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UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re:

**ROMAN CATHOLIC ARCHBISHOP OF
PORTLAND IN OREGON, AND
SUCCESSORS, A CORPORATION
SOLE, dba ARCHDIOCESE OF
PORTLAND IN OREGON,**

Debtor.

Case No. 04-37154-elp11

**DEBTOR'S FIRST MODIFIED PLAN
OF REORGANIZATION**

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1 **1. INTRODUCTION.**

2 Roman Catholic Archbishop of Portland in Oregon, and successors, a
3 corporation sole, dba Archdiocese of Portland in Oregon (the “Debtor”), in the above-
4 captioned Chapter 11 case, proposes the following Plan of Reorganization pursuant to
5 the provisions of Chapter 11 of the Bankruptcy Code.

6 Reference is made to the Disclosure Statement, as hereinafter defined, which
7 discusses the history of the Debtor, its operations, management, properties and other
8 assets. The Disclosure Statement also provides a summary of this Plan. **YOU ARE**
9 **URGED TO READ THE DISCLOSURE STATEMENT WITH CARE IN EVALUATING**
10 **HOW THIS PLAN WILL AFFECT YOUR RIGHTS AND CLAIM(S).**

11 **2. DEFINITIONS.**

12 For purposes hereof, and unless the context otherwise requires, any term used in
13 an initially capitalized form in this Plan shall have the defined meaning ascribed to it in
14 either Section 101 of the Bankruptcy Code or the ~~respective meanings~~definitions set
15 forth below. Whenever the context requires, such terms shall include the singular as
16 well as the plural, the masculine gender shall include the feminine, and the feminine
17 gender shall include the masculine. Any specific references to promissory notes, deeds
18 of trust, or other debt instruments or security documents shall include any amendments,
19 modifications and extensions thereto. Nothing contained in this Plan shall constitute an
20 admission or denial by any party of either liability for, or the validity, priority or extent of
21 any Claim, Lien, or Security Interest asserted against the Debtor or against any third
22 party. All references to statutory sections are to the Bankruptcy Code unless otherwise
23 specified.

24 **“APCRF”** means, Archdiocese of Portland Claims Resolution Facility, Inc., the
25 corporation to be formed pursuant to the terms of the Plan and the Claims Resolution
26 Facility Agreement for the purpose of entering into the Claims Resolution Facility

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1 Agreement and acting as the sole legal entity to assume liability for, and to liquidate,
2 resolve, and pay Unresolved Tort Claims.

3 **"Administrative Claim"** means a Claim for payment of an administrative
4 expense of a kind specified in Section 503(b) of the Bankruptcy Code and referred to in
5 Section 507(a)(1) of the Bankruptcy Code including, without limitation, the actual,
6 necessary costs and expenses of preserving the Debtor's estate and operating the
7 Debtor's business including Current Obligations, compensation for professional services
8 and reimbursement of expenses awarded under Sections 330(a) or 331 of the
9 Bankruptcy Code, and all fees and charges assessed against the Debtor's estate under
10 chapter 123 of Title 28, United States Code.

11 **"Administrative Claimant"** means a Person or Entity asserting an
12 Administrative Claim.

13 **"Administrative Convenience Claim"** means a General Unsecured Claim in an
14 amount of \$1,000.00 or less, inclusive of interest accrued thereon after the Petition Date
15 through the later to occur of the Effective Date or the Allowance Date; *provided*, that if
16 the holder of a General Unsecured Claim in an amount greater than \$1,000.00 shall
17 make an election to reduce such Claim to \$1,000.00, such Claim shall be treated as an
18 Administrative Convenience Claim for all purposes. Such election shall be made on the
19 ballot for accepting or rejecting this Plan, completed and returned to the Debtor within
20 the time fixed by order of the Court. Making this election shall be deemed to be a
21 waiver by such electing holder of any right to participate in Class 6 as to any and all
22 Claims held by such holder.

23 **"Allowance Date"** means, with respect to a Claim, the date such Claim
24 becomes Allowed.

25 **"Allowed"** means, with respect to a Claim, all or a portion thereof (a) that is
26 agreed to by the Claimant and the Debtor, (b) that is allowed by Final Order, (c) that is

1 estimated for purposes of allowance pursuant to Section 502(c) of the Bankruptcy Code
2 (~~but not including~~ the allowance of a personal injury Tort Claims Claim for purposes of
3 distribution as estimated by the District Court, either individually or as part of an
4 aggregate estimation of Claims), (d) that either (i) is listed in the Debtor's schedules
5 filed with the Court, other than a Claim that is listed as "disputed," "contingent," or
6 "unliquidated"; or (ii) the proof of which has been timely filed pursuant to the Claims Bar
7 Date Notice, or filed pursuant to any Final Order, or otherwise deemed timely filed under
8 applicable law, and as to which, either (yA) no objection to its allowance has been filed
9 within the periods of limitation fixed by this Plan or by any Final Order, or (zB) any
10 objection to its allowance has been settled or withdrawn or has been decided by a Final
11 Order; or (eC) ~~that~~ the Claim is expressly allowed in this Plan.

12 **"Archdiocese of Portland Claims Resolution Facility, Inc."** means the
13 corporation to be formed pursuant to the terms of the Plan and the Claims Resolution
14 Facility Agreement for the sole purpose of entering into the Claims Resolution Facility
15 Agreement and acting as the legal entity to assume liability for, and to liquidate, resolve,
16 and pay Unresolved Tort Claims.

17 **"Archbishop"** means the Person who is the sole director of the Archdiocese.

18 **"Archdiocesan Territory"** means the geographic area extending from the
19 Washington border on the north to the California border on the south, and from the crest
20 of the Cascade Mountains on the east to the Pacific Ocean on the west.

21 **"Archdiocese"** means the Debtor in this Case, Roman Catholic Archbishop of
22 Portland in Oregon, and successors, a corporation sole, dba Archdiocese of Portland in
23 Oregon.

24 **"Ballot"** means the ballot mailed to Creditors for the purposes of soliciting votes
25 for acceptance or rejection of the Plan.

26 **"Bankruptcy Code"** means the Bankruptcy Reform Act of 1978, as amended,

1 principally codified in 11 USC Section 101, et seq.

2 **"Bankruptcy Court"** means the United States Bankruptcy Court for the District
3 of Oregon.

4 **"Bankruptcy Rules"** means the Rules and Forms of Practice and Procedures in
5 Bankruptcy promulgated under 28 USC § 2075, as amended, and the local rules of the
6 Court, as applicable to Chapter 11 cases, together with all amendments and
7 modifications from time to time thereto.

8 **"Beneficiary Claims"** means those Claims of Parishes, parishioners, and other
9 Claimants claiming ~~some~~ right or entitlement to the use or benefit of property or funds
10 held by the Debtor or Parishes in either a civil trust or pursuant to Canon Law ~~which~~
11 ~~requires that such funds or property be used for the Claimant's benefit.~~

12 **"Business Day"** means any day other than Saturday, Sunday, or a "Legal
13 Holiday", as that term is defined in Bankruptcy Rule 9006(a).

14 **"Canon Law"** means the 1983 Code of Canon Law promulgated on January 25,
15 1983 by Pope John Paul II, and any amendments thereto.

16 **"Case"** means the case under Chapter 11 of the Bankruptcy Code commenced
17 by the Debtor on July 6, 2004.

18 **"Child"** means an unmarried Person under 18 years of age.

19 **"Child Abuse"** means child abuse as defined in ORS 12.117(2).

20 **"Claim"** means any claim, as that term is defined in Section 101(5) of the
21 Bankruptcy Code.

22 **"Claimant"** means a Creditor that asserts a Claim.

23 **"Claims Bar Date"** means April 29, 2005, being the date set in the Claims Bar
24 Date Order as the last day for filing any and all proofs of claim asserting a Claim in this
25 Case, or such other date as may apply to a particular Claim pursuant to an order of the
26 Court.

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1 **“Claims Bar Date Notice”** means the *Notice of Last Day to File Claims*,
2 *Including Claims for Clergy Sex Abuse and Sexual Misconduct* mailed to all known
3 Creditors, together with the *Publication Notice* published in various newspapers and
4 other publications in January, 2005, and thereafter, providing notice of the Claims Bar
5 Date.

6 **“Claims Bar Date Order”** means the order of the Court, entered January 3,
7 2005, setting the Claims Bar Date and approving the method of notification of the
8 Claims Bar Date.

9 **“Claims Objection Bar Date”** means the first Business Day that is at least 30
10 days after the Effective Date, or such other date as directed by the Court, by which any
11 objection to a Claim must be filed with the Court or such objection will be forever barred.

12 **“Claims Resolution Facility”** means the Claims Resolution Facility to be
13 established in accordance with Section 7.1 of this Plan pursuant to which Tort Claims
14 will be administered and paid.

15 **“Claims Resolution Facility Agreement”** means the agreement between the
16 Reorganized Debtor and Archdiocese of Portland Claims Resolution Facility, Inc.,
17 pursuant to which the Claims Resolution Facility shall be established and governed.

18 **“Claims Resolution Procedures”** refers to the procedures set forth in the
19 Claims Resolution Facility Agreement, and such other procedures as may be set forth in
20 any orders entered by the Court ~~or~~, the District Court, or a State Court establishing the
21 procedures for the submission, evaluation, processing, liquidation, allowance or
22 disallowance, and payment of all ~~Unresolved~~ Tort Claims. The purpose of the Claims
23 Resolution Procedures is to provide an orderly process for resolving and liquidating
24 ~~Unresolved~~ Tort Claims consistent with the objectives of the Plan.

25 **“Closing”** means the Reorganized Debtor’s execution and delivery of the Plan
26 Documents and the completion of those actions necessary for the Reorganized Debtor

1 to make the distributions to holders of Allowed Claims and payments to the Claims
2 Resolution Facility, as more particularly described in Section 8.3 of this Plan.

3 “Co-Defendant” means a Person or Entity that is named as a defendant in a
4 lawsuit in which the Debtor is also named as a defendant, or who is potentially
5 responsible for a Claim asserted against both such Person or Entity and the Debtor,
6 including co-debtors as described in §509 of the Bankruptcy Code.

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

9 “Collateral” means any property that is security for a Secured Claim.

10 “Confirmation Date” means the date of the entry of the Confirmation Order.

11 “Confirmation Order” means the order confirming this Plan.

12 ~~“Consortium Claim” means the Claim of a Relative or other Person, claiming~~
13 ~~some personal relationship to a Tort Claimant, arising as a result of a Tort Claim and~~
14 ~~derivative of the Claims of the Tort Claimant, to the extent such Claims are recognized~~
15 ~~by applicable state law.~~

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

19 “Court” means the Bankruptcy Court.

20 ~~“Covered Portion” means with respect to a Claim, that portion of such Claim for~~
21 ~~which Insurance Coverage is available, and for which an Insurance Company has~~
22 ~~agreed to provide coverage for that portion of such Claim.~~

23 “Creditor” means any creditor, as that term is defined in Section 101(10) of the
24 Bankruptcy Code.

25 “Current Obligations” means (a) all accounts payable and other liabilities or
26 obligations of the Debtor that arose or accrued in the ordinary course of the Debtor’s

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1 business during this Case, and (b) any taxes that were incurred subsequent to the
2 Petition Date and became or become legally due and payable by the Debtor
3 subsequent to the Petition Date and prior to the Effective Date.

4 “**Debtor**” means the debtor in this Case, Roman Catholic Archbishop of Portland
5 in Oregon, and successors, a corporation sole, dba Archdiocese of Portland in Oregon.

6 “**Debtor Actions**” means any and all Claims, causes of action, and enforceable
7 rights of the Debtor against third parties (other than Insurance Claims) including, without
8 limitation, claims of the Debtor for recovery of, or based upon, or in any manner arising
9 from or related to damages, general or exemplary (or both), or other relief relating to (or
10 based upon) (a) indebtedness owing to the Debtor; (b) fraud, negligence, gross
11 negligence, willful misconduct, or any other tort actions; (c) breaches of contract; (d)
12 violations of federal or state laws (including corporate and securities laws); (e) breaches
13 of fiduciary or agency duties; (f) disregard of the corporate form or piercing the
14 corporate veil or other liability theories; and (g) any other claim of the Debtor to the
15 extent not specifically compromised or released pursuant to this Plan or an agreement
16 referred to, or incorporated into, this Plan.

17 “**Debtor Action Recoveries**” means the rights of the Debtor to any and all
18 proceeds or other relief from (a) any award, judgment, relief, or other determination
19 rendered or made as to any Debtor Action; or (b) any compromise or settlement of any
20 Debtor Action.

21 “**Depository Trust**” refers to the trust to be established pursuant to the terms of
22 the Claims Resolution Facility Agreement for the purpose of (i) receiving, holding, and
23 investing funds to operate the Claims Resolution Facility and to pay Unresolved-Tort
24 Claims; (ii) issuing payments and disbursing funds in payment of Unresolved Tort
25 Claims; and (iii) qualifying as a “Qualified Settlement Fund” pursuant to the applicable
26 provisions of the Internal Revenue Code.

1 **“Disallowed”** means with respect to any Claim (or any portion thereof), that has
2 been disallowed pursuant to (a) Final Order, or (b) final determination pursuant to the
3 applicable provisions of this Plan and/or the Bankruptcy Code including, without
4 limitation, any ~~indemnity or~~ reimbursement, ~~contribution Claims, Consortium Claims,~~ or
5 subrogation Claims disallowed pursuant to Section 502(e) ~~or Section 509, respectively,~~
6 of the Bankruptcy Code.

7 **“Disclosure Statement”** means the Disclosure Statement regarding this
8 Plan, including all exhibits and schedules attached thereto and referenced therein
9 prepared by the Debtor pursuant to Section 1125 of the Bankruptcy Code and approved
10 by the Court, as such Disclosure Statement may be amended and modified from time to
11 time.

12 **“Disputed”** means with respect to a Claim, that an objection to such Claim has
13 been timely filed as provided in this Plan, or such Claim is listed as disputed in the
14 Debtor’s schedules filed with the court, and such objection or dispute has not been
15 resolved by Final Order.

16 **“District Court”** means the United States District Court for the District of Oregon
17 located in Portland, Oregon.

18 **“Donor Claims”** means those Claims of Persons and Entities ~~having that have~~
19 donated property or funds to the Archdiocese or a Parish or school and who assert that
20 such funds or property were donated for a specific purpose and that any use
21 inconsistent with that purpose ~~resulted in their~~ constitutes a Claim.

