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

In re:

THE ROMAN CATHOLIC CHURCH OF
THE DIOCESE OF TUCSON *aka* THE
DIOCESE OF TUCSON, an Arizona
corporation sole,

Debtor.

In Proceedings Under Chapter 11

Case No. 4-04-04721

**DEBTOR'S FIRST AMENDED AND
RESTATED PLAN OF
REORGANIZATION**

February 25, 2005
Tucson, Arizona

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ARTICLE 1

INTRODUCTION

The Roman Catholic Church of the Diocese of Tucson *aka* the Diocese of Tucson, an Arizona corporation sole ("Debtor" or "Diocese"), the Debtor in the above-captioned Chapter 11 reorganization case (the "Reorganization Case"), proposes the following First Amended and Restated Plan of Reorganization (the "Plan") pursuant to the provisions of Chapter 11 of the Bankruptcy Code. For purposes hereof, any term used in an initially capitalized form in the Plan will have the defined meaning ascribed to it in either Bankruptcy Code § 101 or Article Two hereof unless the context otherwise requires.

ALL CREDITORS ARE ENCOURAGED TO CONSULT THE DISCLOSURE STATEMENT BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. AMONG OTHER INFORMATION, THE DISCLOSURE STATEMENT CONTAINS DISCUSSIONS OF THE DEBTOR, THE HISTORICAL BACKGROUND OF THE REORGANIZATION CASE AND THE PREPETITION PERIOD, THE PROJECTIONS GERMANE TO THE PLAN AND THE POST-CONFIRMATION OPERATIONS OF THE DEBTOR AND THE REORGANIZED DEBTOR, AND A SUMMARY AND ANALYSIS OF THE PLAN. NO SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT AND RELATED MATERIALS TRANSMITTED THEREWITH, HAVE BEEN AUTHORIZED BY THE BANKRUPTCY COURT OR BY THE BANKRUPTCY CODE FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN.

The Court has scheduled the Confirmation Hearing on _____, 2005.

ARTICLE 2

DEFINITIONS

2.1 Scope Of Definitions. For purposes of the Plan, and except as expressly provided otherwise herein or unless the context otherwise requires, all of the defined terms stated in Article 2 will have the meanings hereinafter stated. For purposes of the Plan and such defined

1 terms, the singular and plural uses of such defined terms and the conjunctive and disjunctive uses
2 thereof will be fungible and interchangeable (unless the context otherwise requires); and the
3 defined terms will include masculine, feminine, and neuter genders. The words "hereof,"
4 "hereto," "herein," and "hereunder" and words of similar import, when used in the Plan, will refer
5 to the Plan as a whole. The defined terms stated in Article 2 also are substantive terms of the
6 Plan, and Article 2 will be deemed incorporated throughout the rest of the Plan to convey the
7 substantive provisions included in the defined terms. Any term used in the Plan that is not
8 defined herein but that is used in the Bankruptcy Code or the Bankruptcy Rules will have the
9 meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules. Unless
10 otherwise specified, all section, article, and exhibit references in the Plan are to the respective
11 section in, article of, or exhibit to the Plan, as the same may be amended, waived, or modified
12 from time to time. The headings and captions of the Plan (including the headings of the defined
13 terms) are for convenience of reference only and will not limit or otherwise affect the provisions
14 hereof. Accordingly, the defined terms are as follows:

15 2.2 Administrative Claim. This term will refer to and mean: (a) every cost or expense
16 of administration of the Reorganization Case which is allowable pursuant to Bankruptcy Code
17 § 503, including any actual and necessary postpetition expenses of preserving the Estate; (b) any
18 actual and necessary postpetition expenses of operating the Diocese; (c) all Professional Charges
19 approved by the Bankruptcy Court pursuant to interim and final allowances in accordance with
20 Bankruptcy Code §§ 330, 331, and 503(b); (d) every Property Tax Administrative Claim; and (e)
21 all fees and charges assessed against the Estate under Chapter 123 of Title 28, United States
22 Code.

23 2.3 Allowed Claim. This term will refer to and mean every Claim against the Debtor:
24 (a)(i) as to which a Proof of such Claim has been filed within the time fixed by the Bankruptcy
25 Court or, if such Claim arises from the rejection of an Executory Contract pursuant to the Plan, on
26 or before the first Business Day which is thirty (30) days after the Confirmation Date, or

1 (ii) which the Debtor has scheduled as liquidated in amount and undisputed; and in either event:
2 (b)(i) as to which no objection to the allowance of such Claim has been filed within any
3 applicable time period fixed by the Bankruptcy Court or the Plan, or (ii) as to which the order
4 allowing such Claim has become final and non-appealable without any appeal, review, or other
5 challenge of any kind to that order having been taken or being still timely, or (iii) if an appeal has
6 been timely taken, as to which a mandate of the appellate court has issued allowing such Claim
7 and as to which no further appeal is allowed pursuant to the Bankruptcy Code, the United States
8 Code, or applicable federal or Bankruptcy Rules. If any Claim, or the Creditor holding such
9 Claim, is subject to any defense, set off, counterclaim, recoupment, or other adverse claim of any
10 kind of the Debtor or the Reorganized Debtor, that Claim will be deemed a Disputed Claim,
11 unless such adverse claim is acknowledged by the Debtor in the Plan or in accordance with the
12 terms of the Plan; and it will not become an Allowed Claim unless and until all such matters are
13 resolved or adjudicated fully and finally, with all appellate rights and remedies having been
14 exhausted except as provided in the Settlement Trust Agreement or the Litigation Trust
15 Agreement. Unless any earlier time is fixed by order of the Bankruptcy Court, and except with
16 respect to the Tort Claims, and subject to amendment rights and the relation back of amendments
17 under applicable federal or state procedural rules, any objection to the allowance of any Claim
18 and the assertion of any defense, set off, counterclaim, recoupment, or other adverse claim of any
19 kind of the Debtor or the Reorganized Debtor must be filed on or before the first Business Day
20 which is one hundred eighty (180) days after the Effective Date.

21 2.4 Assets. This term will refer to and mean each and every item of property and
22 interest of the Debtor therein as of the Effective Date, whether tangible or intangible, legal or
23 equitable, liquidated or unliquidated, and includes without limitation: (a) all Cash; (b) all
24 Avoidance Actions; (c) any and all amounts owed to the Debtor, including accounts receivable
25 and contract rights, whether due prior or subsequent to the Petition Date; (d) any other right,
26 claim, cause of action, or defense, whether arising by statute or common law, and whether arising

1 under the laws of the United States, other countries, or applicable state or local law, including, but
2 not limited to all Insurance Actions; (e) all of the Debtor's books, records, and privileges; and
3 (f) all contracts, agreements, licenses, and leases.

4 2.5 Ballot. This term will refer to and mean the ballot accompanying the Plan and
5 Disclosure Statement which will be sent to all Creditors entitled to vote on the Plan, on which
6 such Creditors will indicate their vote to accept or reject the Plan and pursuant to which any Tort
7 Claimants will make the election to opt out of the Settlement Trust and into the Litigation Trust.
8 The Ballot, to the extent necessary, will be approved by the Bankruptcy Court.

9 2.6 Bankruptcy Code. This term will refer to and mean Title 11 of the United States
10 Code, 11 U.S.C. §§ 101, et seq., including any amendments thereto, which is in effect during the
11 Reorganization Case.

12 2.7 Bankruptcy Court or Court. These terms are completely synonymous and
13 interchangeable and will refer to and mean the United States Bankruptcy Court for the District of
14 Arizona, Tucson Division, or such other court which exercises jurisdiction over part or all of the
15 Reorganization Case, to the extent that the reference of part or all of the Reorganization Case is
16 withdrawn.

17 2.8 Bankruptcy Rules. This term will refer to and mean the Federal Rules of
18 Bankruptcy Procedure promulgated under Title 28, United States Code, § 2075, including any
19 amendments thereto, as they may be amended from time to time during the Reorganization Case.

20 2.9 Bar Date. This term will refer to and mean April 15, 2005, the date established by
21 Order of the Court entered November 5, 2004, as the date by which a Claim, in order to be timely
22 and considered for purposes of distribution under the Plan, must be filed by the filing of a Proof
23 of Claim with the Bankruptcy Court.

24 2.10 Barred Tort Claims. This term will refer to and mean every Tort Claim that was
25 timely filed but is otherwise barred by an applicable statute of limitations or every Tort Claim for
26

1 which a Proof of Claim was untimely filed after the Bar Date and whose Claim has been
2 Disallowed.

3 2.11 Business Day. This term will refer to and mean every day except Saturdays,
4 Sundays, federal holidays, Catholic holidays recognized and observed by the Diocese, and
5 Arizona state holidays observed by the Bankruptcy Court.

6 2.12 Canon Law. This term will refer to and mean the Code of Canon Law applicable
7 to the Roman Catholic Church which is, for the most part: (i) a set of norms created to bring
8 order to the life of the ecclesial community; (ii) articulated and promulgated by those who are
9 entrusted with the community's care; and (iii) to serve the common good, thus imposing
10 obligations and establishing legal bonds from which certain rights, duties and interests flow.

11 2.13 Cash. This term will refer to and mean cash, cash equivalents, bank deposits, and
12 negotiable instruments payable on demand.

13 2.14 Channeled Claims. This term will refer to and mean the Claims of the Tort
14 Claimants against the Participating Third Parties and the Settling Insurers which have been or
15 may be Allowed and which are channeled to and satisfied pursuant to the Settlement Trust or the
16 Litigation Trust.

17 2.15 Chapter 11 Professionals. This term will refer to and mean the Debtor's
18 Professionals, the Committee Professionals, the Unknown Claims Representative and the
19 Guardian ad Litem wherever they are referred to collectively in the Plan.

20 2.16 Claim. This term will refer to and mean "claim" as defined in Bankruptcy Code
21 § 101(5).

22 2.17 Claim Allowance Agreement. This term will refer to and mean an agreement
23 between the Diocese and a Tort Claimant which is entered into prior to the Effective Date and
24 approved by the Bankruptcy Court whereby the Diocese and such Tort Claimant agree that the
25 Tort Claim should be an Allowed Claim and provides for the Tier into which the Tort Claim is to
26 be placed.

1 2.18 Claim Payment Date. This term will refer to and mean every Claim which is not
2 an Allowed Claim as of the Effective Date (so payment is not made on the Effective Date), but
3 which later becomes an Allowed Claim by a Final Order.

4 2.19 Class. This term will refer to and mean each of the classifications of Claims and
5 Interests described in Article 3. of the Plan.

6 2.20 Co-Defendants. This term will refer to and mean the entities and individuals who
7 are co-defendants with the Diocese in the various state court actions involving allegation of
8 sexual abuse or against whom informal claims have been asserted by a Tort Claimant.

9 2.21 Committee. This term will refer to and mean the Official Committee of Tort
10 Creditors appointed by the United States Trustee on October 14, 2004 pursuant to Bankruptcy
11 Code § 1102.

12 2.22 Committee's Professionals. This term will refer to and mean the law firm of
13 Stinson Morrison Heck LLP and all other similar professionals which the Committee may retain
14 to provide professional services for a specified purpose, all in accordance with Bankruptcy Code
15 §§ 327(a) and 327(e) and as approved by the Bankruptcy Court.

16 2.23 Confirmation Date. This term will refer to and mean the date on which the
17 Bankruptcy Court enters the Confirmation Order on the Court's docket.

18 2.24 Confirmation Hearing. This term will refer to and mean the hearing held by the
19 Bankruptcy Court regarding confirmation of the Plan, as such may be continued from time to
20 time.

21 2.25 Confirmation Order. This term will refer to and mean the order of the Bankruptcy
22 Court confirming the Plan pursuant to Bankruptcy Code §1129 and which will, among other
23 things:

24 (a) provide that the settlement provisions in Section 12.1 of the Plan and the
25 Settlement Trust are binding on all Settling Tort Claimants;

26 (b) approve and provide for the implementation of the other Plan Documents;

1 (c) approve and incorporate the Settlement Trust Agreement and the Litigation
2 Trust Agreement as part of the Plan;

3 (d) effect the release of certain Claims and the injunction against prosecution
4 of the any released Claims or Channeled Claims by any Creditors or parties in interest against
5 Participating Third Parties, Settling Insurers and others described in Article 17 of the Plan, and
6 provide for the channeling injunction with respect to Participating Third Party Claims, Claims
7 against Settling Insurers and others as set forth in Article 17 of the Plan.

8 2.26 Contingent. This term will refer to and mean, with reference to a Claim, a Claim
9 that has not accrued or is not otherwise payable and the accrual of which or the obligation to
10 make payment on which is dependent upon a future event that may or may not occur.

11 2.27 Creditor. This term will refer to and mean "creditor" as defined in Bankruptcy
12 Code § 101(10).

