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8 **UNITED STATES BANKRUPTCY COURT**
 9 **DISTRICT OF NEVADA**

11 In re:

12 BISHOP GORMAN DEVELOPMENT
 13 CORPORATION, a Nevada nonprofit
 corporation,

14 Debtor.

Case No. BK-17-11942-ABL

Chapter 11

**DISCLOSURE STATEMENT FOR
 DEBTOR'S FIRST AMENDED PLAN OF
 REORGANIZATION DATED
 DECEMBER 27, 2017**

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- A Chapter 11 Plan of Bishop Gorman Development Corporation
- B Liquidation Analysis
- C Proforma Statement of Income and Expense
- D Appraisal Report – FTI Consulting, Inc.
- E Recovery Analysis
- F Diocese Plan Support Agreement

1 This Disclosure Statement is submitted for approval in connection with the First Amended
2 Chapter 11 Plan dated December 27, 2017 (the “Plan”) filed by Bishop Gorman Development
3 Corporation, a Nevada nonprofit corporation (“BGDC” or “Debtor”), Debtor and Debtor in
4 Possession in this chapter 11 case (the “Chapter 11 Case”).

5 Capitalized terms utilized in this Disclosure Statement, if not defined herein, shall have the
6 meaning used or defined in the Plan, the Bankruptcy Code, or the Bankruptcy Rules.

7 This Disclosure Statement is being provided to holders of impaired Claims, in connection
8 with the solicitation of their votes on the Plan, in order to provide adequate information to enable
9 them to make reasonably informed decisions in the exercise of their rights to vote on the Plan.

10 THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BASED
11 UPON FINANCIAL AND OTHER INFORMATION DEVELOPED BY DEBTOR. ALTHOUGH
12 DEBTOR HAS REASONABLY ENDEAVORED TO OBTAIN AND SUPPLY ALL MATERIAL
13 INFORMATION, THE INFORMATION PROVIDED HAS NOT BEEN SUBJECT TO
14 CERTIFIED AUDIT OR INDEPENDENT REVIEW EXCEPT WHERE EXPRESSLY
15 INDICATED. ACCORDINGLY, DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT
16 THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY OR IS
17 COMPLETE. NO REPRESENTATION CONCERNING DEBTOR IS AUTHORIZED OTHER
18 THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

19 The information presented in this Disclosure Statement includes forward-looking statements
20 in addition to historical information. These statements involve known and unknown risks and relate
21 to future events. Forward-looking statements are only predictions. Actual events or results may
22 differ materially from any forward-looking statement as a result of various factors. Although Debtor
23 believes that the expectations reflected in the forward-looking statements are reasonable, Debtor
24 cannot guarantee future results, events, performance or achievements. Debtor expressly disclaims a
25 duty to update any of the forward-looking statements.

26 AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER
27 ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT
28 CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY,

1 STIPULATION, OR WAIVER, BUT RATHER (IF AT ALL) AS A STATEMENT MADE IN
2 SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE
3 ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE
4 CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER
5 LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST DEBTOR.

6 **ARTICLE I**

7 **INTRODUCTION**

8 On April 17, 2017 (the “Petition Date”), Debtor filed a voluntary petition for relief under
9 chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States
10 Bankruptcy Court for the District of Nevada (the “Bankruptcy Court”).

11 BGDC is the owner of that certain real property and the improvements thereon located at
12 5959 S. Hualapai Way in Las Vegas, Nevada, bearing the Clark County Assessor’s Parcel No. 164-
13 36-601-005 (the “Property”). BGDC was organized on February 6, 2003, to acquire and own the
14 Property, to raise funds for and construct Bishop Gorman High School’s current campus, buildings,
15 and other related facilities on the Property (collectively the “Project”), and to lease the Property to
16 The Roman Catholic Bishop of Las Vegas and His Successors, a Corporation Sole (the “Diocese” or
17 the “Tenant”) in order for the Diocese to operate Bishop Gorman High School (“BGHS” or the
18 “School”) on the Property. The School is administered as an independent canonical entity. The
19 separate ownership and leasing structure was adopted at the insistence of donors, actual and
20 prospective, based on their concerns that the Diocese might be subject to substantial tort claims
21 wholly unrelated to the Project that would place the solvency of the Diocese at risk. The donors did
22 not want the funds raised for the construction of the School, to which they expected to contribute
23 millions of dollars, to be exposed to the potential tort claims of the Diocese’s creditors.

24 The majority of the Debtor’s revenues come from rental income, charitable donations, and
25 fundraising events. Debtor is a not-for-profit corporation exempt from income taxes under Section
26 501(c)(3) of the Internal Revenue Code and is classified as a publically supported organization under
27 Internal Revenue Code section 509(a)(1).

1 BGDC has filed the Amended Plan. (ECF No. 245). This Disclosure Statement was prepared
2 by Debtor for use in conjunction with the Plan, a copy of which is attached hereto as Exhibit "A."

3 **Section A. Plan Overview**

4 The Plan separates Claims against BGDC into classes, based on their level of priority under
5 the Bankruptcy Code and the legal nature of the Claims.

6 Administrative Claims and Priority Tax Claims are not classified because the Bankruptcy
7 Code requires that they receive specific treatment. Other than Professional Fees, US Trustee Fees,
8 and the DIP Loan, the Debtor is not aware of and does not anticipate any Administrative Expenses or
9 Priority Tax Claims. Professional Fees will be paid when allowed by the Bankruptcy Court and US
10 Trustee Fees will be paid when due. The Debtor and, as otherwise appropriate, the Reorganized
11 Debtor will repay the DIP Loan in equal monthly payments of principal and interest over five years
12 commencing on the first day of the month that is more than 30 days after the seventh (7th)
13 anniversary of the Effective Date of the Plan. The Plan's classification and treatment of Claims are
14 summarized below:

Class	Description	Treatment	Estimated Amount ¹
Class 1.	Priority Claims	Each Holder of an Allowed Priority Claim shall be paid Cash in the Allowed amount of such Allowed Priority Claim on, or as soon as reasonably practicable after, the later of: (x) the Effective Date; and (y) the date on which the Priority Claim is Allowed. <i>Impairment and Voting: Class 1 is Impaired. Therefore, the Holder of the Class 1 Priority Claims is entitled to vote to accept or reject the Plan.</i>	\$0.00

22
23
24 ¹ These amounts were compiled by combining: (a) the undisputed Claims listed on Debtor's
25 Bankruptcy Schedules, (b) the Proofs of Claim filed that have neither been disallowed or settled yet,
26 and (c) Debtor's books and records. As such, these amounts are estimates only, and may change as
27 the adjudication or other resolution of Disputed Claims occurs. Attached as Exhibit E hereto is an
28 estimated percentage for class recoveries. Please note that these are merely estimates based on the
debtor's legal theories of valuation and that the actual distributions and recoveries may vary
depending on the final amounts of all allowed claims, the results of the pending preference adversary
proceeding against JATCO, and the Court's determination of the fair market value of the Debtor's
assets.

Class	Description	Treatment	Estimated Amount ¹
Class 2.	Bank of America Secured Claim	<p>On the Effective Date, the Reorganized Debtor shall reinstate the Bank Loan Agreements as amended by the Plan: (i) the expiration date of the Letter of Credit shall be extended from November 30, 2018 to November 30, 2019, (ii) the Bank shall have no right to seek from Debtor or Reorganized Debtor interest in excess of the non-default rate that accrued under the Bank Loan Agreements prior to the Effective Date, and (iii) the payments to be made on account of other Claims under this Plan shall not constitute a breach of the Bank Loan Agreements. The Bank shall retain all Liens on the Bank's Collateral.</p> <p><i>Impairment and Voting: Class 2 is Impaired. Therefore, the Holder of the Class 2 Allowed Bank Secured Claim is entitled to vote to accept or reject the Plan.</i></p>	\$1,720,691.00
Class 3.	County Secured Claim	<p>On the Effective Date, the Reorganized Debtor shall reinstate the County Loan Agreement, <i>provided, however,</i> that the County shall have no right to seek from Debtor or Reorganized Debtor interest in excess of the non-default rate that accrued under the County Loan Agreement prior to the Effective Date. The County shall retain all Liens it has on the County's Collateral.</p> <p><i>Impairment and Voting: Class 3 is Impaired. Therefore, the Holder of the Class 3 County Secured Claim is entitled to vote to accept or reject the Plan.</i></p>	\$29,870,000.00
Class 4.	County Special Assessment Program - SAP	<p>After the Effective Date, the Tenant shall assume all the Debtor's obligations under the SAP and shall continue to pay the SAP Claim according to its terms until its maturity <i>provided that</i> the Holder of the Allowed SAP Claim shall have no right to seek from Debtor or Reorganized Debtor interest in excess of the non-default rate or fees, expenses and penalties that accrued under the SAP prior to the Effective Date.</p> <p><i>Impairment and Voting: Class 4 is Impaired. Therefore, the Holder of the Class 4 SAP Claim is entitled to vote to accept or reject the Plan.</i></p>	\$1,313,338.41

Class	Description	Treatment	Estimated Amount ¹
Class 5.	General Unsecured Creditors	<p>Subject to the last sentence of this paragraph, each Holder of a General Unsecured Claim shall, in full satisfaction, settlement, release and exchange for such Allowed General Unsecured Claim, receive its Pro Rata portion of the \$10 million GUC Fund. The JATCO Liens shall be void and the JATCO Claim shall be treated in all respects as a General Unsecured Claim. Following the Effective Date, payments shall be made to the holders of Allowed General Unsecured Claims that execute the GUC/Diocese Release quarterly from the proceeds of the Additional Rent. The Additional Rent shall be deposited in a separate account by the Reorganized Debtor free of the Liens of Bank of America. Only holders of General Unsecured Claims that execute the GUC/Diocese Release shall receive their Pro Rata share of the GUC Fund that is attributable to the Additional Rent. If all holders of Class 5 Claims vote in favor of the GUC/Diocese Release, the estimated Recovery is 33%.²</p> <p><i>Impairment and Voting: Class 5 is Impaired. Therefore, the Holders of Class 5 General Unsecured Claims are entitled to vote to accept or reject the Plan.</i></p>	\$30,000,000.00

² This is only an estimate and actual recoveries may vary as set forth herein.

Class	Description	Treatment	Estimated Amount ¹
Class 6.	Donors	<p>If a Donor votes in favor of the Plan, then the Donor Funds will be used to fund payment of the estate dividend set forth for Holders of Class 5 General Unsecured Claims, and such Donors voting in favor of the Plan will not receive payment of any estate dividend on account of their Class 6 Claim(s). If a Donor votes against confirmation of the Plan, then that Donor's Claim shall be included as part of Class 5, set forth above, and the Donor's Claim(s) in the Chapter 11 Case shall be accorded the same treatment as the Holder of an Allowed General Unsecured Claim in the Chapter 11 Case.</p> <p>Each Holder of an Allowed Class 6 Donor Claim who votes against confirmation of the Plan, and whose claim is thereby treated as an Allowed Class 5 General Unsecured Claim, will be entitled to receive its Pro Rata portion of the GUC Fund, but shall not be entitled to receive its Pro Rata share of the GUC Fund that is attributable to the Additional Rent.</p> <p><i>Impairment and Voting: Class 6 is Impaired. Therefore, Holders of Class 6 Claims are entitled to vote to accept or reject the Plan.</i></p>	\$2,266,577.00
Class 7	Howard Hughes Properties, Inc.	<p>Proof of Claim No. 4 shall be unimpaired. The Reorganized Debtor shall continue to comply with the Development Declarations which shall remain in full force and effect. Howard Hughes Properties, Inc. shall retain its lien on the Property.</p> <p><i>Impairment and Voting: Class 7 Claims are not Impaired and their holders are not entitled to vote to accept or reject the Plan.</i></p>	Unliquidated

Class	Description	Treatment	Estimated Amount ¹
	Convenience Class	<p>1 Holders of Allowed Convenience Class Claims 2 will receive on account of such Allowed Claim(s) 3 payment of any estate dividend to which they are 4 entitled under the Plan as a single, lump-sum 5 payment as part of the first quarterly disbursement 6 to Holders of General Unsecured Claims under the 7 Plan. 8 9 Each Holder of an Allowed Convenience Class 10 Claim will receive, as a single, lump-sum 11 payment, its Pro Rata portion of the GUC Fund, 12 but shall not be entitled to receive its Pro Rata 13 share of the GUC Fund that is attributable to the 14 Additional Rent. 15 16 <i>Impairment and Voting: Convenience Class 17 Claims are Impaired and their holders are entitled 18 to vote to accept or reject the Plan.</i></p>	\$0.00

13 Section B. Debtor's Principal Assets And Indebtedness

14 (1) Property

15 BGDC acquired the Property from Howard Hughes Properties, Inc. ("Hughes") in 2003 and
16 2011. The Property is subject to use restrictions set forth in that certain Declaration of Development
17 Covenants and Restrictions, recorded December 19, 2003 (the "2003 Declaration") and that certain
18 Declaration of Development Covenants and Restrictions, recorded March 15, 2011 (the "2011
19 Declaration" and together with the 2003 Declaration, the "Declarations").

20 The 2003 Declaration encumbers the original portion of the Property acquired by BGDC in
21 2003 and the 2011 Declaration encumbers the additional portion of the Property acquired by BGDC
22 in 2011, upon expansion of the School. The two parcels were consolidated into a single parcel in
23 2011. Certain of the restrictions set forth in the Declarations are summarized below:³

24 a. Recital C of the 2003 Declaration requires that the Property must be used exclusively
25 for the construction, development and operation of a private, non-profit, Roman Catholic college
26

27 _____
28 ³ This summary is provided for the convenience of the reader. To the extent of any inconsistency
between this summary and the Declarations, the Declarations shall control.

1 preparatory high school (the “Purpose”).⁴ Recital D of the 2003 Declaration states that the price paid
2 by BGDC for the purchase of the Property from Hughes would otherwise have been substantially
3 higher had the Property not been sold subject to the restrictive covenants limiting its use to the
4 Purpose. Recital E and Recital F of the 2011 Declaration are to the same effect.

5 b. Sections 2.1 and 6.1 of both Declarations state that all of the restrictive covenants in
6 the Declarations (“Restrictions”) shall run with the Property. Thus, should a third party acquire title
7 to the Property, that party would also be bound by the Declarations.

8 c. Section 5.1 of both Declarations provides that the Property shall be used, developed,
9 maintained and operated only for the Purpose and the owner shall be permitted to conduct all
10 operations and uses that are standard and customary to the operation and development of such
11 Purpose. Thus, if a third party acquired the Property, such party’s use would also be restricted to the
12 Purpose.

13 d. Section 5.4 of both Declarations restricts subdivision of the Property. Thus, neither
14 BGDC nor any subsequent owner of the Property would be able to subdivide the Property without
15 Hughes’s consent and approval. This Restriction substantially impairs future development of the
16 Property.