22 **“Effective Date”** means the first Business Day (a) that is 11 days after the
23 Confirmation Order becomes a Final Order, and (b) on which all conditions to
24 effectiveness of this Plan have occurred or been waived.

25 **“Estate”** means the bankruptcy estate of the Archdiocese as created under
26 Section 541 of the Bankruptcy Code.

1 **“Estimated Amount”** means the amount at which the Court or the District Court,
2 pursuant to 28 USC §157(b)(2)(B), Section 502(c) of the Bankruptcy Code, and
3 Bankruptcy Rule 3018(a), as the case may be, estimates any Claim or class of Claims
4 that is contingent, unliquidated, or disputed, including, without limitation, any Tort Claim
5 or class thereof, for the purpose of (a) allowance, (b) distribution, (c) confirming this
6 Plan pursuant to Section 1129 of the Bankruptcy Code, (d) voting to accept or reject this
7 Plan pursuant to Section 1126 of the Bankruptcy Code ~~and Bankruptcy Rule 3018(a)~~, or
8 (e) for any other purpose.

9 **“Estimation Date”** means, with respect to a Claim, the first Business Day after
10 entry of an Estimation Order establishing the Estimated Amount of such Claim, either
11 individually or as part of an aggregate.

12 **“Estimation Order”** means a Final Order of the Court or the District Court that
13 determines the Estimated Amount of any Claim or Claims for any purpose, whether
14 individually or as part of an aggregate.

15 **“Facility”** means the Claims Resolution Facility to be established in accordance
16 with Section 7.1 of this Plan pursuant to which ~~Unresolved~~ Tort Claims will be
17 administered and paid.

18 **“FCR”** means the Future Claimants Representative.

19 **“FCR Order”** means the Court’s order entered on December 20, 2004
20 appointing the Future Claimants Representative.

21 **“Final Order”** means an order, judgment, ruling or decree issued by the Court,
22 the District Court, or any other court having jurisdiction of the same, that has not been
23 reversed, stayed, modified, or amended, and as to which the time to appeal has
24 expired, and as to which no appeal, reargument, or petition for certiorari or rehearing is
25 pending, or as to which any right to appeal, reargue, or petition for certiorari or
26 rehearing has been waived in writing, or if an appeal, reargument, or petition for

1 certiorari or rehearing thereof has been denied, and the time to take any further appeal,
2 or to seek certiorari, further reargument, or rehearing has expired.

3 **“Future Claim”** means a Tort Claim based on conduct that constitutes Child
4 Abuse or knowingly allowing, permitting, or encouraging Child Abuse, for which the
5 holder of such Claim (or his or her parent or legal guardian) did not file a proof of claim
6 by the Claims Bar Date (excluding the proof of claim filed by the FCR on behalf of all
7 Future Claimants), and as of the Claims Bar Date the holder of such Claim: (1) was
8 under the age of 18; (2) was suffering from “repressed memory” and could not
9 remember the Child Abuse; or (3) had not discovered the injury or the causal
10 connection between the injury and the Child Abuse, nor in the exercise of reasonable
11 care should have discovered the injury or the causal connection between the injury and
12 the Child Abuse.¹

13 **“Future Claims Fund”** means the fund described in the Claims Resolution
14 Facility Agreement for the deposit, holding, investment, and disbursement of funds to
15 pay Allowed Future Claims, and ~~supplemental~~Supplemental Present Tort Claims,
16 excluding any Claims or portions thereof for Punitive Damages.

17 **“Future Claimant”** means a Person or Entity who asserts a Future Claim.

18 **“Future Claimants Representative”** means David A. Foraker, the legal
19 representative for all Future Claimants, appointed pursuant to the FCR Order.

20 **“Guaranty Claim”** means a Claim against the Debtor for the payment or
21 satisfaction of the obligations of any other Person or Entity, for which the Debtor has by
22 written agreement, agreed to make payment or perform such obligations, whether or not
23

24 ¹ The Claims of persons in this latter category who have not discovered the injury or the causal
25 connection between the injury and the Child Abuse, nor in the exercise of reasonable care should have
26 discovered the injury or the causal connection between the injury and the Child Abuse, shall be treated as
Future Claims unless and until the Court’s FCR Order and/or Claims Bar Date Order are reversed on
appeal to remove such Claims from the Future Claims category, in which instance such Claims will
become ~~constitute~~ Supplemental Present Tort Claims.

1 the obligations, or the Debtor's liability therefor, are matured, contingent, unliquidated,
2 or disputed.

3 **"General Unsecured Claim"** means any Claim against the Debtor, other than
4 an Administrative Claim, Administrative Convenience Claim, Priority Tax Claim, Non-
5 Tax Priority Claim, Secured Claim, Guaranty Claim, Tort Claim, Retiree Benefit Claim,
6 Donor Claim, ~~or Beneficiary Claim~~, or claim of the Oregon Insurance Guaranty
7 Association that is neither secured nor entitled to priority under the Bankruptcy Code or
8 any order of the Court, including, without limitation, any Claim arising from the rejection
9 of an executory contract or unexpired lease under Section 365 of the Bankruptcy Code.

10 **"Insurance Claims"** means all claims, causes of action and enforceable rights
11 of the Debtor against any Insurance Company for any reason, including, but not limited
12 to, those for (a) indemnity or payment of any Claims; (b) any such Insurance Company's
13 failure or refusal to provide Insurance Coverage under any Insurance Policy, including
14 the failure or refusal to provide a defense to any Claims; (c) the refusal of any Insurance
15 Company to compromise and settle any Claims pursuant to any such Insurance Policy;
16 or (d) the interpretation or enforcement of the terms of any such Insurance Policy.

17 **"Insurance Company"** means any insurance company or insurance broker
18 providing Insurance Coverage to the Debtor during any period of time and any entity
19 liable to Debtor under any Insurance Policy or statute relating to insurance, including,
20 but not limited to, the Oregon Insurance Guaranty Association.

21 **"Insurance Coverage"** means the insurance coverage for Claims under any
22 Insurance Policy.

23 **"Insurance Policies"** means those insurance policies naming the Debtor as an
24 insured in effect on, or at any time before, the Effective Date for which coverage may be
25 available for any Claims asserted against the Debtor.

26 **"Insurance Recoveries"** means the rights to any and all proceeds, including

1 any interest or income earned thereon, and other relief, from (a) any award, judgment,
2 relief, or other determination entered or made as to any Insurance Claims; (b) any and
3 all amounts payable by a settling Insurance Company under any settlement agreement
4 with respect to Insurance Claims; and (c) any and all proceeds of any Insurance Policy
5 paid or payable with respect to Insurance Claims.

6 ~~“Non-Covered Portion” means with respect to a Claim, that portion of such~~
7 ~~Claim for which Insurance Coverage is not available, or for which coverage has been~~
8 ~~denied by the Insurance Company potentially responsible for payment of all or a portion~~
9 ~~of such Claim.~~

10 “Non-Tax Priority Claim” means any Claim which, if Allowed, would be entitled
11 to priority under Section 507(a)(2) through (7) of the Bankruptcy Code.

12 “Parish” means those communities of the Christian faithful stably constituted in
13 a particular church within the Archdiocesan Territory, whose pastoral care is entrusted
14 to a pastor as its proper pastor under the authority of the Archbishop, and as further
15 defined in the Code of Canon Law.

16 “Punitive Damages Fund” means the fund described in the Claims Resolution
17 Facility Agreement for the deposit, holding, investment, and disbursement of funds to
18 pay Tort Claims, to the extent such Claims are for Punitive Damages.

19 “Petition Date” means July 6, 2004, the date the Debtor filed the petition
20 commencing this Case.

21 “Plan” means this Plan of Reorganization proposed by the Debtor, and any and
22 all modifications and/or amendments thereto.

23 “Plan Documents” means ~~the~~ all agreements, documents, and exhibits as the
24 same may be amended, modified, supplemented, or restated from time to time, that aid
25 in effectuating this Plan, including but not limited to the Claims Resolution Facility
26 Agreement.

1 **“Plan Interest Rate”** means the interest rate for deferred payments under this
2 Plan, which rate shall be 5.0% per annum, unless an objection to such rate is filed
3 within the time established by the Court for filing objections to confirmation of the Plan,
4 in which instance the rate will determined by the Court.

5 **“Present Claims Fund”** means the fund described in the Claims Resolution
6 Facility Agreement for the deposit, holding, investment, and disbursement of funds to
7 pay the Allowed Claims of Present Tort Claimants ~~whose Claims have not been Allowed~~
8 ~~as of the Effective Date, excluding any Claims or portions thereof for Punitive Damages.~~

9 **“Present Tort Claim”** means a Tort Claim that has been listed in the Debtor’s
10 schedules filed with the Court or for which the holder thereof has filed his or her own
11 individual Proof of Claim therefor by the Claims Bar Date, or such other date as may
12 apply to a particular Claim pursuant to an order of the Court.

13 **“Present Tort Claimant”** means a Person or Entity who asserts a Present Tort
14 Claim.

15 **“Priority Tax Claim”** means any Claim against the Debtor that, if Allowed, would
16 be entitled to a priority in payment under Section 507(a)(8) of the Bankruptcy Code.

17 **“Priority Tax Claimant”** means an Entity that asserts a Priority Tax Claim.

18 **“Pro Rata”** means the same proportion an Allowed Claim in a particular Class
19 bears to the aggregate amount of all Allowed Claims in such Class.

20 **“Punitive Damages”** means that portion of a Tort Claim for punitive or
21 exemplary damages asserted by any Claimant, including but not limited to Present Tort
22 Claimants, Supplemental Present Tort Claimants, and Future Claimants.

23 **“Reorganized Debtor” or “Reorganized Archdiocese”** means the
24 Archdiocese on and after the Effective Date.

25 **“Representatives”** means the current and former officers, directors, agents,
26 attorneys, employees, and legal representatives of a Person or Entity.

1 **“Retiree Benefit Claims”** means claims for unfunded liabilities to any Entity or
2 Person for the purpose of providing or reimbursing payments for retired employees of
3 the Debtor and their spouses and dependents, for pension, medical, surgical, or hospital
4 care benefits, or benefits in the event of sickness, accident, disability or death under any
5 plan, fund, or program established by the Debtor prior to the Petition Date.

6 **“Secured Claim”** means any Claim, including interest, fees and charges as
7 determined pursuant to Section 506(b) of the Bankruptcy Code, against the Debtor that
8 is (a) secured in whole or in part as of the Petition Date by a Lien on any of the assets
9 or property of the Debtor, which Lien is valid, perfected, and enforceable under
10 applicable law and is not subject to avoidance under the Bankruptcy Code or applicable
11 non-bankruptcy law, but only to the extent of the value of the assets or property
12 securing any such Claims; or (b) subject to setoff under Section 553 of the Bankruptcy
13 Code, but only to the extent of the amount subject to such setoff.

14 **“Settled”** means with respect to a Claim, Claims that have been settled and the
15 settlement agreement approved by the Court such that the Claimant has an Allowed
16 Claim for the settlement amount as of the Effective Date.

17 **“Sexual Misconduct”** means any sexual contact which is, or is alleged to be,
18 inappropriate or nonconsensual, including, without limitation, any of the offenses
19 defined in ORS 163.315 through ORS 163.467.

20 **“State Court”** means the court of any state having jurisdiction over a Claim and
21 for which the Court has granted relief from stay to allow such Claim to be resolved in
22 such court.

23 **“Supplemental Present Tort Claim”**² means a Tort Claim based on conduct
24

25 ² Supplemental Present Tort Claims are currently included in the definition of Future Claims, and will
26 remain Future Claims unless and until the Court’s FCR Order and/or Claims Bar Date Order are reversed
on appeal to remove such Claims from the Future Claims category, in which instance such Claims will
become constitute Supplemental Present Tort Claims.

1 that constitutes Child Abuse or knowingly allowing, permitting, or encouraging Child
2 Abuse, for which the holder of such Claim (or his or her parent, guardian, or legal
3 representative) did not file a proof of claim by the Claims Bar Date (excluding the proof
4 of claim filed by the FCR on behalf of all Future Claimants), and as of the Claims Bar
5 Date the holder of such Claim: (1) was not under the age of 18; (2) was not suffering
6 from “repressed memory” and could remember the Child Abuse; and (3) had not
7 discovered the injury or the causal connection between the injury and the Child Abuse,
8 nor in the exercise of reasonable care should have discovered the injury or the causal
9 connection between the injury and the Child Abuse.

10 **“Supplemental Present Tort Claimant”** means a Tort Claimant holding a
11 Supplemental Present Tort Claim.

12 **“Tort Claim”** means any Claim, demand, suit, cause of action, proceeding or any
13 other rights or asserted right to payment, now or hereafter asserted against the Debtor
14 or any person entitled to indemnity or contribution from the Debtor (including, but not
15 limited to, Co-Defendants), for claims arising in tort, including but not limited to personal
16 injury tort and wrongful death Claims, Claims for punitive or exemplary damages, and
17 Claims based upon or in any manner arising from or related to any act or acts of Child
18 Abuse or Sexual Misconduct first occurring on or prior to the Petition Date, including,
19 without limitation, (a) the processing, adjustment, defense, settlement, payment,
20 negotiation, or handling of any Claims, demands, suits, proceedings or causes of action
21 based upon or relating in any way to such act or acts of Child Abuse or Sexual
22 Misconduct; (b) the failure to warn, disclose, or provide information concerning the risk
23 that any Person or Persons might, or have the propensity to, engage in Child Abuse or
24 Sexual Misconduct; (c) the failure to take remedial action with respect to alleged,
25 suspected or known Child Abuse or Sexual Misconduct; and (d) the actions or inactions
26 of any Person or Entity involving Child Abuse or Sexual Misconduct, including, without

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1 limitation; (i) Claims for death or personal injuries, including emotional distress; (ii)
2 Claims for vicarious liability; (iii) Claims of any Person or Entity against whom any
3 Claim, demand, proceeding, suit or cause of action based upon or in any manner
4 arising from or relating to any of the matters enumerated or described in (a), (b), (c); or
5 (d) above has been, is, or may be asserted (including, without limitation, rights of
6 indemnity, whether contractual or otherwise, contribution Claims and subrogation
7 Claims); (iv) Claims for damages, ~~including but not limited to, punitive or exemplary~~
8 damages of any nature; (v) Claims for attorneys' fees and other expenses, fees or
9 costs; (vi) Claims for any possible economic loss or loss of consortium; (vii) Claims for
10 damage to reputation; and (viii) Claims for any legal or equitable remedy.

11 "Tort Claimant" means a Person or Entity that asserts a Tort Claim.

