Estate’s representative in accordance with § 1123 of the Bankruptcy Code and shall have all powers, authority and responsibilities specified in this Plan and the Plan Trust Agreement, including, without limitation, the powers of a trustee under §§ 704, 108 and 1106 of the Bankruptcy Code and Rule 2004 of the Bankruptcy Rules (including commencing, prosecuting or settling Causes of Action, enforcing contracts, and asserting Claims, defenses, offsets and privileges), to the extent not inconsistent with the status of the Plan Trust as a “liquidating trust” for federal income tax purposes within the meaning of Treasury Regulation 301.7701-4(d).

(b) The Plan Trustee shall be vested with the rights, powers and benefits set forth in the Plan Trust Agreement. Acts by the Plan Trustee will require consultation with the Plan Oversight Committee in accordance with, and only to the extent set forth in, the Plan Trust Agreement. If there is any inconsistency or ambiguity between this Plan and Confirmation Order or the Plan Trust Agreement in respect of the Plan Oversight Committee's role in the Plan Trustee's authority to act, the provisions of the Plan Trust Agreement shall control.

(c) The Confirmation Order shall state that without the permission of the Bankruptcy Court, no judicial, administrative, arbitral, or other action or proceeding shall be commenced in any forum other than the Bankruptcy Court against the Plan Trustee in its official capacity, with respect to its status, duties, powers, acts, or omissions as Plan Trustee.

(d) The Plan Trustee, in its reasonable business judgment and in an expeditious but orderly manner, shall liquidate and convert to Cash the Plan Trust Assets, make timely distributions and not unduly prolong the duration of the Plan Trust. The liquidation of the Plan Trust Assets may be accomplished either through the sale of Plan Trust Assets (in whole or in combination), including the sale of Causes of Action, or through prosecution or settlement of any Causes of Action, or otherwise.

(e) The Plan Trustee shall be expressly authorized to do the following:

(1) prosecute, collect, compromise and settle any Causes of Action for less than \$50,000 in accordance herewith and without further approval of or application to the Bankruptcy Court or the Plan Oversight Committee;

(2) File, prosecute, compromise and settle objections to Claims up to \$50,000 (in the case of a S/A/P Claim) or \$100,000 (in the case of an Unsecured Claim) without further approval of or application to the Bankruptcy Court or the Plan Oversight Committee;

(3) open and maintain bank accounts in the name of the Plan Trust, draw checks and drafts thereon on the sole signature of the Plan Trustee, and terminate such accounts as the Plan Trustee deems appropriate;

(4) sell or liquidate any Plan Trust Asset for less than \$50,000, without further approval of or application to the Bankruptcy Court or the Plan Oversight Committee;

(5) execute any documents, File any pleadings, and take any other actions related to, or in connection with, the liquidation of the Plan Trust Assets and the exercise of the Plan Trustee's powers granted herein, including the exercise of the Debtors' or the Creditors Committee's respective rights to conduct discovery and oral examination of any party under Rule 2004 of the Federal Rules of Bankruptcy Procedure;

(6) hold legal title to any and all rights of the beneficiaries in or arising from the Plan Trust Assets, including the right to vote any Claim or Interest in an unrelated case under the Bankruptcy Code and to receive any distribution thereon;

(7) protect and enforce the rights to the Plan Trust Assets by any method it deems appropriate, including by judicial proceedings or pursuant to any applicable bankruptcy, insolvency, moratorium or similar law and general principles of equity;

(8) deliver distributions as may be authorized by this Plan;

(9) File, if necessary, any and all tax returns with respect to the Plan Trust; pay taxes, if any, properly payable by the Plan Trust; and make distributions to the beneficiaries net of such taxes in accordance with the requirements hereof;

(10) make all necessary filings in accordance with any applicable law, statute or regulation;

(11) determine and satisfy any and all liabilities created, incurred or assumed by the Plan Trust;

(12) invest moneys received by the Plan Trust or otherwise held by the Plan Trust in accordance with Section 8.6 of this Plan;

(13) in the event that the Plan Trustee determines that the beneficiaries or the Plan Trust may, will or have become subject to adverse tax consequences, take such actions that will, or are intended to, alleviate such adverse tax consequences;

(14) utilize the Plan Trust Assets to purchase or create and carry all appropriate insurance policies and pay all insurance premiums and costs necessary or advisable to insure the acts and omissions of the Plan Trustee;

(15) obtain unsecured or secured credit to fund Plan Trust administration, litigation or for any other purpose consistent with the Plan Trust Agreement;

(16) create one or more entities for the purpose of holding or managing Plan Trust Assets, or in connection with the sale or other disposition thereof, or for any other purpose consistent with this Plan, Confirmation Order, and Plan Trust Agreement;

(17) prepare and File post-Effective Date quarterly reports in conformance with the U.S. Trustee guidelines and prepare and report

telephonically, and if requested by the Plan Oversight Committee, in writing or in person, a quarterly report of the status of the process of winding down the Estate.

(f) The Plan Trustee may request an expedited determination of taxes of the Plan Trust under § 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Plan Trust for all taxable periods through the dissolution of the Plan Trust.

(g) As soon as practicable after the Effective Date, the Plan Trustee shall establish (i) the Plan Administration Expense Reserve, (ii) the General Claims Payment Account, and (iii) the Personal Injury Tort Claims Payment Account.

8.6 INVESTMENT POWERS; PERMITTED CASH EXPENDITURES.

All funds held by the Plan Trustee shall be invested in Cash or short-term highly liquid investments that are readily convertible to known amounts of Cash as more particularly described in the Plan Trust Agreement; provided, however, that the right and power of the Plan Trustee to invest Plan Trust Assets, the proceeds thereof, or any income earned by the Plan Trust, shall be limited to the right and power that a liquidating trust is permitted to exercise pursuant to the treasury Regulations, any amended Treasury Regulations, or as set forth in IRS rulings, notices, or other IRS pronouncements. The Plan Trustee may expend the Cash of the Plan Trust (i) as reasonably necessary to meet current liabilities and to maintain the value of the respective Assets of the Plan Trust during liquidation, (ii) to pay reasonable administrative expenses (including, but not limited to, any taxes imposed on the Plan Trust and any professionals' fees) and (iii) to satisfy other liabilities incurred by the Plan Trust in accordance with this Plan or the Plan Trust Agreement.

8.7 REPORTING DUTIES

(a) Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Plan Trustee of a private letter ruling if the Plan Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Plan Trustee), the Plan Trustee shall file returns for the Plan Trust as a grantor trust pursuant to Treasury Regulations § 1.671-4(a). The Plan Trustee shall also send to each holder of a beneficial interest in the Plan Trust an annual statement setting forth the holder's share of items of income, gain, loss, deduction or credit and provide to all such holders information for reporting such items on their federal income tax returns, as appropriate. The Plan Trustee shall file (or cause to be filed) any other statements, returns or disclosures relating to the Plan Trust that are required by any governmental unit.

(b) Allocations of Plan Trust taxable income shall be determined by reference to the manner in which an amount of Cash equal to such taxable income would be distributed (without regard to any restrictions on distributions described herein) if, immediately prior to such deemed distribution, the Plan Trust had distributed all of its other Assets (valued for this purpose at their tax book value) to the holders of the beneficial interests in the Plan Trust (treating any holder of a Disputed Claim, for this purpose, as a current holder of a beneficial interest in the Plan Trust entitled to distributions), taking into account all prior and concurrent distributions from the Plan

Trust (including all distributions held in reserve pending the resolution of Disputed Claims). Similarly, taxable loss of the Plan Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Plan Trust Assets. For this purpose, the tax book value of the Plan Trust Assets shall equal their fair market value on the Effective Date or, if later, the date such Assets were acquired by the Plan Trust, adjusted in either case in accordance with tax accounting principles prescribed by the IRC, the regulations and other applicable administrative and judicial authorities and pronouncements.

(c) The Plan Trustee shall file (or cause to be filed) any other statements, returns or disclosures relating to the Plan Trust that are required by any governmental unit.

8.8 REGISTRY OF BENEFICIAL INTERESTS. To evidence the beneficial interest in the Plan Trust of each holder of such an interest, the Plan Trustee shall maintain a registry of such holders.

8.9 NON-TRANSFERABILITY OF INTERESTS. Upon issuance thereof, interests in the Plan Trust shall be non-transferable, except with respect to a transfer by will or under the laws of descent and distribution. Any such transfer, however, shall not be effective until and unless the Plan Trustee receives written notice of such transfer.