17 e. Upon a breach of any of the Restrictions, Hughes may enforce any one or more
18 applicable remedy under the Declarations or available at law or equity at its sole option and
19 discretion, including the right to enter into the Property and remove any nonconforming use that is
20 inconsistent with the Purpose.

21 f. Section 7.1(d) of the 2003 Declaration provides that a default occurs under the
22 Declarations if the Property is occupied by any person other than the owner at any time during the 15
23 years following the date on which the Declarations were recorded.

24 g. Section 8.1 of the 2003 Declaration provides that, unless approved by Hughes, BGDC
25 shall not sell, lease, transfer, exchange, or otherwise dispose of or convey its interest in the Property

26 _____
27 ⁴ JATCO has taken the position that under N.R.S. § 111.237, the Purpose may not be enforceable as
28 a result of the reference to the Roman Catholic religion. The Debtor disagrees, but, in any event, the
Debtor believes N.R.S. § 111.237 would not nullify the balance of the Purpose, which requires that
the Property be used for a private, non-profit college preparatory high school.

1 for a period of 15 years following substantial completion of certain required improvements on the
2 Property. Section 8.1 of the 2011 Declaration provides for a similar covenant to hold. Under both
3 Declarations, upon the occurrence of a conveyance in violation of Section 8.1, BGDC shall pay to
4 Hughes as “Price Participation” for the Property, an amount equal to 100% of the excess of the
5 consideration received by BGDC for the sale of the Property over the “Base Price” of the Property.
6 Base Price means the sum of cash paid by BGDC to Hughes plus all costs and expenses actually and
7 reasonably incurred by BGDC in development of the Project.

8 h. As an alternative to any other remedy for a violation of the Declarations, Hughes
9 may, pursuant to Article 9, elect to be paid an “additional purchase price” equal to the then highest
10 market value of the Property minus the original price paid by BGDC to purchase the Property.
11 Pursuant to Section 8.2 of both Declarations, Hughes may also elect to be paid such additional
12 purchase price in the case of an authorized conveyance of the Property.

13 i. In the event there is any proposed conveyance of the Property, Hughes would have
14 the option to reacquire the Property pursuant to a formula set forth in Article 10 of the Declarations.
15 The repurchase price would be the amount of cash originally paid by BGDC, plus the (a) lower of
16 actual direct costs incurred by BGDC in constructing the Usable Improvements, as defined in the
17 Declarations, on the Property, or (b) the fair market value of such Usable Improvements, minus all
18 advances made by Hughes under the Declarations. Therefore, should a third party acquire the
19 Property, Hughes could invoke its right to repurchase the Property.

20 j. Section 11.1 of both Declarations contains a right of first refusal in favor of Hughes.
21 This right extends for 25 years from the recording of each Declaration.

22 **(2) 2011 Expansion**

23 In 2011, BGHS desired to expand. Accordingly, BGDC acquired about 16 additional acres
24 from Hughes adjacent to the existing School, among other things, on which to construct an athletic
25 training facility and the northern expansion of the School. BGDC obtained donations from Donors to
26 fund the 2011 expansion. The donations were evidenced by, among other things, Charitable
27 Contribution Agreement(s) and/or letter of intent. The donations were conditioned on being used in
28 connection with the 2011 expansion. The initial donations were used to acquire the land and the

1 additional donations were used to pay the 2011 Construction Loan (described below) and for other
2 purposes related to the 2011 expansion.

3 **(3) BGHS Lease**

4 As indicated, BGDC owns the Property where BGHS is located. Debtor has a rental lease
5 agreement dated as of December 1, 2011 (the “BGHS Lease”)⁵ with the Diocese, pursuant to which
6 the Diocese leases the Property from Debtor and operates BGHS thereon through a distinct canonical
7 entity. The separate ownership and leasing structure between the Debtor and the Diocese was
8 adopted at the insistence of donors, actual and prospective (including the long-time, former president
9 of JATCO, Tito Tiberti), based on their concerns that the Diocese might be subject to substantial tort
10 claims wholly unrelated to the Project that would place the solvency of the Diocese at risk. The
11 donors did not want the funds raised for the construction of the School, to which they expected to
12 contribute millions of dollars, to be exposed to the potential claims of the Diocese’s creditors.

13 The initial monthly rent under the BGHS Lease was \$136,250 (or \$1,635,000 per year),
14 subject to adjustment in accordance with the terms of the BGHS Lease. The BGHS Lease expires in
15 November 2061. The BGHS Lease is a true “triple net” lease that provides for the Tenant to assume
16 and perform all duties and obligations with relation to the Property and the use, operation, and
17 maintenance thereof, including the payment of assessments, capital repairs and replacements, and
18 taxes.

19 **(4) Other Assets**

20 Debtor’s assets are identified in its bankruptcy schedules and discussed below.

21 **Section C. Effectiveness of the Plan.**

22 In order for the Plan to become effective, it must be confirmed by the Bankruptcy Court and
23 certain other conditions set forth in Section 7.1 of the Plan must be satisfied. In order for the
24 Bankruptcy Court to confirm the Plan, the Plan must satisfy certain requirements of the Bankruptcy
25 Code.

26
27
28 ⁵ This replaced an earlier Lease dated February 8, 2006. The terms of the 2006 Lease were
materially similar to the terms of the BGHS Lease.

1 Once the conditions to the Plan’s effectiveness have occurred, the Plan will be implemented
2 according to its terms.

3 **ARTICLE II**

4 **BACKGROUND**

5 **Section A. Legal Structure**

6 BGDC is a Nevada non-profit corporation. The Diocese is the sole member. BGDC is
7 governed by a board of directors. The manager of the corporation is The Roman Catholic Bishop of
8 Las Vegas with power to appoint the board of directors, the majority of whom are not Diocesan
9 personnel.⁶ BGDC was formed for the specific purposes of acquiring and owning the Property,
10 constructing the School, and leasing it to the Diocese consistent with the covenants and restrictions
11 that encumber the Property. BGDC maintains corporate formalities, including, among other things,
12 maintaining separate bank accounts,⁷ undergoing separate audits (conducted by a different
13 accounting firm from the firm employed by the Diocese),⁸ submitting separate and independent
14 reports to the IRS and preparing independent financial statements.⁹

15 **Section B. Events Leading Up To The Chapter 11 Case**

16 **(1) Initial Construction**

17 The Property was purchased and the School constructed with a combination of donated and
18 borrowed funds. The borrowing included sums from the sale of \$15,496,176.00 in bonds issued by
19 Clark County, a political subdivision of the State of Nevada (the “County”) in 2005, with financial
20 support via a letter of credit and a construction and bridge loan from Allied Irish Bank. The School
21 was constructed and originally leased to the Tenant by a Lease dated February 8, 2006, which was
22 later replaced by the BGHS Lease.

23
24 ⁶ The current members of the board of directors are The Most Reverend Joseph A. Pepe (the Roman
25 Catholic Bishop of Las Vegas), Michael Gaughan, Deacon Aruna Silva, and Lorenzo J. Fertitta. The
Bishop did not join the board until following the passing of Frank Fertitta in 2009.

26 ⁷ Arbitration Transcripts, Vol. I, J. Kilduff, 102:9–11.

27 ⁸ Arbitration Transcripts, Vol. I, A. Silva.

28 ⁹ Arbitration Transcripts, Vol. I, A. Silva, 117:1–15; Arbitration Transcripts, Vol. III, H. Sanman,
400:19–401:5

1 **(2) Bond Debt**

2 As part of refinancing the Allied Irish Bank obligations and advancing additional funds, the
3 County and The Bank of New York Mellon Trust Company, N.A., a national banking association
4 duly organized and existing under the laws of the United States of America, as trustee (the
5 “Trustee”), are parties to the Indenture of Trust, dated as of December 1, 2011 (as amended,
6 modified and/or supplemented from time to time, the “Indenture”).

7 The County is authorized by the County Economic Development Revenue Bond Law,
8 Nevada Revised Statutes Sections 244A.669 to 244A.763, inclusive (the “Act”), to issue bonds to
9 finance projects located within the County to promote the social welfare of the residents of the
10 County by enabling “corporations for public benefit” (as defined in the Act) to acquire, develop,
11 expand and maintain facilities that provide services for those residents.

12 Pursuant to the Act, the County previously issued “Clark County, Nevada Variable Rate
13 Demand Economic Development Refunding Revenue Bonds (Bishop Gorman High School Project)
14 Series 2011” in the principal amount of \$25,000,000 (the “Bonds”) pursuant to the Indenture.

15 Consistent with BGDC’s above stated purpose, and in a wholly transparent manner, the
16 proceeds of the Bonds were loaned to BGDC, pursuant to a loan agreement between the County and
17 BGDC dated as of December 1, 2011 (the “County Loan Agreement”).

18 BGDC used the proceeds of the Bonds to, among other things, refinance the Allied Irish
19 Bank obligations and for construction and other costs related to the North expansion of the School.

20 The obligations of BGDC to the County under the County Loan Agreement are secured by a
21 lien on certain assets of BGDC (the “County’s Collateral”), which is perfected by a UCC-1 financing
22 statement that was filed with the State of Nevada Office of the Secretary of State on December 19,
23 2011 as Document No. 2011034032-2 (the “County UCC”).

24 **(3) Bank of America – Bond Support**

25 In order to provide credit and liquidity support for the Bonds, Bank of America issued the
26 Irrevocable Transfer Direct Pay Letter of Credit No. 3118248 (as amended, supplemented and/or
27 modified from time to time, the “Letter of Credit”) to the Trustee for the account of BGDC. The
28 Letter of Credit authorizes Trustee, among other things, to make one or more draws on Bank of

1 America, up to an aggregate of \$25,320,548.00 (as reduced and reinstated from time to time, the
2 “Letter of Credit Amount”). Of the total Letter of Credit Amount, \$25,000,000.00 would be in
3 respect of the principal amount of the Bonds and the balance of \$320,548.00 would be in respect of
4 interest on the Bonds.

5 In connection with issuance of the Letter of Credit and certain other financial
6 accommodations provided by Bank of America to BGDC, BGDC, the Diocese as Guarantor and
7 Bank of America entered into that certain Letter of Credit and Reimbursement Agreement, dated as
8 of December 1, 2011 (as amended, supplemented and/or modified from time to time, the
9 “Reimbursement Agreement”).

10 Pursuant to the Reimbursement Agreement, BGDC is required, among other things, to
11 reimburse Bank of America for any amounts paid by Bank of America pursuant to the terms of the
12 Letter of Credit.

13 BGDC and Bank of America entered into that certain interest rate swap transaction, effective
14 as of November 28, 2011, which transaction is subject to the terms and conditions of, or governed
15 by, that certain 2002 Master Agreement, dated as of November 28, 2011, published by the
16 International Swaps and Derivatives Association, Inc. (the “Swap Agreement”). The estimated
17 balance on the Swap Agreement on the Petition Date was \$1,720,691.

18 In order to guarantee the obligations of BGDC to Bank of America under the Reimbursement
19 Agreement and the Swap Agreement, the Diocese as Guarantor entered into that certain Continuing
20 and Unconditional Guaranty dated as of December 1, 2011 (the “Guaranty”).

21 All obligations of BGDC to Bank of America under the Reimbursement Agreement and the
22 Swap Agreement are secured by a lien perfected by a UCC-1 financing statement filed with the State
23 of Nevada Office of the Secretary of State on December 1, 2011, as Instrument Number
24 2011031777-7 (as amended, modified, continued and/or supplemented from time to time, the
25 “Reimbursement UCC”).

26 The BGHS Lease with the Tenant provides, among other things, that the Tenant shall pay to
27 BGDC rent in the amount of \$1,635,000.00 per year, payable in equal monthly installments except
28 as otherwise modified under the terms of the BGHS Lease. However, any rent due under the BGHS

1 Lease is impacted by the Indenture, such that upon any acceleration of amounts due under the
2 Indenture, the Tenant shall immediately pay to BGDC as rent under the BGHS Lease an amount of
3 money which, together with other moneys available under the Indenture, is sufficient to pay the
4 entire principal of and interest on the Bonds. Rent due under the BGHS Lease is also adjustable
5 under Section 5.2 of the Loan Agreement, Section 10 of that certain Remarketing Agreement dated
6 December 1, 2011, and Section 2.2 of the Reimbursement Agreement.

7 All obligations of BGDC to Bank of America under the Reimbursement Agreement and
8 Swap Agreement are secured by, among other things, that certain Deed of Trust, Assignment,
9 Security Agreement and Fixture Filing, dated as of December 1, 2011 (the “Reimbursement Deed of
10 Trust”), executed by BGDC, as grantor, to First American Title Company, as trustee, for the benefit
11 of Bank of America, as beneficiary, and recorded on December 1, 2011, as Instrument No.
12 201112010002417 in the Office of the County Recorder, Clark County, Nevada. The
13 Reimbursement Deed of Trust evidences a senior lien upon the Project and certain other assets of
14 BGDC described therein.

15 **(4) Bank of America – Construction Loan**

16 BGDC and Bank of America also entered into that certain Construction Loan Agreement
17 dated as of December 1, 2011 (the “Construction Loan Agreement”). Pursuant to the Construction
18 Loan Agreement, Bank of America issued a line of credit in the amount of \$12,500,000.00 in favor
19 of BGDC to allow BGDC to construct additional improvements to the Project (the “2011
20 Construction Loan”). As of the Petition Date the Construction Loan had a balance of \$676,500.
21 Pursuant to an order of the Bankruptcy Court (ECF No. 51), Debtor has paid the Construction Loan
22 in full during this Chapter 11 Case.

23 **(5) Forbearance Agreement**

24 Entry of the JATCO Judgment discussed below caused a default under the obligations of
25 BGDC to the Bank. On January 11, 2017, BGDC, the Diocese as Guarantor and Bank of America
26 entered into that certain Forbearance Agreement (the “Forbearance Agreement”). Pursuant to the
27 Forbearance Agreement, in consideration of the Bank’s agreement to forbear from exercising its
28 remedies available to it as a result of the Judgment, BGDC granted Bank of America a lien in all

1 assets of BGDC to secure repayment of all obligations of BGDC to Bank of America. On January
2 13, 2017, an amendment to the Reimbursement UCC (“Reimbursement UCC 2017 Amendment”)
3 was filed with the Nevada Secretary of State as Document Number 2017001268-4, which restated
4 the collateral description to the following: “ALL ASSETS OF DEBTOR (WHETHER NOW
5 OWNED OR HEREAFTER ACQUIRED OR ARISING), AND ALL PROCEEDS (IN
6 WHATEVER FORM OR NATURE) THEREOF” (together with all Debtor’s assets in which Bank
7 of America has an interest, lien, claim or encumbrance, including under the County UCC, the Bank
8 Reimbursement UCC, the Reimbursement Deed of Trust, the Construction Loan Deed of Trust,
9 and/or the Construction Loan Fixture Filing, the “Bank’s Collateral”).