12 "Tort Claimants Committee" means the Official Committee of Tort Claimants
13 appointed by the United States Trustee to represent the collective interests of those
14 Persons or Entities asserting Tort Claims in this Case, but excluding Future Claimants,
15 as such committee may be reconstituted from time to time.

16 "Unresolved" means with respect to a Claim, a Claim that has not been
17 Allowed.

18 #

19 #

20 **3. UNCLASSIFIED CLAIMS.**

21 **3.1. Administrative Claims.** The Reorganized Debtor shall pay
22 Administrative Claimants the unpaid portion of their Allowed Administrative Claims
23 either (a) on or as soon as practicable following the Effective Date, or, if later, the
24 Allowance Date; or (b) upon such terms as may be agreed to in writing by the
25 Administrative Claimant and the Debtor or the Reorganized Debtor; provided, however,
26 that any Current Obligations shall be paid in full in the ordinary course of business in

1 accordance with the terms and conditions of any agreement relating thereto.

2 **3.2. Priority Tax Claims.** The Reorganized Debtor shall pay Priority Tax
3 Claimants the unpaid portion of their Allowed Priority Tax Claims pursuant to the
4 provisions of Section 1129(a)(9)(C) of the Bankruptcy Code in 12 equal monthly
5 installments of principal and interest at the Plan Interest Rate, commencing within 30
6 days following the later to occur of the Effective Date or the Allowance Date.

7 **4. CLASSIFICATION OF CLAIMS.**

8 **4.1. Classification.** Section 4. 2. hereof sets forth the classes of Claims under
9 this Plan. A Claim is classified in a particular class only to the extent that the Claim
10 qualifies within the description of that class and is classified in a different class to the
11 extent the Claim qualifies within the description of that different class. If a Claim is
12 acquired or transferred, the Claim shall be placed in the class where it would have been
13 placed if it were owned by the original holder of such Claim.

14 **4.2. Classes.** Claims against the Debtor are grouped in the following classes
15 in accordance with Section 1122(a) of the Bankruptcy Code:

16 Class 1: Non-Tax Priority Claims.

17 Class 2: Administrative Convenience Claims

18 Class 3: Umpqua Bank

19 Class 4: Perpetual Endowment Fund

20 Class 5: ~~Guaranty Claims~~Key Bank

21 Class 6: General Unsecured Claims

22 Class 7: ~~Allowed Present Tort~~ Claims

23 Class 8: ~~Unresolved Present Tort~~Future Claims

24 Class 9: ~~Future Claims~~Class 10: Supplemental Present Tort Claims

25 Class 10: Retiree Benefit Claims

26 Class 11: Retiree Benefit~~Donor~~ Claims

1 Class 12: Donor Beneficiary Claims

2 Class 13: Beneficiary Claims Oregon Insurance Guaranty Association

3 Except with respect to Administrative Convenience Claims, which shall not be
4 aggregated, if a Claimant has more than one Claim in the same class, such Claims shall
5 be aggregated and treated as a single Claim. If a Claimant has Claims in different
6 classes, such Claims shall be aggregated only within the same class and not between
7 classes.

8 **5. TREATMENT OF UNIMPAIRED CLAIMS.**

9 **5.1. Class 1: Non-Tax Priority Claims.** Holders of Allowed Non-Tax Priority
10 Claims shall receive either (a) payment from the Reorganized Debtor of the full amount
11 of their Allowed Claims on or as soon as reasonably practicable after the Effective Date,
12 or if later, the Allowance Date; or (b) payment of their Allowed Claims upon such terms
13 as may be agreed in writing by the Claimant and the Reorganized Debtor.

14 **5.2. Class 2: Administrative Convenience Claims.** Holders of Allowed
15 Administrative Convenience Claims shall receive payment from the Reorganized Debtor
16 of the full amount of their Allowed Claims on or as soon as reasonably practicable after
17 the Effective Date, or if later, the Allowance Date.

18 **5.3. Class 5: Guaranty Claims.** Holders of Allowed Guaranty Claims shall
19 retain their Claims against the Reorganized Debtor, and this Plan shall leave unaltered
20 the legal, equitable, and contractual rights to which such Claims entitle the holders
21 thereof.

22 **5.4. Class 1110: Retiree Benefit Claims.** The holders of Allowed
23 Retiree Benefit Claims shall not be impaired and shall not have their rights altered by
24 this Plan. Allowed Retiree Benefit Claims shall be paid, performed, and honored by the
25 Reorganized Debtor in full, when due, in accordance with their terms notwithstanding
26 any other contrary provision of this Plan; provided, however, that the rights of the
holders of such Claims shall be subject to modification or termination as provided by the

1 terms of the existing benefit plans, consistent with applicable law.

2 **5.5.5.4. Class 1211: Donor Claims.** This Plan shall leave unaltered the
3 legal, equitable, and contractual rights of the holders of Allowed Donor Claims. The
4 Reorganized Debtor will comply with Canon Law and civil law restrictions on the use
5 and disposition of the property or funds donated by the holders of such Claims.

6 **5.6.5.5. Class 1312: Beneficiary Claims.** This Plan shall leave unaltered
7 the legal, equitable, and contractual rights of holders of Allowed Beneficiary Claims.
8 The Reorganized Debtor will comply with Canon Law and civil law regarding rights of
9 the holders of such Claims.

10 **6. TREATMENT OF IMPAIRED CLAIMS.**

11 **6.1. Class 3: Umpqua Bank.** Umpqua Bank ("Umpqua") will have an
12 Allowed Secured Claim for approximately \$376,600,361,800, plus any interest, fees,
13 and other charges accrued on such Claim as authorized by the terms of the Debtor's
14 promissory note and other related documents (the "Loan Documents"). Umpqua's
15 Allowed Secured Claim will be paid in full, together with interest accruing from and after
16 the Effective Date at the non-default contract rate, in 180 equal monthly installments of
17 principal and interest commencing on the first day of the first month following the
18 Effective Date and continuing on the first day of each month thereafter until paid in full.
19 Umpqua shall retain its security interest and lien on all Collateral securing its Claim,
20 which security interest and lien shall be subject and subordinate only to such security
21 interests and liens as were perfected and had priority over the liens and security
22 interests of Umpqua on the Petition Date. The Reorganized Debtor shall execute and
23 deliver to Umpqua such notes, loan agreements, security agreements, financing
24 statements, control agreements, and the like as may reasonably be requested by
25 Umpqua. The loan documents shall contain such terms and provisions as are ordinary
26 and usual for loans made by Umpqua in the amounts provided in this Plan.

1 **6.2. Class 4: Perpetual Endowment Fund.** The Archdiocese of Portland in
2 Oregon Perpetual Endowment Fund (the "Endowment Fund") will have an Allowed
3 Secured Claim for approximately \$5,194,239,513,807, plus any interest, fees, and
4 other charges accrued on such Claim as authorized by the terms of the Debtor's
5 promissory note, deed of trust, and other related documents (the "Loan Documents").
6 The Endowment Fund's Allowed Secured Claim will be paid in full, together with interest
7 accruing from and after the Effective Date at the non-default contract rate, in 180 equal
8 monthly installments of principal and interest commencing on the first day of the first
9 month following the Effective Date and continuing on the first day of each month
10 thereafter until paid in full. The Endowment Fund shall retain its security interest and
11 lien on all collateral securing its Claim, which security interest and lien shall be subject
12 and subordinate only to such security interests and liens as were perfected and had
13 priority over the liens and security interests of the Endowment Fund on the Petition
14 Date. The Reorganized Debtor shall execute and deliver to the Endowment Fund such
15 notes, loan agreements, security agreements, financing statements, control
16 agreements, and the like as may reasonably be requested by the Endowment Fund.
17 The loan documents shall contain such terms and provisions as are ordinary and usual
18 for loans made by the Endowment Fund in the amounts provided in this Plan.

19 **6.3. Class 5: Key Bank.** Key Bank shall retain its Guaranty Claim against the
20 Reorganized Debtor, subject to all agreements between Key Bank and the Debtor
21 regarding such Claim being amended to provide that the Reorganized Debtor will be
22 given notice and an opportunity to cure any monetary or nonmonetary defaults in the
23 underlying obligations which would entitle Key Bank to exercise its rights under its
24 agreements with the Debtor.

25 **6.4 Class 6: General Unsecured Claims.** Each holder of an Allowed
26 General Unsecured Claim will receive payment from the Reorganized Debtor equal to

1 100% of such Allowed General Unsecured Claim in 12 equal monthly installments of
2 principal and interest at the Plan Interest Rate, commencing within 30 days following the
3 later to occur of the Effective Date or the Allowance Date.

4 ~~6.4. **Class 7: Allowed Present Tort Claims.** Each holder of an Allowed~~
5 ~~Present Tort Claim, including those Tort Claims settled prior to the Petition Date for~~
6 ~~which all amounts owing had not been paid as of the Petition Date, shall receive~~
7 ~~payment of the full amount of their Allowed Claims as soon as reasonably practicable~~
8 ~~following the Effective Date. Any Class 7 Claimants' Claims for punitive damages, if~~
9 ~~any, will be disallowed.~~

10 **6.5. Class 87: Unresolved Present Tort Claims.** Each holder of an
11 ~~Unresolved~~ Present Tort Claim shall will receive payment in full of such Claim
12 ~~(excluding any Claim for punitive damages which will be Disallowed)~~ from the Claims
13 Resolution Facility at such time as the Claim is Allowed and the distribution is
14 authorized by the District Court; however, any Claim or portion thereof for Punitive
15 Damages shall be subordinated to the payment of all Present Tort Claims, Future
16 Claims, and Supplemental Present Tort Claims, to the extent they are not for Punitive
17 Damages. At Closing, the Reorganized Debtor will, in full release, satisfaction and
18 discharge of all ~~Unresolved Present Tort Claims~~ execute and deliver the Claims
19 Resolution Facility Agreement to the Depository Trustee, together with the initial
20 payments, promissory notes, letters of credit, security agreements, and other
21 documents required thereunder, thereby establishing the Claims Resolution Facility for
22 the liquidation and payment of all ~~Unresolved Present Tort Claims~~, and which provides,
23 subject to its terms, for total payments by the Reorganized Debtor to the Facility not to
24 exceed the estimated aggregate amount, as ~~estimated~~ determined by the District Court
25 ~~as of the Confirmation Date~~, that will be sufficient to pay all ~~Unresolved Present Tort~~
26 Claims in full, including any Claims or portions thereof for Punitive Damages.

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1 **6.6. Class 98: Future Claims.** Each holder of a Future Claim shall receive
2 payment in full of such Claim (~~excluding any Claim for punitive damages which will be~~
3 ~~Disallowed~~) from the Claims Resolution Facility at such time as the Claim is Allowed
4 and the distribution is authorized by the District Court; however, any Claim or portion
5 thereof for Punitive Damages shall be subordinated to payment of all other Future
6 Claims, Present Tort Claims, and Supplemental Present Tort Claims, to the extent they
7 are not for Punitive Damages. At Closing, the Reorganized Debtor will, in full release,
8 satisfaction and discharge of all Future Claims, execute and deliver the Claims
9 Resolution Facility Agreement to the Depository Trustee, together with the promissory
10 notes, letters of credit, and security documents required thereunder to the Depository
11 Trustee, thereby establishing the Claims Resolution Facility for the liquidation and
12 payment of all Future Claims, which provides, subject to its terms, for total payments by
13 the Reorganized Debtor to the Facility ~~upnot~~ to exceed the estimated aggregate
14 amount, as estimateddetermined by the District Court as of the Confirmation Date, that
15 will be sufficient to pay all Future Claims in full, including any Claims or portions thereof
16 for Punitive Damages.

17 **6.7. Class 109: Supplemental Present Tort Claims.** Each holder of ~~an~~
18 Unresolved Supplemental Present Tort Claim (if any) shall receive payment in full of
19 such Claim (~~excluding any Claim for punitive damages which will be Disallowed~~) from
20 the Claims Resolution Facility at such time as the Claim is Allowed and the distribution
21 is authorized by the District Court; however, any Claim or portion thereof for Punitive
22 Damages shall be subordinated to payment of all other Supplemental Present Tort
23 Claims, Present Tort Claims, and Future Claims, to the extent they are not for Punitive
24 Damages. At Closing, the Reorganized Debtor will, in full release, satisfaction and
25 discharge of all Supplemental Present Tort Claims (~~if any~~), execute and deliver the
26 Claims Resolution Facility Agreement to the Depository Trustee, together with the

1 promissory notes, letters of credit, and security documents required thereunder to the
2 Depository Trustee, thereby establishing the Claims Resolution Facility for the
3 liquidation and payment of all Supplemental Present Tort Claims, which provides,
4 subject to its terms, for total payments by the Reorganized Debtor to the Facility ~~up not~~
5 to exceed the amount, as estimated aggregate amount, as determined by the District
6 Court as of the Confirmation Date, that will be sufficient to pay all such Supplemental
7 Present Tort Claims in full, including any portion thereof for Punitive Damages.
8 Supplemental Present Tort Claims will be Disallowed unless the holder of such Claim
9 can establish that the failure of the holder of such Claim to file such ~~claim~~ Claim by the
10 Claims Bar Date was the result of excusable neglect.

11 #

12 **6.8 Class 13: Oregon Insurance Guaranty Association.** If Oregon
13 Insurance Guaranty Association's Claim is Allowed, it shall receive payment from the
14 Reorganized Debtor equal to 100% of the Allowed amount of its Claim in 60 equal
15 monthly installments of principal and interest at the Plan Interest Rate, commencing
16 within 30 days following the later to occur of the Effective Date or the Allowance Date.

17 **7. POST-PETITION INTEREST.**

18 Interest will accrue and be paid on all Allowed Claims from the Allowance Date
19 until such Claims are paid in full. For those Claims that are Allowed prior to the
20 Effective Date, interest will accrue at the contract rate from the Allowance Date until the
21 Effective Date, and thereafter at the Plan Interest Rate until such Claims are fully paid.
22 For those Claims where no contract rate is stated, such Claims will receive interest at
23 the Plan Interest Rate. For those Claims that are Allowed after the Effective Date,
24 interest will accrue on such Claims from the Allowance Date at the Plan Interest Rate
25 until fully paid.