8.10 TERMINATION. The Plan Trust shall terminate after its liquidation, administration and distribution of the Plan Trust Assets in accordance with this Plan and its full performance of all other duties and functions set forth herein or in the Plan Trust Agreement. The Plan Trust shall terminate no later than the fifth (5th) anniversary of the Effective Date; provided, however, that, within a period of six (6) months prior to such termination date or any extended termination date, the Plan Trustee, with the consent of the Plan Oversight Committee or by Order of the Bankruptcy Court, may extend the term of the Plan Trust if it is necessary to facilitate or complete the liquidation of the Plan Trust Assets administered by the Plan Trust; provided further, however, that the aggregate of all such extensions shall not exceed three (3) years, unless the Plan Trustee receives a favorable ruling from the IRS that any further extension would not adversely affect the status of the Plan Trust as a “liquidating trust” for federal income tax purposes within the meaning of Treasury Regulations § 301.7701-4(d).

8.11 PURPOSE OF THE PLAN TRUST. The Plan Trust shall be established for the sole purpose of liquidating and distributing the Plan Trust Assets in accordance with Treasury Regulations § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business. Subject to definitive guidance from the IRS, all parties shall treat the Plan Trust as a liquidating trust for all federal income tax purposes. The Plan Trust shall not be deemed to be the same legal entity as the Debtor, but only the assignee of certain assets and liabilities of the Debtor and a representative of the Estate for delineated purposes within the meaning of § 1123(b)(3) of the Bankruptcy Code. Neither the Plan Trust nor any portion thereof, nor any reserve, account or fund established by this Plan shall be treated as a “disputed ownership fund” within the meaning of Treasury Regulation § 1.468B-9(b)(1).

8.12 PLAN OVERSIGHT COMMITTEE

(a) **Appointment.** The Plan Oversight Committee shall be deemed appointed on the Effective Date and as soon as practicable thereafter shall adopt bylaws to govern the actions of the Plan Oversight Committee.

(b) **Membership.** The Plan Oversight Committee shall consist of two (2) members of the Creditors Committee, two (2) members of the Lay Employees Committee, and one (1) Non-Debtor Pooled Investor, all to be chosen by the Bankruptcy Court at the Confirmation Hearing from those Persons who File a notice of willingness to serve on the Plan Oversight Committee within fifteen (15) days prior to the Confirmation Hearing (the “Committee Application Deadline”). In the event that fewer than two (2) members of the Creditors Committee File a notice of willingness to serve on the Plan Oversight Committee ~~within fifteen (15) days prior to the Confirmation Hearing~~before the Committee Application Deadline, then the Creditors Committee will choose from among the holders of Personal Injury Tort Claims to fill any vacancy until two (2) members have been designated. In the event that fewer than two (2) members of the Lay Employees Committee File a notice of willingness to serve on the Plan Oversight Committee ~~within fifteen (15) days prior to the Confirmation Hearing~~before the Committee Application Deadline, then the Lay Employees Committee will choose from among the individual holders of Lay Pension Claims to fill any vacancy until two (2) members have been designated. Unless and until such vacancy is filled, the Plan Oversight Committee shall function with such reduced membership. In the event of the resignation, removal, death, or incapacity of a holder of a Personal Injury Tort Claim from the Plan Oversight Committee, the remaining holder of a Personal Injury Tort Claim may, but need not, designate a successor from among the Holders of Personal Injury Tort Claims. In the event of the resignation, removal, death, or incapacity of a holder of a Lay Pension Claim from the Plan Oversight Committee, the remaining holder of a Lay Pension Claim may, but need not, designate a successor from among the individual Holders of Lay Pension Claims. Unless and until such vacancy is filled, the Plan Oversight Committee shall function with such reduced membership.

(c) **Fiduciary Duties.** The fiduciary duties that applied to the Official Committees prior to the Effective Date shall apply to the Plan Oversight Committee. The duties and powers of the Plan Oversight Committee shall terminate upon the termination of the Plan Trust.

(d) **Rights and Duties.** The Plan Oversight Committee’s role shall be to advise and consult with the Plan Trustee as more particularly set forth in the Plan Trust Agreement. The Plan Oversight Committee shall have the rights and duties set forth in the Plan Trust Agreement.

(e) **No Compensation.** Except for the reimbursement of reasonable actual costs and expenses incurred in connection with their duties as members of the Plan Oversight Committee, the members of the Plan Oversight Committee shall serve without compensation. Reasonable expenses incurred by members of the Plan Oversight

Committee may be paid by the Plan Trust without need for approval of the Bankruptcy Court.

8.13 LIABILITY, INDEMNIFICATION. Neither the Plan Trustee, the Plan Oversight Committee, their respective members, designees or professionals, or any duly designated agent or representative of the Plan Trustee or the Plan Oversight Committee, nor their respective employees, shall be liable for the act or omission of any other member, designee, agent or representative of such Plan Trustee or Plan Oversight Committee, nor shall such Plan Trustee, or any member of the Plan Oversight Committee, be liable for any act or omission taken or omitted to be taken in its capacity as Plan Trustee, or as a member of the Plan Oversight Committee, respectively, other than for specific acts or omissions resulting from such Plan Trustee's or such member's willful misconduct, gross negligence, fraud, or breach of the fiduciary duty of loyalty. The Plan Trustee or the Plan Oversight Committee may, in connection with the performance of its functions and in its sole and absolute discretion, consult with its attorneys, accountants, financial advisors and agents, and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such Persons, regardless of whether such advice or opinions are provided in writing. Notwithstanding such authority, neither the Plan Trustee or the Plan Oversight Committee shall be under any obligation to consult with its attorneys, accountants, financial advisors or agents, and their determination not to do so shall not result in the imposition of liability on the Plan Trustee or Plan Oversight Committee or their respective members and/or designees, unless such determination is based on willful misconduct, gross negligence, or fraud. The Plan Trust shall indemnify and hold harmless the Plan Trustee and Plan Oversight Committee and its members, designees and professionals, and all duly designated agents and representatives thereof (in their capacity as such), from and against and in respect of all liabilities, losses, damages, claims, costs and expenses (including, without limitation, reasonable attorneys' fees, disbursements, and related expenses) which such parties may incur or to which such parties may become subject in connection with any action, suit, proceeding or investigation brought by or threatened against such parties arising out of or due to their acts or omissions, or consequences of such acts or omissions, with respect to the implementation or administration of the Plan Trust or this Plan or the discharge of their duties hereunder; provided, however, that no such indemnification will be made to such Persons for actions or omissions as a result of willful misconduct, gross negligence, fraud, or breach of the fiduciary duty of loyalty.

8.14 RETENTION OF PROFESSIONALS

(a) **Plan Trust Professionals.** The Plan Trust may retain professionals, including but not limited to, counsel, accountants, ~~investment~~[financial](#) advisors, auditors and other agents on behalf of the Plan Trust as necessary or desirable to carry out the obligations of the Plan Trustee hereunder and under the Plan Trust Agreement. More specifically, provided such representation is permitted by applicable law, the Plan Trust may retain counsel or financial advisors in any matter related to administration of this Plan, including counsel that has acted as counsel for the Debtor, the Creditors Committee, or the Lay Employees Committee in the Chapter 11 Case.

(b) **Plan Oversight Committee Professionals.** The Plan Oversight Committee shall have the right to retain counsel of its choice in the event of a dispute or

conflict with the Plan Trustee or for other purposes set forth in the Plan Trust Agreement and the reasonable fees and expenses of such counsel shall constitute Plan Administration Expenses payable by the Plan Trust.

8.15 PRESERVATION OF ALL CAUSES OF ACTION. Except as otherwise provided in this Plan or in any contract, instrument, release or agreement entered into in connection with this Plan, in accordance with § 1123(b) of the Bankruptcy Code, the Plan Trust shall be vested with, retain, and may exclusively enforce and prosecute any Claims or Causes of Action that the Debtor, the Estate, the Creditors Committee or the Plan Trust may have against any Person. The Plan Trustee may pursue such retained Claims or Causes of Action in accordance with the best interests of the Creditors, the Estate, and/or the Plan Trust.