10 **(6) BGHS**

11 The Clerics of St. Viator, a Roman Catholic religious order, in conjunction with a
12 predecessor of the Diocese, the Diocese of Reno-Las Vegas (from which the Diocese was split off in
13 1995) established the School in 1954, which operated continuously at 1801 S. Maryland Pkwy. Las
14 Vegas, until it moved to its present location in 2007. The School is administered as an independent
15 canonical entity. Since its inception, Debtor intended to lease the Property to the Diocese to operate
16 BGHS. Debtor entered into the BGHS Lease, Debtor’s current lease with the Diocese, on or about
17 December 1, 2011. The BGHS Lease provides for monthly rent of \$136,250.00 (adjustable based
18 upon the occurrence of certain events set forth in the BGHS Lease), and the term of the BGHS Lease
19 runs through November 2061. The BGHS Lease is a true, triple-net lease under which the Tenant is
20 obligated to make all capital repairs and replacements and to pay for taxes and assessments.

21 BGHS has a long, rich history in Southern Nevada. BGHS began over sixty years ago as the
22 vision and dream of five outstanding individuals, Romy Hammes, Dorothy Hammes, Kathlyn
23 Hammes Mowbray, Bishop Robert J. Dwyer of Reno-Las Vegas, and Father John F. Brown,
24 Provincial Superior of the Clerics of St. Viator. On September 7, 1954, Bishop Gorman High School
25 opened its doors as the only Catholic high school in Southern Nevada. BGHS has been providing the
26 only Catholic college preparatory education to Las Vegas students for 63 years on the Project
27 property it now leases from the Debtor for its educational operations. BGHS has a student population
28 of approximately 1,500 students who come to the school from 59 different middle schools in the Las

1 Vegas valley. Thirty percent of the students come to BGHS from public schools. The school is
2 tuition based; however, to ensure BGHS provides a Catholic college preparatory education to as
3 many students as possible, BGHS gave \$1.3 million in tuition assistance to 30 percent of its students
4 last year. Moreover, some students receive scholarship funds under Assembly Bill 165, the Nevada
5 Educational Choice Scholarship, which allows families within a certain income bracket to receive
6 grants from state-approved scholarship organizations.

7 BGHS is known for many of its high-quality programs, including athletics; however, the
8 School is proudest of its established, strong, and rigorous academic program. Last year, [96] percent
9 of the graduating seniors were accepted at [206] four-year colleges and universities around the
10 country and received \$[17] million in scholarship offers.

11 BGHS also prides itself on ensuring its students understand the importance of service to
12 others and that community service should be celebrated. Each year, the student body averages 700
13 hours per week in community service to approximately 150 agencies and organizations in Las
14 Vegas. Additionally, last year BGHS's students contributed over \$58,000 to assist those less
15 fortunate in the community.

16 (7) JATCO Dispute

17 In the early 2000's, a group of individuals comprised of major donors and supporters of
18 BGHS came together to start the process of planning and fundraising for the construction of a new
19 campus for BGHS that would ultimately become the Project. Tito Tiberti, then President of a family-
20 owned construction company, the J.A. Tiberti Construction Co., Inc. ("JATCO"), was among those
21 major donors, and he also became a member of BGDC's Board of Directors.

22 As part of the process of planning for the construction of the Project, Tito Tiberti requested
23 having JATCO serve as the Project's general contractor. Debtor and JATCO ultimately entered into
24 a construction agreement, which included a related addendum, for the Project's construction.
25 Pursuant to the construction agreement, JATCO agreed to build the School and to charge BGDC
26 only for its costs, foregoing any profit. The addendum provided that after JATCO had been paid a
27 certain threshold amount in progress payments, if BGDC thereafter had no funds available and was
28 unable to make further progress payments, then JATCO would proceed with the work on the Project

1 and BGDC would fund past and subsequently due progress payments and the final payment upon
2 receipt of funds, as received. Tito Tiberti, in his capacity as JATCO' s president, signed the
3 construction agreement for JATCO. JATCO agreed to this unusual arrangement, because Tito
4 Tiberti (and many members of his family) were graduates and supporters of the School. From the
5 time the construction agreement was signed between Debtor and JATCO until the end of Tito
6 Tiberti's tenure with JATCO in late 2009, Tito Tiberti controlled, and spoke on behalf of, JATCO
7 for all intents and purposes. Indeed, (i) at the time BGDC acquired the Property, (ii) at the time
8 BGDC and JATCO signed the construction agreement, and (iii) at the time BGDC and the Diocese
9 entered into the initial lease in 2006, Tito Tiberti was on the board of directors of both JATCO and
10 BGDC, and shared the goals of BGDC and the Diocese.

11 In hindsight, it seems the Project became an obsession for Tito Tiberti and what he
12 envisioned as his legacy; Tito Tiberti became a "perfectionist" determined on building a school with
13 the Tiberti name on it that "everyone would be proud of."¹⁰ Notably, conference rooms and other
14 structures owned by the BGDC continue to prominently bear the Tiberti name.

15 Shortly after the commencement of construction at the Project, costs started escalating.
16 Estimates for the Project began to change significantly, due in part to the decision of the board of
17 directors to accelerate the construction of Phases II and III of the Project.

18 Tito Tiberti also approved and/or signed change orders on both sides - for both JATCO and
19 BGDC. Some of these changes involved aesthetic enhancements and upgrades in materials that were
20 not functionally necessary for the School. During the construction of the Project, JATCO failed to
21 provide timely pay applications to BGDC for review, approval and processing. The final pay
22 application did not balance or reflect an accurate accounting of costs and expenses as were shown on
23 prior pay applications. For example, JATCO made an \$8,000,000 adjustment on its final pay
24 application submitted to BGDC long after the completion of construction as its cost estimates
25 throughout the construction of the Project were incorrect. During the construction of the Project and
26 after its completion, JATCO never filed any mechanics' liens, or other statutory liens, against the
27 Property.

28 ¹⁰ Arbitration Transcripts, Vol. II, G. King, 299:13-300:2.

1 In his arbitration testimony, Tito Tiberti confirmed, that after financing efforts were
2 exhausted, donations were “the only source” of repayment contemplated by the parties.¹¹ Also
3 consistent with this understanding, Tito Tiberti and his team went to painstaking efforts to track
4 pledges from donors, contributions received, and the magnitude of the potential shortfall looming at
5 the completion of construction.

6 Q. Okay. So you’re tracking the number to see — I like your analogy —
7 how far out on your skis you’re getting; right?

8 A. Yes.

9 Q. And then at some point you’re going to go to where to get the money,
10 the donors?

11 A. Yes.¹²

12 In addition, testimony during the arbitration also confirmed that JATCO was not seeking or
13 expecting payment from anyone other than the contract counterparty, BGDC, and that JATCO had
14 no contract with the School or the Diocese.¹³

15 The total cost of the construction performed by JATCO at the completion of the Project
16 amounted to approximately \$76 million. Debtor made payments to JATCO during the construction
17 and thereafter in the total amount of approximately \$54 million, leaving a balance of roughly \$22
18 million that was advanced by JATCO to Debtor related to the construction that remains outstanding
19 today. JATCO took no steps to assert mechanic’s lien or statutory lien rights against Debtor either
20 during the construction, or after completion, of the Project.

21 ///

22 ///

23 ¹¹ Arbitration Transcripts, Vol. III, T. Tiberti, 353:3. BGDC lost approximately \$2,000,000 in once-
24 available financing due to delays in obtaining standard information from JATCO. The former lender,
25 Allied Irish Bank, which was closing down the lending facility in its entirety, cut off funding prior to
26 JATCO submitting certain Pay Applications that could have been funded by such financing, but for
27 JATCO’s failure to timely provide such information to BGDC.

28 ¹² Arbitration Transcripts, Vol. III, Tito, 370:7-13.

¹³ Arbitration Transcripts, Vol. I, P. Maffey 172:5-6 (“[JATCO is] going to be paid by BGDC.
That’s who our contract is with.”); Arbitration Transcripts, Vol. I, R. Tiberti 231:1-8
(acknowledging that JATCO does not have a contract with the School or the Diocese).

1 Ultimately, with the parties unable to identify any possible source of available funds to make
2 further payments to JATCO, and after Tito Tiberti's departure from JATCO, JATCO's new
3 management demanded immediate payment in full and served a letter demanding arbitration. Debtor
4 disputed that the issues raised by JATCO's demand were ripe as any further payment obligation
5 only arose under the construction agreement and related addendum when funds were received, of
6 which there were none. On December 4, 2015, JATCO filed a Complaint in the Eighth Judicial
7 District Court seeking a judicial declaration compelling arbitration and appointing an arbitrator. On
8 January 22, 2016, the Nevada state court entered an order directing the parties to proceed with
9 arbitration. Thereafter, the parties conducted an arbitration regarding their dispute in June and July
10 of 2016.

11 On November 11, 2016, the Arbitrator issued a Final Award (the "Award") finding in favor
12 of JATCO. The Arbitrator awarded JATCO \$20,009,787.84 in damages; reflecting a \$2,000,000
13 setoff as a result of JATCO's conduct that deprived Debtor the opportunity to obtain certain
14 financing. The Arbitrator also awarded interest in the amount of \$8,356,100.57. Finally, the
15 Arbitrator also awarded JATCO attorneys' fees in the amount of \$353,064.77 and costs in the
16 amount of \$21,711.16. The Eighth Judicial District Court confirmed the Award and directed that
17 judgment be entered in the total amount of \$28,749,663.34. Judgment was entered in this amount on
18 January 19, 2017 (the "Judgment"). The Debtor does not dispute liability for the Judgment.
19 Importantly, the Arbitrator expressly made no finding regarding the collectability of the Judgment
20 and left open the issue as to when the amounts he found were owing to JATCO would actually be
21 payable.¹⁴ JATCO then recorded the Judgment with the Clark County Recorder's Office against
22 certain Assessor Parcel Numbers.

23 After recording the Judgment, JATCO served Writs of Execution and Writs of Garnishment
24 on several entities seeking to recover funds held by such parties owed to Debtor. Among the assets
25 that JATCO took action against were funds held in trust by Debtor in bank accounts with Bank of
26 America that were contributed by certain of BGDC's major donors for specific, restricted purposes,
27 namely the 2011 expansion. JATCO also garnished all funds of BGDC on deposit with Bank of

28 ¹⁴ Final Award, Case No. 1260003683, at 12–14.

1 America, leading to defaults on the Reimbursement Agreement and related documents. JATCO's
2 actions in seeking to enforce the Judgment severely limited BGDC's access to cash and necessitated
3 the filing of the Chapter 11 Case.

4 **ARTICLE III**

5 **CHAPTER 11 FILING**

6 **Section A. Bankruptcy Filing**

7 BGDC filed its chapter 11 petition on April 17, 2017.

8 **Section B. Initial Filings And Developments**

9 In its initial filings with this Court, Debtor sought and obtained an extension of the deadline
10 to file its bankruptcy schedules;¹⁵ sought and obtained relief from the ordinary requirements with
11 respect to debtor in possession bank accounts,¹⁶ in cooperation with the office of the United States
12 Trustee (UST); sought and was denied on an emergency basis authority to use cash collateral;¹⁷ and
13 obtained expedited hearings with respect to these initial motions. Thereafter, pursuant to a
14 stipulation with JATCO, the Bankruptcy Court approved an agreement among JATCO, the Diocese,
15 Bank of America and BGDC concerning use of cash collateral and adequate protection.¹⁸ Under the
16 cash collateral order, BGDC is authorized to use funds in its bank accounts, and to collect and use
17 rent payments from the Tenant, to pay expenses pursuant to a budget filed with the Bankruptcy
18 Court, with reasonable adjustments. That budget includes payments to third-party accountants as
19 approved by the Bankruptcy Court for audit preparation and financial statement preparation;
20 ordinary course obligations due under the County Loan Agreement, Reimbursement Agreement,
21 Swap Agreement, Remarketing Agreement between BGDC and Zion's First National Bank as
22 remarketing agent, dated as of December 1, 2011, and to rating agencies in connection with the
23 Bonds. Further, BGDC is authorized to pay periodic payments due on the 2011 Construction Loan,
24 miscellaneous bank maintenance fees, and periodic US Trustee Fees.

25 ¹⁵ ECF 45.

26 ¹⁶ ECF 11, 52. As requested by the Bankruptcy Court, BGDC provided a summary explanation of its
27 bank accounts by account number and purpose.

28 ¹⁷ ECF 12, 44.

¹⁸ ECF 50, 51.

1 After BGDC filed its bankruptcy required schedules of assets and liabilities and statement of
2 financial affairs, BGDC sought Bankruptcy Court authority to: employ Greenberg Traurig, LLP as
3 special litigation counsel;¹⁹ employ Wallace Neumann & Verville, LLP as accountants;²⁰ to enter
4 into post-petition financing pursuant to Bankruptcy Code § 364 to borrow up to \$500,000 from
5 Service Campaign Corporation, a Nevada non-profit corporation (the “DIP Lender”), which is an
6 affiliate of the Diocese;²¹ and to employ Fox Rothschild, LLP as counsel to the debtor in
7 possession.²² These motions were all granted.

8 **Section C. Other Important Events**

9 **(1) Repurchase and Remarketing of Bonds**

10 Since the bankruptcy filing, information was provided to the public bondholders. In response,
11 the Bonds were tendered for purchase, and were purchased by Bank of America as Bank Bonds
12 within the meaning of Section 2.9 of the Reimbursement Agreement. Thereafter, the Bank Bonds
13 were remarketed by the Remarketing Agent in whole.

14 **(2) Meeting of Creditors**

15 The meeting of creditors pursuant to Bankruptcy Code section 341 was held on May 25,
16 2017.

17 **(3) Rule 2004 Examinations**

18 JATCO sought and the parties are scheduling depositions pursuant to Bankruptcy Rule 2004
19 and production of documents.

23 ¹⁹ Application For Order Authorizing Retention And Employment Of Greenberg Traurig, LLP, As
Special Litigation Counsel Nunc Pro Tunc To The Petition Date [ECF No. 85].

24 ²⁰ Application For Order Authorizing The Employment And Retention Of Wallace Neumann &
25 Verville, LLP As Accountant For Debtor To Provide Auditing Services [ECF No. 89].

26 ²¹ Motion For Final Order Pursuant To 11 U.S.C. §§ 105, 364, Fed R. Bankr. P. Rule 4001(c) And
27 L.R. 4001(b) And (c): (I) Authorizing Debtor To Obtain Post-Petition Financing; (II) Granting
Related Relief [ECF No. 93].

28 ²² Application For Order Authorizing Retention And Employment Of Fox Rothschild LLP As
Debtor’s Counsel, Nunc Pro Tunc To The Petition Date [ECF No. 76].