26 **8. PROCEDURES FOR RESOLUTION AND PAYMENT OF TORT CLAIMS.**

1 **7.1.8.1. Establishment and Funding of Claims Resolution Facility.**

2 Unless the Claims Resolution Facility shall have been earlier established, the
3 Reorganized Debtor shall cause the Claims Resolution Facility to be established and
4 the Reorganized Debtor shall execute and deliver the Claims Resolution Facility
5 Agreement to the Depository Trustee together with the initial payments, promissory
6 notes, letters of credit, security agreements, and other documents required thereunder
7 in full release, satisfaction and discharge of all ~~Unresolved Tort Claims against the~~
8 Debtor. The Reorganized Debtor shall be solely responsible for funding the Claims
9 Resolution Facility pursuant to the terms of the Claims Resolution Facility Agreement.

10 **7.2.8.2. Holding and Investment of Funds.** Except as otherwise provided

11 in this Plan and the Claims Resolution Facility Agreement, the funds paid by the
12 Reorganized Debtor to the Claims Resolution Facility ~~for payment of Tort Claims~~ will be
13 held in the Depository Trust. All assets (including but not limited to promissory notes,
14 letters of credit, cash, and investments) of the Claims Resolution Facility (except for
15 those funds provided by the Reorganized Debtor for payment of the Claims Resolution
16 Facility's operating expenses) shall be held, invested, and disbursed by the Depository
17 Trustee.

18 **7.3.8.3. APCRF to Assume Liability for Unresolved Tort Claims.**

19 APCRF, acting as the Claims Resolution Facility, will (a) assume liability for all
20 ~~Unresolved Tort Claims~~ (except for those, or portions thereof, paid by the Reorganized
21 Debtor on the Effective Date); (b) provide for payment of ~~Unresolved~~all Tort Claims that
22 ~~are resolved after~~(except for those, or portions thereof, paid by the Reorganized Debtor
23 on the Effective Date); (c) oversee and provide directions to the Depository Trustee for
24 the collection, investment, and distribution of funds for the benefit of Tort Claimants; (d)
25 pay the costs and expenses of the Claims Resolution Facility; and (e) fulfill all other
26 obligations required of the Claims Resolution Facility, all as set forth more fully in the

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1 Claims Resolution Facility Agreement. Notwithstanding the foregoing, nothing in this
2 plan~~Plan~~ shall be construed to impair, diminish, or impact in any way the
3 Archdiocese~~Debtor~~'s claims against the Insurance Companies.

4 **7.4.8.4. Estimation of Unresolved Tort Claims.** Either prior to or as part

5 of the confirmation proceedings, the Court or District Court, as applicable, shall estimate
6 for all purposes necessary for confirmation of the Plan and the funding of the Claims
7 Resolution Facility the aggregate allowable amount of all Unresolved Tort Claims,
8 including Present Tort Claims that have not previously been Allowed, and the aggregate
9 allowable amount of all Future Claims (including the Supplemental, and Supplement
10 Present Tort Claims, if any) that have been, or are anticipated to be, asserted against
11 the Debtor or the Facility including the Punitive Damages portion (if any) of such Claims.

12 **7.5. 8.5. Resolution and Payment of Tort Claims.**

13 **7.5.1 Present Tort Claimants Holding Allowed Tort Claims.** All

14 Present Tort Claimants holding Allowed Tort Claims ~~as of the Effective Date~~ will receive
15 payment from the Reorganized Debtor of the full amount of their Allowed Tort Claims as
16 soon as reasonably practicable following the Effective Date.

17 **7.5.2 Present Tort Claimants Holding Unresolved Tort Claims.** All

18 Present Tort Claimants holding Unresolved Tort Claims ~~as of the Effective Date~~ will
19 receive payment of their Tort Claims in accordance with the terms, provisions, and
20 procedures contained in the Claims Resolution Facility Agreement, which provides for
21 payment of such Claims from the Present Claims Fund once such Claims are resolved
22 and the distribution is authorized by the District Court.

23 **7.5.3 Future Claimants and Supplemental Present Tort Claimants.**

24 All Future Claimants and Supplemental Present Tort Claimants will receive payment of
25 their Tort Claims in accordance with the terms, provisions, and procedures contained in
26 the Claims Resolution Facility Agreement, which provides for payment of such Claims

1 from the Future Claims Fund once such Claims are resolved and the distribution is
2 authorized by the District Court.

3 #

4 **8.5.1 Present Tort Claims.** Each Present Tort Claimant will receive
5 payment of its Allowed Tort Claim in accordance with the terms, provisions, and
6 procedures contained in the Claims Resolution Facility Agreement, which provides for
7 payment of such Claim once the Claim is finally resolved and the distribution is
8 authorized by the District Court. Such Claim will be paid from the Present Claims Fund,
9 except for any Claim or portion thereof for Punitive Damages which will be paid from the
10 Punitive Damages Fund. In the unlikely event the Present Claims Fund should become
11 exhausted before all Present Tort Claims, to the extent they are not for Punitive
12 Damages, have been paid in full, any deficiency shall be paid from the Punitive
13 Damages Fund, subject to the distribution provisions set forth in the Claims Resolution
14 Facility Agreement.

15 **8.5.2 Future Claims and Supplemental Present Tort Claims.** Each
16 Future Claimant or Supplemental Present Tort Claimant will receive payment of its
17 Allowed Tort Claim in accordance with the terms, provisions, and procedures contained
18 in the Claims Resolution Facility Agreement, which provides for payment of such Claim
19 once the Claim is finally resolved and the distribution is authorized by the District Court.
20 Such Claim will be paid from the Future Claims Fund, except for any portion of such
21 Claim for Punitive Damages which will be paid from the Punitive Damages Fund. In the
22 unlikely event the Future Claims Fund should become exhausted before all Future Tort
23 Claims, to the extent they are not for Punitive Damages, have been paid in full, any
24 deficiency shall be paid from the Punitive Damages Fund, subject to the distribution
25 provisions set forth in the Claims Resolution Facility Agreement.

26 **8.5.3 Tort Claimants Asserting Claims for Punitive Damages.** Each

1 Tort Claimant asserting a right to Punitive Damages, will receive payment of its Allowed
2 Claim, or portion thereof, for Punitive Damages in accordance with the terms,
3 provisions, and procedures contained in the Claims Resolution Facility Agreement, once
4 such Claims are resolved and the distribution is authorized by the District Court, which
5 provides for subordination of such Punitive Damages to all other Tort Claims to the
6 extent they do not assert a Claim for Punitive Damages. The Punitive Damages portion
7 of a Claim will be paid from the Punitive Damages Fund, however, no distributions will
8 be made to a Claimant entitled to Punitive Damages until the District Court determines
9 that such payment will not jeopardize the full payment of all Tort Claims (including
10 Future Claims), or portions thereof, which do not assert a right to Punitive Damages.

11 **7.5.48.5.4 Post-confirmation Procedures for Resolution of**

12 **Unresolved Tort Claims.** ~~Tort~~ Claimants holding Unresolved Tort Claims as of the
13 Effective Date (including Present ~~Tort~~ Claimants, ~~Future~~ Claimants, and Supplemental
14 Present ~~Tort~~ Claimants) shall have their Claims resolved and ~~paid~~ under the terms of
15 the Claims Resolution Facility Agreement and all case management orders entered by
16 the Court ~~and~~, the District Court, or the State Court, as applicable. Each such ~~Tort~~
17 Claimant shall (a) be subject to the Claims Resolution Procedures, and (b) not receive
18 any payment if (and to the extent) the Claim is Disallowed pursuant to the Claims
19 Resolution Procedures. All such ~~Tort~~ Claimants shall retain the right to
20 ~~adjudicate~~ liquidate their Claims through litigation (including trial by jury, if elected and
21 required), subject, however, to the provisions of this Plan and the Claims Resolution
22 Facility Agreement. Upon entry of a Final Order resolving the ~~Tort~~ Claim, such ~~Tort~~
23 Claimant's Allowed Claim shall be paid pursuant to the provisions of the Claims
24 Resolution Facility Agreement.

25 ~~**7.5.5 Consortium Claims.**~~ The treatment of a Tort Claimant (referred to
26 as the "Primary Claimant") under this Plan shall be ~~cumulative of the Consortium Claims~~

1 of any spouse, child or other individuals related to, or who have some other personal
2 relationship with the Primary Claimant. The Consortium Claims of such related parties
3 shall be governed by the election to settle or litigate made by, and shall be deemed
4 released by the treatment afforded the Claims of the Primary Claimants under this Plan.

5 ~~7.5.6 Punitive Damage Claims. No Claims for punitive or exemplary~~
6 ~~damages will be Allowed to any Claimant.~~

7 ~~7.6. Reorganized Debtor to Receive All Insurance Recoveries. The~~
8 ~~Reorganized Debtor will be entitled, in its sole discretion, to pursue or not pursue the~~
9 ~~Insurance Claims, and upon resolution of such Insurance Claims to receive for its sole~~
10 ~~benefit any and all Insurance Recoveries. To resolve any question regarding a~~
11 ~~Claimant's right to assert a claim against or interests in amounts paid or payable by any~~
12 ~~Insurance Company, the Debtor will seek, as part of the Confirmation Order or pursuant~~
13 ~~to an adversary proceeding, a determination that the Debtor's rights and interests in~~
14 ~~such amounts paid or payable by all Insurance Companies are superior to the~~
15 ~~competing claims of all other Entities. Consequently, if the Debtor is successful, the~~
16 ~~Confirmation Order or another order or judgment will disallow any competing claims to~~
17 ~~amounts paid or to be paid by the Insurance Companies pursuant to settlement~~
18 ~~agreements or litigation between the Debtor and the Insurance Companies.~~

19 ~~8.6. Claims Resolution Facility to Receive All Tort Claims Insurance~~
20 ~~Recoveries . The Debtor will assign its rights that have accrued for covered losses~~
21 ~~relating to the Tort Claims to the Claims Resolution Facility, including the right to receive~~
22 ~~all Insurance Recoveries thereon. The APCRF may be substituted for the Debtor in any~~
23 ~~existing action for Insurance Coverage. Notwithstanding any other provision of this Plan~~
24 ~~or any of the Plan Documents (including any other provision that purports to be~~
25 ~~preemptory or supervening), all claims and defenses of the Debtor, the Claims~~
26 ~~Resolution Facility, and the Insurance Companies relating to the Insurance Claims, and~~

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1 all rights (whether contractual or statutory) of the Debtor, the Claims Resolution Facility
2 and the Insurance Companies relating to the Insurance Policies, shall remain unaffected
3 by this Plan and the Confirmation Order. No provision of this Plan or any of the Plan
4 Documents shall in any way operate to, or have the effect of, impairing the Debtor's, the
5 Claims Resolution Facility's, or the Insurance Companies' legal, equitable, or
6 contractual rights relating to the Insurance Policies and Insurance Claims in any
7 respect. The rights of the Debtor, the Claims Resolution Facility, and the Insurers shall
8 be determined under the Insurance Policies, any action regarding Insurance Coverage,
9 any settlement agreement with respect to Insurance Claims, and non-bankruptcy law,
10 as applicable. For the purposes of determining Insurance Coverage, no provision of the
11 Plan or any of the Plan Documents shall constitute a judgment, settlement, or other
12 resolution of any individual Tort Claim, nor have any effect of *res judicata*, issue
13 preclusion of collateral estoppel, on any individual Tort Claim.

14 **8.9. IMPLEMENTATION OF THE PLAN**

15 **8.1.9.1. Filing and Payment of Allowed Administrative Claims.** All
16 requests for the payment of Administrative Claims, including applications for the
17 compensation of professionals, shall be filed with the Court no later than 30 days after
18 the Effective Date or at such time as the Court may otherwise order. The Reorganized
19 Debtor, all Claimants, and other interested parties will have 30 days after the deadline
20 for filing requests for the payment of Administrative Claims to file objections to any such
21 requests. If any objections are filed, the Court will schedule a hearing to resolve such
22 objections. Once a Final Order is entered Allowing an Administrative Claim, the
23 Reorganized Debtor will pay such Claim in accordance with this Plan.

24 **8.2.9.2. Payments to the United States Trustee.** All fees due to the
25 United States Trustee pursuant to 28 USC §1930(a) accruing after the Effective Date
26 shall be paid by the Reorganized Debtor as and when they become due and shall be

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1 based on the Reorganized Debtor's total disbursements, including ordinary course of
2 business disbursements as well as disbursements made directly to Claimants under this
3 Plan and to the Claims Resolution Facility. Such fee obligations shall not terminate until
4 this Case is converted or dismissed, or until this Case is no longer pending upon entry
5 of a Final Order closing this Case, whichever shall first occur.

6 **8.3.9.3. Closing.** Closing shall be conducted in the offices of Sussman
7 Shank LLP, or at such other location designated by the Debtor, at 10:00 o'clock a.m. on
8 one or more Business Days selected by the Debtor on, or as soon as practicable after,
9 the Effective Date (~~the "Closing Date"~~) for the purpose of the Reorganized Debtor
10 executing and delivering the Plan Documents and completing those actions necessary
11 for the Reorganized Debtor to make those distributions to holders of Allowed Claims
12 which become due upon confirmation of the Plan.

13 As soon as practicable after the conditions to the Effective Date in
14 Section ~~9.2.10.2.~~ have been satisfied or waived in accordance with Section ~~9.3.,10.3.,~~
15 the Debtor shall give written notice of the Closing Date to the Tort Claimants
16 Committee, the Future Claimants Representative, and any Claimant, Insurance
17 Company, or other Entity that will be directly involved in a Closing. Separate Closing
18 ~~Dates~~Closings may be scheduled for different classes of creditors treated under this
19 Plan to the extent necessary, in the sole discretion of the Debtor. (Although this
20 provision is intended to afford all parties-in-interest the flexibility to efficiently conclude
21 the transactions contemplated by this Plan, the Debtor intends, if at all possible, to
22 conduct a single Closing.)

23 **8.4.9.4. Debtor's Obligations at Closing.** The following shall occur at
24 Closing, or as soon as the Claims Objection Bar Date has passed, as applicable:

25 **8.4.19.4.1 Satisfaction of Administrative, Non-Tax Priority, and**
26 **Administrative Convenience, and Tort Claims.** The Reorganized Debtor shall cause

1 the distribution of payments with respect to Allowed Administrative, Non-Tax Priority,
2 Administrative Convenience Claims, and Allowed Present Tort Claims, and Allowed
3 Future Claims as provided in this Plan. Unless The Reorganized Debtor has previously
4 done so, it shall execute and deliver the Claims Resolution Facility Agreement, and all
5 promissory notes, security agreements, letters of credit, and other documents required
6 thereunder to the Depository Trustee, in full satisfaction of all ~~Unresolved Tort Claims~~.
7 Thereafter, the Reorganized Debtor's only obligations in relation to the ~~Unresolved Tort~~
8 Claims will be its obligations to the Claims Resolution Facility as provided in the Claims
9 Resolution Facility Agreement.