8.16 SUCCESSION TO LITIGATION. On the Effective Date, the Plan Trust shall succeed (i) to the interests of the Creditors Committee in any contested matter or adversary proceeding commenced by the Creditors Committee, including any appeal therefrom, which is pending as of the Effective Date, and (ii) to the interests of the Debtor in any contested matter, adversary proceeding, or nonbankruptcy litigation against the Debtor, including any appeal therefrom, which is pending as of the Effective Date, other than the PIA Litigation and the Estimation Motions.

ARTICLE IX: INSURANCE POLICIES

9.1 POLICIES SUBJECT TO § 365. To the extent that any or all of the insurance policies to be set forth in a Supplemental Plan Document (the “Designated Insurance Policies”) are considered to be Executory Contracts, then notwithstanding anything contained in this Plan to the contrary, this Plan shall constitute a motion to assume the Designated Insurance Policies in connection with this Plan and to assign them to the Plan Trust. Subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute approval of such assumption and assignment pursuant to § 365(a) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such assumption is in the best interest of the Debtor, the Estate, and all parties in interest in the Chapter 11 Case. Unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed to by the parties thereto prior to the Effective Date, no payments are required to cure any defaults of the Debtors existing as of the Confirmation Date with respect to each Designated Insurance Policy. To the extent that the Bankruptcy Court determines otherwise with respect to any Designated Insurance Policy, the Debtors reserve the right to seek rejection of such insurance policy or other available relief. This Plan shall not affect contracts that have been assumed and assigned by Order of the Bankruptcy Court prior to the Confirmation Date.

9.2 POLICIES NOT SUBJECT TO § 365. For the avoidance of doubt, all rights under any Designated Insurance Policy that is not considered to be an Executory Contract, and all rights under any other insurance policies under which the Debtor may be beneficiaries (including the rights to make, amend, prosecute, and benefit from claims) shall be preserved and shall vest in the Plan Trust pursuant to Sections 7.2, 8.5 and 9.1 hereof and § 1123(a)(5)(B) of the Bankruptcy Code.

9.3 INSURANCE NEUTRALITY. Nothing in this Plan, any exhibit to this Plan, any Supplemental Plan Document, or any Order confirming this Plan, shall in any way operate to, or have the effect of, impairing in any respect the legal, equitable or contractual rights and defenses, if any, of Insurers under their respective insurance policies or applicable non-bankruptcy law.

**ARTICLE X:
THE POOLED INVESTMENT ACCOUNT**

10.1 CONTINUATION OF PIA CUSTODY AGREEMENT. To the extent that the PIA Custody Agreement is considered to be an Executory Contract, then notwithstanding anything contained in this Plan to the contrary, this Plan shall constitute a motion to assume the PIA Custody Agreement in connection with this Plan and to assign it to the Reorganized Debtor. Subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute approval of such assumption and assignment pursuant to § 365(a) of the Bankruptcy Code and a finding by the Bankruptcy Court that such assumption is in the best interests of the Debtor, the Estate, and all parties in interest in the Chapter 11 Case. Unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed to by the parties thereto prior to the Effective Date, no payments are required to cure any defaults of the Debtor existing as of the Confirmation Date with respect to the PIA Custody Agreement. To the extent that the Bankruptcy Court determines otherwise with respect to the PIA Custody Agreement, the Debtor reserves the right to seek rejection of the PIA Custody Agreement or other available relief. To the extent the PIA Custody Agreement is not considered to be an Executory Contract, all rights thereunder shall be preserved and shall vest in the Reorganized Debtor pursuant to Section 15.1 hereof and § 1123(a)(5)(A) of the Bankruptcy Code. Subject fully to Sections 10.2-10.9 below, on and after the Effective Date, the Reorganized Debtor shall manage the Pooled Investment Account in accordance with the PIA Custody Agreement for its own benefit and for the benefit of the Plan Trust, the Reorganized Debtor, the Lay Pension Plan, and the Non-Debtor Pooled Investors, as their respective interests may lie, subject to further Order of the Bankruptcy Court.

10.2 CONTINUATION OF TRUST RELATIONSHIPS. The Reorganized Debtor shall succeed to, and assume, all rights, responsibilities, and duties of the Debtor as trustee for the benefit of the Non-Debtor Pooled Investors under applicable bankruptcy law.

10.3 RIGHTS OF CUSTODIAN. Notwithstanding anything to the contrary in this Plan, the Custodian shall have no liability, or otherwise be in violation of this Plan, for acting in accordance with the PIA Custody Agreement or processing any withdrawal requests made by the Debtor (if before the Effective Date) or the Reorganized Debtor (on and after the Effective Date). The Custodian shall be authorized to exercise its rights and perform its obligations under the PIA Custody Agreement in the ordinary course in accordance with prepetition practices without further Order of the Bankruptcy Court. Without limiting the generality of the foregoing, the Custodian shall be authorized to surcharge the Pooled Investment Account as authorized in the PIA Custody Agreement (including, without limitation, reimbursements and offsets for fees and expenses, and overdrafts).

10.4 NON-DEBTOR PIA DISPUTE ESCROW. The Confirmation Order shall (i) identify all Disputed Non-Debtor PIA Funds as of the Confirmation Date and (ii) provide that, notwithstanding anything to the contrary in the PIA Custody Agreement, such Disputed Non-Debtor PIA Funds shall be deemed to be held *in custodia legis* pending entry of a Final Order determining whether such funds constitute Unrestricted Assets of the Estate.

(a) **Interim Distribution on PIA Investment Claims.** As soon as practicable upon request by a Non-Debtor Pooled Investor after entry of an Order estimating for distribution purposes the aggregate amount of Allowed Personal Injury Tort Claims, the Reorganized Debtor and the Plan Trustee shall jointly direct the Custodian to liquidate and distribute, or distribute via in-kind or inter-custodial transfer, to such Non-Debtor Pooled Investor the Pro Rata share of Disputed Non-Debtor PIA Fund(s) it would receive on account of its Allowed PIA Investment Claim if the Disputed Non-Debtor PIA Fund(s) were determined by a Final Order to have been Unrestricted Assets of the Debtor's Estate. Interim distributions made pursuant to this Section 10.4(a) shall be final and indefeasible, and shall not be subject to reduction or disgorgement for any reason.

(b) **Other Distributions.** Distributions from the Disputed Non-Debtor PIA Funds other than as provided in Section 10.4(a) will be subject to further Order of the Bankruptcy Court.

(c) **Disposition upon Resolution of Dispute.** As soon as practicable upon request by the Plan Trustee after entry of a Final Order determining any Disputed Non-Debtor PIA Fund to be an Unrestricted Asset of the Estate, the Reorganized Debtor shall direct the Custodian to liquidate and distribute, or distribute via in-kind or inter-custodial transfer, such Disputed Non-Debtor PIA Fund to the Plan Trust on behalf of the Debtor. Upon entry of a Final Order determining any Disputed Non-Debtor PIA Fund not to be an Unrestricted Asset of the Estate, the Reorganized Debtor shall be authorized to process withdrawal requests from the applicable Non-Debtor Pooled Investor without further Order of the Bankruptcy Court.

10.5 RESTRICTED FUND DISPUTE ESCROW. The Confirmation Order shall (i) identify all Disputed Restricted PIA Funds as of the Confirmation Date and (ii) provide that, notwithstanding anything to the contrary in the PIA Custody Agreement, such Disputed Restricted PIA Funds shall be deemed to be held *in custodia legis* pending entry of a Final Order determining whether such funds constitute Unrestricted Assets of the Estate.

(a) **Permitted Withdrawals.** The Reorganized Debtor shall be permitted to use Disputed Restricted PIA Funds in the ordinary course in accordance with applicable nonbankruptcy law that governs the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust, without further order of the Bankruptcy Court; provided, however, that the total value of each Disputed Restricted PIA Fund so utilized in each 12-month period from and after the Effective Date shall not exceed 5.5% of the total value of such Disputed Restricted PIA Fund on the last day of the last full month prior to the beginning of such period, without further Order of the Bankruptcy Court; and provided further, however, that the

Reorganized Debtor shall provide the Plan Trustee monthly reports including the amount and purpose of any uses of Disputed Restricted PIA Funds.