13 2.28 Debtor or Diocese. These terms (which are completely synonymous and
14 interchangeable), will refer to and mean the Roman Catholic Church of the Diocese of Tucson, in
15 all of its capacities, including, but not limited to: (a) the Estate of the Diocese and (b) the Diocese
16 as the representative of the Estate.

17 2.29 Debtor's Professionals. This term will refer to and mean:

18 The law firm of Quarles & Brady Streich Lang LLP;

19 The law firm of Gust Rosenfeld PLC;

20 The law firm of Thomas A. Zlaket P.L.L.C.

21 The law firm of Goering, Roberts, Rubin, Brogna, Enos & Hernandez, P.C.

22 The accounting firm of Keegan, Linscott & Kenon P.C.; and

23 any and all other similar professionals which the Debtor or the Reorganized Debtor retains to
24 assist in the conduct of the Reorganization Case or to provide professional services for a specified
25 purpose, all in accordance with Bankruptcy Code §§ 327(a) and 327(e).

26

1 2.30 Diocese Real Property. This term will refer to and mean the real property owned
2 by the Diocese:

- 3 (a) in fee simple;
- 4 (b) for which the Diocese has legal and equitable title;
- 5 (c) which is part of the temporal goods of the Diocese as a juridic person;
- 6 (d) which the Diocese is not holding in trust for any other Person;
- 7 (e) which the Diocese is selling in order to contribute to the Fund; and
- 8 (f) which consists of the certain vacant land designated by the Diocese for
9 future parish sites and certain excess real property not otherwise utilized for Diocesan purposes
10 but, excluding, any Parish Real Property.

11 2.31 Disallowed. This term, when referring to a Claim, will refer to and mean a Claim
12 or any portion of a Claim which has been disallowed or expunged by a Final Order.

13 2.32 Disclosure Statement. This term will refer to and mean the First Amended and
14 Restated Disclosure Statement presented by the Diocese with respect to the Plan, including, but
15 not limited to, any restatements, amendments, modifications, and additional disclosures (if any)
16 provided by the Diocese to comply with Bankruptcy Code § 1127 or orders of the Bankruptcy
17 Court and which has been approved by the Bankruptcy Court.

18 2.33 Disputed Claim. This term will refer to and mean every Claim, or portion thereof,
19 which is not an Allowed Claim, to which an objection (formal or informal) has been made and
20 which has not yet been Disallowed.

21 2.34 Disputed Claims Reserve. This term will refer to and mean the reserve to be
22 established on the Effective Date (and, thereafter, to be maintained as necessary) to hold in one or
23 more segregated accounts Cash or other Assets equal to the aggregate amounts thereof that would
24 have been distributed on an applicable Claim Payment Date on account of a Disputed Claim. In
25 establishing the Disputed Claims Reserve on the Effective Date, all Disputed Claims may be
26 estimated by the Reorganized Debtor at an amount equal to (a) such lesser amount that is agreed

1 to by the holder of such Claim, (b) the amount claimed if the Court has not made an estimation of
2 such Claim or the holder of such Claim has not agreed to a lesser amount, or (c) the amount, if
3 any, determined by the Court by Final Order pursuant to Bankruptcy Code § 502 (c) as an
4 estimate for distribution purposes. In any event, the Estimated Amount will be the maximum
5 amount of the Claim for distribution purposes under the Plan. The Disputed Claims Reserve may
6 be adjusted from time to time after the Effective Date by the Reorganized Debtor after taking into
7 account the anticipated recovery fraction which has been or is anticipated to be paid to the holders
8 of Allowed Claims, after giving effect to the amount of the Disputed Claims as determined
9 pursuant to this provision. The Disputed Claim Reserve will not apply to the Settlement Trust or
10 the Litigation Trust, each of which will be governed by the terms of the Settlement Trust
11 Agreement and the Litigation Trust Agreement, respectively.

12 2.35 District Court. This term will refer to and mean the United States District Court,
13 District of Arizona, Tucson Division.

14 2.36 Effective Date. This term will refer to and mean the first Business Day on which
15 the conditions specified in Section 16.1 of the Plan have been satisfied or waived.

16 2.37 Escrow Agent. This term will refer to and mean Biltmore Associates, LLC, the
17 agent under that certain non-interest bearing Promissory Note dated March 25, 2002 in the
18 original principal sum of \$3,000,000 which was the deferred portion of the settlement amount
19 related to the settlement in 2002 of certain abuse cases.

20 2.38 Estate. This term will refer to and mean the bankruptcy estate of the Diocese
21 created under Bankruptcy Code § 541.

22 2.39 Estimated Amount. This term will refer to and mean the maximum amount at
23 which the Court or the District Court, pursuant to Bankruptcy Code § 502(c), at the request of the
24 Diocese, estimates any Claim or class of Claims against the Debtor that is contingent,
25 unliquidated or disputed, including, without limitation, any Tort Claim or Other Tort and
26 Employee Claim or class thereof for the purpose of (a) allowance, (b) distribution, (c) confirming

1 the Plan pursuant to Bankruptcy Code § 1129, (d) voting to accept or reject the Plan pursuant to
2 Bankruptcy Code § 1126 and Bankruptcy Rule 3018(a), or (e) any other proper purpose.
3 Notwithstanding the foregoing, any such estimation may include assigning points to a particular
4 Class or Tier for purposes of (a) allowance and (b) determining votes to accept or reject the Plan
5 rather than estimating a Claim or Class of Claims in dollars for such purposes.

6 2.40 Executory Contract. This term will refer to and mean every unexpired lease and
7 other contract which is subject to being assumed or rejected by the Debtor under Bankruptcy
8 Code § 365, pursuant to the Plan or pursuant to separate motion.

9 2.41 Final Order. This term will refer to and mean any order of the Bankruptcy Court
10 as to which (a) the time for appeal has expired and no appeal has been timely taken; (b) any
11 appeal that has been timely taken has been finally determined or dismissed; or (c) an appeal has
12 been timely taken but such order has not been stayed.

13 2.42 Foresters. This term will refer to and mean the Catholic Order of Foresters.

14 2.43 Foresters Unsecured Claim. This term will refer to and mean every Unsecured
15 Claim of Foresters against the Diocese where the Diocese is the primary obligor arising out of the
16 lending relationship between the Diocese and Forester including all interest, costs and other
17 charges properly chargeable by Foresters pursuant to the applicable documents evidencing the
18 Foresters Unsecured Claim, but, specifically excluding, any Claims of Foresters pursuant to any
19 guaranties by the Diocese of the obligations of any Parish to Foresters which are part of the Parish
20 Guaranty Claims.

21 2.44 Fund. This term will refer to and mean the fund to be established by the Diocese
22 which will be allocated by the Bankruptcy Court as part of the confirmation process between the
23 Settlement Trust and the Litigation Trust in the amounts and percentages as may be proposed by
24 the Debtor and the Committee and determined by the Bankruptcy Court as part of the
25 confirmation process. The Fund will consist of all of the following:

26

1 (a) The sum of \$3,200,000 (or such lesser amount if all of the Diocese Real
2 Property has not been sold by the Effective Date) to be paid by the Diocese on the Effective Date;

3 (b) After the Effective Date, the proceeds from the sale of the Diocese Real
4 Property if all parcels of Diocese Real Property have not been sold on or before the Effective
5 Date;

6 (c) Payments from the Participating Third Parties;

7 (d) Payments from the Settling Insurers; and

8 (e) Insurance Action Recoveries allocated to the Fund or an assignment of all
9 or part of the Insurance Actions.

10 2.45 General Unsecured Convenience Claim. This term will refer to and mean an
11 Unsecured Claim in an amount of \$500 or less, inclusive of interest accrued thereon after the
12 Petition Date through the later to occur of the Effective Date or the Claim Payment Date;
13 provided, that, if the holder of an Unsecured Claim in an amount greater than \$500 makes an
14 election to reduce such Claim to \$500, such Claim will be treated as a General Unsecured
15 Convenience Claim for all purposes. Such election will be made on the Ballot, completed and
16 returned within the time fixed by order of the Court. Making this election will be deemed to be a
17 waiver by such electing holder of any right to participate in Class 7 as to any and all Claims held
18 by such holder.

19 2.46 General Unsecured Claim. This term will refer to and mean every Unsecured
20 Claim against the Diocese (including, but not limited to, every such Claim arising from the
21 rejection of an Executory Contract and every Claim which is the undersecured portion of any
22 Secured Claim), which is not an Administrative Claim, a Priority Unsecured Claim, a Priority Tax
23 Claim, a General Unsecured Convenience Claim, a Parish Unsecured Claim, a Tort Claim or a
24 Penalty Claim, and which is classified and treated as the Plan provides for Class 7 Claims.

25 2.47 Guardian ad Litem. This term will refer to and mean Charles L. Arnold, the
26 representative appointed by the Court by order entered October 27, 2004, pursuant to motion of

1 the Diocese requesting that the Court appoint a representative to represent the interests of those
2 Tort Claimants who are or may be minors on the Effective Date of the Plan.

3 2.48 Insurance Actions. This term will refer to and mean all claims, causes of action
4 and enforceable rights of the Debtor against any Insurance Company, including, but not limited
5 to, those arising from or related to: (a) any such Insurance Company's failure to provide Insurance
6 Coverage under any Insurance Policy; (b) the refusal of any Insurance Company to compromise
7 and settle any Claim insured under any such Insurance Policy; or (c) the interpretation or
8 enforcement of the terms of any such Insurance Policy and Insurance Coverage.

9 2.49 Insurance Action Recoveries. This term will refer to and mean the rights of the
10 Debtor to any and all proceeds, including any interest or income earned thereon, and other relief
11 from: (a) any award, judgment, relief, or other determination entered or made as to any Insurance
12 Actions; (b) any and all amounts payable by a settling Insurance Company under any insurance
13 settlement agreement; and (c) any and all proceeds of any Insurance Policy paid or payable with
14 respect to Tort Claims.

15 2.50 Insurance and Benefit Claims. This term will refer to and mean any Unsecured
16 Claim for property or liability damage or workers compensation for which the Diocese is or may
17 be liable for which there is insurance coverage, including, but not limited to, any Claim for which
18 the Diocese has a self-insured retention and any Claims against the Diocese for the Lay
19 Employees Pension Plan. In all events the Insurance and Benefit Claims specifically exclude any
20 Tort Claims.

21 2.51 Insurance Company. This term will refer to and mean any insurance company or
22 insurance broker providing Insurance Coverage to the Debtor for liability arising from or related
23 to Tort Claims.

24 2.52 Insurance Coverage. This term will refer to and mean the insurance coverage, not
25 reduced to settlement proceeds, available to the Debtor with respect to Tort Claims under any
26 Insurance Policy.

1 2.53 Insurance Policy. This term will refer to and mean any general liability insurance
2 or sexual misconduct policy naming the Diocese as an insured in effect on or before the
3 Confirmation Date upon which any Claim has been or may be made with respect to any Tort
4 Claim.

5 2.54 Litigation Trust. This term will refer to and mean the trust established pursuant to
6 the Litigation Trust Agreement for:

7 (a) receiving, holding and investing funds provided pursuant to the Litigation
8 Trust Agreement;

9 (b) issuing payments and disbursing funds as provided in the Litigation Trust
10 Agreement;

11 (c) participating in the litigation as the defendant for any Tort Claimant who
12 opts to have his or her Tort Claim liquidated through litigation;

13 (d) paying the costs of such litigation from the funds of the Litigation Trust.

14 The Litigation Trust will qualify to be a "Qualified Settlement Fund" pursuant to applicable
15 provisions of the Internal Revenue Code.

16 2.55 Litigation Trust Agreement. This term will refer to and mean the agreement
17 between the Reorganized Debtor and the Trustees of the Litigation Trust to be established
18 pursuant to Article 12 of the Plan and pursuant to which the Litigation Trust will be established
19 and governed.

20 2.56 Litigation Protocol. This term will refer to and mean the litigation procedures
21 described in Section 14.1 of the Plan and in the Litigation Trust Agreement.

22 2.57 Non-settling Tort Claimants. This term will refer to and mean every Tort
23 Claimant who affirmatively elects, on the Ballot, to opt out of the Settlement Trust and have his
24 or her Tort Claims liquidated by a jury or a court in a trial to be held in the District Court with
25 any such judgment entered to be treated and paid pursuant to the terms of the Litigation Trust
26 Agreement.

1 2.58 Other Tort and Employment Claims. This term will refer to and mean any and all
2 Claims, demands, suits, causes of action, proceedings or any other rights or asserted right to
3 payment heretofore, now or hereafter asserted against the Debtor, whether or not reduced to
4 judgment, based upon or in any manner arising from acts or failure to act by the Debtor which has
5 allegedly resulted in injury asserted by an employee or other Person pursuant to applicable state
6 or federal law, but excluding Tort Claims, any Claims of employees entitled to priority pursuant
7 to Bankruptcy Code § 507 and Insurance and Benefit Claims.