10 **8.4.29.4.2 Contemporaneous Nature of Transactions at Closing.**

11 All transactions consummated at the Closing shall be deemed to be contemporaneous
12 transactions. All documents and consideration which are required to be exchanged at
13 Closing shall be deemed contemporaneously exchanged among the parties.

14 **8.4.39.4.3 Documentation.** The Debtor will prepare all documentation
15 to be executed in connection with this Plan and the Closing, subject to any necessary
16 Court approval.

17 **8.5.9.5. Merger; Choice of Law.** All obligations of the Debtor to all
18 Claimants shall be merged into this Plan and the Plan Documents. Unless otherwise
19 provided therein, such Plan Documents shall be governed by and construed in
20 accordance with the laws of the State of Oregon and applicable federal law.

21 **8.6.9.6. Other Obligations of the Reorganized Debtor.** The Reorganized
22 Debtor will:

23 (a) in the exercise of its business judgment, review all Claims
24 filed against the estate and, if advisable, object to such Claims;

25 (b) in the exercise of its business judgment, investigate,
26 prosecute, settle, or dismiss all Debtor Actions and non-tort Insurance Claims not

1 otherwise released under this Plan. Unless otherwise provided in this Plan, the
2 Reorganized Debtor shall be entitled to receive all Debtor Action Recoveries and non-
3 tort Insurance Recoveries; and

4 (c) perform all of its obligations under this Plan and Plan
5 Documents.

6 **8.7.9.7. Officers and Directors of the Reorganized Debtor.** ~~The Subject~~
7 to the provisions of Section 8.8 herein, the Archbishop shall serve as the sole director of
8 the Reorganized Debtor. ~~The, and the~~ Reorganized Debtor will have no officers or
9 voting trustees.

10 **8.8.9.8. Alteration of Corporate Structure and Organization.** The
11 administration of the Reorganized Debtor will continue as before confirmation with the
12 Archbishop being the sole director of the Reorganized Debtor. However, the
13 Reorganized Debtor, with due regard for its rights and obligations under Canon Law and
14 those of others thereunder, shall have the right to alter the organization and structure of
15 entities associated with the Archdiocese, including but not limited to, the right to
16 separately incorporate the Debtor and each of the Parishes and High Schools, establish
17 endowments and trusts, and transfer property between any existing or newly created
18 entities, so long as any such actions do not diminish the Reorganized Debtor's ability or
19 ~~obligation~~ obligations to make the payments required under the Plan or Claims
20 Resolution Facility Agreement, nor the Claims Resolution Facility's rights or ability to
21 collect the payments required of the Reorganized Debtor, including the right to draw on
22 the letters of credit, or exercise its rights under any other documents securing the
23 Reorganized Debtor's obligations to the Claims Resolution Facility.

24 **9.10. CONDITIONS PRECEDENT.**

25 **9.4.10.1. Conditions to Confirmation.** Confirmation of this Plan shall not
26 occur unless and until each of the following conditions shall have been satisfied or

1 waived in accordance with Section 9.3. of this Plan:

2 (a) the Court or District Court shall have entered an Estimation
3 Order(s) with respect to any and all individual or aggregate Estimated Amount(s) that
4 are necessary for confirmation of this Plan;

5 (b) the Confirmation Order shall provide that the provisions of this Plan
6 are binding on all Creditors;

7 (c) the Confirmation Order shall approve and provide for the
8 implementation of the Plan Documents; and

9 (d) the Confirmation Order shall be in form and substance reasonably
10 acceptable to the Debtor.

11 **9.2.10.2. Conditions to the Effective Date.** Notwithstanding any other
12 provision of this Plan or the Confirmation Order, the Effective Date shall not occur
13 unless and until the following conditions shall have been satisfied or waived in
14 accordance with Section 9.3 of this Plan: No timely-filed appeal shall have been taken
15 from the Confirmation Order, or, if such an appeal shall have been filed, such appeal
16 shall have been dismissed in all respects pursuant to a Final Order.

17 **9.3.10.3. Waiver of Conditions.** Any condition set forth in Sections
18 9.1.10.1. or 9.2.10.2. of this Plan may be waived by the Debtor.

19 **10.11. EFFECTS OF PLAN CONFIRMATION.**

20 **10.1.11.1. Discharge.** Except as otherwise expressly provided in this Plan,
21 the Plan Documents, or in the Confirmation Order, on the Effective Date the Debtor
22 shall be discharged, and its liability shall be extinguished completely, from all Claims
23 and Debts, whether reduced to judgment or not, liquidated or unliquidated, contingent or
24 noncontingent, asserted or unasserted, fixed or not, matured or unmatured, disputed or
25 undisputed, legal or equitable, known or unknown, that arose from any action, inaction,
26 agreement, or obligation of the Debtor, before the Effective Date, or from any conduct of

1 the Debtor, or its Representatives prior to the Effective Date, or that otherwise arose
2 before the Effective Date, including, without limitation, all interest, if any, on any such
3 Claims and Debts, whether such interest accrued before or after the date of
4 commencement of this Case, and including, without limitation, all Claims and Debts
5 based upon or arising out of Child Abuse or Sexual Misconduct, and from any liability of
6 the kind specified in Sections 502(g), 502(h), and 502(i) of the Bankruptcy Code,
7 whether or not a proof of claim is filed or is deemed filed under Section 501 of the
8 Bankruptcy Code, such Claim is Allowed under Section 502 of the Bankruptcy Code, or
9 the holder of such Claim has accepted this Plan. Notwithstanding the foregoing,
10 nothing herein shall impair or release the obligations of any Insurance Company with
11 respect to the Claims.

12 **10.2.11.2. Vesting.** Except as otherwise expressly provided in this Plan or
13 the Confirmation Order, on the Effective Date, the Reorganized Debtor shall be vested
14 with all of the property of the estate free and clear of all Claims, liens, encumbrances,
15 charges and other interests of Creditors and Claimants except as specifically provided
16 in this Plan and the Claims Resolution Facility Agreement, and shall thereafter hold,
17 use, dispose, and otherwise deal with such property and operate free of any restrictions
18 imposed by the Bankruptcy Code or by the Court.

19 **10.3.11.3. Retention of Jurisdiction.** Notwithstanding entry of the
20 Confirmation Order or the occurrence of the Effective Date, the Court and, as
21 applicable, the District Court, and those State Courts in which Claims are being
22 resolved pursuant to remand and/or relief from stay orders entered by the Court, will
23 retain exclusive jurisdiction to:

- 24 (a) determine any Disputed/Unresolved Claims;
- 25 (b) determine requests for payment of Claims entitled to priority under

26 Section 507(a)(1) of the Bankruptcy Code, including compensation of and

- 1 reimbursement of expenses of parties entitled thereto;
- 2 (c) resolve controversies and disputes regarding interpretation and
- 3 implementation of this Plan and the Plan Documents;
- 4 (d) resolve all matters involving the Claims Resolution Facility and the
- 5 Depository Trust;
- 6 (e) enter orders in aid of this Plan and the Plan Documents including,
- 7 without limitation, appropriate orders (which may include contempt or other sanctions) to
- 8 protect the Debtor and the Reorganized Debtor from actions prohibited under this Plan
- 9 or the Plan Documents;
- 10 (f) modify this Plan;
- 11 (g) determine any and all applications, adversary proceedings, and
- 12 contested or litigated matters pending on the Effective Date;
- 13 (h) allow, disallow, estimate, liquidate, or determine any Claim against
- 14 the Debtor or, the Reorganized Debtor, and the Claims Resolution Facility and to enter
- 15 or enforce any order requiring the filing of any such Claim before a particular date;
- 16 (i) determine any and all pending motions for the assumption or
- 17 rejection of executory contracts or leases, and to hear and determine, and if need be to
- 18 liquidate, any and all Claims arising therefrom; and
- 19 (j) enter a Final Order closing this Case.

20 Nothing in this Plan shall preclude the Reorganized Debtor from seeking the
21 entry of an order closing this Case upon motion after notice to the Office of the United
22 States Trustee. Any order closing this Case shall provide that the Court or District Court
23 as appropriate (i) shall retain jurisdiction to enforce by injunctive relief or otherwise the
24 Confirmation Order, any other orders entered in this Case, and the contractual
25 obligations created by this Plan and the Plan Documents; and (ii) shall retain all other
26 jurisdiction and authority granted to it under this Plan and the Plan Documents. Nothing

1 within this Section 10.3. shall impair or alter the Reorganized Debtor's power to act
2 without Court authority on and after the Effective Date.

3 **10.4.11.4. Term of Injunction or Stay.** Unless otherwise provided, all
4 injunctions or stays provided for in this Case pursuant to Sections 105 or 362 of the
5 Bankruptcy Code in effect prior to the Confirmation Date shall remain in full force and
6 effect until the Effective Date and shall terminate on the Effective Date. The injunctive
7 provisions of Sections 524 and 1141 of the Bankruptcy Code are permanent and shall
8 not be affected by this provision.

9 **11.12. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES.**

10 **11.1.12.1. Assumed Employee and Retiree Benefit Plans and Collective**
11 **Bargaining Agreements.** To the extent such agreements or plans have not been
12 previously assumed, all employee and retiree benefit plans, and all collective bargaining
13 agreements shall be deemed assumed by the Reorganized Debtor on the Effective
14 Date.

15 **11.2.12.2. General; Assumed if Not Rejected.** Subject to the requirements
16 of Section 365 of the Bankruptcy Code, all executory contracts and unexpired leases of
17 the Debtor that have not been rejected by order of the Court or are not the subject of a
18 motion to reject pending on the Confirmation Date shall be deemed assumed by the
19 Reorganized Debtor on the Effective Date. If any party to an executory contract or
20 unexpired lease that is being assumed objects to such assumption, the Court may
21 conduct a hearing on such objection on any date that is either mutually agreeable to the
22 parties or fixed by the Court. All payments to cure defaults that may be required under
23 Section 365(b)(1) of the Bankruptcy Code shall be made by the Reorganized Debtor. In
24 the event of a dispute regarding the amount of any such payments, or the ability of the
25 Debtor to provide adequate assurance of future performance, the Reorganized Debtor
26 will make any payments required by Section 365(b)(1) after the entry of the Final Order

1 resolving such dispute.

2 **11.3-12.3. Claims for Contract Rejection.** All proofs of claim with respect to
3 Claims arising from the rejection of executory contracts or unexpired leases pursuant to
4 Section 11.2. above must be filed with the Court within 30 days after the Effective Date
5 or such Claims shall be forever barred. If any order providing for the rejection of an
6 executory contract or unexpired lease (other than rejection effected pursuant to Section
7 11.2. above) did not provide a deadline for the filing of Claims arising from such
8 rejection, proofs of claim with respect thereto must be filed within 30 days after the later
9 to occur of (a) the Effective Date or, (b) if the order is entered after the Effective Date,
10 the date such order becomes a Final Order, or such Claims shall be forever barred.

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13 **12.13. PROVISIONS RELATING TO PLAN DISTRIBUTIONS.**

14 **12.1.13.1. Distribution Shall be Made Only to Holders of Allowed Claims.**

15 Except as otherwise provided in this Section 12.1, distributions under this Plan and the
16 Plan Documents shall be made only to the holders of Allowed Claims. Until a Disputed
17 Claim becomes an Allowed Claim, the holder of that Disputed Claim shall not receive
18 the consideration otherwise provided to the Claimants under this Plan or the Plan
19 Documents. If necessary in determining the amount of a Pro Rata distribution due to the
20 holders of Allowed Claims in any class, the Reorganized Debtor or APCRF, as
21 applicable, shall make the Pro Rata calculation as if all ~~Disputed~~Unresolved Claims
22 were Allowed Claims in the full amount claimed or in the Estimated Amount. When a
23 ~~Disputed~~an Unresolved Claim in any class becomes an Allowed Claim, the Reorganized
24 Debtor or the Claims Resolution Facility, as applicable, shall make distributions with
25 respect to such Allowed Claim, together with any allowable interest accrued on the
26 amount of each such distribution to the date thereof, net of any setoff contemplated by

1 the order, if any, allowing such Claim and/or any required withholding of applicable
2 federal and state taxes.

3 **13.14. MISCELLANEOUS PROVISIONS.**

4 **13.1.14.1. Cramdown.** If any impaired class of Claims fails to accept this
5 Plan as required by Section 1125 of the Bankruptcy Code, or in accordance with voting
6 procedures established by the Court, the Debtor will request that the Court confirm this
7 Plan in accordance with Section 1129(b) of the Bankruptcy Code.

8 **13.2.14.2. Objection to Claims.** Objections to a Claim, as to which no
9 objection is pending as of the Effective Date, must be filed by the Claims Objection Bar
10 Date (except for those Claims where a different date for objections is provided for in this
11 Plan or pursuant to a Court order). Objections to such Claims may be filed by the
12 Reorganized Debtor, any Claimant, or any other party in interest.

13 #

14 **13.3.14.3. Procedures for Distributions; Unclaimed Distributions of**
15 **Certain Claimants.** Except as otherwise provided for in this Plan, the Plan Documents,
16 or a Final Order of the Court, distributions to be made under this Plan to Claimants
17 holding Allowed Claims shall be made by the Reorganized Debtor by first class, United
18 States mail, postage prepaid (a) to the latest mailing address set forth in a proof of claim
19 filed with the Court by or on behalf of such Claimant, or to such other address as may
20 be provided to the Reorganized Debtor by such Claimant in writing, or (b) if no such
21 proof of claim has been filed, or written notice provided to the Reorganized Debtor, to
22 the mailing address set forth in the schedules filed by the Debtor in this Case. The
23 Reorganized Debtor shall not be required to make any effort to locate or ascertain a
24 different address for the holder of any Claim.

25 **13.4.14.4. Modification of Plan.** The Debtor reserves the right, in
26 accordance with the Bankruptcy Code, to amend, modify or withdraw this Plan prior to

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1 the entry of the Confirmation Order. After the entry of the Confirmation Order, the
2 Debtor or Reorganized Debtor may, upon order of the Court, amend or modify this Plan
3 in accordance with Section 1127(b) of the Bankruptcy Code, or remedy any defect or
4 omission or reconcile any inconsistency in this Plan in such manner as may be
5 necessary to carry out the purpose and intent of this Plan.