(b) **Disposition upon Resolution of Dispute.** Upon entry of a Final Order determining any Disputed Restricted PIA Fund to be an Unrestricted Asset of the Estate, the Reorganized Debtor shall direct the Custodian to liquidate and distribute, or distribute via in-kind or inter-custodial transfer, such Disputed Restricted PIA Fund to the Plan Trust on behalf of the Debtor. Upon entry of a Final Order determining any Disputed Restricted PIA Fund to be a Restricted Asset, the Reorganized Debtor shall be authorized to use such Disputed Restricted PIA Fund, without further notice to any Person or Order of the Bankruptcy Court, in accordance with applicable nonbankruptcy law that governs the transfer of property by a corporation or trust that is not a moneyed, business, or commercial or trust.

10.6 LAY PENSION DISPUTE ESCROW. The Confirmation Order shall provide that, notwithstanding anything to the contrary in the PIA Custody Agreement, the Lay Pension Fund shall be deemed to be held *in custodia legis* subject to the provisions of this Section 10.6.

(a) **Time to Commence Lay Pension Litigation.** If the Lay Employee Committee shall not have commenced the Lay Pension Litigation within thirty (30) days after the Effective Date, the Reorganized Debtor shall direct the Custodian to liquidate the Lay Pension Fund and contribute it to the Plan Trust on behalf of the Debtor.

(b) **Disposition upon Resolution of Dispute.** Upon entry of a Final Order determining the Lay Pension Fund to be an Unrestricted Asset of the Estate, the Reorganized Debtor shall direct the Custodian to liquidate and distribute, or distribute via in-kind or inter-custodial transfer, such Lay Pension Fund to the Plan Trust on behalf of the Debtor. Upon entry of a Final Order determining the Lay Pension Fund to be held in trust for the benefit of the Lay Pension Plan, or to be a Restricted Asset, the Reorganized Debtor shall direct the Custodian to liquidate and distribute, or distribute via in-kind or inter-custodial transfer, the Lay Pension Fund to the Lay Pension Plan Trust on behalf of the Debtor.

10.7 USE OF UNDISPUTED RESTRICTED PIA FUNDS. On and after the Effective Date, the Reorganized Debtor shall be entitled to use Undisputed Restricted PIA Funds, without further notice to any Person or Order of the Bankruptcy Court, in accordance with applicable nonbankruptcy law that governs the transfer of property by a corporation or trust that is not a moneyed, business, or commercial or trust.

10.8 FINAL § 345 WAIVER. This Plan shall constitute a renewed motion to waive the deposit requirements of § 345(b) of the Bankruptcy Code in connection with the Pooled Investment Account. Subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute (i) a final waiver of the deposit requirements of § 345(b) of the Bankruptcy Code, to the extent applicable, with respect to the Pooled Investment Account,

for cause, and (ii) a finding by the Bankruptcy Court that such waiver is in the best interests of the Debtor, the Estate, and all parties in interest in the Chapter 11 Case.

10.9 ACCOUNTING. Until entry of a Final Order determining whether each of the Disputed Non-Debtor PIA Funds, the Lay Pension Fund, and any Disputed Restricted PIA Funds are Unrestricted Assets of the Estate, the Reorganized Debtor shall continue to utilize sub-fund accounting with respect to the Pooled Investment Account so that all post-Effective Date transfers and transactions respecting the Pooled Investment Account shall be adequately and promptly documented in, and readily ascertainable from, the Reorganized Debtor's books and records, to the same extent maintained by the Debtor prior to the commencement of the Chapter 11 Case. Nothing contained herein shall prevent the Reorganized Debtor from establishing any additional sub-fund(s) within the Pooled Investment Account as it may deem necessary and appropriate, and the Custodian is authorized to process the Reorganized Debtor's request to account for transactions with respect to such sub-fund(s).

ARTICLE XI: PROCEDURES FOR GENERAL CLAIMS ADMINISTRATION

11.1 RESERVATION OF RIGHTS TO OBJECT TO CLAIMS. Unless a Claim is expressly described as an Allowed Claim pursuant to or under this Plan, or otherwise becomes an Allowed Claim prior to the Effective Date, upon the Effective Date, the Plan Trustee shall be deemed to have a reservation of any and all rights, interests and objections of the Debtor, the Official Committees, or the Estate to any and all Claims and motions or requests for the payment of or on account of Claims, whether administrative expense, priority, secured or unsecured, including without limitation any and all rights, interests and objections to the validity or amount of any and all alleged Administrative Claims, Priority Tax Claims, Priority Claims, Secured Claims, Unsecured Claims, Liens and security interests, whether under the Bankruptcy Code, other applicable law or contract. The Debtor's or Official Committees' failure to object to any Claim in the Chapter 11 Case shall be without prejudice to the Plan Trustee's rights to contest or otherwise defend against such Claim in the Bankruptcy Court when and if such Claim is sought to be enforced by the holder of such Claim.

11.2 OBJECTIONS TO CLAIMS. Prior to the Effective Date, the Debtor shall be responsible for pursuing any objection to the allowance of any Claim. From and after the Effective Date, the Plan Trustee will retain responsibility for administering, disputing, objecting to, compromising, or otherwise resolving and making distributions, if any, with respect to all Claims (including, without limitation, those Claims that are subject to objection by the Debtor as of the Effective Date), provided, however, that nothing in this Section 11.2 shall affect the right of any party in interest (including the Reorganized Debtor) to object to any Claim to the extent permitted by the Bankruptcy Code and Bankruptcy Rules. Unless otherwise provided in this Plan or by Order of the Bankruptcy Court, any objections to Claims by the Plan Trustee will be Filed and served not later than one (1) year after the later of (i) the Effective Date or (ii) the date such Claim is Filed, provided that the Plan Trustee may request (and the Bankruptcy Court may grant) extensions of such deadline, or of any Bankruptcy Court approved extensions thereof, by Filing a motion with the Bankruptcy Court without any requirement to provide notice to any Person, based upon a reasonable exercise of the Plan Trustee's business judgment. A motion

seeking to extend the deadline to object to any Claim shall not be deemed an amendment to this Plan.

11.3 SERVICE OF OBJECTIONS. An objection to a Claim shall be deemed properly served on the holder of such Claim if the objector effects service by any of the following methods: (i) in accordance with Rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Bankruptcy Rule 7004; (ii) to the extent counsel for such holder is unknown, by first class mail, postage prepaid, on the signatory on the Proof of Claim or other representative identified on the Proof of Claim or any attachment thereto; or (iii) by first class mail, postage prepaid, on any counsel that has appeared on the behalf of such holder in the Chapter 11 Case.

11.4 DETERMINATION OF CLAIMS. Except as otherwise agreed by the Debtor or the Plan Trustee, any Claim as to which a Proof of Claim or motion or request for payment was timely Filed in the Chapter 11 Case, or deemed timely Filed by Order of the Bankruptcy Court, may be determined and (so long as such determination has not been stayed, reversed or amended and as to which determination (or any revision, modification or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing was Filed or, if Filed, remains pending) liquidated pursuant to (i) an Order of the Bankruptcy Court, (ii) applicable bankruptcy law, (iii) agreement of the parties without the need for Bankruptcy Court approval, (iv) applicable non-bankruptcy law or (v) the lack of (a) an objection to such Claim, (b) an application to equitably subordinate such Claim and (c) an application to otherwise limit recovery with respect to such Claim, Filed by the Debtor, the Plan Trustee, or any other party in interest on or prior to any applicable deadline for Filing such objection or application with respect to such Claim. Any such Claim so determined and liquidated shall be deemed to be an Allowed Claim for such liquidated amount and shall be satisfied in accordance with this Plan. Nothing contained in this Section 11.4 shall constitute or be deemed a waiver of any Claims, rights, interests or Causes of Action that the Debtor or the Plan Trust may have against any Person in connection with or arising out of any Claim or Claims, including without limitation any rights under 28 U.S.C. § 157.

11.5 NO DISTRIBUTIONS PENDING ALLOWANCE. No payments or distributions will be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order, and the Disputed Claim has become an Allowed Claim; provided, however, that in the event that only a portion of such Claim is an Allowed Claim, the Plan Trustee may, in its discretion, make a distribution in accordance with Article XII on account of the portion of such Claim that is an Allowed Claim.