8 2.59 Parish. This term will refer to and mean that certain community of church
9 members whose pastoral care is entrusted to a pastor under authority of the bishop of the Diocese,
10 which is within the territorial jurisdiction of the Diocese, which is a separate juridic person under
11 Canon Law and, which is, among other things, an unincorporated association under applicable
12 state law.

13 2.60 Parish Guaranty Claims. This term will refer to and mean every Contingent
14 Unsecured Claim of any Creditor arising out of a guaranty by the Diocese of an obligation of a
15 Parish to such Creditor, including all interest, attorneys' fees and other costs and charges to which
16 such Creditor might be entitled pursuant to the terms of any such guaranties.

17 2.61 Parish Loans. This term will refer to and mean each and every Unsecured loan
18 made by a Parish to the Diocese which is outstanding on the Petition Date, including all interest,
19 costs, expenses and other charges which are part of a Parish Loan.

20 2.62 Parish Monthly Payment. This term will refer to and mean the monthly payment
21 of \$44,738 which includes an amortization of principal and interest at the rate of two and one-
22 half percent (2.5%) per annum to be paid by the Diocese to satisfy the Parish Unsecured Claims
23 in full.

24 2.63 Parish Unsecured Claims. This term will refer to and mean every Unsecured Claim
25 against the Diocese now held by a Parish, including, but not limited to, all Claims of a Parish for
26 any funds on deposit with the Diocese and managed by the Diocese as custodian and trustee and

1 all Parish Loans, including all interest, attorneys' fees and other costs and charges to which each
2 Parish is entitled pursuant to the terms of the Parish Loan, any agreements between the Diocese
3 and a Parish and applicable law but excluding Parish Guaranty Claims.

4 2.64 Parish Real Property. This term will refer to and mean all real property owned by
5 a Parish, among other things:

- 6 (a) for which the Diocese holds bare legal title;
- 7 (b) in which the Diocese has no beneficial, equitable or other proprietary
8 interest;
- 9 (c) in which the Parish for whose benefit such real property is held has all
10 equitable, proprietary and beneficial interest; and
- 11 (d) which is part of the temporal goods of the Parish as a juridic person under
12 Canon Law.

13 2.65 Participating Third Parties. This term will refer to and mean any Co-Defendant or
14 any other Person who contributes funds to the Settlement Trust and the Litigation Trust and, will,
15 therefore, will be a Party for whose benefit the channeling injunction provided for in Section 17.5
16 of the Plan will be issued.

17 2.66 Penalty Claims. This term will refer to and mean any Claims for any fine, penalty,
18 forfeiture, multiple damages, punitive damages, or exemplary damages not meant to compensate
19 the claimant for actual pecuniary loss.

20 2.67 Person. This term will refer to and mean "person" as defined in Bankruptcy
21 Code § 101(41).

22 2.68 Petition Date. This term will refer to and mean September 20, 2004, which is the
23 filing date of the voluntary Chapter 11 petition commencing the Reorganization Case.

24 2.69 Plan. This term will refer to and mean the "Debtor's First Amended and Restated
25 Plan Of Reorganization" dated February 25, 2005, and every restatement, amendment, or
26 modification thereof, if any, filed by the Debtor.

1 2.70 Plan Documents. This term will refer to and mean the Settlement Trust
2 Agreement, the Litigation Trust Agreement, and all other documents and exhibits as the same
3 may be amended, modified, supplemented, or restated from time to time, that aid in effectuating
4 the Plan, which documents and exhibits will be filed by the Debtor with the Court on or before
5 thirty (30) days prior to the Confirmation Hearing or such other date as determined by the Court.

6 2.71 Post-Effective Date Secured Tax Claims. This term will refer to and mean every
7 whole or prorated portion of a Secured Tax Claim which arises on or after the Effective Date, and
8 which will be paid in the ordinary course of business of the Reorganized Debtor.

9 2.72 Prepetition Date Secured Tax Claims. This term will refer to and mean every
10 whole or prorated portion of a Secured Tax Claim which arises before and up to the Petition Date,
11 and which will be classified and paid under the Plan as the Plan provides for Class 2 Claims.

12 2.73 Priority Employee Unsecured Claim. This term will refer to and mean every
13 Unsecured Claim of an employee of the Diocese for vacation or sick leave pay which is otherwise
14 entitled to priority pursuant to Bankruptcy Code § 507(a)(3)(A).

15 2.74 Priority Tax Claim. This term will refer to and mean every Unsecured Claim or
16 portion thereof which is entitled to priority pursuant to Bankruptcy Code § 507(a)(8).

17 2.75 Priority Unsecured Claim. This term will refer to and mean every Unsecured
18 Claim or portion thereof which is not an Administrative Claim, a Priority Tax Claim or a Priority
19 Employee Unsecured Claim and which is entitled to priority under any applicable provision of
20 Bankruptcy Code § 507.

21 2.76 Pro Rata. This term will refer to and mean proportionate, and when applied to a
22 Claim means that the ratio of the consideration distributed on account of an Allowed Claim in a
23 Class to the amount of such Allowed Claim is the same as the ratio of the amount of the
24 consideration distributed on account of all Allowed Claims in such Class to the amount of all
25 Allowed Claims in such Class.

26

1 2.77 Professional Charges. This term will refer to and mean the allowed interim and
2 final professional fees and expenses charged by the Chapter 11 Professionals.

3 2.78 Property Tax Administrative Claim. This term will refer to and mean every Claim
4 of any state or local governmental unit which is an Administrative Claim for unpaid real property
5 taxes, unpaid personal property taxes, or unpaid sales taxes or leasing taxes, and every prorated
6 portion thereof arising on and after the Petition Date until the Effective Date. Property Tax
7 Administrative Claims will be classified and paid under the Plan as the Plan provides for
8 Administrative Claims.

9 2.79 Property Tax Claims. This term will refer to and mean collectively: (a) every
10 Property Tax Administrative Claim; (b) every Prepetition Date Secured Tax Claim; and (c) every
11 Post-Effective Date Secured Tax Claim.

12 2.80 Property Tax Claims Proration. This term will refer to and mean the proration of
13 Property Tax Claims as of the Effective Date, so that: (a) Post-Effective Date Secured Tax
14 Claims will be paid by the Reorganized Debtor in the ordinary course of its business;
15 (b) Prepetition Date Secured Tax Claims will be paid by the Debtor or the Reorganized Debtor as
16 provided for Class 3 Claims under the Plan; and (c) Property Tax Administrative Claims will be
17 paid by the Debtor or the Reorganized Debtor as provided for Administrative Claims under the
18 Plan.

19 2.81 Relationship Tort Claimant. This term will refer to and mean a spouse or parent of
20 an alleged abuse victim.

21 2.82 Relationship Tort Claims. This term will refer to and mean every Claim of a
22 Relationship Tort Claimant who is not the direct victims of abuse but who asserts a Tort Claim
23 against the Debtor based the fact that the claimant is a Relationship Tort Claimant. The
24 parameters by which a Tier One Tort Claim will be considered by the Special Master will be
25 proposed by the Diocese and finally determined by the Bankruptcy Court at or prior to final
26 approval of the Disclosure Statement.

1 2.83 Relationship Tort Claim Distribution Amount. This term will refer to and mean
2 the amount to be awarded and paid to a Tort Claimant whose Claim is Allowed and is categorized
3 as a Relationship Tort Claim by the Special Master or agreed upon prior to the Effective Date
4 between the Relationship Tort Claimant and the Diocese.

5 2.84 Reorganization Case. This term will refer to and mean the case under Chapter 11
6 of the Bankruptcy Code which was commenced by the filing of a voluntary Chapter 11 petition
7 by the Diocese on the Petition Date.

8 2.85 Reorganized Debtor. This term will refer to and mean the Diocese, from and after
9 the Effective Date. Unless otherwise expressly stated or the context otherwise requires,
10 references to "the Debtor and the Reorganized Debtor" and references to "the Debtor or the
11 Reorganized Debtor" throughout various provisions of the Plan are an effort to anticipate whether
12 an event may occur before or after the Effective Date. In this regard, and generally for purposes
13 of the Plan, any written agreement made by the Debtor as part of the Plan before the Effective
14 Date will survive the Confirmation Date and the Effective Date and will bind both the
15 Reorganized Debtor and every other party to such agreement (including, but not limited to, the
16 provisions of the Plan as confirmed).

17 2.86 Secured Claim. This term will refer to and mean every Claim or portion thereof
18 which is asserted by the Creditor holding such Claim to be secured by a lien, security interest, or
19 assignment encumbering property in which the Debtor has an interest and including any right to
20 setoff asserted by a Creditor that is treated as a Secured Claim under the Bankruptcy Code, but
21 only to the extent of the validity, perfection, and enforceability of the claimed lien, security
22 interest, or assignment, and the value of the interest of the Creditor holding such Claim against
23 such property of the Debtor.

24 2.87 Secured Creditor. This term will refer to and mean every Creditor which holds a
25 Secured Claim in the Reorganization Case.

26

1 2.88 Secured Tax Claim. This term will refer to and mean every Claim of any federal,
2 state, or local governmental unit, which is asserted by such governmental unit holding such Claim
3 which is secured by property of the Estate by operation of applicable non-bankruptcy laws,
4 including, but not limited to, every such Claim for unpaid real property taxes, unpaid personal
5 property taxes, or unpaid sales taxes or leasing taxes, and further including, but not limited to,
6 both the Prepetition Date Secured Tax Claims and the Post-Effective Date Secured Tax Claims,
7 but only to the extent of the validity, perfection, and enforceability of the claimed lien, security
8 interest, or assignment, and the value of the interest of the governmental unit holding such Claim
9 against the Debtor and only to the extent that such Secured Tax Claim does not relate to Parish
10 Real Property. Any Claims for unpaid real property taxes, unpaid personal property taxes, or
11 unpaid sales taxes or leasing taxes pertaining to a Parish or Parish Real Property will be paid by
12 the Parish owning such Parish Real Property or other property pertaining to such tax.

13 2.89 Settlement Trust. This term will refer to and mean the trust established pursuant to
14 the Settlement Trust Agreement for:

- 15 (a) receiving, holding and investing funds received to fund the Settlement
- 16 Trust Agreement;
- 17 (b) determining and Allowing (or Disallowing) Tort Claims,
- 18 (c) issuing payments and disbursing funds as provided in the Settlement Trust
- 19 Agreement; and
- 20 (d) paying the costs, fees and expenses of the Trustees and the Special Master
- 21 from the funds of the Settlement Trust.

22 The Settlement Trust will qualify to be a "Qualified Settlement Fund" pursuant to
23 applicable provisions of the Internal Revenue Code.

24 2.90 Settlement Trust Agreement. This term will refer to and mean the trust to be
25 established in accordance with Article 12 of the Plan pursuant to which the Tort Claims of
26 Settling Tort Claimants will be satisfied.

1 2.91 Settling Insurers. This term will refer to and mean those Insurance Companies that
2 have reached settlements with the Diocese, and any Insurance Companies that may reach a
3 settlement with Diocese with respect to any Insurance Actions. Any Settling Insurer, in exchange
4 for the Settling Insurer's contribution to the Fund as agreed upon between the Diocese and such
5 Settling Insurer and approved by the Bankruptcy Court, will obtain the benefit of an injunction
6 against prosecution of claims against the Insurance Company by any Creditor or other party in
7 interest, including a Tort Claimant. The terms of any settlement with a Settling Insurer, if not
8 previously approved by the Bankruptcy Court pursuant to Bankruptcy Rule 9019 or such other
9 provisions of the Bankruptcy Code or Bankruptcy Rules as may be set forth in any such
10 settlement, will be approved at the Confirmation Hearing and pursuant to the Confirmation Order.
11 If an agreement is reached with a Settling Insurer after the Effective Date, it will be approved by
12 the Bankruptcy Court pursuant to its retained jurisdiction.

13 2.92 Settling Tort Claimants. This term will refer to and mean those Tort Claimants
14 who are part of the Settlement Trust and will have their Tort Claims determined, Allowed and
15 treated in accordance with the terms of the Settlement Trust.

16 2.93 Special Master. This term will refer to and mean the individual(s) who are
17 selected as part of the confirmation process to evaluate, liquidate and Allow the Claims of the
18 Settling Tort Claimants. The Special Master will also:

- 19 (a) determine the appropriate Tier into which a Tort Claim will be placed;
20 (b) evaluate each such Tort Claim for Allowance or Disallowance; and
21 (c) instruct the Trustees to pay any Allowed Tort Claims of Settling Tort
22 Claimants in accordance with the terms of the Settlement Trust.