6 **13.5.14.5. Payment Dates.** Unless otherwise agreed by the Reorganized
7 Debtor and the recipient of a distribution under this Plan, whenever any payment to be
8 made under this Plan is due on a day other than a Business Day, such payment will
9 instead be made on the next Business Day, with interest to the extent expressly
10 contemplated by this Plan or any applicable agreement or instrument. Unless otherwise
11 agreed by the Reorganized Debtor and the recipient of a distribution under this Plan, (a)
12 cash payments in excess of \$250,000 to be made by the Reorganized Debtor pursuant
13 to this Plan shall be made by wire transfer, provided the payee shall have delivered
14 specific wire transfer instructions to the Reorganized Debtor not less than five Business
15 Days prior to the date on which such payment is to be made; and (b) all other cash
16 payments to be made by the Reorganized Debtor pursuant to this Plan shall be made,
17 at the option of the Reorganized Debtor, by a check or wire transfer.

18 **13.6.14.6. Severability.** In the event of a successful collateral attack on any
19 provision of this Plan (i.e., an attack other than through a direct appeal of the
20 Confirmation Order), the remaining provisions of this Plan shall remain binding on the
21 Debtor, the Reorganized Debtor, all Claimants, all Creditors, and all other parties in
22 interest.

23 **13.7.14.7. Tax Identification Numbers.** Prior to receiving any distribution
24 under this Plan all Claimants shall provide the Reorganized Debtor with written
25 notification or confirmation of their respective federal tax identification numbers or social
26 security numbers.

1 ~~13.8.~~14.8. **No Professional Fees or Expenses.** No professional fees or
2 expenses will be paid by the Debtor, the Reorganized Debtor, or the Depository Trustee
3 with respect to any Claim except as specified in this Plan or the Claims Resolution
4 Facility Agreement and as Allowed by Final Order of the Court or District Court, as
5 applicable.

6 ~~13.9.~~14.9. **Post-Confirmation Professional Fees and Expenses.** All
7 professional fees and expenses incurred by the Reorganized Debtor after the Effective
8 Date shall be paid in the ordinary course of business of the Reorganized Debtor without
9 the need for approval of the Court or the District Court. The Court shall retain jurisdiction
10 to resolve any dispute with respect to the payment of any ~~such~~previously incurred fees
11 or expenses upon application by the affected professional.

12 ~~13.10.~~14.10. **Headings.** The headings of the sections and paragraphs of this
13 Plan are inserted for convenience only and shall not affect the interpretation hereof.

14 ~~13.11.~~14.11. **Time.** In computing any period of time prescribed or allowed by
15 this Plan, the day of the act, event, or default from which a designated period of time
16 begins to run shall not be included. The last day of the period so computed shall be
17 included so long as it is a Business Day. When the period of time prescribed or allowed
18 is less than 11 days, any day that is not a Business Day shall be excluded in the
19 computation.

20 ~~13.12.~~14.12. **Notices.** All notices or requests in connection with this Plan shall
21 be made in writing and will be deemed to have been given when received by mail
22 addressed to:

23 Archdiocese of Portland in Oregon
24 2838 East Burnside
25 Portland, OR 97214
26 Attn: Director Of Business Affairs

With copies to:

1 Sussman Shank LLP
1000 SW Broadway, Suite 1400
2 Portland, OR 97205
Attention: Thomas W. Stillely
3

4 All notices and requests to a Person or Entity holding any Claim shall be sent to
5 them at their last known address or to the last known address of their attorney of record.
6 The Debtor and any such holder of a Claim may designate in writing any other address
7 for purposes of this Section 13.13, which designation will be effective upon actual
8 receipt by the Debtor or the Reorganized Debtor, or by the holder of the Claim. Any
9 Person or Entity entitled to receive notice under this Plan shall have the obligation to
10 provide the Reorganized Debtor with such Person's or Entity's current address for
11 notice purposes. The Reorganized Debtor shall have no obligation to attempt to locate
12 a more current address in the event any notice proves to be undeliverable to the most
13 recent address which has been provided to the Reorganized Debtor.

14 **13.13.14.13. Committee and Future Claimants Representative.** The duties of
15 the Tort Claimants' Committee and Future Claimants Representative will terminate on
16 the Effective Date.

17 **13.14.14.14. Successors and Assigns.** The rights, benefits and obligations of
18 any Person or Entity named or referred to in this Plan will be binding upon, and will
19 inure to the benefit of, the heirs, executors, administrators, successors or assigns of
20 such Person or Entity.

21 **DATED:** ~~November 15, 2005~~ **March 28, 2006**

22 **ROMAN CATHOLIC ARCHBISHOP OF PORTLAND IN OREGON,
and successors, a corporation sole,**

23 */s/ John G. Vlazny*

24 By: Most Reverend John G. Vlazny

25 /s/ Leonard Vuylsteke

By: Leonard Vuylsteke

26 Its: Director of Financial Services

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1 **SUSSMAN SHANK LLP**

2

/s/ Thomas W. Stilley

3 By: Thomas W. Stilley
4 Attorneys for Roman Catholic Archbishop of Portland in Oregon,
and successors, a corporation sole

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Input:	
Document 1	file://F:/Clients/14961/004/Plan & Disclosure Statement/Claims Resolution Facility Agreement (Final Form).doc
Document 2	file://F:/Clients/14961/004/Plan & Disclosure Statement/First Modified Claims Resolution Facility Agreement-(Final Form).doc
Rendering set	Standard

Legend:	
<u>Insertion</u>	
<u>Deletion</u>	
<u>Moved from</u>	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	121
Deletions	76
Moved from	4
Moved to	4
Style change	0
Format changed	0
Total changes	205

**EXHIBIT "A" TO DEBTOR'S FIRST MODIFIED PLAN OF REORGANIZATION
(Roman Catholic Archbishop of Portland in Oregon, and successors, a corporation sole,
dba Archdiocese of Portland in Oregon)**

**ARCHDIOCESE OF PORTLAND
CLAIMS RESOLUTION FACILITY AGREEMENT**

PARTIES: ROMAN CATHOLIC ARCHBISHOP OF PORTLAND IN OREGON, AND SUCCESSORS, A CORPORATION SOLE, dba Archdiocese of Portland in Oregon, an Oregon non-profit religious corporation;

ARCHDIOCESE OF PORTLAND CLAIMS RESOLUTION FACILITY, INC., an Oregon corporation;

THIS Claims Resolution Facility Agreement (the "Agreement") is entered into between Roman Catholic Archbishop of Portland in Oregon, and successors, a corporation sole dba Archdiocese of Portland in Oregon (the "Archdiocese" or the "Reorganized Debtor") and Archdiocese of Portland Claims Resolution Facility, Inc., an Oregon corporation ("APCRF") pursuant to the First Modified Plan of Reorganization of Roman Catholic Archbishop of Portland in Oregon, and successors, a corporation sole, dated as of ~~November 15, 2005~~, March 28, 2006, as amended, modified or supplemented from time to time (the "Plan"), in case number 04-37154-elp11 in the United States Bankruptcy Court for the District of Oregon.

RECITALS

- A. On July 6, 2004, the Roman Catholic Archbishop of Portland in Oregon, and successors, a corporation sole, dba Archdiocese of Portland in Oregon, as the Debtor and Debtor-in-Possession, filed a petition for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Oregon.
- B. The Plan provides for the resolution and payment of Tort Claims against the Debtor through a Claims Resolution Facility.
- C. The Plan was confirmed pursuant to the Court's Confirmation Order entered on _____, 200__.
- D. APCRF is a corporation organized under the laws of the State of Oregon for the sole purpose of entering into this Agreement and acting in accordance with this Agreement. The Archdiocese is the sole shareholder of APCRF. The Articles of Incorporation and Bylaws of APCRF provide that APCRF shall have a single officer and a board of directors selected by the Archdiocese consisting of three directors.

1 – CLAIMS RESOLUTION FACILITY AGREEMENT

- E. Pursuant to the Plan and Confirmation Order, this Agreement establishes the Archdiocese of Portland Claims Resolution Facility (the "Facility").
- F. The Plan and Confirmation Order provide, among other things, that all ~~Unresolved Tort Claims~~ against the Archdiocese, ~~including Future Claims~~, may thereafter be brought and pursued only against APCRF, acting as the Facility.

NOW, THEREFORE, in accordance with the Plan and Confirmation Order, it is agreed as follows:

I. DEFINITIONS

A. Incorporation of Definitions. All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned in the Plan, Disclosure Statement, and Bankruptcy Code. All definitions in the Plan, Disclosure Statement, and Bankruptcy Code are incorporated herein by reference.

II. PURPOSES AND ADMINISTRATION.

A. Purposes. The purposes of the Facility are: (a) for the incorporation and operation of APCRF which will assume liability for, and will liquidate, resolve, and pay all ~~Unresolved Tort Claims~~; (b) for the establishment and operation of the Depository Trust to receive, hold, and invest funds paid to the Facility by the Reorganized Debtor for the payment of Tort Claims in accordance with the Plan and this Agreement; and (c) to distribute funds to Tort Claimants as their Claims are resolved. For the purposes of this Agreement, the Tort Claims referred to herein shall be deemed to include all ~~Unresolved Tort Claims, including the Unresolved Present Tort Claims, the Future Claims, and the Supplemental Present Tort Claims, including any Claims or portions thereof for Punitive Damages.~~

B. Administration of Facility. As more particularly set forth below, this Agreement provides for APCRF to administer the Facility. All funds received by the Facility, except for those funds necessary to pay APCRF's operating expenses, shall be deposited in the Depository Trust (described below). Distribution and payment of funds to Tort Claimants shall be administered by APCRF and paid by the Depository Trustee.

1. APCRF.

(a) APCRF shall supervise, perform, and manage the affairs of the Facility. APCRF shall be responsible for: (i) processing and resolving Tort Claims under the terms of this Agreement; (ii) preparing recommendations for submission to the District Court regarding the release of funds to pay Tort Claims; (iii) preparing and distributing periodic reports documenting the receipt of funds and the resolution and payment of Tort Claims; (iv) performing periodic analyses and estimates regarding the

2 – CLAIMS RESOLUTION FACILITY AGREEMENT

costs and projected costs of processing and resolving Tort Claims; (v) selecting financial and investment advisors to oversee the investment of the assets in the Depository Trust; (vi) providing directions to the Depository Trustee with respect to investment and management of the assets in the Depository Trust; (vii) filing motions, applications, and other requests with the District Court to obtain authorization to pay Tort Claims; and (viii) take any other action which APCRF determines is necessary to accomplish the terms and provisions of this Agreement and the Plan affecting the resolution and payment of Tort Claims.

(b) **APCRF Bond.** APCRF shall provide the Facility with a fidelity bond, in an amount to be determined by the District Court, indemnifying the Facility for any loss caused by the willful misconduct or gross negligence of APCRF and any of its officers, agents, representatives and employees.

(c) **General Powers of APCRF.** APCRF shall have the power to hire and retain such staff and other appropriate persons as are necessary to carry out the duties and functions of the Facility.

2. **Insurance.** APCRF shall procure such general liability insurance and other insurance as necessary to protect the assets of APCRF and the Depository Trust, and as required by law with respect to the employees and staff of APCRF.

~~3.~~ ~~3.~~ **Employment of Professionals.** APCRF shall be entitled to hire attorneys, accountants, advisors, and other professionals to assist it in carrying out its duties under the terms of this Agreement.

~~4.~~ ~~4.~~ **Establishment of Depository Trust.** To effectuate the terms of this Agreement, a depository trust (the "Depository Trust") shall be established consistent with the provisions of this paragraph II.B.4.

(a) **Purposes.** The sole purposes of the Depository Trust are (i) to receive, hold, and invest funds in accordance with, and subject to the provisions of this Agreement; (ii) to issue payments and disburse funds subject to the terms of this Agreement and pursuant to Final Orders of the District Court; and (iii) to qualify as a Qualified Settlement Fund pursuant to Section 468B of the Internal Revenue Code and the Treasury Regulations promulgated thereunder.

(b) **Beneficiaries.** The beneficiaries of the Depository Trust are ~~all Tort Claimants holding Unresolved~~ the holders of the Tort Claims.

(c) **Depository Trustee.** There shall be a single trustee of the Depository Trust (the "Depository Trustee"). The Depository Trustee shall be selected by APCRF, subject to approval of the District Court. The Depository Trustee shall be a bank organized and doing business under the laws of the United States of America, any

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state thereof, or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$1,000,000,000, subject to supervision and examination by federal and state authority. The Depository Trustee shall act only at the direction of APCRF and the District Court as specified herein, and shall take no action unless directed by APCRF or the District Court, as applicable. The Depository Trustee may not assign its rights or obligations hereunder. The Depository Trustee shall serve as the paying agent responsible for distribution of payments, as specified herein. The Depository Trustee shall be entitled to receive a reasonable fee and reimbursement of reasonable costs and expenses for its services hereunder. It is intended that the costs and expenses of the Depository Trustee shall be minimal and consistent with the fees and expenses incurred for comparable functions.

(d) Indemnification. The Depository Trustee shall be indemnified and held harmless by APCRF from liability under the Depository Trust as long as the Depository Trustee acts in accordance with the directions of APCRF and the District Court, as applicable.

(e) Resignation. The Depository Trustee may resign at any time upon sixty (60) days prior written notice to APCRF and the District Court, provided, however, that the resignation shall not become effective until a successor Depository Trustee is appointed.

(f) Removal of Depository Trustee. The Depository Trustee may be removed at any time, with or without cause, by APCRF, subject to approval of the District Court.

(g) Successor Depository Trustee. In the event of the resignation or removal of the Depository Trustee, or in the event the separate corporate existence of the Depository Trustee terminates (except in the event of a merger where the Depository Trustee continues to qualify as a Depository Trustee under the terms of this Agreement), a successor Depository Trustee (having the above stated qualifications required of the prior Depository Trustee) shall be selected by APCRF, subject to approval of the District Court.

(h) Deposit and Payment of Funds. All funds paid to APCRF pursuant to the Plan and this Agreement (except for funds received to pay APCRF's operating expenses as authorized by the terms of this Agreement) shall be deposited in the Depository Trust and segregated, as provided in Section III. below, into twethree separate funds designated the "Present Claims Fund" ~~and~~ the "Future Claims Fund", and the "Punitive Damages Fund". The Depository Trustee shall invest all funds that are deposited in the Depository Trust as directed by APCRF, subject to the limitations set forth in Section VI. B. herein. All payments that are to be made to Tort Claimants pursuant to the Plan and this Agreement shall be paid from funds in the Depository Trust.