11.6 CLAIM ESTIMATION. In order to effectuate distributions pursuant to this Plan and avoid undue delay in the administration of the Chapter 11 Case, the Debtor (if prior to the Effective Date) and the Plan Trustee (on and after the Effective Date), after notice and a hearing (which notice may be limited to the holder of such Disputed Claim), shall have the right to seek an Order of the Bankruptcy Court, pursuant to § 502(c) of the Bankruptcy Code, estimating or limiting the amount of (i) property that must be withheld from or reserved for distribution purposes on account of such Disputed Claim(s), (ii) such Claim for allowance or disallowance purposes, or (iii) such Claim for any other purpose permitted under the Bankruptcy

Code; provided, however, that the Bankruptcy Court shall determine (i) whether such Claims are subject to estimation pursuant to § 502(c) of the Bankruptcy Code and (ii) the timing and procedures for such estimation proceedings, if any. On and after the Effective Date, the Reorganized Debtor shall have the right to continue to prosecute the Estimation Motions, and the reasonable fees and expenses of the professionals of the Reorganized Debtor in connection therewith shall constitute Plan Administration Expenses payable from the Plan Administration Expense Reserve.

11.7 REPORTS. From the Effective Date until a Final Decree is entered, the Plan Trustee shall, within thirty (30) days of the end of each fiscal quarter, File with the Bankruptcy Court and submit to the U.S. Trustee quarterly reports setting forth all receipts and disbursements of the Plan Trust as required by the U.S. Trustee guidelines.

ARTICLE XII:
DISTRIBUTIONS UNDER ~~THIS~~THE PLAN

12.1 TIMING OF DISTRIBUTIONS

(a) **Distributions on Account of Allowed S/A/P Claims.** The Plan Trustee shall pay any Allowed S/A/P Claim against the Debtor in Cash, except as otherwise provided in this Plan, as soon as practicable after the later of (i) the Effective Date, and (ii) the date upon which any such Claim becomes an Allowed Claim.

(b) **Interim Distributions on Account of Allowed Unsecured Claims.** The Plan Trustee shall be authorized to (i) make annual interim Distributions on account of Allowed Other Unsecured Claims from the General Claims Payment Account, provided that any such distribution is warranted, economical and not unduly burdensome to the Plan Trust, and (ii) have the right to make more frequent interim distributions to holders of Allowed Other Unsecured Claims if the Plan Trustee determines that such interim distributions are warranted, economical and not unduly burdensome to the Plan Trust; provided, however, that any such distribution(s) shall only be made if (A) the Plan Administration Expense Reserve is fully funded and will remain fully funded after such interim distributions are made; (B) all S/A/P Claims have been paid or reserved; and (C) the Plan Trustee retains amounts reasonably necessary to meet contingent liabilities, to maintain the value of the Plan Trust Assets during liquidation, and to satisfy other liabilities or expenses incurred by the Plan Trust in accordance with this Plan or the Plan Trust Agreement. This provision shall be interpreted to be consistent with Revenue Procedure 94-45 § 3.10.

12.2 PAYMENT DATE. Whenever any payment or distribution to be made under this Plan shall be due on a day other than a Business Day, such payment or distribution shall instead be made, without interest, on the immediately following Business Day.

12.3 DE MINIMIS DISTRIBUTIONS. All De Minimis Distributions will be held by the Plan Trust for the benefit of the holders of Allowed Claims entitled to De Minimis Distributions. When the aggregate amount of De Minimis Distributions held by the Plan Trust for the benefit of a Creditor exceeds \$50.00, the Plan Trust will distribute such De Minimis

Distributions to such Creditor. If, at the time that the final distribution under this Plan is to be made, the De Minimis Distributions held by the Plan Trust for the benefit of a Creditor total less than \$50.00, such funds shall not be distributed to such Creditor, but rather, shall constitute Plan Trust Assets to be distributed as otherwise provided in this Plan.

12.4 UNDELIVERABLE DISTRIBUTIONS. If payment or distribution to the holder of an Allowed Claim under this Plan is returned for lack of a current address for the holder or otherwise, the Plan Trustee shall File with the Bankruptcy Court the name, if known, and last known address of the holder and the reason for its inability to make payment. If, after the passage of ninety (90) days, the payment or distribution still cannot be made, the payment or distribution and any further payment or distribution to the holder shall be distributed to the holders of Allowed Claims in the appropriate Class or Classes, and the Allowed Claim shall be deemed satisfied and released, with no recourse to the Plan Trust, the Plan Trustee or the Plan Trust Assets, to the same extent as if payment or distribution had been made to the holder of the Allowed Claim.

12.5 SETOFFS. The Plan Trust may, to the extent permitted under applicable law, set off against any Allowed Claim and the distributions to be made pursuant to this Plan on account of such Allowed Claim, the Claims, rights and Causes of Action of any nature that the Plan Trust may hold against the holder of such Allowed Claim that are not otherwise waived, released or compromised in accordance with this Plan; provided, however, that neither such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Plan Trust of any such Claims, rights and Causes of Action that the Plan Trust possesses against such holder.

12.6 NO INTEREST ON CLAIMS. Unless otherwise specifically provided for in this Plan, the Confirmation Order, or a postpetition agreement in writing between the Debtor and a holder of a Claim and approved by an Order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on any Claim, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. In addition, and without limiting the foregoing or any other provision of this Plan, Confirmation Order or Plan Trust Agreement, interest shall not accrue on or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final distribution is made when and if such Disputed Claim becomes an Allowed Claim.

12.7 WITHHOLDING TAXES. The Debtor (if before the Effective Date) or the Plan Trustee (on and after the Effective Date), as applicable, shall be entitled to deduct any federal, state or local withholding taxes from any payments under this Plan. As a condition to making any distribution under this Plan, the Debtor (if before the Effective Date) or the Plan Trustee (on and after the Effective Date), as applicable, may require that the holder of an Allowed Claim provide such holder's taxpayer identification number and such other information and certification as may be deemed necessary to comply with applicable tax reporting and withholding laws.

**ARTICLE XIII:
EFFECTIVENESS OF THE PLAN**

13.1 CONDITIONS PRECEDENT TO EFFECTIVE DATE. This Plan shall not become effective unless and until each of the following conditions shall have been satisfied in full in accordance with the provisions specified below:

(a) **Approval of Disclosure Statement.** The Bankruptcy Court shall have approved a Disclosure Statement to this Plan in form and substance acceptable to the Debtors in their sole and absolute discretion.

(b) **Approval of Plan Compromises.** The compromises and settlements contained in this Plan shall be approved without material modification by Final Order in accordance with Bankruptcy Rule 9019 and shall be binding and enforceable against all holders of Claims under the terms of this Plan.

(c) **Form of Confirmation Order.** The Confirmation Order shall be in form and substance acceptable to the Debtor in its sole and absolute discretion.

(d) **Entry of Confirmation Order.** Subject fully to Section 17.2, the Confirmation Order (i) shall have been entered by the Bankruptcy Court, (ii) shall not be subject to any stay of effectiveness, and (iii) shall have become a Final Order, the Confirmation Date shall have occurred, and no request for revocation of the Confirmation Order under § 1144 of the Bankruptcy Code shall have been made, or, if made, shall remain pending.

(e) **Plan Trust.** The Plan Trust shall have been formed and funded with all Plan Trust Assets consisting of Cash, other than the IBNR Reserves, and all formation documents for such entity shall have been properly executed and filed as required by this Plan and applicable law. For the avoidance of doubt, such funding shall not include any Disputed Non-Debtor PIA Funds, the Disputed Restricted PIA Funds, or the Lay Pension Fund disposition of which shall be governed by Sections 10.4, 10.5, and 10.6, respectively.

(f) **Plan Trustee.** The appointment of the Plan Trustee shall have been confirmed by Order of the Bankruptcy Court.

(g) **Estimation Motions.** The Debtor shall have Filed the Estimation Motions.

13.2 NON-CONSUMMATION OF THE PLAN. If after the Confirmation Order is entered, each of the conditions to effectiveness has not been satisfied or duly waived on or by ninety (90) days after the Confirmation Date, then upon motion by the Debtor, the Confirmation Order may be vacated by the Bankruptcy Court; provided however, that notwithstanding the Filing of such a motion, the Confirmation Order shall not be vacated if each of the conditions to effectiveness is either satisfied or duly waived (by a writing executed by the Debtor) before the Bankruptcy Court enters an Order granting the relief requested in such motion. If the Confirmation Order is vacated pursuant to this Section 13.2, this Plan shall be null

and void in all respects, and nothing contained in this Plan, the Disclosure Statement, nor any pleadings Filed in connection with the approval thereof shall (i) constitute a waiver or release of any Claims against the Debtor, (ii) prejudice in any manner the rights of the holder of any Claim against the Debtor, (iii) prejudice in any manner the rights of the Debtor in the Chapter 11 Case, or (iv) constitute an admission of any fact or legal position or a waiver of any legal rights held by any Person prior to the Confirmation Date.