23 2.94 Tier. This term will refer to and mean the level into which the Claim of each
24 Settling Tort Claimant will be placed for purposes of determining Allowance or Disallowance
25 and whether the amount to be paid in satisfaction of such Tort Claim within a particular Tier will
26 be increased or decreased based upon mitigating or aggravating factors.

1 2.95 Tier One Tort Claims. This term will refer to and mean the Claims of Tort
2 Claimants which meet the criteria established jointly by the Committee and the Diocese for
3 determination of Tier One Tort Claims. Generally, a Tier One Tort Claim will be weighted in a
4 manner which will result in a distribution to the holder of an Allowed Tier One Tort Claim which
5 is less than the amount that a Tort Claimant who has an Allowed Tier Two, Tier Three or Tier
6 Four Tort Claim will receive. The factors to be considered by the Special Master for placement
7 of a Tort Claim into Tier One will be proposed jointly by the Diocese and the Committee and
8 finally determined by the Bankruptcy Court at or prior to the hearing on final approval of the
9 Disclosure Statement. The proposed amount to be paid to a Settling Tort Claimant whose Claim
10 is a Tier One Claim will, in all events, be proposed ten (10) days prior to the final hearing on the
11 Disclosure Statement.

12 2.96 Tier Two Tort Claims. This term will refer to and mean the Claims of Tort
13 Claimants which meet the criteria established jointly by the Committee and the Diocese for
14 determination of Tier Two Tort Claims. Generally, a Tier Two Tort Claim will be weighted in a
15 manner which will result in a distribution to the holder of an Allowed Tier Two Tort Claim which
16 is less than the amount that a Tort Claimant who has an Allowed Tier Three or Tier Four Tort
17 Claim will receive, but greater than the amount the holder of an Allowed Tier One Tort Claim
18 will receive. The factors to be considered by the Special Master for placement of a Tort Claim
19 into Tier Two will be jointly proposed by the Diocese and the Committee and finally determined
20 by the Bankruptcy Court at or prior to the hearing on final approval of the Disclosure Statement.
21 The proposed amount to be paid to a Settling Tort Claimant whose Claim is a Tier Two Claim
22 will, in all events, be proposed ten (10) days prior to the final hearing on the Disclosure
23 Statement.

24 2.97 Tier Three Tort Claims. This term will refer to and mean the Claims of Tort
25 Claimants which meet the criteria established jointly by the Committee and the Diocese for
26 determination of Tier Three Tort Claims. Generally, a Tier Three Tort Claim will be weighted in

1 a manner which will result in a distribution to the holder of an Allowed Tier Three Tort Claim
2 which is less than the amount that a Tort Claimant who has an Allowed Tier Four Tort Claim will
3 receive, but greater than the amount the holder of an Allowed Tier One Tort Claim or an Allowed
4 Tier Two Tort Claim will receive. The factors to be considered by the Special Master for
5 placement of a Tort Claim into Tier Three will be jointly proposed by the Diocese and the
6 Committee and finally determined by the Bankruptcy Court at or prior to the hearing on final
7 approval of the Disclosure Statement. The proposed amount to be paid to a Settling Tort
8 Claimant whose Claim is a Tier Three Claim will, in all events, be proposed ten (10) days prior to
9 the final hearing on the Disclosure Statement.

10 2.98 Tier Four Tort Claims. This term will refer to and mean the Claims of Tort
11 Claimants which meet the criteria established jointly by the Committee and the Diocese for
12 determination of Tier Four Tort Claims. Generally, a Tier Four Tort Claim will be weighted in a
13 manner which will result in a distribution to the holder of an Allowed Tier Four Tort Claim that is
14 the highest amount to be received by the holder of an Allowed Tort Claim. The factors to be
15 considered by the Special Master for placement of a Tort Claim into Tier Four will be jointly
16 proposed by the Diocese and the Committee and finally determined by the Bankruptcy Court at or
17 prior to the hearing on final approval of the Disclosure Statement. The proposed amount to be
18 paid to a Settling Tort Claimant whose Claim is a Tier Four Claim will, in all events, be proposed
19 ten (10) days prior to the final hearing on the Disclosure Statement.

20 2.99 Tier One Distribution Amount. This term will refer to and mean the amount to be
21 awarded and paid to a Tort Claimant whose Claim is Allowed as a Tier One Claim by the Special
22 Master or agreed upon prior to the Effective Date between the Tort Claimant and the Diocese.

23 2.100 Tier Two Distribution Amount. This term will refer to and mean the amount to be
24 awarded and paid to a Tort Claimant whose Claim is Allowed as a Tier Two Claim by the Special
25 Master or agreed upon prior to the Effective Date between the Tort Claimant and the Diocese.

26

1 2.101 Tier Three Distribution Amount. This term will refer to and mean the amount to
2 be awarded and paid to a Tort Claimant whose Claim is Allowed as a Tier Three Claim by the
3 Special Master or agreed upon prior to the Effective Date between the Tort Claimant and the
4 Diocese.

5 2.102 Tier Four Distribution Amount. This term will refer to and mean the amount to be
6 awarded and paid to a Tort Claimant whose Claim is Allowed as a Tier Four Claim by the Special
7 Master or agreed upon prior to the Effective Date between the Tort Claimant and the Diocese.

8 2.103 Tort Claim. This term will refer to and mean all Claims, demands, suits, causes of
9 action, proceedings or any other rights or asserted rights to payment, including, but not limited to:
10 (i) any Claims, demands, suits, or causes of action for personal injuries, including emotional
11 distress, (ii) for damages, including punitive damages, (iii) for attorneys' fees and other expenses,
12 fees or costs, and for any equitable remedy, heretofore, now or hereafter asserted against the
13 Debtor, any Released Parties, any Participating Third Parties, any Settling Insurers or the
14 Litigation Trust, whether or not reduced to judgment, based upon or in any manner arising from
15 or related to: (a) acts of sexual abuse committed by any clergy or other person associated with the
16 Diocese or any Parish, including but not limited to all employees and volunteers; (b) the failure of
17 the Diocese to properly supervise any clergy or any other employee of or person associated with
18 the Diocese or a Parish, including, but not limited to volunteers; (c) the processing, adjustment,
19 defense, settlement, payment, negotiation or handling of any claims, demands, suits, proceedings
20 or causes of action based upon or relating in any way to the Claims made as a result of any
21 alleged abuse or other Tort Claim asserted by a Tort Claimant; or (d) the failure to warn, disclose
22 or provide information concerning, the alleged sexual abuse and other misconduct of clergy or
23 other employees of or persons associated with the Diocese or the Parishes, including, without
24 limitation, volunteers. Tort Claims include the Claims of Relationship Tort Claimants.

25 2.104 Tort Claimant. This term will refer to and mean a Person who asserts a Tort
26 Claim, including a Relationship Tort Claimant.

1 course of such operations will be paid fully and in Cash in the ordinary course of business
2 (including any payment terms applicable to any such expense).

3 3.2 Priority Unsecured Claims. The holder of every Allowed Priority Unsecured
4 Claim will be paid, in full satisfaction of such Claim, (a) a single Cash payment in the Allowed
5 amount of the Claim on the Effective Date (or the applicable Claim Payment Date); or (b) as
6 otherwise agreed in writing by the holder of the Allowed Claim or ordered by the Bankruptcy
7 Court.

8 3.3 Priority Tax Claims. The holder of every Allowed Priority Tax Claim, will be
9 paid, in full satisfaction of such Claim pursuant to the provisions of Bankruptcy Code
10 § 1129(a)(9)(C): (a) in deferred Cash payments over a period of six (6) years from the date of
11 assessment, to be paid in equal quarterly installments of principal and interest; (b) the first
12 payment to be made on the first Business Day after the day which is ninety (90) days after the
13 later of the Effective Date or the Claim Payment Date; and each payment thereafter to be paid on
14 the first Business Day of each succeeding quarter until paid in full; provided, however, that, the
15 entire unpaid amount of the Allowed Priority Tax Claim, together with any interest accrued
16 thereon, will be paid in full on the date which is six (6) years after the date of assessment of such
17 Allowed Priority Tax Claim; or (c) as otherwise agreed in writing by the holder of the Allowed
18 Claim or ordered by the Bankruptcy Court.

19 3.4 Elimination of Claim. To the extent there are no amounts owing on the Effective
20 Date for any Priority Unsecured Claims and/or any Priority Tax Claims, such treatment as set
21 forth above will be deemed automatically eliminated from the Plan.

22 **ARTICLE 4**

23 **CLASSIFICATION OF CLAIMS**

24 4.1 Classification. All Claims are classified under the Plan as hereafter stated in this
25 Article 4; provided, however, that, a Claim will be deemed classified in a particular Class only to
26 the extent that the Claim qualifies within the description of that Class and will be deemed

1 classified in a different Class to the extent that any remainder of the Claim qualifies within the
2 description of such different Class. As of the Confirmation Hearing, any Class of Claims which
3 does not contain any Creditor's Claims will be deemed deleted automatically from the Plan, and
4 any Class of Claims which does not contain an Allowed Claim (or a Claim temporarily or
5 provisionally allowed by the Bankruptcy Court for voting purposes) will be deemed automatically
6 deleted from the Plan with respect to voting on confirmation of the Plan.

7 4.2 Classes. For purposes of the Plan, Claims against the Debtor are hereby classified
8 in the following classes in accordance with Bankruptcy Code § 1122(a) as follows:

9 Class 1 – Priority Employee Unsecured Claims

10 Class 2 – Prepetition Property Tax Secured Claims

11 Class 3 – Other Secured Claims

12 Class 4 – General Unsecured Convenience Claims

13 Class 5 – Parish Guaranty Claims

14 Class 6 – Parish Unsecured Claims

15 Class 7 – General Unsecured Claims

16 Class 8 – Other Tort and Employee Claims

17 Class 9 – Tort Claims

18 Class 10 – Insurance and Benefit Claims

19 Class 11 – Penalty Claims

20 **ARTICLE 5**

21 **TREATMENT OF CLASSES OF CLAIMS** 22 **(WHICH ARE NOT IMPAIRED UNDER THE PLAN)**

23 5.1 Other Secured Claims – Class 3. The legal, equitable and contractual rights of
24 holders of Allowed Other Secured Claims in Class 3 will either: (a) not be altered by the Plan; or
25 (b) at the option of the Debtor, be treated in any other manner that will result in such Allowed
26 Secured Claims being deemed unimpaired under Bankruptcy Code § 1124, including, but not

1 limited to, the retention by the holder of an Allowed Other Secured Claim of the lien on its
2 collateral to the extent of such Allowed Other Secured Claim.

3 5.2 Parish Guaranty Claims – Class 5. The holders of Allowed Parish Guaranty
4 Claims will retain their Claims, if any, against the Reorganized Debtor, and the Plan will leave
5 unaltered the legal, equitable and contractual rights to which such Claims entitle the holders
6 thereof.

7 5.3 Insurance and Benefit Claims – Class 10. The holders of Allowed Insurance and
8 Benefit Claims will retain their Claims, if any, against the Reorganized Debtor and the Plan will
9 either: (a) leave unaltered the legal, equitable and contractual rights to which such Claims entitle
10 the holders thereof; or (b) at the option of the Debtor, be treated in any other manner that will
11 result in such Allowed Insurance and Benefit Claims being deemed unimpaired under Bankruptcy
12 Code § 1124. All such Insurance and Benefit Claims will be determined in accordance with the
13 provisions of any benefit plans, policies and procedures of the Diocese and applicable law.

14 **ARTICLE 6**

15 **TREATMENT OF CLASS 1 CLAIMS** 16 **(PRIORITY EMPLOYEE UNSECURED CLAIMS)**

17 6.1 Distribution. No holder of an Allowed Priority Employee Unsecured Claim will
18 receive any Cash on account of such Claim except to the extent that the employee is entitled to a
19 Cash payment in accordance with the policies and procedures of the Diocese. All Allowed
20 Priority Employee Unsecured Claims will be satisfied, in full, in accordance with the policies and
21 procedures regarding vacation and sick leave pay in effect at the Diocese at the time such Priority
22 Employee Unsecured Claim becomes matured and liquidated.

23 6.2 Impairment. The Class 1 Claims are impaired under the Plan.
24
25
26

1 **ARTICLE 7**

2 **TREATMENT OF CLASS 2 CLAIMS**
3 **(PREPETITION DATE SECURED TAX CLAIMS)**

4 7.1 Distribution. All Class 2 Claims, as and when they are Allowed Claims, will be
5 treated as fully Secured Claims and will be paid fully and in Cash as follows:

6 (a) In order to compute the Prepetition Date Secured Tax Claims which are the
7 Class 2 Claims, the Property Tax Claims Proration will be conducted as of the Effective Date, if
8 necessary. The Prepetition Date Secured Tax Claims which are Allowed Claims will bear interest
9 from and after the Effective Date until they are paid in full at the rate of three percent (3%) per
10 annum or such other rate as ordered by the Bankruptcy Court.