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(i) **Governing Law.** The Depository Trust shall be governed by the laws of the state of Oregon without regard to conflict of law rules, subject, however, to the exclusive reservation of jurisdiction in specific courts under the Plan and this Agreement.

(j) **Jurisdiction and Venue.** All matters relating to the operation, validity, enforcement, and interpretation of the Depository Trust shall be under the exclusive jurisdiction of the District Court. All actions involving the Depository Trust shall be brought in the District Court.

5. **Court Supervision.** The resolution of Tort Claims (except for those being resolved in State Court) and the functions of APCRF and the Depository Trust shall be supervised by the District Court. The District Court shall have authority to act in the event of disputes or questions regarding the duty and authority of APCRF, the Depository Trust, the Depository Trustee, the investment of funds in the Depository Trust, and the payment of Tort Claims.

III. FUNDING OF THE FACILITY.

A. **Source of Funds.** The Facility shall be funded as follows:

1. **Reorganized Debtor's Payments.** The Reorganized Debtor shall make the following payments to the Facility:

(a) Sufficient funds as needed to pay APCRF's operating expenses, including but not limited to: (a) APCRF's day-to-day operating expenses, including salaries, wages, employee benefits and expenses, (b) insurance, (c) the professional fees (including attorney's fees) and expenses incurred in defending the Claims asserted against APCRF and in the operation of the Facility, (d) the Depository Trustee's fees and expenses, (e) the Depository Trust's operating expenses, and (f) indemnity bonds, cost bonds, or appeal bonds of any kind (collectively the "Operating Expenses"). All funds received for Operating Expenses shall be deposited in APCRF's corporate bank account;

(b) ~~Sufficient funds as needed to pay Present Tort Claims, not to exceed \$ _____ in the aggregate, as needed to pay Allowed Present Tort Claims, excluding any Claims or portions thereof for Punitive Damages, pursuant to the terms of a promissory note in the form attached hereto as Exhibit 1, with such note to be secured by an irrevocable letter of credit from a bank or other financial institution approved by the District Court, in the original amount of \$ _____.~~ As Present Tort Subject to the funding limitations set forth in the first sentence of this paragraph, as Present Tort Claims are Allowed, the Reorganized Debtor shall within 10 days of the Allowance Date pay the Allowed amount of such Claims, to the extent they are not for Punitive Damages to the Facility. As payments are received from the Reorganized Debtor they shall be

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Exhibit "A"

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deposited in the Present Claims Fund. As Claims are paid by the Facility from the Present Claims Fund, the amount of credit available on the note and recoverable under the letter of credit shall each be reduced in a corresponding amount. Such note and letter of credit shall be held by the Depository Trustee for the benefit of all Present Tort Claimants;

(c) Sufficient funds, not to exceed \$ _____ in the aggregate, as needed to pay Allowed Future Claims and Allowed Supplemental Present Tort Claims, not to exceed \$ _____ in the aggregate excluding any Claims or portions thereof for Punitive Damages, pursuant to the terms of a promissory note in the form attached hereto as Exhibit 2, with such note to be secured by an irrevocable letter of credit from a bank or other financial institution approved by the District Court, in the original amount of \$ _____. As Subject to the funding limitations set forth in the first sentence of this paragraph, as Future Claims and Supplemental Present Tort Claims are paid by the Facility Allowed, the Reorganized Debtor shall within 10 days of the Allowance Date pay the Allowed amount of such Claims, to the extent they are not for Punitive Damages, to the Facility. As payments are received from the Reorganized Debtor they shall be deposited in the Future Claims Fund. As Claims are paid by the Facility from the Future Claims Fund, the amount of credit available on the note and recoverable under the letter of credit shall each be reduced in a corresponding amount. Such note and letter of credit shall be held by the Depository Trustee for the benefit of all Future Claimants and Supplemental Present Tort Claimants; and,

(d) Sufficient funds, not to exceed \$ _____ in the aggregate, as needed to pay Allowed Punitive Damages or Penalties, or in the event the Present Claims Fund or Future Claims Fund should become extinguished, to pay those Allowed Present Tort Claims and Future Claims, to the extent they are not for Punitive Damages, pursuant to the terms of a promissory note in the form attached hereto as Exhibit 3, with such note to be secured by an irrevocable letter of credit from a bank or other financial institution approved by the Bankruptcy Court, in the original amount of \$ _____. Subject to the funding limitations set forth in the first sentence of this paragraph, as the Claims referred to in this paragraph are Allowed, the Reorganized Debtor shall within 10 days of the Allowance Date pay the Allowed amount of such Claims to the Facility. As payments are received from the Reorganized Debtor they shall be deposited in the Punitive Damages Fund. As Claims are paid by the Facility from the Punitive Damages Fund, the amount of credit available on the note and recoverable under the letter of credit shall each be reduced in a corresponding amount. Such note and letter of credit shall be held by the Depository Trustee for the benefit of all Tort Claimants;

(e) (d) Such funds as are necessary to ensure that APCRF, as successor to the accrued rights of the Reorganized Debtor for covered losses, is able to obtain Insurance Recoveries. As such funds, if any, are paid to the Facility, they shall be used to reduce the amount of credit available on the notes and letters of credit referred to in Sections III.A.1.(b), (c), and (e) above. The(d) above. These funds shall

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be deposited to the Present Claims Fund, the Future Claims Fund, or the Punitive Damages Fund in such manner as is necessary to obtain the Insurance Recoveries. If deposit to a particular fund is not required to obtain the Insurance Recoveries, then such funds shall first be deposited in the Present Claims Fund and used to reduce the amount of credit available under Section III.A.1.(b) for payment of Present Tort Claims until such amount is reduced to zero, and thereafter then deposited in the Future Claims Fund and used to reduce the amount of credit available under Section III.A.1.(c) for payment of Future Claims and Supplemental Present Tort Claims, and finally deposited in the Punitive Damages Fund and used to reduce the amount of credit available under Section III.A.1.(d) for payment of Tort Claims.

B. Use of Funds. The payments received by the Facility shall be used as follows:

1. APCRF Operating Expenses. APCRF's Operating Expenses shall be paid from the funds to be provided by the Reorganized Debtor for such purpose.

2. Tort Claims. All remaining funds received by the Facility shall be available to pay Allowed Tort Claims pursuant to the terms of this Agreement.

IV. CLAIMS RESOLUTION AND LITIGATION PROCEDURES.

A. Purpose. The procedures set forth in this Agreement, and such other procedures as may be set forth in any orders entered by the Bankruptcy Court and, District Court, and State Courts, as applicable, establish the procedures (collectively, the "Claims Resolution Procedures") for the submission, evaluation, processing, liquidation, allowance or disallowance, and payment of Tort Claims. The purpose of the Claims Resolution Procedures is to provide an orderly process for resolving and liquidating Tort Claims consistent with the objectives of the Plan and this Facility. The Claims Resolution Procedures shall be administered by APCRF, subject to approval of the District Court, as provided in this Agreement. The APCRF, shall honor the obligations of the Archdiocese under the Insurance Policies and applicable non-bankruptcy law as those obligations pertain to the resolution, settlement, and payment of Insurance Claims.

B. Assumption of Liabilities. APCRF, acting as the Facility, hereby assumes and shall be directly and exclusively liable for any and all liabilities, present or future, whether such liabilities are liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, fixed or not, matured or unmatured, disputed or undisputed, legal or equitable, known or unknown, now or hereafter arising, in connection with, constituting, or relating to the Tort Claims. All liabilities and obligations that are assumed by APCRF, and all pending lawsuits or actions arising from or related thereto, including any judgments against the Debtor arising from or related to such Claims, together with all defenses available to the Debtor regarding such Claims, are

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hereby assigned and transferred to APCRF without the need for execution of any further documents. Notwithstanding the foregoing, nothing in this Agreement shall be construed to impair, diminish, or impact in any way the Archdiocese's or the APCRF's claims against the Insurance Companies, or the ability of the APCRF to obtain the Insurance Recoveries.

C. Claims Asserting a Right to Punitive Damages to be Resolved Only in the District Court. All Claimants asserting a right to Punitive Damages must have their Claims resolved in the District Court. Only Claimants who elect to waive their Claims for Punitive Damages will be entitled to have their Claims resolved in State Court. Unless they have previously done so, Claimants electing to waive their Claims for Punitive Damages and proceed in State Court shall file an election and waiver form with the District Court within 60 days of the Effective Date, or if a Future Claimant filing a Claim after the Effective Date, within 30 days of filing a complaint with the State Court or District Court. Any Claimant who fails to timely file an election form shall proceed with resolution of their Claims, whether or not asserting a Claim for Punitive Damages, in District Court.

D. Special Master. A Special Master (the "Special Master") may, at the discretion of the District Court, be appointed by the District Court to assist the District Court with resolution of the Tort Claims. If appointed, the Special Master shall assist the District Court in (a) establishing and implementing procedures for the organization and presentation of Tort Claims, including the filing of complaints and other materials designed to establish the basis for the Tort Claim; (b) finalizing and implementing case management orders, which will establish the specific procedures and timetables for the resolution of Tort Claims; (c) establishing and coordinating all pretrial discovery; (d) conducting any common issue motion practice, finalizing and implementing pretrial settlement procedures, mediation, etc.; and (e) establishing guidelines for and coordinating the certification of cases for binding arbitration or trial on the merits.

DE. Resolution of Claims. All ~~Tort~~ Claimants shall proceed with litigation of their ~~Tort~~ Claims, at their option, either by binding arbitration (if agreed to by both APCRF and those Insurance Companies who are providing a defense of such Claims) or by trial in the District Court or State Court, as applicable. APCRF shall be responsible for defending such ~~Tort~~ Claims and shall possess all rights of the Debtor in defense of such Claims. A ~~Tort~~ Claim will only be Allowed upon entry by the District Court or State Court of a Final Order establishing the Allowed amount of such ~~Tort~~ Claim, with appeals to be allowed as a matter of right to the state appellate courts, the 9th Circuit Court of Appeals, or any other court with jurisdiction over such appeal. The APCRF shall honor all rights arising under the Insurance Policies or applicable non-bankruptcy law of those Insurance Companies providing a defense of such Claims.

EF. Additional Procedures for Future Claimants. On or before the date which is 15 years immediately following the Effective Date (the "Future Claims Bar Date"), each Future Claimant and Supplemental Present Tort Claimant (if any), must

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personally file a complaint with thein either State Court (but only if not seeking Punitive Damages) or District Court (whether or not seeking Punitive Damages) asserting a Claim against APCRF or such Claim will be forever barred.

FG. Jurisdiction. All litigation concerning Tort Claims and APCRF's obligations shall be administered by and shall be under the jurisdiction of the District Court or a State Court in accordance with this Agreement and any Case Management Orders (described below) and other orders issued by the Bankruptcy Court ~~or~~, District Court, or State Court, as applicable.

GH. Case Management Orders. APCRF, the Special Master (if appointed), and such representatives of the Tort Claimants as the District Court may approve shall prepare and present to the District Court or State Court, as applicable, proposed case management orders which will establish further procedures to ensure that provisions are in place to resolve the Tort Claims of ~~all Tort Claimants~~ (the "Case Management Orders"). In that regard, it is anticipated that the Case Management Orders will provide, among other things, procedures for organizing the Tort Claims to be dealt with by APCRF, describe the procedures and substance of any common issue motion practice, describe the procedures for obtaining information from the Tort Claimants concerning the nature and support for their Tort Claims, describe the procedures and deadlines for pretrial discovery and pretrial resolution, including alternative dispute resolution procedures such as mediation, arbitration, etc., and describe the procedures and conditions for certifying individual cases for trial. The APCRF shall honor all rights arising under the Insurance Policies or applicable non-bankruptcy law of those Insurance Companies providing a defense of such Claims.

I. Settlement. Any settlement reached between APCRF and a Claimant will be subject to approval of the District Court, and, to the extent required by the Insurance Policies or applicable non-bankruptcy law, the Insurance Companies.

HJ. Litigation. Based on procedures and conditions set forth in this Agreement, the Case Management Orders, and other orders of the District Court and State Court, as applicable, individual cases will be certified for trial. The venue for the trial of individual cases ~~shall be in the District Court~~ shall be in Portland, Oregon.

IK. Litigation Privileges. All privileged information furnished by the Debtor and the Reorganized Debtor, or by an officer, employee, agent or attorney for any such entities, to APCRF for purposes of conducting settlement or litigation activities, shall continue to be protected under any applicable privilege.

JL. No Supersedes Bond Required of the Facility. No supersedes bond or similar security shall be required of APCRF with respect to any appeal of any matter arising out of the resolution of the Tort Claims.

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KM. Withdrawal of Claims. A Claimant may withdraw a Claim at any time on written notice to APCRF. If withdrawn, the Claim will be withdrawn with prejudice and may not be reasserted.

V. RESOLUTION OF CLAIMS FOR INSURANCE COVERAGE.

A. Purpose. The procedures set forth in this Agreement, and such other procedures as may be set forth in any orders entered by the Bankruptcy Court or District Court, as applicable, establish the procedures for pursuit of the APCRF's rights to obtain the Insurance Recoveries.

B. Assignment of Rights. The APCRF shall accept assignment of the Debtor's rights that have accrued for covered losses relating to the Tort Claims, and shall pursue the Insurance Claims and Insurance Recoveries. The APCRF may be substituted for the Debtor in any existing action for Insurance Coverage.

C. Actions for Insurance Coverage. All of the rights and obligations of the Insurance Companies, and the APCRF, as successor to the accrued rights of the Reorganized Debtor for covered losses, shall be adjudicated in any coverage action in accordance with the requirements of the Insurance Policies and applicable law.

VI. PAYMENT OF ALLOWED TORT CLAIMS.

A. Timing and Amount of Disbursements on Allowed Tort Claims.

1. Distributions to Tort Claimants. The Depository Trustee shall make distributions to Tort Claimants as follows:

(i) **Present Tort Claimants.** Present Tort Claimants will receive payment of their Claims, including accrued interest as provided in the Plan, except for any Claims, or portions thereof, for Punitive Damages, from the Present Claims Fund upon such Claims becoming Allowed and the distribution being authorized by the District Court. Payment of any Claim, or portion thereof, for Punitive Damages will be subject to the distribution provisions of section V.A.1.(iii) below.

(ii) **Future Claimants and Supplemental Present Tort Claimants.** Future Claimants and Supplemental Present Tort Claimants will receive payment of their Claims, including accrued interest as provided in the Plan, except for any Claims, or portions thereof, for Punitive Damages, from the Future Claims Fund upon such Claims becoming Allowed and the distribution being authorized by the District Court. Payment of any Claim, or portion thereof, for Punitive Damages will be subject to the distribution provisions of section V.A.1.(iii) below.