**ARTICLE XIV:
EFFECTS OF CONFIRMATION**

14.1 DISSOLUTION OF OFFICIAL COMMITTEES. On the Effective Date, the Official Committees shall dissolve automatically, whereupon their members, Professionals and agents shall be released from any further duties and responsibilities in the Chapter 11 Case and under the Bankruptcy Code, except that such parties shall continue to be bound by any obligations arising under confidentiality agreements, joint defense/common interest agreements (whether formal or informal), and protective Orders entered during the Chapter 11 Case, which shall remain in full force and effect according to their terms, provided that such parties shall continue to have a right to be heard with respect to any and all (i) applications for Professional Claims and (ii) requests for compensation and reimbursement of expenses pursuant to § 503(b) of the Bankruptcy Code for making a substantial contribution in the Chapter 11 Case. Notwithstanding the foregoing, the Lay Employees Committee shall continue to exist post-Effective Date as an *ad hoc* committee solely for the purpose of prosecuting the Lay Pension Litigation, and the reasonable fees and expenses of counsel to such committee shall constitute Plan Administration Expenses.

14.2 DISCHARGE INJUNCTION. Except as otherwise expressly provided in this Plan or in the Confirmation Order, and subject to Section 9.3, on the Effective Date, pursuant to § 1141(d) of the Bankruptcy Code, the Debtor shall be discharged from, and its liability shall be extinguished completely in respect of, any Claim (including without limitation Personal Injury Tort Claims and Unknown Claims) which arose prior to the Confirmation Date, and all Persons who have held or asserted, hold or assert, or may in the future hold or assert a Discharged Claim shall be permanently stayed, enjoined, and restrained from taking any action, directly or indirectly for the purposes of asserting, enforcing or attempting to assert or enforce any Discharged Claim, including: (i) commencing or continuing in any manner, any action or any other proceeding of any kind with respect to any Discharged Claim against the Debtor, the Reorganized Debtor, or property of the Reorganized Debtor; (ii) seeking the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree, or Order against the Debtor, the Reorganized Debtor, or property of the Reorganized Debtor, with respect to any Discharged Claim; (iii) creating, perfecting, or enforcing any encumbrance or lien of any kind against the Debtor, the Reorganized Debtor, or property of the Reorganized Debtor with respect to any Discharged Claim; (iv) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due to the Reorganized Debtor with respect to any Discharged Claim; and (v) taking any act, in any manner and in any place whatsoever, that does not conform to or comply with provisions of this Plan. In the event any Person takes any action that is prohibited by, or is otherwise inconsistent with the provisions of this injunction, this Plan or Confirmation Order, then, upon notice to the Bankruptcy Court by an affected party, the action or proceeding in which the Claim of such Person is asserted will automatically be

transferred to the Bankruptcy Court or the District Court for enforcement of this Plan. Notwithstanding the foregoing, nothing in this Plan shall impair, effect or release the rights of any Non-Settling Insurer with respect to any Personal Injury Tort Claims, including all Insurance Company Defenses.

14.3 CHANNELING INJUNCTION. On and after the Effective Date, and subject to Section 9.3 and the assertion of Insurance Company Defenses, in consideration of (a) the promises and obligations of the Debtor, the Reorganized Debtor, the Bishop, and the Non-Debtor Catholic Entities under this Plan (including, without limitation, the provision of the Third-Party Release Consideration), and (b) consideration provided, or to be provided, by the Settling Insurers, all Persons who have held or asserted, hold or assert, or may in the future hold or assert any Personal Injury Tort Claim, including Unknown Claims, shall be forever barred and permanently enjoined from pursuing such Personal Injury Tort Claim against the Third-Party Releasees based upon or in any manner arising from or related to any acts or omissions of any of the Third-Party Releasees including, but not limited to (w) for damages of any type, including but not limited to bodily injury, personal injury, emotional distress, wrongful death and/or loss of consortium, (x) for exemplary or punitive damages, (y) for attorneys' fees and other expenses, fees or costs, (z) for any remedy at law, in equity or admiralty whatsoever, heretofore, now or hereafter asserted against any of the Third-Party Releasees; and all Personal Injury Tort Claims, including Unknown Claims, shall be channeled to and shall be treated, administered, determined, and, if Allowed, paid under the procedures and protocols and in the amounts as established under this Plan and the Plan Trust Agreement as the sole and exclusive remedy for all Personal Injury Tort Claimants, including Unknown Claimants. The foregoing channeling injunction is an integral part of this Plan and essential to its consummation and implementation. It is intended that the channeling of the Personal Injury Tort Claims as provided in this Plan shall inure to and for the benefit of the Third-Party Releasees and shall not, directly or indirectly, inure to or for the benefit of any Non-Settling Insurer or Perpetrator.

14.4 EXCULPATION; LIMITATION OF LIABILITY. From and after the Effective Date, none of the Exculpated Parties shall have or incur any liability for, and each Exculpated Party shall be released from, any Claim, Cause of Action or liability to any other Exculpated Party, to any holder of a Claim, or to any other party in interest, for any act or omission that occurred during and in connection with the Chapter 11 Case or in connection with the preparation and Filing of the Chapter 11 Case, the formulation, negotiation, and/or pursuit of Confirmation of this Plan, the consummation of this Plan, and/or the administration of this Plan and/or the property to be distributed under this Plan, except for Claims, Causes of Action or liabilities arising from the gross negligence, willful misconduct, fraud, or breach of the fiduciary duty of loyalty of any Exculpated Party, in each case subject to determination of such by Final Order of a court of competent jurisdiction and provided that any Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to its duties and responsibilities (if any) under this Plan. Without limiting the generality of the foregoing, the Debtor and its officers, member, employees, attorneys, financial advisors, and other Professionals shall be entitled to and granted the benefits of § 1125(e) of the Bankruptcy Code.

**ARTICLE XV:
THE REORGANIZED DEBTOR**

15.1 CONTINUED CORPORATE EXISTENCE, CORPORATE ACTION AND VESTING OF ASSETS. The Debtor will, as the Reorganized Debtor, continue to exist after the Effective Date as a separate entity in accordance with the applicable laws of the State of Delaware, with all the powers of a not-for-profit, non-stock member corporation having tax-exempt status under 26 U.S.C. § 501(c)(3) under applicable law and without prejudice to any right to alter or terminate such existence under applicable state law, except as such rights may be limited and conditioned by this Plan and the documents and instruments executed and delivered in connection therewith. Except as otherwise provided in this Plan or the Confirmation Order, on the Effective Date, the Reorganization Assets, in accordance with § 1141 of the Bankruptcy Code, shall vest in the Reorganized Debtor, free and clear of all Liens, Claims, and interests, including successor liability. On and after the Effective Date, the Reorganized Debtor may operate and manage its affairs its and may use, acquire and dispose of property without notice to any Person, and without supervision or approval by the Bankruptcy Court and free of any restrictions imposed by the Bankruptcy Code, Bankruptcy Rules, or the Bankruptcy Court, other than those restrictions expressly imposed by this Plan or the Confirmation Order.

15.2 IDENTITY OF OFFICERS OF REORGANIZED DEBTOR. In accordance with § 1129(a)(5) of the Bankruptcy Code, the identities and affiliations of the Persons proposed to serve as officers of the Reorganized Debtor on and after the Effective Date shall be set forth in a Supplemental Plan Document.

15.3 FURTHER AUTHORIZATION. The Reorganized Debtor shall be entitled to seek such Orders, judgments, injunctions, rulings, and other assistance as it deems necessary to carry out the intentions and purposes, and to give full effect to the provisions, of this Plan.

15.4 IBNR RESERVES. The Reorganized Debtor shall hold and administer the IBNR Reserves for the benefit of the Plan Trust, and shall provide the Plan Trust monthly reports of claims paid from the IBNR Reserves. The Reorganized Debtor shall remit to the Plan Trust any surplus remaining in the IBNR Reserves after all covered claims for self-insured plan years that commenced prior to the Effective Date have been paid, as determined by the Third-Party Administrators.

15.5 VOLUNTARY UNDERTAKINGS.

(a) **Lay Pension Plan Reaffirmation Agreement.** Pursuant to § 524(c) of the Bankruptcy Code, the Reorganized Debtor shall reaffirm the Debtor's obligations under the Lay Pension Plan to the extent set forth in the Lay Pension Plan Reaffirmation Agreement to be Filed by the Debtor as a Supplemental Plan Document.