1 **(4) JATCO Adversary Proceeding**

2 On July 11, 2017 the Debtor filed an adversary complaint against JATCO seeking to avoid
3 JATCO's liens as preferences or post-petition transfers and for other relief (the "JATCO Adversary
4 Proceeding"). Importantly, the Debtor does not dispute liability for the Judgment (which is final in
5 any event). Rather, the Debtor initiated the JATCO Adversary Proceeding to dispute the validity
6 and/or priority of JATCO's liens. The parties have exchanged expert reports and taken depositions
7 of the experts. JATCO filed a motion for partial summary judgment which the Debtor opposed. The
8 Bankruptcy Court heard oral argument on the motion on September 18, 2017 and reserved decision.
9 On October 23, 2017, the Bankruptcy Court announced its decision on JATCO's motion for partial
10 summary judgment and Debtor's opposition thereto in open court. On October 30, 2017, the
11 Bankruptcy Court entered its order (i) granting JATCO's motion for partial summary judgment on
12 Counts V and VI of Debtor's adversary complaint (counts related to 11 U.S.C. §§ 502(d) and 551,
13 respectively) and sustained Debtor's opposition to JATCO's motion for summary judgment as to
14 Counts III and IV of Debtor's adversary complaint (counts related to 11 U.S.C. §§ 362 and 549,
15 respectively). (Bankr. D. Nev.; Adv. Pro. No. 17-01211—ABL; ECF No. 58; pg. 2 of 2).

16 Both JATCO and Debtor have also been engaged in written discovery, as well as the taking
17 of several depositions, including depositions of the parties' respective experts. Discovery in the
18 JATCO Adversary Proceeding formally closed on November 22, 2017; although, the parties
19 stipulated to the taking of the deposition of the designee of Hughes under Rule 30(b)(6) of the
20 Federal Rules of Civil Procedure and Bankruptcy Rule 7030 beyond the discovery deadline on
21 December 14, 2017.

22 The trial in the JATCO Adversary Proceeding is currently scheduled to be held over a period
23 of five (5) non-consecutive days: March 19, 20, and 22 and April 6 and 23 2018 at 9:30 a.m. (PT).

24 **(5) The Court-Ordered Settlement Conference in the JATCO Adversary Proceeding**

25 At the September 20, 2017 hearing on Debtor's motion seeking an extension of the exclusive
26 filing and solicitation periods set forth in 11 U.S.C. § 1121 and JATCO's opposition thereto,
27 Debtor's counsel advised the Bankruptcy Court that a settlement conference may be of assistance to
28 the parties in their efforts to resolve the issues raised in the JATCO Adversary Proceeding without

1 the need for further litigation. In response, JATCO's counsel agreed with Debtor's counsel's
2 suggestion, and the Bankruptcy Court entered its *Order Scheduling Settlement and Status*
3 *Conference* on October 13, 2017 (the "Settlement Conference Order"). (Bankr. D. Nev.; Adv. Pro.
4 No. 17-01211—ABL; ECF No. 35). Pursuant to the terms of the Settlement Conference Order, a
5 two-day settlement conference was scheduled to take place in Reno, Nevada on November 8 & 9,
6 2017 before the Honorable Gregg W. Zive, United States Bankruptcy Judge. (*Id.* at pg. 1 of 4).
7 Pursuant to the terms of the Settlement Conference Order, the parties were directed to exchange
8 settlement offers with one another and to submit confidential settlement conference briefs to Judge
9 Zive's chambers for *in camera* review in advance of the scheduled settlement conference.

10 The Debtor, JATCO, and the Diocese participated in the settlement conference. The
11 settlement conference ended after one day, and the parties did not reach a settlement.

12 **(6) Debtor's Expert Evidentiary Support for Valuation and Insolvency Positions**

13 As discussed below, evaluation of Debtor's Plan and whether to vote to accept Debtor's Plan
14 hinges on the fair market and liquidation values of the Debtor's assets, the largest of which is its
15 interest in the Property. The Debtor's appraiser, Gregory G. Gotthardt of FTI Consulting, Inc.
16 ("Gotthardt"), has appraised both the fair market and liquidation values of the Debtor's leased fee
17 interest in the Property at \$8,650,000, taking into consideration the effect of the "Repurchase
18 Option," among the Restrictions established by the Declarations in favor of Hughes, discussed in
19 detail below. Absent a negotiated agreement with Hughes, the \$8,650,000 Repurchase Option price
20 represents the highest potential gross proceeds for the Property. Any sale transaction to a third-party
21 would require a negotiated agreement with Hughes prior to consummation. Additionally, in the less
22 likely hypothetical scenario in which an agreement with Hughes is reached to limit Hughes's rights
23 under the Declarations to the exercise of its "Price Participation" and "Additional Purchase Price"
24 remedies (but not its more favorable Repurchase Option remedy), then Gotthardt estimates that the
25 liquidation value of the Property would be \$12,500,000. Finally, as a further hypothetical, Gotthardt
26 appraised the fair market value of the Debtor's leased fee interest in the Property at \$25,650,000, and
27 the liquidation value of the Debtor's leased fee interest in the Property at \$21,615,000, both without
28 taking into consideration the Restrictions. The Debtor believes the Declarations impact the value of

1 the Property and would continue to bind any proposed purchaser of the Property, and thus believes
2 that any valuation of the Property must consider the Restrictions.

3 The Debtor's solvency expert, Michael A. Tucker of FTI Consulting, Inc. ("Tucker"), has
4 reported that the fair market value of the Debtor's liabilities (\$59,798,832, including the JATCO
5 Claim) exceeded the fair market value of BGDC's assets (\$36,518,853, even including Gotthardt's
6 hypothetical \$25,650,000 for the Debtor's leased fee interest in the Property without taking into
7 consideration the Restrictions) on the dates that JATCO obtained the JATCO Liens. Tucker has also
8 concluded that, as a result of the JATCO Judgment, the Debtor was unable to pay its debts as they
9 became due as of January 19, 2017.

10 **(i) Solvency.** As noted above, Tucker has concluded that, as a result of the JATCO
11 Judgment, the Debtor was insolvent because it was unable to pay its debts as they became due (on a
12 cash flow basis) and because its liabilities exceeded the fair value of its assets (the balance sheet
13 test). JATCO has not designated a solvency expert or rebuttal solvency expert, and the only
14 "evidence" JATCO has offered to rebut the section 547(f) presumption of insolvency and Tucker's
15 opinion is the Debtor's financial statements dated December 31, 2015, which reflect only the book
16 value based on historical cost (not the fair market or liquidation values) of the Debtor's assets. The
17 Debtor is confident that the Bankruptcy Court will find that it was insolvent on the dates that JATCO
18 obtained the JATCO Liens.

19 **(ii) Improvement Over Chapter 7 Distribution.** The question whether the JATCO Liens
20 enabled JATCO to fare better than it would in a chapter 7 case turns on the liquidation value of the
21 Debtor's assets, particularly its interest in the Property. As noted above, Gotthardt opined on both
22 the fair market and the liquidation values of the Debtor's leased fee interest in the Property.
23 JATCO's appraiser, Tio S. DiFederico ("DiFederico"), gave no opinion on liquidation value. Based
24 on Gotthardt's uncontradicted liquidation value, JATCO received more than it would have in a
25 chapter 7 liquidation by obtaining the JATCO Liens within 90 days of the Petition Date because in
26 such a liquidation scenario the value of the Property would be insufficient to fund any distributions
27 to Holders of General Unsecured Claims.

28

1 The implications of Debtor's evidence as to the liquidation value of the Property, and
2 JATCO's lack of evidence on this issue has far-reaching ramifications for plan confirmation
3 purposes and, relatedly, whether creditors, and particularly general unsecured creditors, should vote
4 to accept Debtor's Plan given the sizeable estate dividend slated to be distributed under the Plan to
5 general unsecured creditors through the establishment of the \$10 million GUC Fund. Given the
6 un rebutted liquidation value of the Debtor's assets, the best interests test would be met because
7 unsecured creditors would likely receive nothing in a chapter 7 liquidation. And given that the
8 Debtor is a non-profit corporation, no junior class would be receiving or retaining any property
9 under the Plan, thereby satisfying the fair and equitable rule. *See, e.g., In re Gen. Teamsters,*
10 *Warehousemen & Helpers Union, Local 890*, 265 F.3d 869, 873-74 (9th Cir. 2001) (non-profits have
11 no equity interest class for purpose of absolute priority rule); *In re Havre Aerie No. 166 Eagles*,
12 2013 WL 1164422, at *15 (Bankr. D. Mont. Mar. 20, 2013) (same); *In re Indian Nat. Finals Rodeo*
13 *Inc.*, 453 B.R. 387, 401 (Bankr. D. Mont. 2011) (same).

14 **(A) Value of Property.** Two sets of documents are critical to determining the fair market
15 and/or liquidation value of the Debtor's interest in the Property: (i) the Declarations; and (ii) the
16 BGHS Lease. Gotthardt's appraisal considers the effects of both. Conversely, DiFederico's appraisal
17 considers neither.

18 **(i) Declarations.** In December 2003, the Debtor purchased its original interest in the
19 Property, subject to the 2003 Declaration, dated December 19, 2003. In March 2011, the Debtor
20 purchased its interest in the adjacent southern parcel, subject to the 2011 Declaration dated March
21 15, 2011. The Declarations are included as an Exhibit to Gotthardt's Appraisal (Exhibit D hereto).

22 Among the Restrictions, both Declarations give Hughes a "Repurchase Option" (Article 10),
23 which can be exercised upon notice of a proposed conveyance.²³ The Declarations provide a formula
24 for the Repurchase Price, which is basically the amount that the Debtor paid for the Property, plus
25

26 ²³ In addition, both Declarations contain a "Permitted Use" Covenant (§ 5.1), requiring the Property
27 to be used for a non-profit Roman Catholic college preparatory high school. Regardless of whether
28 the Permitted Use Covenant can be stricken under N.R.S. § 111.237 (the Debtor believes it cannot),
the Repurchase Option discussed herein determines the amount of proceeds the Debtor will receive
for any conveyance.

1 the lower of cost or fair market value of any improvements that Hughes unilaterally deems to be
2 “Usable” for its intended purpose upon a repurchase. The Debtor must remove, at its own cost and
3 within 90 days, all improvements that Hughes does not deem Usable for its intended purpose, or
4 Hughes will take title to all such non-Usable improvements for no consideration. Gotthardt has
5 presumed (as would any rational purchaser) that Hughes, a publicly traded company, will act in its
6 own economic best interest by exercising the Repurchase Option and by deeming all improvements
7 not to be Usable for its intended purpose, because Hughes would likely obtain a higher price in any
8 resale if the land use is not restricted to being used as a non-profit school. Therefore, Gotthardt has
9 applied the formula set forth in Article 10 of the Declarations to arrive at \$8.65 million in fair market
10 or liquidation proceeds for the Debtor’s leased fee interest in the Property. DiFederico, by contrast,
11 assumes that Hughes will not exercise its Repurchase Option because it is not a “robber baron.”²⁴

12 **(ii) Leased Fee Interest.** As noted above, the Property is encumbered by the BGHS Lease,
13 which runs through November 2061. As such, any conveyance to a third party would be subject to
14 this long-term lease. Accordingly, any hypothetical buyer willing to disregard the Declarations (no
15 such buyer really exists) would, in essence, be purchasing the income stream for the remainder of the
16 BGHS Lease, plus the resale value of the Property when the BGHS Lease ends nearly 45 years from
17 now. Therefore, in order to value the Debtor’s interest in the Property without consideration of the
18 Declarations, Gotthardt used the income approach, and performed a straightforward discounted cash
19 flow (“DCF”) analysis, arriving at the total of the present value of: (i) the anticipated annual cash
20 flow from the BGHS Lease; and (ii) the resale value of the Property at the end of the BGHS Lease
21 (the “Reversionary Value”).

22 DiFederico, on the other hand, provided a valuation of only a fee simple interest (even
23 though the Debtor owns a leased fee interest and not a fee simple interest) using a cost approach,²⁵

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25 ²⁴ Notably, the Debtor is aware of Hughes exercising its rights under declarations similar to those at
26 issue here, particularly with respect to dictating and enforcing uses of the land that it sells to third
parties at a discount.

27 ²⁵ Although DiFederico justifies his use of the Cost Approach based on his assertion that the School
28 is a “special purpose property,” the Property’s status is irrelevant to its valuation for two reasons:
(a) the Repurchase Option discussed above determines the amount that the Debtor will receive for
any Conveyance; and (b) because the Property is encumbered by the BGHS Lease, any hypothetical

1 based on his belief that the BGHS Lease must be ignored. DiFederico offers no legal authority, much
2 less a ruling from the Bankruptcy Court, in support of his belief that the BGHS Lease may be
3 disregarded and both the Debtor and the Diocese dispute that contention and believe the BGHS
4 Lease is a true lease, enforceable according to its terms. Notably, JATCO has not taken any steps to
5 challenge the BGHS Lease. Nevertheless, DiFederico also included a leased fee income approach
6 valuation in his appraisal, purportedly as a “check” on his fee simple cost approach.

7 The BGHS Lease dictates two of the relevant DCF variables: the rent (\$1,635,000 per year)
8 and the BGHS Lease term (45 years). The other two are: (a) the discount rate; and (b) the
9 Reversionary Value.

10 (a) **Discount Rate.** Gotthardt used a well-respected service – Realty Rates.com Investor
11 Survey – to provide a discount rate range specifically for school properties. The range for the
12 relevant timeframe was 5.60% to 14.22%, with an average of 9.84%. Gotthardt ultimately chose a
13 discount rate of 6.5% to 7.0%, on the low end of the range, based on the Diocese being a low risk
14 tenant. Accordingly, Gotthardt concluded that the hypothetical present value of the payments under
15 the BGHS Lease is \$23 million.

16 DiFederico, in contrast, arrived at a hypothetical present value of approximately
17 \$33.2 million for the lease payments. The \$10 million difference between the appraisals is caused
18 almost entirely by DiFederico’s use of an incredibly low discount rate of 4.25%, which he later
19 reduced to 4.15% in his addendum.²⁶ Neither rate was based on actual discount rates of school
20 properties and both are lower than the lowest end of the Realty Rates range. DiFederico based his
21 low discount rate on three improper criteria. *First*, an alleged “substantially below market lease
22 rate,” although DiFederico admitted at deposition that he did not know what the market lease rate
23 would be or whether the Tenant could pay more than the BGHS Lease rent. *Second*, the alleged
24 “inability of the tenant to encumber the landlord’s interest” such that “the landlord would gain a
25 windfall in the form of ownership of the building for which the landlord did not pay,” even though

26 buyer willing to ignore the Declarations would simply be purchasing the discounted rent stream plus
27 the Reversionary Value, neither of which is dependent on whether the Property is “special purpose.”