11 (b) The Allowed Class 2 Claims, including interest thereon from and after the
12 Effective Date, will be paid in two equal installments. The first installment will be paid on the
13 first Business Day which is thirty (30) days after the Effective Date or the Claim Payment Date.
14 The second installment will be paid on the first Business Day of the sixth (6th) month after the
15 Effective Date or the applicable Claim Payment Date.

16 (c) No penalties will be paid on any of the Allowed Class 2 Claims.

17 7.2 Disputed Claims. Notwithstanding the pendency of any appeal to any state or
18 local taxing authorities of a determination of property taxes or assessment on the Petition Date,
19 nothing contained herein will prohibit the Debtor from exercising its rights pursuant to
20 Bankruptcy Code § 505 and having the Class 2 Claim(s) determined by the Bankruptcy Court to
21 the extent that any Class 2 Claims are Disputed Claims.

22 7.3 Retention of Liens. Each Creditor holding a Class 2 Allowed Claim will retain its
23 lien(s) on its collateral to the extent of its Class 2 Allowed Secured Claim.

24 7.4 Other Claims. The Reorganized Debtor will pay the Post-Effective Date Secured
25 Tax Claims in the ordinary course of its business operations after the Effective Date. All Property
26 Tax Administrative Claims will be paid as Administrative Claims pursuant to the Plan.

1 **ARTICLE 8**

2 **TREATMENT OF CLASS 4 CLAIMS**
3 **(GENERAL UNSECURED CONVENIENCE CLAIMS)**

4 8.1 Distribution. Every Creditor holding a Class 4 Claim, as and when such Class 4
5 Claim is an Allowed Administrative Convenience Unsecured Claim will be paid in Cash on the
6 Effective Date or the Claim Payment Date.

7 8.2 Impairment. The Class 4 Claims are impaired pursuant to the Plan.

8 **ARTICLE 9**

9 **TREATMENT OF CLASS 6 CLAIMS**
10 **(PARISH UNSECURED CLAIMS)**

11 9.1 Distribution. Each Allowed Parish Unsecured Claim that is not otherwise
12 contributed or becomes part of the consideration for a Parish to participate as a Participating
13 Third Party will bear interest from and after the Effective Date at the rate of two and one-half
14 percent (2.5%) per annum or such other rate as set by the Bankruptcy Court in the Confirmation
15 Order. Each holder of an Allowed Parish Unsecured Claim will be paid its Pro Rata share of the
16 Parish Monthly Payment commencing on the first Business Day that is thirty (30) days after the
17 Effective Date (or the Claim Payment Date) and continuing on the same Business Day of each
18 month thereafter until paid in full, including interest.

19 9.2 Impairment. The Class 6 Parish Unsecured Claims are impaired under the Plan.

20 **ARTICLE 10**

21 **TREATMENT OF CLASS 7 CLAIMS**
22 **(GENERAL UNSECURED CLAIMS)**

23 10.1 Distribution. Each holder of a Class 7 General Unsecured Claim, as and when
24 such General Unsecured Claim is or becomes an Allowed Claim, will be paid fully and in Cash as
25 follows:
26

1 (a) Each Allowed General Unsecured Claim will bear interest from and after
2 the Effective Date at the rate of four and one-half percent (4.5%) per annum or such other rate as
3 set by the Bankruptcy Court in the Confirmation Order.

4 (b) Each holder of an Allowed General Unsecured Claim will be paid the
5 Allowed amount of such General Unsecured Claim in monthly installments, including interest,
6 with the first installment to be paid on the first Business Day that is thirty (30) days after the
7 Effective Date (or the Claim Payment Date) and succeeding monthly installments to be paid on
8 the same day of each month thereafter until paid in full including interest.

9 10.2 Impairment. The Class 7 General Unsecured Claims are impaired under the Plan.

10 **ARTICLE 11**

11 **TREATMENT OF CLASS 8 CLAIMS** 12 **(OTHER TORT AND EMPLOYEE CLAIMS)**

13 11.1 Distribution. Each holder of a Class 8 Other Tort and Employee Claim, as and
14 when such Claim becomes an Allowed Claim, will be paid solely from the proceeds of any
15 insurance policies applicable to such Other Tort and Employee Claim. To the extent that such
16 Claims may not be satisfied in full by the foregoing, then such Other Tort and Employee Claims,
17 to the extent not so satisfied, will be Disallowed.

18 11.2 Impairment. The Class 8 Other Tort and Employee Claims are impaired under the
19 Plan.

20 **ARTICLE 12**

21 **TREATMENT OF CLASS 9 CLAIMS** 22 **(TORT CLAIMS)**

23 12.1 General Terms. On or before the Effective Date (but after entry of the
24 Confirmation Order), the Reorganized Debtor will, in full release, satisfaction and discharge of all
25 Claims in Class 9, cause the following to occur: (a) the execution and delivery of the Settlement
26 Trust Agreement and the Litigation Trust Agreement, which will establish the Settlement Trust

1 and the Litigation Trust which provide for liquidation and payment of all Class 9 Claims as and
2 when they become Allowed Claims; (b) delivery to the Trustees under the Settlement Trust and
3 the Litigation Trust of the initial amount of the Fund allocated as ordered by the Bankruptcy
4 Court as part of the Confirmation Order; and (c) delivery of such commitments and assignments
5 from the Reorganized Debtor to give effect to the right of the Trustees to receive all of the net
6 proceeds from the sale of the Diocese Real Property if any such Diocese Real Property remains
7 unsold as of the Effective Date and the assignment of the Insurance Actions if the Diocese
8 determines to assign the Insurance Actions to the Settlement Trust and/or the Litigation Trust.
9 Any funds received from the Settling Insurers, the Participating Third Parties or any Insurance
10 Action Recoveries as of the Effective Date which are to be paid to the Tort Claimants pursuant to
11 the Plan or any agreements between the Diocese and any Participating Third Parties or any
12 Settling Insurers will also be paid or distributed by the Debtor to the Trustees in accordance with
13 the terms of the Plan, the Settlement Trust Agreement and the Litigation Trust Agreement. Any
14 such funds will be held and distributed by the Trustees in accordance with the Settlement Trust
15 Agreement and the Litigation Trust Agreement. The Trustees will substitute in any Insurance
16 Actions as the real party in interest after the Effective Date to the extent that the Insurance
17 Actions are assigned by the Diocese.

18 The Settlement Trust and the Litigation Trust will assume full responsibility for resolving
19 all Tort Claims pursuant to the Settlement Trust Agreement and the Litigation Trust Agreement,
20 as applicable; for making payments to the holders of Allowed Tort Claims that become Allowed
21 under the conditions set forth in the Settlement Trust Agreement or the Litigation Trust
22 Agreement; for collecting, investing and distributing funds for the benefit of the holders of
23 Allowed Tort Claims; for fulfilling all other obligations under the Settlement Trust Agreement
24 and Litigation Trust Agreement; and for paying the fees, costs and expenses of the Settlement
25 Trust and the Litigation Trust, all set forth more fully in the Settlement Trust Agreement and the
26 Litigation Trust Agreement.

1 12.2 Allocation of Funding. The Bankruptcy Court will determine the allocation of the
2 funding as between the Litigation Trust and the Settlement Trust as part of the confirmation
3 process and such allocation will be incorporated into the Confirmation Order; provided, however,
4 that nothing contained herein will preclude the Diocese, the Committee, the Unknown Claims
5 Representative and/or the Guardian ad Litem from agreeing upon and proposing the allocation of
6 funding as between the Litigation Trust and the Settlement Trust.

7 12.3 Treatment.

8 (a) To the extent that the Diocese and a Tort Claimant have entered into a
9 Claim Allowance Agreement prior to the Effective Date, the Tort Claimant will receive the
10 applicable Relationship Distribution Amount, Tier One, Tier Two, Tier Three, or Tier Four
11 Distribution Amount on the Effective Date.

12 (b) Unless a Tort Claimant has entered into a Claim Allowance Agreement
13 prior to the Effective Date, each Tort Claimant will automatically be included in the Settlement
14 Trust; provided, however, that each Tort Claimant will have the right to elect to opt out of the
15 Settlement Trust and become a part of the Litigation Trust. Such election will be made on the
16 Ballot. Depending upon the election made, the Tort Claimants will be treated as follows:

17 (c) Treatment of Settling Tort Claimants. Settling Tort Claimants will receive
18 payment of their Allowed Claims in accordance with the terms, provisions and procedures
19 contained in the Settlement Trust Agreement. The Special Master will consider each Claim of a
20 Settling Tort Claimant in accordance with the provisions of the Settlement Trust Agreement.
21 Based upon the Proof of Claim filed by a Tort Claimant and the criteria which govern
22 determination of the Tier into which a Tort Claim should be placed (and any other factors the
23 Bankruptcy Court may determine as part of the confirmation process), the Special Master will
24 classify each Claim as a Relationship Tort Claim, a Tier One Claim, a Tier Two Claim, a Tier
25 Three Claim or a Tier Four Claim. A Tort Claimant with an Allowed Tier One Tort Claim will
26 receive the Tier One Distribution Amount; a Tort Claimant with an Allowed Tier Two Tort Claim

1 will receive the Tier Two Distribution Amount; a Tort Claimant with an Allowed Tier Three Tort
2 Claim will receive the Tier Three Distribution Amount; a Tort claimant with an Allowed Tier
3 Four Claim will receive the Tier Four Distribution Amount; and a Relationship Tort Claimant
4 will receive the Relationship Tort Claim Distribution Amount. All distributions to the holders of
5 Allowed Tort Claims will be in full satisfaction of such Claims. A Settling Tort Claimant whose
6 Claim is Disallowed pursuant to the claim determination procedures set forth in the Settlement
7 Trust Agreement will receive no distribution under the Plan and will have no further Claim
8 against the Diocese, the Reorganized Debtor, a Participating Third Party or a Settling Insurer;
9 provided, however, if the Tort Claim is Disallowed because it is a Barred Claim, the Tort
10 Claimant will be given an opportunity to participate in the VAP and be provided services by the
11 Diocese through the VAP at no cost to the holder of such Barred Claim. Any Tort Claimant
12 whose Claims are Disallowed because it is a Barred Tort Claim who is currently receiving
13 counseling provided by the Diocese other than through VAP will be offered the opportunity to
14 continue that counseling.

15 (d) Treatment of Non-Settling Tort Claimants. Non-settling Tort Claimants:

16 (a) will be subject to the terms of the Litigation Trust Agreement; and (b) will not receive any
17 payment if (and to the extent) the Claim is Disallowed pursuant to the litigation procedures
18 constituting the Litigation Protocol. All Non-Settling Tort Claimants will retain the right to
19 adjudicate their Claims through litigation (including trial by jury in the District Court), subject
20 however, to the provisions of the Plan and the Litigation Trust Agreement. To the extent the
21 amount allocated to the Litigation Trust is not sufficient to pay all Allowed Tort Claims of Non-
22 Settling Tort Claimants in full, each holder of an Allowed Tort Claim who is a Non-Settling Tort
23 Claimant will receive a Pro Rata share of the proceeds of the Litigation Trust after deduction of
24 all costs, expenses, fees and other charges which are to be paid by the Trustees in full and
25 complete satisfaction of such Allowed Tort Claim of a Non-Settling Tort Claimant.

26

1 (e) Treatment of Attorney's Fees of Settling Tort Claimants. The fees and
2 expenses of attorneys representing any of the Settling Tort Claimants or the Non-Settling Tort
3 Claimants who receive payment from the Settlement Trust or the Litigation Trust will be borne by
4 such Claimants based on applicable state law and individual arrangements made between them
5 and their attorneys. In no event will the Diocese, the Reorganized Debtor or the Trustees of the
6 Settlement Trust or the Litigation Trust have any liability for any fees and expenses of attorneys
7 representing any of the Settling Tort Claimants or any of the Non-Settling Tort Claimants and any
8 such Claims, if any, will be Disallowed.

9 (f) Treatment of Punitive Damages. Claims for punitive or exemplary
10 damages in connection with Tort Claims, whether asserted by Tort Claimants or any other
11 Claimants, will not be Allowed.

12 12.4 Impairment. The Class 9 Claims are impaired under the Plan.

13 **ARTICLE 13**

14 **TREATMENT OF CLASS 11 CLAIMS** 15 **(PENALTY CLAIMS)**

16 13.1 Distribution. No Penalty Claims will be Allowed and there will be no distribution
17 to the holders of any Penalty Claims.

18 13.2 Impairment. The Class 11 Penalty Claims are impaired under the Plan.