(b) **Establishment of Charitable Trust for Abuse Survivors.** The Reorganized Debtor shall establish and manage a charitable trust fund to provide medical, psychological, educational, or other material assistance to Survivors and their families, as determined by the Bishop in his discretion. This fund will be capitalized

initially with the Bishop's Discretionary Fund, and thereafter will be funded with the proceeds of any gifts and donations to the Reorganized Debtor for the benefit of Survivors.

(c) **Public Access to Abuse-Related Documents.** In order to further promote healing and reconciliation and in order to continue efforts to prevent sexual abuse from occurring in the future, the Reorganized Debtor will establish and maintain for five (5) years a document depository that will contain all non-privileged documents in its possession related to sexual abuse by, and/or supervision of, abusive clergy, and religious and lay employees. The depository will be open to the general public on Tuesday of each week (except during the weeks before and after Easter, Christmas, and New Year's Day) from 10 am until 4 pm. Unless otherwise ordered by the Bankruptcy Court at the Confirmation Hearing, documents will include diocesan priest personnel files, all communications related to priests regarding whom there are admitted, corroborated or otherwise substantiated allegations of sexual abuse of minors, between the bishop and other officials including, but not limited to the vicars general, vicars for clergy, chancellors, pastors, priests, provincials and other members of religious orders, lay employees, *et al.*, transcripts and video depositions of all defendants, plaintiffs and witnesses, all exhibits and other non-privileged documents of any type related to sexual abuse tort litigation, provided, however, that no Survivor's identity shall be released or revealed without his or her express permission. The Special Mediator shall have access to inspect diocesan files and archives for the purpose of verifying that all non-privileged, abuse-related documents have been released to the fullest extent permitted by applicable law and that any documents withheld or redacted were validly withheld or redacted under applicable law, which verification shall be final and non-reviewable by (but not binding upon, for any other purpose) any court, tribunal, or other authority. The reasonable fees and expenses of the Special Mediator in connection with such inspection and verification shall be paid by the Reorganized Debtor.

(d) **Apologies to Abuse Survivors.** Within a reasonable time after the Allowance of any Personal Injury Tort Claim pertaining to sexual abuse by a Diocesan priest or lay employee, the Bishop will send a letter of apology to the Survivor stating that he or she was not at fault for the abuse and that the Diocese takes responsibility for the abuse.

(e) **Continuation of Child Protection Programs.** The Reorganized Debtor shall continue to comply in all respects with (i) the Charter for the Protection of Children and Young People and (ii) the For the Sake of God's Children program adopted by the Diocese in 2003. The Reorganized Debtor will publish on the Diocese's web page (www.cdow.org) the results of the annual audit conducted pursuant to the Charter for the Protection of Young People.

(f) **Release of Abuse Survivors from Confidentiality Obligations.** The Bishop will continue the current policy of releasing Survivors from any confidentiality provisions in settlement agreements which they may have signed as a condition to such settlements in the past, and will continue the current policy of forbidding confidentiality provisions in any settlement agreement related to sexual abuse

except at the written request of the Survivor. The Reorganized Debtor will attempt to contact counsel for all Survivors who entered into such confidentiality agreements to inform them that they are not bound by such agreements. In addition, the Reorganized Debtor agrees that all confidentiality agreements involving Survivors are terminated and that the identities of priests or lay persons named in settlement agreements containing confidentiality provisions may be made public. The Reorganized Debtor will not release or reveal any Survivor's identity without his or her permission.

15.6 MANDATORY MEDIATION OF CERTAIN DISPUTES. The Confirmation Order shall refer all disputes regarding the Reorganized Debtor's or the Bishop's compliance with the voluntary undertakings in Sections 15.2(b)-(f) to mediation before the Special Mediator as a prerequisite to adjudication in the Bankruptcy Court. Responsibility for paying the reasonable fees and expenses of the Special Mediator in connection with the mediation of such disputes shall be shared by the parties to the dispute.

**ARTICLE XVI:
RETENTION OF JURISDICTION**

16.1 BY THE BANKRUPTCY COURT. Pursuant to §§ 105, 1123(a)(5), and 1142(b) of the Bankruptcy Code, on and after the Confirmation Date, the Bankruptcy Court shall retain jurisdiction to the fullest extent permitted by 28 U.S.C. §§ 1334 and 157 (i) to hear and determine the Chapter 11 Case and all core proceedings arising under the Bankruptcy Code or arising in the Chapter 11 Case, and (ii) to hear and make proposed findings of fact and conclusions of law in any non-core proceedings related to the Chapter 11 Case, including, without limitation, matters concerning the interpretation, implementation, consummation, execution, or administration of this Plan. Without limiting the generality of the foregoing, the Bankruptcy Court's post-Confirmation Date jurisdiction shall include jurisdiction:

- (a) over all Causes of Action (including, without limitation, the Designated Causes of Action and Chapter 5 Actions) and proceedings to recover Assets of the Estate or of the Plan Trust, wherever located;
- (b) over disputes concerning the ownership of Claims;
- (c) over disputes concerning the distribution or retention of consideration under this Plan;
- (d) over objections to Claims, motions to allow late-filed Claims, and motions to estimate Claims;
- (e) over proceedings to determine the extent, validity, and/or priority of any Lien asserted against property of the Debtor, the Estate, or the Plan Trust, or property abandoned or transferred by the Debtor, the Estate, or the Plan Trust;
- (f) over proceedings to determine the amount, if any, of interest to be paid to Holders of Allowed Unsecured Claims if any Allowed Unsecured Claims are paid in full pursuant to the terms of this Plan;

(g) over matters related to the Assets of the Estate or of the Plan Trust, including, without limitation, liquidation of Plan Trust Assets, provided that the Plan Trust shall have no obligation to obtain the approval or authorization of the Bankruptcy Court or File a report to the Bankruptcy Court concerning the sale, transfer, assignment or other disposition of Plan Trust Assets; and provided further that the Plan Trust may seek Orders of the Bankruptcy Court approving the sale, transfer, assignment or other disposition of Plan Trust Assets as appropriate to facilitate such transactions;

(h) over matters relating to the subordination of Claims;

(i) to enter and implement such Orders as may be necessary or appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

(j) to consider and approve modifications of or amendments to this Plan, to cure any defects or omissions or to reconcile any inconsistencies in any Order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(k) to issue Orders in aid of execution, implementation, or consummation of this Plan;

(l) over disputes arising from or relating to this Plan, the Confirmation Order, or any agreements, documents, or instruments executed in connection therewith;

(m) over requests for allowance and/or payment of Claims entitled to priority under § 507(a)(2) of the Bankruptcy Code and any objections thereto;

(n) over all Fee Applications;

(o) over matters concerning state, local, or federal taxes in accordance with §§ 346, 505, and 1146 of the Bankruptcy Code;

(p) over conflicts and disputes among the Plan Trust, the Plan Oversight Committee, and holders of Claims;

(q) over disputes concerning the existence, nature, or scope of the Debtor's discharge or the channeling injunction, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

(r) over matters concerning the Debtor's insurance policies, if any, including jurisdiction to re-impose the automatic stay or its applicable equivalent provided in this Plan;

(s) to issue injunctions, provide declaratory relief, or grant such other legal or equitable relief as may be necessary or appropriate to restrain interference with this Plan, the Debtor, the Estate or its property, the Creditors Committee or Lay

Employees Committee, the Plan Trust or its property, the Plan Trustee, the Plan Oversight Committee, the Professionals, or the Confirmation Order;

(t) to enter a Final Decree closing the Chapter 11 Case;

(u) to enforce all orders previously entered by the Bankruptcy Court;

and

(v) over any and all other suits, adversary proceedings, motions, applications, and contested matters that may be commenced or maintained pursuant to the Chapter 11 Case or this Plan.

16.2 BY THE DISTRICT COURT. Pursuant to §§ 105, 1123(a)(5), and 1142(b) of the Bankruptcy Code, on and after the Confirmation Date, the District Court shall retain jurisdiction to the fullest extent permitted by 28 U.S.C. §§ 1334 to hear and determine all matters arising under the Bankruptcy Code or arising in or related to the Chapter 11 Case. Without limiting the generality of the foregoing, the District Court's post-Confirmation Date jurisdiction shall include jurisdiction:

(a) over objections to Personal Injury Tort Claims and motions to estimate Personal Injury Tort Claims for distribution purposes; and

(b) to hear and determine the Removed Cases.