28 ²⁶ DiFederico used an incorrect annual rent (\$2,722,800) in his appraisal. His subsequent addendum
corrects the annual rent to \$1,635,000, but also reduces the discount rate to 4.15%.

1 the Debtor did, in fact, pay for the improvements. *Third*, “the terms of potential condemnation
2 proceedings in the lease,” although he admitted that there is no threat of condemnation and he has
3 never seen a purchaser consider this type of clause when there is no threat of condemnation.

4 **(b) Reversionary Value.** Gotthardt arrived at a Reversionary Value of \$2.65 million, which
5 represents the discounted present value of the land that a buyer would realize in 2061 (the end of the
6 BGHS Lease term). Gotthardt did not include a present value for the improvements because he
7 concluded potential buyers/investors would not attribute significant value to fifty year old school
8 buildings that they would receive only 45 years from now, when the nature of education may have
9 changed significantly, and the current campus may not even represent the highest and best use of the
10 Property at that point in time.

11 In contrast, DiFederico includes a Reversionary Value of over \$73 million for the
12 land/improvements, based on his opinion that a buyer would conclude that they will be worth about
13 \$459 million in 2061. In other words, DiFederico makes the astounding assumption that a buyer
14 would pay \$73 million dollars today – over twice the total value of the 45 years of cash flow – for a
15 property it would not get for 45 years in the hope that the Property will be worth around half-a-
16 billion dollars decades into the future. If this hypothetical buyer financed the purchase for this price,
17 the rent would not come close to covering the debt service, forcing him to operate at a loss for over
18 four decades. No rational buyer would do that.²⁷

19 Further, DiFederico uses the same unbelievably low discount rate of 4.15% to get to his high
20 Reversionary Value. However, none of his purported reasons used to attempt to justify a low
21 discount rate discussed above (e.g., contract rent) apply to the land and improvements.

22 In sum, the Debtor believes the Bankruptcy Court will: (a) find the fair market value of the
23 Debtor’s interest in the Property to be \$8.65 million as dictated by the Repurchase Option; and (b)
24 disregard DiFederico’s appraisal in its entirety because it (i) ignores the Declarations, (ii) ignores the
25 BGHS Lease, (iii) uses an unjustifiably low discount rate, (iv) assumes an insupportably high

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27 ²⁷ DiFederico’s primary basis for including significant value for what will be 50 year old
28 improvements is his assertion that certain area schools are “still standing.” As the Debtor will show
at trial, most of the schools DiFederico identifies have either been demolished and rebuilt or
substantially renovated long before their 50th anniversary.

1 Reversionary Value, and (v) makes numerous other errors that the Debtor intends to address in the
 2 context of the JATCO Adversary Proceeding.²⁸ Gotthardt’s appraisal, presuming (as any rational
 3 buyer/investor would) that Hughes will act in its own economic best interest, provides the only
 4 credible evidence of the fair market value of the Debtor’s interest in the Property.

5 **(B) Balance Sheet Insolvency.** Tucker has reported that on January 19, 2017, the Debtor
 6 was insolvent on a balance sheet basis because the fair market value of its liabilities (\$59,798,832,
 7 including the JATCO Claim), exceeded the fair market value of its assets (\$36,518,853, *even*
 8 *including a hypothetical \$25,650,000 for its interest in the Property*, without consideration of the
 9 Restrictions). As noted above, JATCO has not designated a solvency expert or rebuttal solvency
 10 expert and has offered only the Debtor’s historic financial statements as “evidence” to rebut section
 11 547(f)’s presumption of insolvency and Tucker’s opinion. Accordingly, the Debtor is confident that
 12 the Bankruptcy Court will find that the Debtor was insolvent on both balance sheet and cash flow
 13 bases on the dates that JATCO obtained the JATCO Liens.

14 **(7) Diocese’s Adversary Proceeding**

15 On December 8, 2017, the Diocese filed a complaint for declaratory relief against JATCO
 16 and the Debtor (the “Diocese’s Adversary Proceeding”). The Diocese seeks a judgment from the
 17 Bankruptcy Court declaring that the BGHS Lease is a binding obligation according to its terms, and
 18 that the BGHS Lease is and, subject to performance thereof by the Diocese, will remain valid and
 19 enforceable in accordance with its terms through the end of its term on November 30, 2061. The
 20 time for the named defendants, including Debtor, to answer this complaint has not yet expired.

21 The Diocese’s Adversary Proceeding does not seek to question the Judgement (which is final
 22 in any event) nor take any position with respect to the JATCO Adversary Proceeding, including
 23 whether JATCO’s liens are avoidable. Rather, the Diocese initiated the Diocese’s Adversary

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 25 ²⁸ Outside bankruptcy, the likelihood that JATCO will be able to realize anything significant by
 26 virtue of its Judgment Lien is negligible. The Property is subject to a senior mortgage lien for
 27 approximately \$25 million. An execution sale would trigger Hughes’s Repurchase Option, at a lower
 28 price than the amount due on the mortgage. Even if Hughes did not exercise its Repurchase Option,
 the market for high school buildings is extremely limited (if not non-existent), and any potential
 buyer other than Hughes would be bound by the Restrictions to operate the Property as a non-profit
 college preparatory high school.

1 Proceeding because the dispute between BGDC and JATCO threatens to adversely affect the School
2 as a result of JATCO's claim that the BGHS Lease is not enforceable according to its terms.²⁹ The
3 Diocese disputes this contention and believes it is problematic, for multiple reasons, including
4 because JATCO might contend that the BGHS Lease's validity had been determined in the JATCO
5 Adversary Proceeding. The Debtor and the Diocese believe that the validity of the BGHS Lease
6 cannot be determined in the JATCO Adversary Proceeding. Accordingly, the Diocese's Adversary
7 Proceeding seeks to resolve this dispute as to the validity of the BGHS Lease and to assure that the
8 Diocese's rights are not determined in its absence in the JATCO Adversary Proceeding.

9 **Section D. Case Administration**

10 **(1) Continuation as Debtor in Possession**

11 Debtor remains in control over its assets as debtor in possession pursuant to Bankruptcy
12 Code section 1108 absent further order of the Bankruptcy Court. Debtor is authorized to continue to
13 operate day-to-day in the ordinary course of business without Bankruptcy Court approval.

14 **(2) Compliance With Statutory Requirements**

15 The Bankruptcy Code imposes certain reporting and compliance requirements on chapter 11
16 debtors in order to provide transparency and disclosure regarding their financial affairs both before
17 and during the course of the chapter 11 case. At the outset of the case, a debtor must: (1) file
18 Schedules of Assets and Liabilities; (2) file a Statement of Financial Affairs; (3) attend a meeting of
19 creditors under Bankruptcy Code section 341(a); and (4) provide certain initial financial information
20 to the UST, followed by additional post-petition reporting to the UST on a monthly basis. With the
21

22 ²⁹ JATCO's initial assertion of the BGHS Lease's questionable validity was contained in a pleading
23 (Docket No. 181, filed Sept. 6, 2017), *Creditor J.A. Tiberti Construction, Inc. Plan of*
24 *Reorganization* ("JATCO Plan"), in which JATCO stated, that the "[BGHS] Lease is not a true lease
25 subject to assumption or rejection pursuant to Section 365 of the Bankruptcy Code, but is a disguised
26 security instrument intended to provide the source of payment and additional security for the
27 Reimbursement Agreement and the Bonds." JATCO Plan, § 1.1.51. The consequence, per the
28 JATCO Plan, was that the BGHS Lease did not have to be assumed or rejected, *id.* § 4.10, but
instead could be modified to increase the rent to a level sufficient to pay all of BGDC's debts,
including its debt to JATCO. *Id.* §§ 4.10.1-4, 5.2. At a status and trial setting conference in the
JATCO Adversary Proceeding, to which the Diocese is not a party, counsel for JATCO went further,
contending that "whether the [BGHS L]ease is a true lease ... is the key" question in the JATCO
Adversary Proceeding. Hr'g Tr., Nov. 14, 2017 (Docket No. 233, filed Dec. 1, 2017), at 13:23-25.

1 goal of a smooth and expeditious resolution of the Chapter 11 Case, Debtor has fully and timely
2 complied with these requirements, including as follows:

3 **(i) Schedules of Assets and Liabilities**

4 For a chapter 11 debtor, the Schedules of Assets and Liabilities must include:

- 5 • Schedule A: Real Property Assets
- 6 • Schedule B: Personal Property Assets
- 7 • Schedule D: Secured Claims
- 8 • Schedule E: Priority Claims
- 9 • Schedule F: Unsecured Claims
- 10 • Schedule G: Executory Contracts and Unexpired Leases
- 11 • Schedule H: CoDebtors

12 Debtor filed its Schedules of Assets and Liabilities on May 17, 2017.³⁰ Debtor amended its
13 schedules of Assets & Liabilities on July 12, 2017.³¹

14 The Schedules identify Debtor's assets. The book value of the Property, which is based on
15 historical cost, is about \$112 million while market value is \$25,650,000 a mere fraction of that. As a
16 result of writs of garnishment served before the Petition Date, BGDC's funds at Bank of America
17 were frozen. On the petition date these were \$4,016,033.14 in account ending in 6059 (includes
18 donated restricted and unrestricted funds), \$485,326.20 in account ending in 5127, and \$908,894.08
19 in account ending in 4652. BGDC had \$138,696.86 in deposits.

20 The Schedules also identify Debtor's liabilities. The Diocese owed money to BGDC prior to
21 the Petition Date and subsequently executed an Unsecured Promissory Note on May 9, 2017 in the
22 amount of \$4,859,567.42 (the "Diocese Note") to reflect that prepetition obligation. In connection
23 with Debtor's efforts to discharge its fiduciary duties to creditors and prior to the commencement of
24 Debtor's Chapter 11 Case, Debtor made demand upon the Diocese to remit payment of the amount
25 of outstanding indebtedness that was ultimately reflected in the Diocese Note. The Debtor and the
26 Diocese exchanged written correspondence to that effect on at least three occasions, resulting

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³⁰ ECF No. 80.

28 ³¹ ECF No. 148.

1 ultimately in the parties' prepetition agreement to resolve the outstanding receivable through the
2 delivery of the Diocese Note, which the Diocese executed and delivered to Debtor on or about May
3 9, 2017. JATCO has reserved any and all rights to contest the validity of the Diocese Note and the
4 alleged prepetition agreement between Debtor and the Diocese in this regard.

5 In addition, Debtor may have contract and tort claims available against former officers and
6 directors of Debtor. Debtor does maintain appropriate directors and officers insurance. No such
7 claims have been asserted to date. All rights will be retained by Debtor under the Plan.

8 The Schedules identify Debtor's other liabilities, principally Clark County assessments on
9 the Property, the \$24 million County Bond debt, the 2011 Construction Loan, the Swap Agreement,
10 the JATCO Judgment, smaller unsecured claims and the claims of donors that contributed to the
11 School's 2011 expansion.

12 **(ii) Executory Contracts And Unexpired Leases**

13 Bankruptcy Code section 365 authorizes Debtor in possession to assume, assume and assign,
14 or reject executory contracts and unexpired leases, subject to certain conditions. Generally speaking,
15 an "executory contract" is a contract under which material obligations remain to be performed by the
16 Debtor and the counterparty.

17 As listed in Schedule G, BGDC is a party to the BGHS Lease with Tenant for the School,
18 Master Lease Agreements with De Lage Landen Financial Services, and a ground lease with Golden
19 State Towers LLC for a cell tower. The leases with Tenant, De Lage Landen Financial Services and
20 the cell tower lease will be assumed.

21 **(iii) Statement of Financial Affairs**

22 The Statement of Financial Affairs contains a series of questions to be completed by the
23 Debtor regarding various financial and corporate matters. The Debtor must provide information
24 regarding their income, payments to creditors, pending litigation, shareholders, and officers and
25 directors, among other items.

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1 Debtor filed its Statements of Financial Affairs on May 17, 2017.³² Debtor filed its
2 Amended Statements of Financial Affairs on July 12, 2017.³³ Copies are on file with the Clerk of the
3 Court and available from Debtor's counsel.

4 **(iv) Office Of The United States Trustee Reporting.**

5 At the outset of a chapter 11 case, the UST requires a debtor in possession to provide certain
6 initial information regarding insurance coverage and other matters, which Debtor has done. The UST
7 also requires the debtor in possession to provide monthly post-petition financial reporting in a format
8 determined on a case-by-case basis. Debtor has timely filed its monthly operating reports since the
9 bankruptcy filing. Copies are on file with the Clerk of the Court and available from Debtor's
10 counsel.

11 **(v) Employment of Professionals**

12 The Bankruptcy Code has certain requirements for the employment and compensation of
13 professionals at the expense of a debtor's estate. In compliance with these requirements, Debtor filed
14 applications for approval to employ certain professionals.

15 As recited above, Debtor has sought Bankruptcy Court approval for retention of Fox
16 Rothschild LLP as Debtor's general bankruptcy and reorganization counsel; Greenberg Traurig, LLP
17 as special litigation counsel; Wallace Neumann & Verville, LLP as accountants, and FTI Consulting,
18 Inc. to provide real estate valuation and consulting services. Each firm will bill Debtor for its
19 services on an hourly basis, plus reimbursement of necessary expenses incurred, but payment will
20 require Court approval.

21 **(3) Exclusivity**

22 The Debtor had an initial exclusive period to file a plan of reorganization until August 15,
23 2017. On that date the Debtor filed a motion to extend its exclusive period to file a plan of
24 reorganization. JATCO opposed the motion. Before the Bankruptcy Court could hear the Debtor's
25 motion, JATCO filed its own plan of reorganization. (ECF No. 181). The Bankruptcy Court heard

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³² ECF No. 81.

28 ³³ ECF No. 148.

1 argument on the Debtor’s motion to extend exclusivity on September 20, 2017 and reserved
2 decision.

3 On October 23, 2017, the Bankruptcy Court announced its ruling in open court granting, in
4 part, Debtor’s motion to extend the initial exclusivity periods for filing and soliciting acceptance of a
5 chapter 11 plan of reorganization. The Bankruptcy Court subsequently entered its order on October
6 30, 2017 granting, in part, Debtor’s request to extend the exclusivity periods set forth in 11 U.S.C.
7 § 1121 (ECF No. 219). Debtor’s initial period for filing a chapter 11 plan of reorganization was
8 extended through and including Monday, January 8, 2018, and the exclusive period during which
9 Debtor may solicit acceptance of a chapter 11 plan was extended to Friday, March 9, 2018. (*Id.* at
10 pg. 2 of 2).

11 **ARTICLE IV**

12 **SUMMARY OF THE PLAN**

13 This section provides a summary of the structure and means for implementation of the Plan
14 and of the classification and treatment of claims under the Plan. It is qualified in its entirety by
15 reference to the Plan, which is annexed to this disclosure statement as Exhibit “A” and which shall
16 control in the event that it varies from the terms of this disclosure statement.