19 **ARTICLE 14**

20 **MEANS OF IMPLEMENTATION OF THE PLAN**

21 14.1 Litigation Protocol. The procedures for resolving Claims of Non-Settling Tort
22 Claimants and other Claims that are settled under the Plan are described in the Litigation Trust
23 Agreement. Pursuant to the terms of the Litigation Trust Agreement, attempts will be made to
24 resolve Claims of Non-Settling Tort Claimants that are not settled under the Plan. If such
25 attempts are not successful within the time frames provided in the Litigation Trust Agreement,
26 individual Non-Settling Tort Claimants will have the right to proceed to jury trial in the District

1 Court in accordance with applicable law or may waive the right to a jury trial in such Tort
2 Claimant's sole discretion. In accordance with Bankruptcy Code § 1123(b)(3), after the Effective
3 Date, the Trustees of the Litigation Trust will succeed to and all claims, defenses, counterclaims,
4 set offs, and recoupments belonging to the Debtor or its Estate with respect to the Tort Claims of
5 the Non-Settling Tort Claimants only. There will be no distributions on account of the Allowed
6 Claims of the Non-Settling Tort Claimants until the Claims of all Non-Settling Tort Claimants
7 have been determined by a Final Order unless the Trustees, acting within their powers, determine
8 in their prudent business judgment that a Disputed Claims Reserve can be established so that any
9 Non-Settling Tort Claimants whose Tort Claims have been Allowed can receive a distribution.

10 14.2 Funding on the Effective Date. All payments under the Plan which are due on the
11 Effective Date from the Diocese will be funded from the Cash on hand, from the proceeds from
12 the sale of any Diocese Real Property, the proceeds from any agreements with Settling Insurers,
13 the proceeds of any debtor in possession financing received by the Debtor during the course of
14 the Reorganization Case, if any, and from the proceeds of any exit financing obtained by the
15 Debtor prior to the Confirmation Hearing.

16 14.3 Funding After the Effective Date. The funds necessary to ensure continuing
17 performance under the Plan after the Effective Date will be (or may be) obtained from:

- 18 (a) any and all remaining Cash retained by the Reorganized Debtor after the
19 Effective Date;
- 20 (b) Cash generated from the post-Effective Date operations of the Reorganized
21 Debtor;
- 22 (c) any reserves established by the Debtor or the Reorganized Debtor; and
- 23 (d) any other contributions or financing (if any) which the Reorganized Debtor
24 may obtain on or after the Effective Date.

25 14.4 Procedure for Determination of Claims Other Than Tort Claims.

26

1 (a) Objections to Claims. Notwithstanding the occurrence of the Effective
2 Date, and except as to any Claim that has been Allowed prior to the Effective Date, the
3 Reorganized Debtor may object to the allowance of any Claim against the Debtor or seek
4 estimation thereof on any grounds permitted by the Bankruptcy Code by filing the appropriate
5 pleading in the Bankruptcy Court at any time prior to the first Business Day which is one hundred
6 eighty (180) days after the Effective Date; provided, however, that any Disputed Tort Claims
7 held by Settling Tort Claimants will be determined by the Special Master in accordance with the
8 Settlement Trust and any Disputed Tort Claims held by Non-Settling Tort Claimants will be
9 determined pursuant to the Litigation Trust Agreement and the Litigation Protocol.

10 (b) Disputed Claims. No payments or other distributions will be made to
11 holders of Claims unless and until such Claims are Allowed Claims pursuant to a Final Order. If
12 a Claim is not an Allowed Claim by the Effective Date or when payment is otherwise due under
13 the Plan, payment on the Allowed Claim (plus interest, if any, as provided herein) will commence
14 on the Claim Payment Date.

15 (c) Treatment of Contingent Claims. Until such time as a Contingent Claim or
16 a Contingent portion of an Allowed Claim becomes fixed or absolute or is Disallowed, such
17 Claim will be treated as a Disputed Claim for all purposes related to distributions under the Plan.
18 The holder of a Contingent Claim will only be entitled to a distribution under the Plan when and
19 if such Contingent Claim becomes an Allowed Claim.

20 14.5 Payments Effective Upon Tender. Whenever the Plan requires payment to be
21 made, such payment will be deemed made and effective upon tender thereof by the Debtor or the
22 Reorganized Debtor to the Creditor to whom payment is due. If any Creditor refuses a tender, the
23 amount tendered and refused will be held by the Debtor or the Reorganized Debtor for the benefit
24 of that Creditor pending final adjudication of the dispute. However, when and if the dispute is
25 finally adjudicated and the Creditor receives the funds previously tendered and refused, the
26 Creditor will be obliged to apply the funds in accordance with the Plan as of the date of the

1 tender; and while the dispute is pending and after adjudication thereof, the Creditor will not have
2 the right to claim interest or other charges or to exercise any other rights which would be
3 enforceable by the Creditor if the Debtor or the Reorganized Debtor failed to pay the tendered
4 payment.

5 14.6 Preservation of Debtor's Claims, Demands, And Causes of Action. Except as
6 otherwise provided in the Plan, all claims, demands, and causes of action of any kind or nature
7 whatsoever held by, through, or on behalf of the Debtor and/or the Estate against any other
8 Person, including but not limited to, all Avoidance Actions arising before the Effective Date and
9 all Insurance Actions, which have not been resolved or disposed of prior to the Effective Date, are
10 hereby preserved in full for the benefit of the Reorganized Debtor, except for such claims or
11 causes of action, cross-claims, and counterclaims which have been released hereunder or pursuant
12 to a Final Order prior to the Effective Date and except those that are transferred to the Trustees of
13 the Settlement Trust and the Litigation Trust. To the extent necessary, the Reorganized Debtor is
14 hereby designated as the estate representative pursuant to and in accordance with Bankruptcy
15 Code § 1123(b)(3)(B). Furthermore, in accordance with Bankruptcy Code § 1123(b)(3), after the
16 Effective Date, the Reorganized Debtor will own and retain, and may prosecute, enforce,
17 compromise, settle, release, or otherwise dispose of, any and all claims, defenses, counterclaims,
18 set offs, and recoupments belonging to the Debtor or its Estate. The Debtor and the Reorganized
19 Debtor will also be entitled to assign their rights under the Plan. On the Effective Date, the
20 Trustees of the Litigation Trust and the Settlement Trust are hereby designated as the estate
21 representative pursuant to and in accordance with Bankruptcy Code § 1123(b)(3)(B) with respect
22 to the Insurance Actions to the extent that the Insurance Actions are assigned to the Trustees and
23 with respect to any and all claims, defenses, counterclaims, set offs, and recoupments belonging
24 to the Debtor or its Estate with respect to the Tort Claims of Settling Tort Claimants and Non-
25 Settling Tort Claimants.

26

1 14.7 Special Provisions Governing Unimpaired Claims. Except as otherwise provided
2 in the Plan, nothing will affect the Debtor's or the Reorganized Debtor's rights and defenses with
3 respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal
4 and equitable defenses to or setoffs or recoupments against such Unimpaired Claims.

5 14.8 Operative Documents. The Debtor will prepare any documents which the Debtor
6 and the Reorganized Debtor deem are necessary or appropriate to execute the Plan or provided for
7 under the Plan. If there is any dispute regarding the reasonableness or propriety of any such
8 documents after reasonable and good faith efforts by the Debtor to negotiate and obtain approval
9 of the documents by the other affected Person(s), any such dispute will be presented to the
10 Bankruptcy Court for determination at or in conjunction with the Confirmation Hearing.

11 14.9 Return of Deposits. To the extent that the Debtor was required to and did pay
12 deposits to any Creditors after the Petition Date as a condition of or as security for continued
13 service after the Petition Date, including, but not limited to, deposits paid to utility companies for
14 adequate assurance of payment pursuant to Bankruptcy Code § 366, then, upon satisfaction of the
15 Claims of such Creditor(s) pursuant to the Plan, any such deposits, together with any interest or
16 other income earned thereon, if any, will be refunded to the Reorganized Debtor within fifteen
17 (15) days of demand by the Reorganized Debtor for return of such deposit(s).

18 14.10 Administrative Claims Bar Date. All requests for payment of administrative costs
19 and expenses incurred prior to the Effective Date pursuant to Bankruptcy Code §§ 507(a)(1) and
20 503(b) will be served and filed with the Bankruptcy Court no later than thirty (30) days after the
21 Effective Date. Any such Claim which is not served and filed within this time period will be
22 forever barred. Any Claims for fees, costs, and expenses incurred by any Chapter 11
23 Professionals after the Effective Date will be treated as part of the fees and expenses of the
24 Reorganized Debtor and need not be submitted to the Bankruptcy Court for approval. After
25 approval by the Bankruptcy Court of the final fee applications of the Chapter 11 Professionals
26 for services provided and costs incurred during the course of administration of the Reorganization

1 Case and prior to the Effective Date, the Chapter 11 Professionals will not be required to submit
2 any further fee applications to the Bankruptcy Court in accordance with Bankruptcy Code § 330.

3 14.11 Delivery Of Distributions. Distributions will be made by the Debtor or the
4 Reorganized Debtor as follows:

5 (a) At the addresses set forth in the Proofs of Claim filed by holders of Claims
6 (or the last known addresses of such holders if no Proof of Claim is filed or if the Debtor or the
7 Reorganized Debtor has not been notified of a change of address);

8 (b) At the addresses set forth in written notices of address change delivered to
9 the Debtor or the Reorganized Debtor after the date of any related Proof of Claim; or

10 (c) At the addresses reflected in the Schedules if no Proof of Claim has been
11 filed and the Debtor or the Reorganized Debtor has not received a written notice of change of
12 address.

13 (d) If any distribution to a holder of an Allowed Claim is returned as
14 undeliverable, no further distributions to such holder will be made unless and until the Debtor or
15 the Reorganized Debtor is notified of such holder's then-current address, at which time all missed
16 distributions will be made to the holder without interest. All claims for undeliverable or uncashed
17 distributions must be made on or before the first (1st) anniversary of the date applicable to such
18 distribution, or with respect to the a final distribution to a Creditor holding an Allowed Claim,
19 within ninety (90) days thereof. After such date, all such unclaimed property will revert to the
20 Reorganized Debtor for further distribution in accordance with the Plan, and the Claim of any
21 holder or successor to such holder with respect to such property will be discharged and forever
22 barred, notwithstanding any federal or state escheat law to the contrary.

23 14.12 Limitation on De Minimis Payments. The Debtor or the Reorganized Debtor will
24 make no distributions of less than \$50 to any Creditor holding an Allowed Claim. If a Creditor
25 holding an Allowed Claim does not receive a distribution due to the provisions of this Section on
26 any date on which is a distribution is to be made to Creditors in the same Class as the Creditor

1 being entitled to such de minimis payment, then the Claim (so long as it is an Allowed Claim)
2 will remain eligible for distributions on any subsequent distribution date, subject to the provisions
3 of this Section. In all events, the Creditor holding an Allowed Claim which has not received a
4 distribution on any previous distribution dates because of this provision, will receive such
5 distribution on the date that final distribution is made to Creditors in the same Class as the
6 Creditor being entitled to such de minimis payment.

7 **ARTICLE 15**

8 **TREATMENT OF EXECUTORY CONTRACTS**

9 15.1 Assumption and Rejection of Executory Contracts. On the Confirmation Date,
10 except as otherwise provided herein, all Executory Contracts of the Debtor will be deemed
11 rejected in accordance with the provisions and requirements of Bankruptcy Code §§ 365 and
12 1123 other than those Executory Contracts that: (a) have already been assumed by order of the
13 Bankruptcy Court; (b) are subject to a motion to assume Executory Contracts that is pending on
14 the Confirmation Date; or (c) are subject to a motion to reject an Executory Contract pursuant to
15 which the requested effective date of such rejection is after the Confirmation Date. Approval of
16 any motions to assume Executory Contracts pending on the Confirmation Date will be approved
17 by the Bankruptcy Court on or after the Confirmation Date by a Final Order. Each Executory
18 Contract assumed pursuant to this Article 15 will revert in and be fully enforceable by the
19 Reorganized Debtor in accordance with its terms, except as such terms are modified by the
20 provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its
21 assumption or applicable law.

22 15.2 Claims Based on Rejection of Executory Contracts. Every Claim asserted by a
23 Creditor arising from the rejection of an Executory Contract pursuant to the Plan must be filed
24 with the Bankruptcy Court no later than the first Business Day which is thirty (30) days after the
25 Confirmation Date or the first Business Day that is thirty (30) days after entry of the Final Order
26 of the Bankruptcy Court approving rejection if such Final Order is entered after the Confirmation

1 Date. Every such Claim which is timely filed, as and when it becomes an Allowed Claim, will be
2 treated under Class 7 of the Plan. Every such Claim which is not timely filed by the deadline
3 stated above will be forever barred, unenforceable, and discharged, and the Creditor holding the
4 Claim will not receive or be entitled to any distribution under the Plan on account of such Claim.