ARTICLE XVII: ADMINISTRATIVE PROVISIONS

17.1 REJECTION OF UNASSUMED EXECUTORY CONTRACTS. On the Effective Date, except for any Executory Contract (i) that was previously assumed or rejected by an Order of the Bankruptcy Court (including the Confirmation Order) or otherwise pursuant to § 365 of the Bankruptcy Code or (ii) that is subject to a pending motion to assume or reject before the Bankruptcy Court, each Executory Contract entered into by the Debtor prior to the Petition Date that has not previously expired or terminated pursuant to its own terms, and which is not expressly assumed in this Plan, shall be rejected pursuant to §§ 365 and 1123 of the Bankruptcy Code, effective as of the Confirmation Date. The Confirmation Order shall constitute an Order of the Bankruptcy Court approving such rejection pursuant to §§ 365 and 1123 of the Bankruptcy Code as of the Confirmation Date.

17.2 FINAL ORDER. Except as otherwise expressly provided in this Plan, any requirement in this Plan for a Final Order may be waived by the Debtor (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date) upon written notice to the Bankruptcy Court. No such waiver shall prejudice the right of any party in interest to seek a stay pending appeal of any Order that is not a Final Order.

17.3 AMENDMENTS AND MODIFICATIONS. The Debtor may modify this Plan at any time prior to the Confirmation Hearing in accordance with § 1127(a) of the Bankruptcy Code. After the Confirmation Date and prior to "substantial consummation" (as such term is defined in § 1101(2) of the Bankruptcy Code) of this Plan, the Reorganized Debtor,

the Plan Trust, or the Plan Trustee, as appropriate, may modify this Plan in accordance with § 1127(b) of the Bankruptcy Code by the Filing a motion on notice to the Bankruptcy Rule 2002 service list only, and the solicitation of all Creditors and other parties in interest shall not be required unless directed by Bankruptcy Court.

17.4 WITHHOLDING AND REPORTING REQUIREMENTS. In connection with this Plan and all instruments issued in connection therewith and distributions thereon, the Debtor (prior to the Effective Date) and the Plan Trust (on and after the Effective Date) shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements.

17.5 NO WAIVER. The failure of the Debtor to object to any Claim for purposes of voting shall not be deemed a waiver of the Debtor's or the Plan Trust's right to object to such Claim, in whole or in part.

17.6 TAX EXEMPTION. Pursuant to § 1146 of the Bankruptcy Code, the delivery or recording of an instrument of transfer on or after the Confirmation Date shall be deemed to be made pursuant to and under this Plan, including, without limitation, any such acts by the Debtor, if prior to the Effective Date, and the Plan Trust, if on or after the Effective Date (including, without limitation, any subsequent transfers of property by the Plan Trust), and shall not be taxed under any law imposing a stamp tax, transfer tax or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument hereunder is to be recorded shall, pursuant to the Confirmation Order and this Plan, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax or similar tax.

17.7 NON-SEVERABILITY. Except as specifically provided herein, the terms of this Plan constitute interrelated compromises and are not severable, and no provision of those Articles may be stricken, altered, or invalidated, except by amendment of this Plan by the Debtor.

17.8 REVOCATION. The Debtor reserves the right to revoke and withdraw this Plan prior to the Confirmation Date, in which case this Plan shall be null and void and, in such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtor, the Creditors Committee or the Lay Employees Committee, or any other Person or to prejudice in any manner the rights of the Debtor, the Creditors Committee or the Lay Employees Committee, or any other Person in any further proceedings involving the Debtor, or be deemed an admission by the Debtor, including with respect to the amount or allowability of any Claim or the value of any property of the Estate.

17.9 CONTROLLING DOCUMENTS. In the event and to the extent that any provision of this Plan or the Plan Trust Agreement is inconsistent with any provision of the Disclosure Statement, the provisions of this Plan or Plan Trust Agreement, as applicable, shall control and take precedence. In the event and to the extent that any provision of the Plan Trust Agreement is inconsistent with any provision of this Plan, this Plan shall control and take

precedence. In the event and to the extent that any provision of the Confirmation Order is inconsistent with any provision of this Plan or the Plan Trust Agreement, the provisions of the Confirmation Order shall control and take precedence.

17.10 GOVERNING LAW. Except to the extent a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules), and unless specifically stated, the rights, duties, and obligations arising under this Plan, any agreements, documents, and instruments executed in connection with this Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreements shall control) and any corporate governance matters with respect to the Plan Trust or the Reorganized Debtor shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to conflicts of law principles.

17.11 NOTICES. Any notices or requests of the Debtor or the Plan Trust by parties in interest under or in connection with this Plan shall be in writing and served either by (i) certified mail, return receipt requested, postage prepaid, (ii) hand delivery or (iii) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by the following parties:

If to the Debtor or the Reorganized Debtor:

YOUNG CONAWAY STARGATT & TAYLOR, LLP
The Brandywine Building
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253
Attn: Robert S. Brady
Patrick A. Jackson

If to the Plan Trust:

[_____]

17.12 FILING OF ADDITIONAL DOCUMENTS. On, before, or after the Effective Date, and before “substantial consummation” (as such term is defined in § 1102(2) of the Bankruptcy Code) of this Plan, the Debtor, the Plan Trust, and the Reorganized Debtor, as appropriate, may File with the Bankruptcy Court or execute, as appropriate, such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan, or otherwise to comply with applicable law.

17.13 POWERS OF OFFICERS. The officers of the Debtor or the Reorganized Debtor, as the case may be, shall have the power to enter into or execute any documents or agreements that they deem reasonable and appropriate to effectuate the terms of this Plan.

17.14 DIRECTION TO A PARTY. On and after the Effective Date, the Plan Trust or the Reorganized Debtor, as applicable, may apply to the Bankruptcy Court for entry of

an Order directing any Person to execute or deliver or to join in the execution or delivery of any instrument or document reasonably necessary or reasonably appropriate to effect a transfer of properties dealt with by this Plan, and to perform any other act (including satisfaction of any lien or security interest) that is reasonably necessary or reasonably appropriate for the consummation of this Plan.

17.15 SUCCESSORS AND ASSIGNS. This Plan shall be binding upon and inure to the benefit of the Debtor, and its respective successors and assigns, including, without limitation, the Reorganized Debtor. The rights, benefits, and obligations of any entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator successor, or assign of such entity.

17.16 CERTAIN ACTIONS. By reason of entry of the Confirmation Order, prior to, on or after the Effective Date (as appropriate), all matters provided for under this Plan that would otherwise require approval of the officers of the Debtor under this Plan, including, without limitation, (a) the adoption, execution, delivery, and implementation of all contracts, leases, instruments, releases, and other agreements or documents related to this Plan, and (b) the adoption, execution, and implementation of other matters provided for under this Plan involving the Debtor or organizational structure of the Debtor, shall be deemed to have occurred and shall be in effect prior to, on or after the Effective Date (as appropriate), pursuant applicable non-bankruptcy law, without any requirement of further action by the officers of the Debtor.

17.17 FINAL DECREE. Once the Estate has been fully administered, as referred to in Bankruptcy Rule 3022, the Plan Trust or such other party as the Bankruptcy Court may designate in the Confirmation Order, shall File a motion with the Bankruptcy Court to obtain a Final Decree to close the Chapter 11 Case.

ARTICLE XVIII:
BANKRUPTCY RULE 9019 REQUEST

18.1 Pursuant to Bankruptcy Rule 9019, the Debtor hereby requests approval of all compromises and settlements included in this Plan, including, without limitation, those set forth in Articles IV, V, and VI, and that may be included in this pursuant to Section 6.5.

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**ARTICLE XIX:
CONFIRMATION REQUEST**

19.1 The Debtor hereby requests confirmation of this Plan as a Cramdown Plan with respect to any Impaired Class that does not accept this Plan or is deemed to have rejected this Plan.

Dated: Wilmington, Delaware
September ~~22~~,30, 2010

Respectfully submitted,

CATHOLIC DIOCESE OF WILMINGTON, INC.

By: Most Rev. W. Francis Malooly, D.D.
Its: President and Sole Member

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Rendering set	standard

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Moved cell	
Split/Merged cell	
Padding cell	

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