17 **Section A. Overall Structure of the Plan and the Plan Support Agreement.**

18 Debtor’s Plan is one of reorganization. The Plan provides for BGDC to retain the Property
19 and other assets and continue to lease the Property to the Diocese for operation of the School. In
20 general, the Debtor’s obligations to the County and the Bank will be reinstated pursuant to the terms
21 of the Plan, and the Plan creates the GUC Fund for the benefit of General Unsecured Creditors.
22 Debtor expects to pay holders of General Unsecured Claims no less than they would obtain in a
23 hypothetical chapter 7 liquidation of the assets comprising Debtor’s bankruptcy estate.

24 Allowed Administrative Claims and Allowed Priority Claims will be paid in full, in cash, on
25 the Effective Date of the Plan unless otherwise agreed. Because it is a nonprofit corporation, BGDC
26 has no equity interest to be classified and treated under the Plan.

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1 The Debtor, the Diocese and the DIP Lender are parties to the Diocese Plan Support
2 Agreement,³⁴ which sets forth the material terms and conditions pursuant to which the Diocese and
3 the DIP Lender agree to support and provide funding for the Debtor's Plan. Subject to the terms and
4 conditions of the Diocese Plan Support Agreement, (a) the Diocese has agreed to (i) prepay the
5 Diocese Note on the Effective Date of the Plan into the GUC Fund Account in accordance with
6 Section 5.1(a) of the Plan and (ii) commit to payment of the Additional Rent into the GUC Fund
7 Account in accordance with Section 5.1(a) of the Plan and the Amended BGHS Lease and (b) the
8 DIP Lender has agreed to defer the Debtor's obligation to repay the DIP Loan until the first day of
9 the month that is more than thirty (30) days after the seventh (7th) anniversary of the Effective Date
10 of the Plan in accordance with Section 2.2(a)(3) of the Plan. A true and correct copy of the Diocese
11 Plan Support Agreement is attached hereto as Exhibit F.

12 **Section B. Classification And Treatment of Claims Under The Plan**

13 (1) **Unclassified Claims.**

14 (i) **Administrative Claims**

15 (1) Deadline to File Administrative Claims. The Holder of an Administrative
16 Claim, other than (i) the DIP Lender Claim, (ii) a Professional Fee Claim, or (iii) a liability incurred
17 and paid in the ordinary course of business by the Debtor, must file with the Bankruptcy Court and
18 serve on Debtor and its counsel, notice of such Administrative Claim on or before the Administrative
19 Claim Bar Date. Such notice must include, at minimum, (i) the name of the Holder of such Claim,
20 (ii) the basis of the Claim, and (iii) the amount of the Claim. Failure to file such notice timely and
21 properly shall result in the Administrative Expense Claim being forever barred and discharged.

22 (2) Payment Provisions. Subject to the provisions of Bankruptcy Code sections
23 330(a), 331 and 503(b), each Holder of an Administrative Claim shall, either:

24 (A) be paid in Cash in the Allowed amount of any such Claim from the Confirmation
25 Funds on, or as soon as reasonably practicable after, the later of (i) the Effective Date, (ii) the date
26 upon which such Administrative Claim becomes Allowed, or (iii) such date as is otherwise agreed
27 by Debtor and the Holder of such Claim; or

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1 (B) have such Claim assumed by the Reorganized Debtor, to be paid by Reorganized
2 Debtor in Cash in the Allowed amount of any such Claim on, or as soon as reasonably practicable
3 after, the later of (i) the date upon which such Administrative Claim becomes Allowed, (ii) the date
4 on which such Administrative Claim becomes due in the ordinary course of business, or (iii) such
5 date as is otherwise agreed by Debtor, Reorganized Debtor and the Holder of such Claim.

6 **1) US Trustee Fees**

7 (A) Debtor shall pay, or cause to be paid, all accrued US Trustee Fees on or before the
8 Effective Date of the Plan; and following the Effective Date, the Reorganized Debtor shall be
9 responsible for timely payment of all US Trustee Fees until such time as the Final Decree closing
10 this Chapter 11 Case is entered and all US Trustee Fees due are paid in full; and

11 (B) Debtor or Reorganized Debtor (as applicable) shall File with the Bankruptcy Court
12 and serve on the United States Trustee a quarterly financial report for each quarter (or portion
13 thereof) that the Chapter 11 Case remains open in such format as reasonably may be required by the
14 United States Trustee.

15 **2) Professional Fee Claims.**

16 Notwithstanding the foregoing or anything to the contrary in the Plan:

17 (A) all final applications for Professional Fee Claims constituting amounts due for services
18 rendered on or before thirty (30) days prior to the Confirmation Hearing (the "Fee Cutoff Date")
19 shall be filed no later than fifteen (15) days before the Confirmation Hearing, and shall include an
20 estimate of Professional Fee Claims that will arise for services to be rendered between the Fee
21 Cutoff Date and the Effective Date;

22 (B) all final applications for Professional Fee Claims constituting amounts due for
23 services rendered between the Fee Cutoff Date and the Effective Date shall be filed no later than
24 twenty (20) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court;

25 (C) Debtor shall pay all Allowed Professional Fee Claims upon entry of an order allowing
26 such claims.

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28

1 **3) DIP Lender Claims.**

2 The DIP Lender Claim will be paid in equal monthly installments of principal plus interest at
3 the rate set forth in the DIP Loan Agreement over five years commencing on the first day of the
4 month that is more than 30 days after the seventh (7th) anniversary of the Effective Date.

5 **4) Other Administrative Claims.**

6 Debtor estimates that there are no other Administrative Claims.

7 **(ii) Priority Tax Claims.**

8 Debtor estimates that there are no Priority Tax Claims.

9 **(2) Classified Claims.**

10 **Class 1 - Priority Claims**

11 There are no priority claims, other than Administrative Claims treated above.

12 **Class 2 – Bank Secured Claim**

13 Class 2 consists of the Allowed Bank Secured Claim.

14 *Treatment.* On the Effective Date, the Reorganized Debtor shall reinstate the Bank Loan
15 Agreements as amended by the Plan: (i) that the expiration date of the Letter of Credit shall be
16 extended from November 30, 2018 to November 30, 2019, (ii) that the Bank shall have no right to
17 seek from Debtor or Reorganized Debtor interest in excess of the non-default rate that accrued under
18 the Bank Loan Agreements prior to the Effective Date, and (iii) the payments to be made on account
19 of other Claims under the Plan shall not constitute a breach of the Bank Loan Agreements. In
20 addition, there may be changes to the financial covenants in the Bank Loan Agreements. The Debtor
21 intends to file a final version of the Bank Loan Agreement with the Plan Supplement. The Bank shall
22 retain all Liens on the Bank's Collateral.

23 *Impairment and Voting:* Class 2 is Impaired. Therefore, the Holder of the Class 2 Allowed
24 Bank Secured Claim is entitled to vote to accept or reject the Plan.

25 **Class 3 – County Secured Claim**

26 Class 3 consists of the Allowed County Secured Claim.

27 *Treatment.* On the Effective Date, the Reorganized Debtor shall reinstate the County Loan
28 Agreement, *provided, however,* that the County shall have no right to seek from Debtor or

1 Reorganized Debtor interest in excess of the non-default rate that accrued under the County Loan
2 Agreement prior to the Effective Date. The County shall retain all Liens it has on the County's
3 Collateral.

4 *Impairment and Voting:* Class 3 is Impaired. Therefore, the Holder of the Class 3 County
5 Secured Claim is entitled to vote to accept or reject the Plan.

6 **Class 4 – SAP Claim**

7 Class 4 consists of the Allowed SAP Claim.

8 *Treatment.* After the Effective Date, the Tenant shall assume all the Debtor's obligations
9 under the SAP and shall continue to pay the SAP Claim according to its terms until its maturity
10 *provided that* the Holder of the Allowed SAP Claim shall have no right to seek from Debtor or
11 Reorganized Debtor interest in excess of the non-default rate or fees, expenses and penalties that
12 accrued under the SAP prior to the Effective Date.

13 *Impairment and Voting:* Class 4 is Impaired. Therefore, the Holder of the Class 4 SAP Claim
14 is entitled to vote to accept or reject the Plan.

15 **Class 5 – Unsecured Claims**

16 Class 5 consists of General Unsecured Claims against Debtor, including the JATCO Claim.

17 *Treatment:* Subject to the penultimate sentence of this section, each Holder of a General
18 Unsecured Claim shall, in full satisfaction, settlement, release and exchange for such Allowed
19 General Unsecured Claim, receive its Pro Rata portion of the GUC Fund. The JATCO Liens shall be
20 void and the JATCO Claim shall be treated in all respects as a General Unsecured Claim and shall be
21 Allowed in the amount of \$29,446,976.01. Following the Effective Date, payment shall be made to
22 the holders of Allowed Unsecured Claims that execute the GUC/Diocese Release quarterly from the
23 proceeds of the Additional Rent. The Additional Rent shall be deposited in a separate account by the
24 Reorganized Debtor free of the Liens of Bank of America. Only holders of General Unsecured
25 Claims that execute the GUC/Diocese Release shall receive their Pro Rata share of the GUC Fund
26 that is attributable to the Additional Rent. Holders of General Unsecured Claims may elect to grant
27 the GUC/Diocese Release by voting in favor of confirming the Plan, checking the box on the Class 5
28

1 Ballot indicating their agreement to grant the GUC/Diocese Release and timely returning their ballot
2 in accordance with the solicitation procedures.

3 *Impairment and Voting:* Class 5 is Impaired. Therefore, the Holders of Class 5 General
4 Unsecured Claims are entitled to vote to accept or reject the Plan.

5 **Class 6 – Donors**

6 Class 6 consists of all Donors whose Donor Funds remain in the Debtor’s bank accounts as
7 of the Effective Date, whether subject to any restriction to a garnishment lien or not.

8 *Treatment:* If a Donor votes in favor of the Plan, then the Donor Funds will be used to fund
9 payment of the estate dividend set forth for Holders of Class 5 General Unsecured Claims, and such
10 Donors voting in favor of the Plan will not receive payment of any estate dividend on account of
11 their Class 6 Claim(s). If a Donor votes against confirmation of the Plan, then that Donor’s Claim
12 shall be included as part of Class 5, set forth above, and the Donor’s Claim(s) in the Chapter 11 Case
13 shall be accorded the same treatment as the Holder of an Allowed General Unsecured Claim in the
14 Chapter 11 Case.

15 Each Holder of an Allowed Class 6 Donor Claim who votes against confirmation of the Plan,
16 and whose claim is thereby treated as an Allowed Class 5 General Unsecured Claim, will be entitled
17 to receive its Pro Rata portion of the GUC Fund, but shall not be entitled to receive its Pro Rata
18 share of the GUC Fund that is attributable to the Additional Rent.

19 *Impairment and Voting:* Class 6 is Impaired. Therefore, the Holders of Class 6 Claims are
20 entitled to vote to accept or reject the Plan.

21 **Class 7 – Howard Hughes Properties, Inc.**

22 Class 7 consists of the Claims of Howard Hughes Properties, Inc. which filed Proof of Claim
23 No. 4 in an unliquidated amount relating to the Development Declarations.

24 *Treatment.* Proof of Claim No. 4 shall be unimpaired. The Reorganized Debtor shall continue
25 to comply with the Development Declarations which shall remain in full force and effect. Howard
26 Hughes Properties, Inc. shall retain its lien on the Property.

27 *Impairment and Voting:* Class 7 is Unimpaired. Therefore, the Holders of Class 7 Claims are
28 not entitled to vote to accept or reject the Plan.

1 **Convenience Class**

2 The Convenience Class consists of Holders of Allowed General Unsecured Claims totaling
3 less than \$10,000.00.

4 *Treatment:* Holders of Allowed Convenience Class Claims will receive on account of such
5 Allowed Claim(s) payment of any estate dividend to which they are entitled under the Plan as a
6 single, lump-sum payment as part of the first quarterly disbursement to Holder of General Unsecured
7 Claims under the Plan.

8 Each Holder of an Allowed Convenience Class Claim will receive, as a single, lump-sum
9 payment, its Pro Rata portion of the GUC Fund, but shall not be entitled to receive its Pro Rata share
10 of the GUC Fund that is attributable to the Additional Rent.

11 *Impairment and Voting:* Convenience Class Claims are Impaired Therefore, the Holders of
12 Convenience Class Claims are entitled to vote to accept or reject the Plan.

13 **(3) Executory Contracts Assumption.**

14 The Debtor shall assume all executory contracts and leases including the BGHS Lease, the
15 Cell Tower Lease and the De Lage Landen Master Lease Agreements.

16 **Section C. Means of Implementation of Plan.**

17 **(1) Plan Implementation.**

18 The Plan shall be implemented in all respects in a manner that is consistent with the terms
19 and conditions of the Operative Documents (including the Diocese Plan Support Agreement), DIP
20 Financing Order, and the requirements of section 1123(a) and other applicable provisions of the
21 Bankruptcy Code. Pursuant to the Diocese Plan Support Agreement, on the Effective Date, the
22 Diocese shall prepay the Diocese Note into the GUC Fund Account to fund the Confirmation
23 Payments. All Liens on the Debtor's bank accounts shall be void and the Debtor shall use the
24 unrestricted funds in its bank accounts to make the Confirmation Payments. Payments due after the
25 Effective Date to the County on account of the County Note, to the Bank, the DIP Lender, and to
26 counterparties on Assumed Contracts and Leases shall be paid from the rents received by the
27 Reorganized Debtor under the Amended Lease and the Cell Tower Lease. Payments due after the
28

1 Effective Date to the County on account of the Special Assessment shall continue to be paid by the
2 Tenant directly to the County.

3 Disbursements under the Plan, including the GUC Fund, shall be funded from the
4 Confirmation Funds. The Confirmation Funds are comprised of the prepayment of the Diocese Note
5 in the amount of \$4,859,567.42, the Additional Rent, and the Authorized Donor Funds.

6 Confirmation Funds are estimated to be \$14 million, with \$4 million allocated to Administrative
7 Claims and the remaining \$10 million allocated to Holders of General Unsecured Claims under the
8 Plan. Disbursements to Holders of General Unsecured Claims shall be funded through a \$10 million
9 GUC Fund (which is a subset of the Confirmation Funds) comprised of the prepayment of the
10 Diocese Note in the amount of \$4,859,567.42, plus \$2,140,432.58 in Cash from the Confirmation
11 Funds, and, following the Effective Date, the Additional Rent. Only holders of General Unsecured
12 Claims that execute the GUC/Diocese Release shall receive their Pro Rata share of the GUC Fund
13 that is attributable to the Additional Rent. Additional Rent shall be paid directly into the GUC Funds
14 Account and disbursed quarterly to holders of Allowed General Unsecured Claims that elect to
15 execute the GUC/Diocese Release.