5 15.3 Indemnification of Members, Managers, Officers, and Employees. The obligation
6 of the Debtor to indemnify any Person serving at any time on or prior to the Effective Date as one
7 of its officers, employees or volunteers by reason of such Person's service in such capacity to the
8 extent provided in any of the Debtor's constituent documents, by a written agreement with the
9 Debtor or under the laws of State of Arizona pertaining to the Debtor, will be deemed and treated
10 as Executory Contracts that are assumed by the Reorganized Debtor pursuant to the Plan and
11 Bankruptcy Code § 365 as of the Effective Date. Accordingly, such indemnification obligations
12 of the Debtor to indemnify any Person will survive unimpaired and unaffected by entry of the
13 Confirmation Order, irrespective of whether such indemnification is owed for an act or event
14 occurring before or after the Petition Date.

15 **ARTICLE 16**

16 **CONDITIONS TO EFFECTIVE DATE**

17 16.1 Conditions To Occurrence Of Effective Date. Each of the following are conditions
18 to the Effective Date, which conditions must be satisfied or waived by the Debtor:

19 (a) The Confirmation Order has been entered by the Bankruptcy Court and the
20 Confirmation Order has become a Final Order.

21 (b) The Confirmation Order is in form and substance satisfactory to the
22 Debtor.

23 (c) All actions, documents, and agreements necessary to implement the Plan
24 will have been effected or executed.

25 16.2 Debtor's Obligations to Cause Effective Date to Occur. Upon satisfaction of the
26 conditions to the Effective Date, the following will occur:

1 (a) Payment, Cure and Reinstatement or Setoff of Allowed Claims Other Than
2 Tort Claims. The Reorganized Debtor will pay or make provision for the prompt payment to
3 holders of Allowed Claims to whom payments, pursuant to the Plan, are to be made on the
4 Effective Date by the Debtor, including, but not limited to, any the Claims of any Tort Claimants
5 who have entered into a Claim Allowance Agreement.

6 (b) Satisfaction of Tort Claims. Unless the Settlement Trust and the Litigation
7 Trust will have been earlier established, the Reorganized Debtor will cause the Settlement Trust
8 and the Litigation Trust to be established. The Reorganized Debtor will deliver any initial Cash
9 payments provided for thereunder and any other assignments or pledges to the Trustees in full
10 release and complete satisfaction and discharge of the Tort Claims.

11 16.3 Waiver Of Conditions. The Debtor, in its sole discretion, may waive any of the
12 conditions to the occurrence of the Effective Date including waiver of the Final Order condition
13 in subpart a of Section 16.1 above any time from and after the Confirmation Date. In that event,
14 the Debtor will be entitled to render any or all of its performance under the Plan prior to what
15 otherwise would be the Effective Date if the above-referenced conditions were not waived,
16 including, but not limited to, the right to perform under any circumstances which would moot any
17 appeal, review, or other challenge of any kind to the Confirmation Order if the Confirmation
18 Order is not stayed pending such appeal, review, or other challenge.

19 16.4 Effect of Non-occurrence of Conditions. If the consummation of the Plan does not
20 occur, the Plan will be null and void in all respects and nothing contained in the Plan or the
21 Disclosure Statement will: (a) constitute a waiver or release of any Claims by or against the
22 Debtor; (b) prejudice in any manner the rights of the Debtor; or (c) constitute an admission,
23 acknowledgement, offer, or undertaking by the Debtor in any respect.

24 16.5 Merger; Choice of Law. All obligations of the Debtor to all Creditors will be
25 merged into the Plan and the documents executed by the Reorganized Debtor at Closing and
26 delivered to the respective affected Creditors. All such obligations of the Reorganized Debtor

1 will be evidenced by the Plan and such executed and delivered documents. Unless otherwise
2 provided therein, such documents will be governed by and construed in accordance with Arizona
3 law.

4 16.6 Other Obligations of the Reorganized Debtor. The Reorganized Debtor will:

5 (a) Review all Claims other than Tort Claims filed against the Estate and, if
6 warranted, object to Claims within the time period provided in Section 14.4(a) of the Plan; and

7 (b) Perform all of its obligations under the Plan Documents, including, without
8 limitation, those obligations provided in the Settlement Trust Agreement and the Litigation Trust
9 Agreement.

10 **ARTICLE 17**

11 **EFFECTS OF CONFIRMATION**

12 17.1 Discharge. Except as otherwise expressly provided in the Plan or in the
13 Confirmation Order, on the Effective Date the Debtor will be discharged from and its liability
14 will be extinguished completely in respect of any Claim and debt, whether reduced to judgment
15 or not, liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, fixed or
16 not, matured or unmatured, disputed or undisputed, legal or equitable, known or unknown, that
17 arose from any agreement of the Debtor entered into or obligation of the Debtor incurred before
18 the Confirmation Date, or from any conduct of the Debtor prior to the Confirmation Date, or that
19 otherwise arose before the Confirmation Date, including, without limitation, all interest, if any, on
20 any such Claims and debts, whether such interest accrued before or after the date of
21 commencement of the Reorganization Case, and including, without limitation, all Claims and
22 debts based upon or arising out of Tort Claims and from any liability of the kind specified in
23 Bankruptcy Code §§ 502(g), 502(h), and 502(i), whether or not a Proof of Claim is filed or is
24 deemed filed under Bankruptcy Code § 501, such Claim is Allowed under Bankruptcy Code
25 § 502, or the holder of such Claim has accepted the Plan.

26

1 17.2 Vesting. Except as otherwise expressly provided in the Plan or in the Confirmation
2 Order, on the Effective Date the Reorganized Debtor will be vested with all of the property of the
3 Estate free and clear of all Claims, Liens, encumbrances, charges and other interests of Creditors,
4 and will thereafter hold, use, dispose or otherwise deal with such property and operate its business
5 free of any restrictions imposed by the Bankruptcy Code or by the Court. All Avoidance Actions
6 and Insurance Actions, except to the extent the any are transferred to the Settlement Trust or the
7 Litigation Trust, are hereby preserved for the benefit of the Reorganized Debtor and of the
8 Trustees under the Settlement Trust and the Litigation Trust, as the case may be. The proceeds of
9 any Avoidance Actions or any Insurance Action Recoveries will be used, as necessary, for
10 funding obligations of the Diocese under the Plan. Prosecution and settlement of the Avoidance
11 Actions and the retained interest in any Insurance Actions will be the exclusive responsibility of
12 the Reorganized Debtor. The Reorganized Debtor will have sole and absolute discretion over
13 whether to prosecute or settle such causes of action.

14 17.3 Channeled Claims. Except as otherwise expressly provided in the Plan and in this
15 Article 17, in consideration of: (a) the promises and obligations of the Participating Third Parties
16 under the Plan, including the establishment and funding of the Settlement Trust and the Litigation
17 Trust; and (b) the undertakings of the Settling Insurers pursuant to their respective settlements
18 with the Debtor, on the Effective Date (i) all Persons who have held, hold, or may hold Tort
19 Claims, whether known or unknown, will be forever barred from pursuing such Claims, whether
20 such Claims are based upon tort or contract or otherwise, that they heretofore, now or hereafter
21 possess or may possess against the Participating Third Parties and the Settling Insurers, the
22 respective predecessors, successors, officials, shareholders, subsidiaries, divisions, affiliates,
23 representatives, attorneys, merged or acquired companies or operations or assigns of the Settling
24 Insurers and the Participating Third Parties, (all such parties referenced in this Section 17.3 being
25 collectively called the "Settling Parties"), in each case based upon or in any manner arising from
26 or related to any acts or omissions of the Diocese or any of the other Settling Parties related to

1 any sexual misconduct or other acts committed by any clergy, employee or other Person
2 associated with the Diocese, including, but not limited to, any volunteers and, further, including,
3 without limitation: (a) personal injuries, including emotional distress; (b) those of any Person
4 against whom any Claim, demand, proceeding, suit or cause of action based upon or in any
5 manner arising from or relating to any of the matters enumerated or described herein has been or
6 may be asserted (including, without limitation, rights of indemnity, whether contractual or
7 otherwise, contribution Claims and subrogation Claims); (c) those for damages, including
8 punitive damages; (d) those for attorneys' fees and other expenses, fees or costs; (e) those for any
9 possible economic loss or loss of consortium; (f) those for damages to reputation; and (g) those
10 for any equitable remedy. Except as otherwise expressly provided in the Plan and the Plan
11 Documents, the provisions of this Section 17.3 shall further operate, as between all Settling
12 Parties, as a mutual release of all Claims which any Settling Party may have against another
13 Settling Party. The foregoing channeling provisions are an integral part of the Plan and are
14 essential to its implementation.

15 17.4 Exculpation And Limitation Of Liability. Neither the Debtor, the Reorganized
16 Debtor, the Committee, the Unknown Claims Representative, the Guardian ad Litem nor any of
17 their respective present or former members, managers, officers, directors, employees, advisors,
18 attorneys, or agents acting in such capacity (the "Released Parties") will have or incur any
19 liability to, or be subject to any right of action by, any holder of a Claim or any other party in
20 interest or any of their respective agents, employees, representatives, financial advisors, attorneys,
21 or affiliates, or any of their successors or assigns, for any act or omission in connection with,
22 relating to, or arising out of the Reorganization Case, the pursuit of confirmation of the Plan, or
23 the administration of the Plan or the property to be distributed under the Plan, except for their
24 willful misconduct; and in all respects such parties will be entitled to reasonably rely upon the
25 advice of counsel with respect to their duties and responsibilities under the Plan or in the context
26 of the Reorganization Case.

1 17.5 Permanent Injunction Against Prosecution of Released and Channeled Claims.

2 Except as otherwise expressly provided in the Plan, for the consideration described in Section
3 17.3 above or any agreement by which a Person becomes a Participating Third Party or a Settling
4 Insurer, or if such Person is a Released Party on the Effective Date all Persons who have held,
5 hold, or may hold Channeled Claims or Claims against the Diocese, any Participating Third Party,
6 any Settling Insurer or any Released Party, whether known or unknown, and their respective
7 agents, attorneys, and all others acting for or on their behalf, shall be permanently enjoined on
8 and after the Effective Date from: (a) commencing or continuing in any manner, any action or any
9 other proceeding of any kind with respect to any Claim against the Released Parties, the Settling
10 Parties, the Diocese, the Reorganized Debtor, the Settlement Trust, the Litigation Trust, the
11 Trustees, and their respective predecessors, successors, officials, shareholders subsidiaries,
12 divisions, affiliates, representatives, attorneys, merged or acquired companies or operations or
13 assigns (collectively, the "Parties") or the property of the Parties; (b) seeking the enforcement,
14 attachment, collection or recovery by any manner or means of any judgment, award, decree, or
15 order against the Parties or the property of the Parties, with respect to any discharged Claim or
16 Channeled Claim; (c) creating, perfecting, or enforcing any encumbrance of any kind against the
17 Parties or the property of the Parties with respect to any discharged Claim or Channeled Claim;
18 (d) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation
19 due to the Parties with respect to any discharged Claim or Channeled Claim; and (e) taking any
20 act, in any manner and in any place whatsoever, that does not conform to or comply with
21 provisions of the Plan, the Settlement Trust Agreement or the Litigation Trust Agreement.
22 Notwithstanding this section 17.4, each Non-Settling Tort Claimant will be entitled to continue or
23 commence an action against the Trustees of the Litigation Trust (in their capacity as Trustees only
24 and not in their individual capacity) in which the Non-Settling Tort Claimant will be entitled to a
25 jury trial for the sole purpose of obtaining a judgment as permitted by the Litigation Trust
26 Agreement, thereby liquidating such Non-Settling Tort Claimant's Claim so that it may be paid

1 with other Allowed Tort Claims in the ordinary course of the operations of the Litigation Trust,
2 consistent with the provisions of the Litigation Trust Agreement. The holder of any such
3 judgment will be enjoined from executing against the Litigation Trust or its assets. In the event
4 any Person takes any action that is prohibited by, or is otherwise inconsistent with the provisions
5 of Article 17 of the Plan, then, upon notice to the Court by an affected Party, the action or
6 proceeding in which the Claim of such Person is asserted will automatically be transferred to the
7 Court (or, as applicable, the District Court) for enforcement of the provisions of Article 17 of the
8 Plan. The foregoing injunctive provisions are an integral part of the Plan and are essential to its
9 implementation.

10 **ARTICLE 18**

11 **MODIFICATION OF PLAN**

12 The Plan may be modified by the Debtor or the Reorganized Debtor (as applicable) from
13 time to time in accordance with, and pursuant to, Bankruptcy Code § 1127. The Plan may be
14 modified by the Debtor at any time before the Confirmation Date, provided that the Plan, as
15 modified, meets the requirements of Bankruptcy Code §§ 1122 and 1123, and the Debtor has
16 complied with Bankruptcy Code § 1125.