(iii) Punitive Damages and Penalties. Tort Claimants entitled to Punitive Damages shall receive payment of the Claims, or portions thereof, for Punitive Damages, including accrued interest as provided in the Plan, from the Punitive Damages Fund. However, the payment of any Punitive Damages shall be subordinated to the payment of all other Tort Claims to the extent they are not for Punitive Damages. Therefore, in the event the Present Claims Fund or Future Claims Fund should become exhausted before payment in full of all Tort Claims, to the extent they are not for Punitive Damages, those Claims will be entitled to be paid from the Punitive Damages Fund before any Punitive Damages are paid.

2. District Court Approval of Distributions. APCRF will endeavor to make application to the District Court at least every 180 days for authority to pay Allowed Tort Claims that have become Allowed within the previous 180 ~~days~~ day or shorter period. Prior to making application to the District Court, APCRF shall ~~determine~~ prepare a report and recommendation for submission to the District Court setting forth the amount of funds currently available for a distribution, taking into consideration (i) the alleged amount of all Unresolved Tort Claims, (ii) the estimated amount of unknown Future Claims, (iii) the amounts previously paid to any Tort Claimant whose Tort Claim is scheduled to be included in the distribution, and ~~(iiiiv)~~ the amount of funds remaining to be paid by the Reorganized Debtor to, or currently on deposit in, the specific fund or funds from which the distribution will be made. APCRF shall ~~provide notice of the application to all known Tort Claimants upon filing such application with the District Court. Upon the District Court's entry of a Final Order approving the distribution, the Depository Trustee shall make the distribution.~~

3. Final Distribution to Present Tort Claimants from Present Claims Fund. Once Final Orders have been entered resolving all Present Tort Claims then pending before the District Court that are entitled to be paid from the Present Claims Fund, APCRF shall conduct an audit of the Present Tort Claims that have been paid, or are entitled to be paid, from the Present Claims Fund, and shall determine the amount of funds available for a final distribution to Claimants holding Allowed Tort Claims which are entitled to be paid from such fund. Upon determining the amount that is available for distribution, APCRF shall submit this information to the District Court for approval, and shall provide notice to all Present Tort Claimants whose Claims have not been fully paid. Upon the District Court's entry of a Final Order approving the distribution, the Depository Trustee shall make the distribution. If any funds remain in the Present Claims Fund after payment of all Present Tort Claims entitled to be paid from such fund, the remaining funds shall be ~~used to fund the continuing Operating Costs of the Facility, and upon termination of the Facility, if any funds remain in the Present Claims Fund they shall be distributed to the Reorganized Debtor.~~

4. Final Distribution to Future Claimants and Supplemental Present Tort Claimants from Future Claims Fund. Upon expiration of the later to occur of (i) the Future Claims Bar Date, or (ii) the District Court's entry of Final Orders resolving all Future Claims and Supplemental Present Tort Claims, if any, pending upon

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the Future Claims Bar Date, APCRF shall conduct an audit of the Future Claims and Supplemental Present Tort Claims that have been paid, or are entitled to be paid, from the Future Claims Fund, and shall determine the amount of funds available for a final distribution to Claimants holding Allowed Tort Claims which are entitled to be paid from such fund. Upon determining the amount that is available for distribution, APCRF shall submit this information to the District Court for approval, and shall provide notice to all known Future Claimants and Supplemental Present Tort Claimants whose Claims have not been fully paid. Upon the District Court's entry of a Final Order approving the distribution, the Depository Trustee shall make the distribution. If any funds remain in the Future Claims Fund after payment in full of all Allowed Future Claims and Supplemental Present Tort Claims entitled to be paid from such fund, the remaining funds shall be used to fund the continuing Operating Costs of the Facility, and upon termination of the Facility, if any funds remain in the Future Claims Fund they shall be distributed to the Reorganized Debtor.

5. Final Distribution to Tort Claimants from Punitive Damages Fund. Upon expiration of the later to occur of (i) the Future Claims Bar Date, or (ii) the District Court's entry of Final Orders resolving all Tort Claims, if any, pending on the Future Claims Bar Date, APCRF shall conduct an audit of all Tort Claims that have been paid, or are entitled to be paid, from the Punitive Damages Fund, and shall determine the amount of funds available for a final distribution to Claimants holding Allowed Tort Claims which are entitled to be paid from such fund. Upon determining the amount that is available for distribution, APCRF shall submit this information to the District Court for approval, and shall provide notice to all known Tort Claimants whose Claims have not been fully paid. Upon the District Court's entry of a Final Order approving the distribution, the Depository Trustee shall make the distribution. If any funds remain in the Punitive Damages Fund after payment in full of all Allowed Tort Claims entitled to be paid from such fund, the remaining funds shall be used to fund the continuing Operating Costs of the Facility, and upon termination of the Facility, if any funds remain in the Punitive Damages Fund they shall be distributed to the Reorganized Debtor.

6. Pro Rata Distributions if Funds Insufficient to Pay Full Amount. If at the time APCRF proposes to make a distribution to Claimants from any specific fund (i.e., the Present Claims Fund, or, the Future Claims Fund, or Punitive Damages Fund) there are insufficient funds in the fund to make a full distribution, the Claimants participating in such distribution shall each receive a pro rata share of the funds available for distribution.

VII. FINANCIAL MANAGEMENT OF FACILITY ASSETS.

A. Establishment of Funds and Accounts. Except for funds received to pay APCRF's Operating Expenses, all funds received shall be deposited in the Depository Trust. The Depository Trustee shall establish sub-accounts in the

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Depository Trust as are necessary to hold, manage, invest, and distribute funds in accordance with this Agreement.

B. Investment. Investment of monies held in the Depository Trust shall be administered in the manner in which individuals of ordinary prudence, discretion, and judgment would act in the management of their own affairs, subject to the following limitations and provisions:

1. the Depository Trust shall not acquire any long-term debt securities, participation certificates, or similar instruments unless (i) such securities, certificates, or instruments are rated "A" or higher by Moody's Investors Service, Inc. ("Moody's") or "A" or higher by Standard & Poor's Rating Services ("S&P's"), or (ii) have been issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof;

2. the Depository Trust shall not acquire any commercial paper unless such commercial paper is rated "Prime-2" or higher by Moody's or "A-2" or higher by S&P's;

3. the Depository Trust shall not acquire any equity security or any equity interest in any Entity;

4. the Depository Trust may acquire money market investments, certificates of deposit, time deposits, and banker's acceptances only (i) if issued by a bank whose senior long-term debt is rated "A" or higher by Moody's or "A" or higher by S&P's, and (ii) if the term to maturity from the date of acquisition does not exceed three (3) years and one day.

C. Accounting Statements and Audit.

1. As soon as practicable on or about the commencement of each fiscal year, APCRF shall prepare a budget and cash flow projections covering such fiscal year and such succeeding fiscal years for which APCRF determines such projections are practicable and appropriate.

2. APCRF shall prepare at the end of each fiscal year an annual accounting containing financial statements of APCRF and the Depository Trust as of the end of such fiscal year, including, without limitation, a balance sheet, a statement of receipts and disbursements (which, as to the Tort Claims, shall be presented in the aggregate and not by individual Tort Claim and shall also describe all amounts paid to or by APCRF and the Depository Trust), a statement of profit and loss, and a supplementary schedule of individual investments listing cost, fair market value, and income.

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3. APCRF shall submit the annual accounting information required by this Agreement to the Reorganized Debtor, all known Tort Claimants whose Claims have not been paid in full, and the District Court. The annual accounting information shall be submitted as soon as available but in no event later than one hundred eighty (180) days following the end of each fiscal year.

D. Tax Matters. APCRF shall timely file such income tax and other returns and statements as are required to comply with applicable provisions of the Internal Revenue Code and the Treasury Regulations promulgated thereunder, and of any state law and the regulations promulgated thereunder. APCRF and the Depository Trustee shall be responsible for paying taxes and any other obligations or liabilities of any and all kinds whatsoever that at any time are lawfully levied, assessed upon, or become payable in respect of APCRF and the Depository Trust, respectively. The Depository Trustee shall make any election and provide any information as may be necessary for the Depository Trust to qualify as a Qualified Settlement Fund. The Depository Trustee shall not take any action, or omit to take any action, that could adversely affect the Depository Trust's qualification as a Qualified Settlement Fund. Even if permitted by the Treasury Regulations or state law governing Qualified Settlement Funds, no election shall be filed by or on behalf of the Depository Trust for the Depository Trust to be treated as a grantor trust for federal or state income tax purposes.

VII-VIII. GENERAL PROVISIONS.

A. ~~Bankruptcy Court or District Court Approval.~~ Any action requiring Bankruptcy Court ~~or, District Court, or State Court~~ approval shall require the Person or Entity seeking such approval to file an application, motion, or other request with the Bankruptcy Court ~~or, District Court, or State Court~~, as applicable, and obtain a Final Order approving such action before the requested action may be taken. The Person or Entity filing such application, motion, or other request shall serve such application, motion, or other request, together with a notice setting forth the time in which objections must be filed with the court, on all parties to this Agreement, and all ~~known~~ Tort Claimants whose Claims have not been paid in full, by first-class mail, electronic mail, overnight courier, facsimile, or hand delivery. Unless the court orders otherwise, all notices shall provide the recipients at least 20 days (plus 3 days if served by mail) in which to file an objection to the application, motion, or other request. If no objection is timely filed, the court may authorize the proposed action without further notice or a hearing. If an objection is timely filed, the court shall determine whether to conduct a hearing, or to require the submission of further documentation, prior to ruling on the application, motion, or other request.

B. Costs. APCRF and each Tort Claimant shall bear their own costs, expenses, and attorneys' fees in connection with resolution and payment of Tort Claims pursuant to the terms of this Agreement.

C. Irrevocability. The Facility is irrevocable.

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D. Recordation. This Agreement shall be recorded in such places as the Reorganized Debtor or APCRF shall deem necessary or advisable.

E. Termination/Dissolution.

1. Termination Date. The Facility, APCRF, and the Depository Trust shall terminate and be dissolved as soon as practicable following the later to occur of (i) the Future Claims Bar Date, or (b) after all Tort Claims filed with the Bankruptcy Court ~~or the District Court, or State Court~~ on or before the Future Claims Bar Date have been resolved. Prior to such termination and dissolution, APCRF shall seek an order from the District Court confirming that it is appropriate to terminate and dissolve the Facility, the Depository Trust, and APCRF.

2. Termination and Dissolution of Facility, APCRF, and Depository Trust. Upon entry of the District Court's order authorizing termination and dissolution of the Facility, APCRF, and the Depository Trust, APCRF and the Depository Trustee shall proceed to wind up the affairs of the Facility, APCRF, and the Depository Trust.

F. Severability. Should any provision of this Agreement (except those described in the next sentence) be held unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this Agreement, and the unenforceable provision shall be reformed, modified, or replaced by such provision or provisions as the Bankruptcy Court or the District Court, as appropriate, may approve upon motion by any party to this Agreement. Notwithstanding the foregoing, the following provisions of this Agreement are not severable: (i) provisions concerning the amount or due date of any payment to be made by the Reorganized Debtor to the Facility pursuant to the Plan or this Agreement, (ii) provisions concerning the right of the Facility or the Depository Trust to receive payments, and (iii) any provision that, if modified or deleted, would cause the Depository Trust to no longer qualify as a Qualified Settlement Fund.

G. Headings; References. The headings herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. Any reference herein shall be deemed to refer to the applicable section or paragraph of this Agreement unless otherwise expressly stated herein. Any reference to an Exhibit, Annex, or Schedule shall be deemed to refer to the applicable Exhibit, Annex, or Schedule attached hereto, all such Exhibits, Annexes, and Schedules being incorporated herein and made a part hereof by this reference.

~~**H. Amendments.** This Agreement may be amended to resolve ambiguities or to correct manifest errors contained herein by an instrument signed by all parties to this Agreement. All other amendments, supplements, and modifications shall require~~

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~~approval of the District Court after notice to the parties and all known Tort Claimants, and such other notice and hearing as the District Court may direct, provided that without the prior written consent of the Reorganized Debtor this Agreement shall not be amended, supplemented, or modified if such amendment, supplement, or modification would, directly or indirectly increase the amount, or change the due date, of any payment to be made by the Reorganized Debtor.~~ **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state of Oregon without regard to conflicts of law principles, subject, however, to the exclusive reservation of jurisdiction in specific courts under the Plan and this Agreement.

Jl. Jurisdiction. Except as specifically provided herein, all matters relating to the validity, interpretation and operation of this Agreement, the Facility, APCRF, and the Depository Trust shall be under the exclusive jurisdiction of the District Court.

Kj. No Execution. All funds held by APCRF and the Depository Trust shall remain property of APCRF and the Depository Trust, respectively, until such times as the funds have actually been paid to and received by a Person or Entity entitled to receive payment pursuant to the terms of this Agreement, and no Person or Entity may execute upon, garnish, or attach the funds of APCRF or the Depository Trust in any manner or compel payment from APCRF or the Depository Trust of any Claim. Payment of Claims will be governed solely by the Plan and this Agreement.

Lk. Notices. All notices, reports, or documents required by or authorized under this Agreement to be provided to the parties or others shall be in writing and shall be sent to the following persons or entities at the following addresses until any such person or entity gives written notice of a change of address:

If to the Reorganized Debtor:

Archdiocese of Portland in Oregon
2838 East Burnside
Portland, OR 97214
Attn: Director of Business Affairs

With copies to:

Sussman Shank LLP
1000 SW Broadway, Suite 1400
Portland, OR 97205
Attention: Thomas W. Stillely

If to APCRF:

Archdiocese of Portland Claims Resolution Facility, Inc.
c/o Archdiocese of Portland in Oregon
2838 East Burnside
Portland, OR 97214

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Attn: Director of Business Affairs

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With copies to:

Schwabe Williamson & Wyatt PC
1600-1800 Pacwest Ctr
1211 SW 5th Ave.
Portland, OR 97204
Attention: Thomas V. Dulcich

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this ____ day of _____ 2005.2006.

**ROMAN CATHOLIC ARCHBISHOP OF PORTLAND IN OREGON,
and successors, a corporation sole**

By: _____
John G. Vlazny, its sole director
By: Leonard Vuylsteke
Its: Director of Financial Services

ARCHDIOCESE OF PORTLAND CLAIMS RESOLUTION FACILITY, INC.

By: _____
Name: _____, President

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