16 In consideration for the contributions of the Diocese to fund the Plan, the Debtor agrees to
17 release the Diocese, on behalf of Debtor and its bankruptcy estate, from any and all claims arising
18 before the Effective Date of the Plan.

19 **(2) Disposition of Assets, Properties and Equity Interests.**

20 On the Effective Date, without any further action, the Reorganized Debtor will be vested
21 with all of Properties, free and clear of all Claims, and Liens (except for Liens provided or
22 authorized pursuant to the Plan).

23 **(3) Preservation of Causes of Action.**

24 Pursuant to Bankruptcy Code section 1123(b), Debtor as Reorganized Debtor shall retain and
25 reserve the right to enforce all rights to commence and pursue causes of action whether arising prior
26 to or after the Petition Date, and whether pending as of or filed after the Effective Date, in any court
27 or other tribunal. Unless a cause of action is expressly waived, relinquished, released, compromised
28 or settled in the Plan, or any Final Order, the Debtor on behalf of itself and as the Reorganized

1 Debtor expressly reserve all causes of action for later adjudication and, therefore, no preclusion
2 doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue
3 preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches shall apply to any
4 causes of action upon confirmation or the Effective Date of the Plan.

5 **(4) Assumption of Liabilities.**

6 On the Effective Date, unless such Claims shall be paid on or prior to such date, Reorganized
7 Debtor shall be deemed to have assumed any Administrative Claim.

8 **(5) The Reorganized Debtor's Management.**

9 Following the Effective Date, Reorganized Debtor shall be managed by the same Persons as
10 prior to the Effective Date which is the Board of Directors of BGDC comprised of: The Most
11 Reverend Joseph A. Pepe, or his successor, President; Michael Gaughan, Secretary; Deacon Aruna
12 Silva, Executive Director/Treasurer; and Lorenzo J. Fertitta, Director.

13 **(6) Exemption from Certain Transfer Taxes and Further Transactions.**

14 Pursuant to Bankruptcy Code section 1146(a), the issuance or exchange of any security, or
15 the making or delivery of any instrument of transfer under, in furtherance, or in connection with the
16 Plan, including, but not limited to, any deeds, bills of sale, assignments or other instruments of
17 transfer (including those with respect to the Properties), shall not be subject to any stamp tax, real
18 estate transfer tax or similar tax.

19 **(7) Post Effective Date Fees.**

20 From and after the Effective Date, the Reorganized Debtor shall, in the ordinary course of
21 business and without the necessity of any approval by the Bankruptcy Court, pay any Post Effective
22 Date Fees.

23 In order to seek payment of Post Effective Date Fees, each respective Professional will send
24 its invoice to the Reorganized Debtor and the Reorganized Debtor shall have ten (10) business days
25 thereafter within which to notify the Professional in writing that it objects to the invoice. If no
26 objection is made within that time frame, Reorganized Debtor shall pay the invoice within thirty (30)
27 days thereafter. In the event the Reorganized Debtor objects and the parties are unable to resolve the

28 ///

1 objection, the Professional may bring the matter before the Bankruptcy Court on a motion for
2 determination.

3 The members of Reorganized Debtor's board of directors and officers shall be as follows as
4 of the Effective Date:

5 The Most Reverend Joseph A. Pepe, President

6 Michael Gaughan, Secretary

7 Deacon Aruna Silva, Executive Director/Treasurer

8 Lorenzo J. Fertitta, Director

9 The member of the board of directors and officers shall not be entitled to compensation for
10 such service, although reasonable expenses will be reimbursed.

11 **Section D. Exculpation, Release, and Injunction Provisions.**

12 **(1) Exculpation.**

13 None of the Releasees nor any of their respective Representatives shall have or incur any
14 liability to any Holder of a Claim against or Interest in Debtor, or any other party-in-interest, or any
15 of their Representatives, or any of their successors or assigns, for any act, omission, transaction or
16 other occurrence in connection with, relating to, or arising out of the Chapter 11 Case, the pursuit of
17 confirmation of the Plan, or the consummation of the Plan, except and solely to the extent such
18 liability is based on fraud, gross negligence or willful misconduct. The Releasees shall be entitled to
19 reasonably rely upon the advice of counsel with respect to any of their duties and responsibilities
20 under the Plan or in the context of the Chapter 11 Case. No Holder of a Claim against the Debtor, or
21 any other party-in-interest, including their respective Representatives, shall have any right of action
22 against the Releasees or any of their Representatives, for any act, omission, transaction or other
23 occurrence in connection with, relating to, or arising out of, the Chapter 11 Case, the pursuit of
24 confirmation of the Plan, the consummation of the Plan or the administration of the Plan, except to
25 the extent arising from fraud, gross negligence or willful misconduct. Nothing in Section 9.3 of the
26 Plan shall be deemed an exculpation by any Releasor of any Releasee or any of its Representatives
27 for any acts, omissions, transactions, events or other occurrences taking place after the Effective
28 Date of the Plan.

1 **(2) Releases.**

2 As of the Effective Date of the Plan, for good and valuable consideration, each Releasor will
3 be deemed to release, waive and forever discharge all Released Liabilities³⁵ against each Releasee
4 and each Releasee's respective Representatives; *provided, however*, that, the releases provided in
5 Section 9.4 of the Plan shall not constitute a release of any liability based on willful misconduct,
6 gross negligence or fraud; *provided, further*, that nothing in the Plan shall be deemed to constitute a
7 release by any Releasor of any Releasee or any of its Representatives for any acts, omissions,
8 transactions, events or other occurrences taking place after the Effective Date, and *provided, further*,
9 that any party who is rightly included in the definition of Releasee that challenges the Plan or its
10 implementation shall no longer be classified as a Releasee. For the avoidance of doubt, no
11 obligations assumed under this Plan are being released.

12 **(3) Debtor's Release of the Diocese on behalf of Debtor and the Estate.**

13 As of the Effective Date of the Plan, for good and valuable consideration, Debtor and its
14 bankruptcy estate release, waive and forever discharge the Diocese Released Parties from all
15 Released Liabilities.

16 **(4) The GUC/Diocese Release.**

17 Pursuant to Section 2.3(e) of the Plan, Holders of General Unsecured Claims may elect to
18 grant the GUC/Diocese Release by voting to accept the Plan, checking the box on the Class 5 Ballot
19 indicating their agreement to grant the GUC/Diocese Release and timely returning their ballot in
20 accordance with the solicitation procedures. The GUC/Diocese Release is a consensual release by
21 holders of General Unsecured Claims of the Diocese Released Parties from all Released Liabilities.

22
23
24 ³⁵ "Released Liabilities" are defined in the Plan to mean, with respect to a given Releasor, all claims,
25 obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities based
26 on any act, omission, transaction, event or other occurrence (other than rights to enforce the terms of
27 the Plan or any related document or agreement in the Chapter 11 Case), whether known or unknown,
28 foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that arose prior
to the Effective Date and relate to the Debtor, the Plan, the Chapter 11 Case or the School which
could have been asserted by such Releasor against (i) any Releasee or any of its Representatives or
(ii) solely with respect to the GUC/Diocese Release and the Debtor's Release of the Diocese, the
Diocese Released Parties and any of their Representatives.

1 **(5) Injunctions Against Releasors.**

2 All of the Releasors, along with any of their successors or assigns, are permanently enjoined,
3 from and after the Effective Date of the Plan, from (i) commencing or continuing in any manner any
4 action or other proceeding of any kind against the Releasees or any of their respective
5 Representatives in respect of any Released Liabilities, (ii) enforcing, attaching, collecting or
6 recovering by any manner or means of any judgment, award, decree or order against the Releasees or
7 any of their respective Representatives in respect of any Released Liabilities, (iii) creating,
8 perfecting, or enforcing any encumbrance of any kind against the Releasees or any of their
9 respective Representatives in respect of any Released Liabilities, or (iv) asserting any right of setoff,
10 subrogation or recoupment of any kind against any obligation due from the Releasees or any of their
11 respective Representatives or against the property or interests in property of the Releasees or any of
12 their respective Representatives, in respect of any Released Liabilities; *provided, however*, that
13 nothing contained herein shall preclude such Releasors from exercising their rights pursuant to and
14 consistent with the terms of the Plan and the contracts, instruments, releases and other agreements
15 and documents delivered under or in connection with the Plan; *provided, further*, that nothing
16 contained in the Plan shall be deemed to enjoin any Releasor from taking any action against any
17 Releasee or any of its Representatives based on the release exceptions contained in the Plan.

18 **(6) Injunction Protecting Exculpation of Releasees.**

19 All Holders of Claims against the Debtor and any other parties-in-interest, along with any of
20 their Representatives and any of their successors or assigns are permanently enjoined, from and after
21 the Effective Date of the Plan, from (i) commencing or continuing in any manner any action or other
22 proceeding of any kind against Releasees or any of their respective Representatives in respect of any
23 potential liability for which exculpation is granted pursuant to the Plan, (ii) enforcing, attaching,
24 collecting or recovering by any manner or means of any judgment, award, decree or order against
25 Releasees or any of their respective Representatives in respect of any potential liability for which
26 exculpation is granted pursuant to the Plan, (iii) creating, perfecting, or enforcing any encumbrance
27 of any kind against Releasees or any of their respective Representatives in respect of any potential
28 liability for which exculpation is granted pursuant to the Plan, or (iv) asserting any right of setoff,

1 subrogation or recoupment of any kind against any Releasee or any of their respective
2 Representatives or against the property or interests in property any Releasee or any of their
3 respective Representatives, in respect of any potential liability for which exculpation is granted
4 pursuant to the Plan; *provided, however*, that nothing contained in the Plan shall preclude any Holder
5 or other party-in-interest from exercising its rights pursuant to and consistent with the terms of the
6 Plan and the contracts, instruments, releases and other agreements and documents delivered under or
7 in connection with the Plan.

8 **Section E. Conditions to Effective Date.**

9 Section 7.1 of the Plan sets forth the following conditions to be met on or before the
10 Effective Date of the Plan, which conditions must be satisfied or waived in writing by the Debtor
11 and the Diocese:

12 (a) That the Confirmation Order shall be entered by the Bankruptcy Court and shall have become
13 a Final Order;³⁶

14 (b) There are sufficient funds to make up the required Confirmation Funds;

15 (c) To the extent Confirmation Funds are insufficient to satisfy the Allowed
16 Administrative Claims, the Reorganized Debtor has assumed or will pay the remaining amounts
17 unless otherwise agreed by the Holder of such Allowed Administrative Claim(s);

18 (d) Any outstanding US Trustee Fees shall have been paid in full;

19 (e) The BGHS Lease, as amended to provide for the Additional Rent, shall have been
20 assumed and assigned by Debtor pursuant to an order of the Bankruptcy Court under 11 U.S.C. §
21 365; and

22 (f) JATCO's liens shall have been avoided pursuant to the avoidance action claims and
23 related causes of action asserted in the JATCO Adversary Proceeding.

24 ³⁶ Debtor, in its sole discretion, may waive the final order condition in subpart (a) at any time from
25 and after the Confirmation Date; *provided, however*, that the Debtor shall first obtain the written
26 consent of the Diocese pursuant to the Diocese Plan Support Agreement. In that event, Debtor will
27 be entitled to render any or all performance under the Plan prior to what otherwise would be the
28 Effective Date of the Plan if the above-referenced conditions were not waived; including, but not
limited to, the right to perform under any circumstances which would moot any appeal, review or
other challenge of any kind to the Confirmation Order if the Confirmation Order is not stayed
pending such appeal, review or other challenge.

1 **ARTICLE V**

2 **RESERVATION OF RIGHTS PENDING CONFIRMATION AND EFFECTIVE DATE**

3 **Section A. No Admissions or Waiver.**

4 Nothing contained in the Plan, or in the Disclosure Statement shall be deemed an admission
5 by Debtor or any Person with respect to any matter set forth herein. No statement contained in the
6 Plan or in the Disclosure Statement may be used or relied on in any manner in any suit, action,
7 proceeding or controversy within or outside of the Chapter 11 Case against Debtor. The Debtor
8 reserves any and all rights as against all Persons.

9 **ARTICLE VI**

10 **CONFIRMATION OF THE PLAN**

11 The Bankruptcy Court may confirm the Plan only if it determines that the Plan complies with
12 the technical requirements of Chapter 11.

13 **Section A. Voting Eligibility.**

14 Under the Bankruptcy Code, only holders of Claims in Classes that are “Impaired” (as that
15 term is defined in Bankruptcy Code section 1124) under the Plan are entitled to vote to accept or
16 reject the Plan. Classes of Claims that are unimpaired are conclusively presumed to have accepted
17 the Plan and are not entitled to vote on the Plan.

18 A Ballot to be used to accept or reject the Plan will be enclosed with all copies of this
19 Disclosure Statement.

20 **Section B. Voting Instructions.**

21 THE PERIOD DURING WHICH BALLOTS WILL BE ACCEPTED WILL TERMINATE
22 AT 4:00 P.M. PREVAILING PACIFIC TIME, ON [], 2018 (THE “VOTING DEADLINE”).

23 TO BE COUNTED, YOUR BALLOT MUST BE COMPLETELY FILLED IN, SIGNED,
24 AND TRANSMITTED IN THE MANNER SPECIFIED IN THE BALLOT SO THAT IT IS
25 RECEIVED BY THE VOTING DEADLINE. PLEASE FOLLOW CAREFULLY ALL
26 INSTRUCTIONS CONTAINED IN THE BALLOT. ANY BALLOTS RECEIVED WHICH DO
27 NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN WILL BE
28 COUNTED AS ACCEPTING THE PLAN.

1 If you have any questions about the procedure for voting, or if you did not receive a Ballot,
2 received a damaged Ballot, or have lost your Ballot, or if you would like any additional copies of
3 this Disclosure Statement, please contact:

4 Fox Rothschild LLP
5 Attn: Patricia Chlum
6 1980 Festival Plaza Drive, Suite 700
7 Las Vegas, NV 89135
8 Telephone: (702) 699-5909

9 BALLOTS MUST BE DELIVERED BY FIRST CLASS MAIL, OVERNIGHT DELIVERY
10 OR HAND DELIVERY AT THE FOLLOWING ADDRESS:

11 By First Class Mail, Overnight Delivery or Hand Delivery:

12 Fox Rothschild, LLP
13 Attn: Brett A. Axelrod, Esq.
14 1980 Festival Plaza Drive, Suite 700
15 Las Vegas, Nevada 89135

16 **Section C. Confirmation Hearing.**

17 Bankruptcy Code section 1128(a) requires the Bankruptcy Court to hold a hearing on
18 Confirmation of the Plan. Bankruptcy Code section 1128(b) provides that any party in interest may
19 object to Confirmation of the Plan.