17 **ARTICLE 19**

18 **RETENTION OF JURISDICTION**

19 Notwithstanding confirmation of the Plan and the occurrence of the Effective Date, the
20 Bankruptcy Court will retain jurisdiction for the following purposes:

21 19.1 In General. The Bankruptcy Court will retain jurisdiction to determine the
22 allowance and payment of any Claims upon any objections thereto (or other appropriate
23 proceedings) by the Debtor, by the Reorganized Debtor, or by any other party in interest entitled
24 to proceed in that manner. As part of such retained jurisdiction, the Bankruptcy Court will
25 continue to determine the allowance of Administrative Claims and any request for payment
26 thereof, including Administrative Claims for Professional Charges. The Bankruptcy Court will

1 not retain or obtain jurisdiction to determine any internal disputes between the Diocese, a Parish
2 or any other related Person that, under applicable Canon Law, would be determined in a
3 specialized religious court.

4 19.2 Plan Disputes And Enforcement. Subject to the limitations set forth in Section
5 19.1 above, the Bankruptcy Court will retain jurisdiction to determine any dispute which may
6 arise regarding the interpretation of any provision of the Plan. The Bankruptcy Court also will
7 retain jurisdiction to enforce any provisions of the Plan and any and all documents relating to the
8 Plan, including, but not limited to, any actions to enforce the releases and injunctions provided for
9 in Article 17 of the Plan. The Bankruptcy Court will also retain jurisdiction over any matter
10 relating to the implementation, effectuation, and/or consummation of the Plan as expressly
11 provided in any provision of the Plan.

12 19.3 Further Orders. The Bankruptcy Court will retain jurisdiction to facilitate the
13 performance of the Plan by entering, consistent with the provisions of the Plan, any further
14 necessary or appropriate order regarding enforcement of the Plan, the Plan Documents and any
15 provisions thereof, and to protect the Debtor, the Reorganized Debtor and the Settling Parties
16 from actions prohibited under the Plan. Subject to the limitations provided in Section 19.1 above,
17 in addition, the Bankruptcy Court will retain jurisdiction to facilitate or implement the allowance,
18 disallowance, treatment, or satisfaction of any Claim, or any portion thereof, pursuant to the Plan.

19 19.4 Governmental Units Or Regulatory Agencies. The Bankruptcy Court will retain
20 jurisdiction to adjudicate any dispute or to hear and determine any action taken, proposed, or
21 threatened by any state, federal, or local governmental regulatory agency or unit having or
22 asserting jurisdiction or power over the conduct of the business of the Debtor and/or the
23 Reorganized Debtor.

24 19.5 Final Decree. The Bankruptcy Court will retain jurisdiction to enter an appropriate
25 final decree in the Bankruptcy Case.

26

1 19.6 Appeals. In the event of an appeal of the Confirmation Order or any other kind of
2 review or challenge to the Confirmation Order, and provided that no stay of the effectiveness of
3 the Confirmation Order has been entered, the Bankruptcy Court will retain jurisdiction to
4 implement and enforce the Confirmation Order and the Plan according to their terms, including,
5 but not limited to, jurisdiction to enter such orders regarding the Plan or the performance thereof
6 as may be necessary to effectuate the reorganization of the Debtor.

7 19.7 Executory Contracts. The Bankruptcy Court will retain jurisdiction to determine
8 any and all motions regarding assumption or rejection of Executory Contracts and any and all
9 Claims arising therefrom.

10 19.8 Claims. Subject to the limitations set forth in Section 19.1 above, the Bankruptcy
11 Court will retain jurisdiction: (a) to hear and determine any claim or cause of action by or against
12 the Debtor, the Debtor's officers and employees, the Chapter 11 Professionals, and the
13 Reorganized Debtor; and (b) to adjudicate any causes of action or other proceeding currently
14 pending or otherwise referenced here or elsewhere in the Plan, including, but not limited to, the
15 adjudication of the Avoidance Actions and any and all "core proceedings" under 28 U.S.C.
16 §157(b) which may be pertinent to the Reorganization Case and which the Debtor or the
17 Reorganized Debtor may deem appropriate to initiate and prosecute before the Court in aid of the
18 implementation of the Plan.

19 19.9 Modification of the Plan. The Bankruptcy Court will retain jurisdiction to modify
20 the Plan pursuant to the provisions of the Plan.

21 19.10 Failure of Court to Exercise Jurisdiction. If the Bankruptcy Court abstains from
22 exercising or declines to exercise jurisdiction or is otherwise without jurisdiction over any matter
23 arising out of the Reorganization Case, including matters set forth in this Article 19, this Article
24 19 will not diminish, control, prohibit or limit the exercise of jurisdiction by any other court
25 having competent jurisdiction with respect to such matter.

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1 **ARTICLE 20**

2 **REORGANIZATION OF DIOCESE**

3 20.1 Continued Corporate Existence and Vesting of Assets in the Reorganized Debtor.

4 The Debtor will, as a Reorganized Debtor, continue to exist after the Effective Date as a separate
5 legal entity, with all powers of a corporation sole under the laws of the State of Arizona and
6 without prejudice to any right to alter or terminate such existence under applicable state law.
7 Except as otherwise provided in the Plan or any documents executed in conjunction with the Plan,
8 on and after the Effective Date, all property of the Estate and any property acquired by the Debtor
9 or the Reorganized Debtor under the Plan, including, but not limited to all Assets, will vest in the
10 Reorganized Debtor free and clear of all Claims, liens, charges, or other encumbrances. On and
11 after the Effective Date, the Reorganized Debtor may operate its business and carry on its
12 ministry and its mission and may use, acquire, or dispose of property, and compromise or settle
13 any Claims without supervision or approval of the Bankruptcy Court and free of any restrictions
14 of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by
15 the Plan or the Confirmation Order.

16 20.2 Management of Reorganized Debtor. From and after the Effective Date, the
17 Reorganized Debtor will continue to be managed in accordance with the principles of Canon Law
18 and applicable state law, and the Bishop will be the sole director of the Reorganized Debtor.

19 20.3 Reorganization of Parishes. Prior to the Effective Date, but after the Confirmation
20 Date, each Parish will be separately incorporated as an Arizona non-profit corporation. Upon
21 completion of the incorporation and establishment of the corporate existence of each such Parish,
22 the Diocese, as part of the Plan, will convey legal title to the Parish Real Property to each Parish
23 that is the owner of such Parish Property. The Confirmation Order will specifically approve the
24 transfer and direct the Diocese or the Reorganized Debtor to execute such documents as are
25 necessary and appropriate to carry out such transfers. Each Parish that is separately incorporated
26 will be operated and governed in accordance with Canon Law. Any disputes regarding the

1 interpretation and governance of the legal structure and operation of a Parish will be referred to
2 the appropriate Church agency for determination.

3 **ARTICLE 21**

4 **GENERAL PROVISIONS**

5 21.1 Extension Of Payment Dates. If any payment date falls due on any day which is
6 not a Business Day, then such due date will be extended to the next Business Day.

7 21.2 Notices. Any notice required or permitted to be provided under the Plan will be in
8 writing and served by regular first class mail, overnight delivery, or hand-delivery.

9 21.3 Closing of the Case. At such time as the Plan has been fully administered and/or
10 the Plan has been substantially consummated, the Reorganized Debtor will file an application for
11 Final Order showing that the Plan has been substantially consummated. The Reorganized Debtor
12 will file an application for Final Order upon notice to only those Creditors, holders of Interests,
13 and parties that, after the Effective Date, have specifically requested, after which an order
14 approving the Reorganized Debtor's final report and closing the Reorganization Case may be
15 entered.

16 21.4 Interest. Whenever interest is to be computed under the Plan, interest will be
17 simple interest and not compounded.

18 21.5 Additional Assurances. The Debtor, the Reorganized Debtor, and the Creditors
19 holding Claims herein will execute such other further documents as are necessary to implement
20 any of the provisions of the Plan.

21 21.6 Confirmation By Nonacceptance Method. The Debtor hereby requests, if
22 necessary, confirmation of the Plan pursuant to Bankruptcy Code § 1129(b) with respect to any
23 impaired Class of Claims which does not vote to accept the Plan.

24 21.7 Withdrawal Of Plan. The Plan may be withdrawn or revoked prior to entry of the
25 Confirmation Order in which event the provisions of Section 21.12 will apply.

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1 21.8 Severability And Reformation. It is the Debtor's intention to comply fully with the
2 Bankruptcy Code and applicable nonbankruptcy law in proposing the Plan. Therefore, if any
3 provision of the Plan is determined by the Bankruptcy Court to be contrary to the Bankruptcy
4 Code or applicable nonbankruptcy law, that provision will be deemed severed and automatically
5 deleted from the Plan, if it cannot be reformed or the provision or its interpretation will be
6 deemed reformed to ensure compliance; provided, however, that nothing contained in this Section
7 will prevent the Debtor from modifying the Plan in any manner whatsoever in accordance with
8 and as set forth in the Plan. Pursuant to any ruling by the Bankruptcy Court regarding the subject
9 matter of this Section, any such severance or reformation will be stated specifically in the
10 Confirmation Order, which then will control notwithstanding any contrary or inconsistent
11 provisions of the Plan.

12 21.9 Prohibition Against Prepayment Penalties. If the Debtor or the Reorganized
13 Debtor chooses, in its sole and absolute discretion, to prepay any obligation on which deferred
14 payments are provided for under the Plan, the Debtor or the Reorganized Debtor will not be liable
15 or subject to the assessment of any prepayment penalty thereon unless otherwise ordered by the
16 Bankruptcy Court.

17 21.10 Fractional Dollars. Notwithstanding any other provision of the Plan, no payments
18 or distributions under the Plan of or on account of fractions of dollars will be made. When any
19 payment or distribution of or on account of a fraction of a dollar to any holder of an Allowed
20 Claim would otherwise be required, the actual payment or distribution made will reflect a
21 rounding of such fraction to the nearest whole number (up or down).

22 21.11 Payment Of Statutory Fees And Filing of Quarterly Reports. All fees payable
23 pursuant to Section 1980 of Title 28 of the United States Code, 28 U.S.C. § 1980, as determined
24 by the Bankruptcy Court at or in conjunction with the Confirmation Hearing, will be paid on or
25 before the Effective Date and, thereafter, in accordance with applicable bankruptcy law. All
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1 quarterly reports of disbursements required to be filed by applicable bankruptcy law will be filed
2 in accordance with applicable bankruptcy law.

3 21.12 Reservation of Rights. Except as expressly provided herein, the Plan will have no
4 force or effect unless the Confirmation Order is entered by the Bankruptcy Court and the
5 Effective Date has occurred. None of the filing of the Plan, any statement or provision contained
6 herein, or the taking of any action by the Debtor with respect to the Plan will be or will be
7 deemed to be an admission or waiver of any rights of the Debtor with respect to the holders of
8 Claims prior to the Effective Date.

9 21.13 No Professional Fees or Expenses. No professional fees or expenses will be paid
10 by the Debtor or the Reorganized Debtor with respect to any Claim except as specified in the Plan
11 or is Allowed by Final Order of the Court.

12 21.14 Dissolution of Committee. Upon the occurrence of the Effective Date, the
13 Committee will dissolve and members will be released from all rights and duties arising from or
14 related to the Reorganization Case.

15 21.15 Release of Unknown Claims Representative and Guardian ad Litem. Upon the
16 occurrence of the Effective Date, the Unknown Claims Representative and the Guardian ad Litem
17 will be released from their respective duties and discharged.

18 21.16 Headings. The headings of the articles, paragraphs, and section of the Plan are
19 inserted for convenience only and will not affect the interpretation hereof.

20 21.17 Section 1146 Exemption. Pursuant to Bankruptcy Code § 1146(c), any transfers of
21 property pursuant hereto will not be subject to any document, recording tax, stamp tax,
22 conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax,
23 mortgage recording tax or other similar tax or governmental assessment in the United States, and
24 the confirmation Order will direct the appropriate state or local governmental officials or agents
25 to forgo the collection of any such tax or governmental assessment and to accept for filing and
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1 recordation any of the foregoing instruments or other documents without the payment of any such
2 tax or governmental assessment.

3 21.18 Successors and Assigns. The rights, benefits and obligations of any Person named
4 or referred to in the Plan will be binding upon, and will insure to the benefit of, the heir, executor,
5 administrator, successor or assign of such Person.

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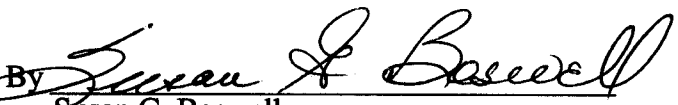
DATED: February 25, 2005.

THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF TUCSON, an Arizona
corporation sole

By _____
The Most Reverend Gerald F. Kicanas, D.D.
Responsible Person for the Diocese of Tucson

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