20 THE BANKRUPTCY COURT HAS SCHEDULED THE CONFIRMATION HEARING TO
21 COMMENCE ON [], 2018 AT # _m. PREVAILING PACIFIC TIME BEFORE THE
22 HONORABLE AUGUST B. LANDIS, UNITED STATES BANKRUPTCY JUDGE IN THE
23 UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEVADA, IN
24 COURTROOM 1, FOLEY FEDERAL BUILDING AND U.S. COURTHOUSE, 300 LAS VEGAS
25 BOULEVARD SOUTH, LAS VEGAS, NEVADA 89101. THE CONFIRMATION HEARING
26 MAY BE ADJOURNED FROM TIME TO TIME BY THE BANKRUPTCY COURT WITHOUT
27 FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT OF THE ADJOURNED DATE
28 MADE AT THE CONFIRMATION HEARING OR ANY ADJOURNMENT THEREOF.

1 OBJECTIONS TO CONFIRMATION MUST BE FILED AND SERVED ON OR BEFORE
2 [], 2017. UNLESS OBJECTIONS ARE TIMELY SERVED, THEY MAY NOT BE CONSIDERED
3 BY THE BANKRUPTCY COURT.

4 **(1) Best Interests of Creditors / Liquidation Analysis.**

5 Often called the “best interests” test, Bankruptcy Code section 1129(a)(7) requires that the
6 bankruptcy court find as a condition to confirmation, that a chapter 11 plan provides, with respect to
7 each impaired class of claims, that each holder of a claim such class either (i) has accepted the plan
8 or (ii) will receive or retain under the plan property of a value that is not less than the amount that
9 the holder would receive or retain if the debtor’s assets were liquidated under chapter 7 of the
10 Bankruptcy Code.

11 To make this finding, the Bankruptcy Court must, among other things, compare each
12 rejecting holder’s distribution under a chapter 7 liquidation with the distribution that such holder
13 would receive if the Plan is confirmed.

14 Attached as Exhibit B is a liquidation analysis with a balance sheet as of January 19, 2017
15 showing the Debtor’s assets at fair value of \$36.5 million and Liabilities of \$59.8 million rendering
16 the Debtor insolvent. If the Debtor’s assets were valued at liquidation value, the total assets would be
17 less than the secured claim owed to the County. Liquidation in Chapter 7 would leave no assets for
18 distribution to unsecured creditors. As discussed in greater detail above, Debtor’s appraiser,
19 Gotthardt, has appraised both the market and liquidation values of Debtor’s leased fee interest in the
20 Property at \$8,650,000.00 taking into consideration the Restrictions set forth in the Development
21 Declarations. Additionally and as a hypothetical, Gotthardt appraised the fair market value of
22 Debtor’s leased fee interest in the Property at \$25,650,000.00, and the liquidation value of Debtor’s
23 leased fee interest in the Property at \$21,615,000.00.

24 Claims against the Debtor are estimated to be approximately \$65.2 million in the aggregate,
25 including approximately \$30 million in General Unsecured Claims. Even using the highest
26 hypothetical value proposed by Gotthardt, the value of the Property is insufficient to cover the Bank
27 Secured Claim (Class 2), the County Secured Claim (Class 3), and the SAP Claim (Class 4), which
28 collectively total approximately \$32.9 million. Because these Claims are all senior in priority of

1 payment to General Unsecured Claims, there would not be any remaining funds for payment of
2 General Unsecured Claims in such a liquidation scenario. Thus, the Plan proposes better treatment
3 for creditors than they would receive in a Chapter 7 liquidation.

4 Debtor believes that the Plan satisfies the best interests test because, among other things, the
5 recoveries expected to be available to holders of Allowed Claims under the Plan will be greater than
6 the recoveries expected to be available in a chapter 7 liquidation, and distributions under the Plan
7 will commence at an earlier point in time than they would if a chapter 7 trustee were put in place.

8 In a typical chapter 7 case, a trustee is elected or appointed to liquidate a debtor's assets for
9 distribution to creditors in accordance with the priorities set forth in the Bankruptcy Code.
10 Generally, secured creditors are paid first from the proceeds of sales of the properties securing their
11 liens. If any assets are remaining in the estate after satisfaction of secured creditors' claims from
12 their collateral, administrative expenses are next to receive payment.

13 Unsecured creditors are paid from any remaining sales proceeds, according to their
14 respective priorities. Unsecured creditors with the same priority share in proportion to the amount of
15 their allowed claims in relationship to the total amount of allowed claims held by all unsecured
16 creditors with the same priority.

17 Debtor believes that the Plan provides at least equal recovery to unsecured creditors as they
18 would obtain in chapter 7 by the terms of the Plan. Further, liquidation of Debtor's assets, even if
19 legally possible without Debtor's consent, under chapter 7 would require the appointment of a
20 chapter 7 trustee. Such an appointment would delay distributions to holders of Claims and would
21 likely provide a smaller distribution because of the additional fees and expenses that would be
22 incurred during a chapter 7 liquidation. These include potential added time, fees and expenses
23 incurred by a chapter 7 trustee and any of its retained professionals who would need to familiarize
24 themselves with the complex matters described above, all of which Debtor's current retained
25 professionals have spent nearly a year analyzing.

26 Debtor submits that the Plan satisfies the "best interests" test in Bankruptcy Code section
27 1129(a)(7).
28

1 **(2) Feasibility of the Plan.**

2 Bankruptcy Code section 1129(a)(11) requires a finding that confirmation of a plan is not
3 likely to be followed by the liquidation, or the need for further financial reorganization, of the
4 Debtor or any successor-in-interest.

5 Confirmation Funds will be provided by the Debtor’s available cash on the Effective Date,
6 voluntary removal of restrictions by some Donors and contribution from the Diocese in exchange for
7 a release pursuant to the Plan Support Agreement. The Diocese Note shall be assigned to the GUC
8 Fund. Future payments will come from rent under the BGHS Lease and the Cell Tower Lease. In
9 connection with the Additional Rent to be paid under the Amended BGHS Lease, the School is
10 evaluating both reductions in budgeted expenditures and tuition increases. The Plan is feasible.

11 **(3) Confirmation Without Acceptance of All Impaired Classes - “Cramdown.”**

12 The Bankruptcy Code contains provisions which could enable the Bankruptcy Court to
13 confirm the Plan, even though the Plan has not been accepted by all Impaired Classes, provided that
14 the Plan has been accepted by at least one Impaired Class of Claims. Debtor believes that the Plan
15 will be able to meet the statutory standards set forth in the Bankruptcy Code.

16 Bankruptcy Code section 1129(b)(1) states:

17 Notwithstanding section 510(a) of this title, if all of the applicable
18 requirements of subsection (a) of this section other than paragraph (8) [requiring that
19 all impaired classes have accepted the plan] are met with respect to a plan, the court,
20 on request of the proponent of the plan, shall confirm the plan notwithstanding the
21 requirements of such paragraph if the plan does not discriminate unfairly, and is fair
22 and equitable, with respect to each class of claims that is impaired under, and has not
23 accepted the plan.

24 This section makes clear that a plan must be confirmed notwithstanding the failure of an
25 impaired class to accept the plan, so long as the plan “does not discriminate unfairly” and it is “fair
26 and equitable” with respect to each rejecting class.

27 **(4) No Unfair Discrimination.**

28 A plan does not “discriminate unfairly” if (a) the plan does not treat any rejecting class of
claims in a manner that is materially less favorable than the treatment afforded to another class with
similar legal claims against the debtor, and (b) no class receives payments in excess of that which it

1 is legally entitled to receive for its claims. However, a plan also may satisfy this requirement even if
2 classes of claims that are of equal priority receive different treatment. The test does not require that
3 the classes of equal priority receive identical treatment, but instead only that if there is a difference
4 in treatment that such difference be “fair.”

5 **(5) Fair And Equitable Test.**

6 The Bankruptcy Code sets forth three different standards for establishing that a plan is “fair
7 and equitable” with respect to a rejecting class, depending on whether the class is comprised of
8 secured or unsecured claims. In general, Bankruptcy Code section 1129(b) permits confirmation
9 notwithstanding non-acceptance by an impaired class if that class and all classes junior to it are
10 treated in accordance with the “absolute priority” rule, which requires either that the dissenting class
11 be paid in full, or if it is not, that no junior class receives or retains property under the plan.
12 However, the Debtor is a non-profit corporation and does not have shareholders. The absolute
13 priority rule does not apply to a non-profit corporation.

14 **ARTICLE VII**

15 **RISK FACTORS**

16 **Section A. Risks Related to Bankruptcy.**

17 **(1) Parties May Object to the Plan’s Classification of Claims and Interests.**

18 Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in
19 a particular class only if such claim or interest is substantially similar to the other claims or interests
20 in such class. The Debtor believes that the classification of the Claims under the Plan complies with
21 the requirements set forth in the Bankruptcy Code because each Class encompasses Claims that are
22 substantially similar to the other Claims (if any) in such Class. Nevertheless, there can be no
23 assurance that the Bankruptcy Court will reach the same conclusion.

24 **(2) The Debtor May Not Be Able to Obtain Confirmation of the Plan.**

25 With regard to any proposed plan of reorganization, a debtor may not receive the requisite
26 acceptances to confirm a plan. In the event that votes from Claims in Classes entitled to vote are
27 received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the
28 Debtor intends to seek confirmation of the Plan by the Bankruptcy Court. If the requisite acceptances

1 are not received, the Debtor may nevertheless seek confirmation of the Plan notwithstanding the
2 dissent of certain Classes of Claims. The Bankruptcy Court may confirm the Plan pursuant to the
3 “cramdown” provisions of the Bankruptcy Code, which allow the Bankruptcy Court to confirm a
4 plan that has been rejected by an Impaired Class of Claims if it determines that the Plan satisfies
5 section 1129(b) of the Bankruptcy Code. To confirm the Plan over the objection of a dissenting
6 Class, the Bankruptcy Court also must find that at least one Impaired Class has accepted the Plan,
7 with such acceptance being determined without including acceptances of any “insider” in such Class.
8 Even if the requisite acceptances of the Plan are received, the Bankruptcy Court might not confirm
9 the Plan as proposed if the Bankruptcy Court finds that any of the statutory requirements for
10 confirmation under section 1129 of the Bankruptcy Code have not been met.

11 If the Plan is not confirmed by the Bankruptcy Court, it is unclear whether the Debtor would
12 be able to reorganize and what, if any, distributions Holders of Claims would ultimately receive with
13 respect to their Claims. There can be no assurance that the Debtor would be able to successfully
14 develop, prosecute, confirm, and consummate an alternative plan that is acceptable to the
15 Bankruptcy Court and to the Debtor’s creditors.

16 **(3) The Conditions Precedent to the Effective Date of the Plan Many Not Occur.**

17 The Effective Date is subject to several conditions precedent, as described more fully above
18 and in the Plan. If such conditions are not met or waived, the Effective Date will not occur.

19 **ARTICLE VIII**

20 **CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

21 **Section A. Introduction.**

22 IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH TREASURY
23 DEPARTMENT CIRCULAR 230, HOLDERS OF CLAIMS ARE HEREBY NOTIFIED THAT:
24 (A) ANY DISCUSSION OF FEDERAL INCOME TAX ISSUES IN THIS DISCLOSURE
25 STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE
26 RELIED UPON, BY HOLDERS OF CLAIMS FOR THE PURPOSE OF AVOIDING PENALTIES
27 THAT MAY BE IMPOSED ON HOLDERS OF CLAIMS UNDER THE INTERNAL REVENUE
28 CODE; (B) SUCH DISCUSSION IS PART OF A DISCLOSURE STATEMENT THAT MAY BE

1 DEEMED TO CONSTITUTE A DOCUMENT BEING USED IN CONNECTION WITH THE
2 PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE
3 DEBTOR OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C)
4 HOLDERS OF CLAIMS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR
5 CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

6 **Section B. Importance of Obtaining Professional Tax Assistance**

7 THE FOREGOING DISCUSSION IS NOT A SUBSTITUTE FOR CONSULTATION AND
8 CAREFUL TAX PLANNING AND CONSULTATION WITH A TAX PROFESSIONAL OF
9 YOUR CHOOSING. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES
10 ONLY AND IS NOT INTENDED TO BE, NOR DOES IT CONSTITUTE TAX ADVICE. THE
11 TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY
12 DEPENDING ON A HOLDER OF A CLAIM'S PARTICULAR CIRCUMSTANCES.
13 ACCORDINGLY, HOLDERS OF CLAIMS, AND OTHERS WHO MAY BE AFFECTED BY
14 THE PLAN, ARE CAUTIONED TO NOT RELY ON THE CONTENTS OF THIS MATERIAL AS
15 TO THE POTENTIAL TAX CONSEQUENCES TO THEM SPECIFICALLY, AND ARE URGED
16 TO CONSULT THEIR OWN TAX ADVISERS ABOUT THE UNITED STATES FEDERAL,
17 STATE, LOCAL AND APPLICABLE FOREIGN INCOME AND OTHER TAX
18 CONSEQUENCES OF THE PLAN AND ANY TRANSACTIONS ENTERED INTO IN
19 CONNECTION THEREWITH.

20 **ARTICLE IX**

21 **FURTHER INFORMATION**

22 If you have any questions or require further information about the voting procedures for
23 voting your Claim or Interest, or about the packet of material you received, or if you wish to obtain
24 an additional copy of the Plan, the Disclosure Statement, or any Exhibits to such documents (at your
25 own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d)), please contact:
26
27
28

1 FOX ROTHSCHILD LLP
2 Attn: Patricia Chlum
3 1980 Festival Plaza Drive, Suite 700
4 Las Vegas, NV 89135
5 Tel: (702) 699-5909

6 **ARTICLE X**

7 **ALTERNATIVE TO CONFIRMATION AND CONSUMMATION OF THE PLAN**

8 If the Plan (or any alternative plan of reorganization proposed) is not confirmed and
9 consummated, there can be no assurance that the Chapter 11 Case will not be converted to a chapter
10 7 liquidation.

11 If the Debtor's Chapter 11 Case were converted to chapter 7, Debtor believes that liquidation
12 under chapter 7 would result in lower distributions being made to creditors over longer time periods
13 than those provided for in the Plan because, among other reasons: (i) the Restrictions on the Property
14 limit any potential sale; (ii) in liquidation only the secured creditors would be paid; (iii) there would
15 be no Diocese Contribution; and (iv) additional administrative expenses would be incurred in a
16 chapter 7 liquidation, specifically the chapter 7 trustee statutory fees of up to 3% of disbursements
17 and the cost of the chapter 7 trustee's professionals to familiarize themselves with the facts and
18 circumstances of these cases.

19 Alternatively, if the Plan is not confirmed, Debtor's Chapter 11 Case may be dismissed. In
20 such event, the Bank would likely foreclose its liens and extinguish any unsecured creditor recovery.

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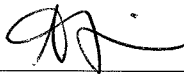
ARTICLE XI

RECOMMENDATION AND CONCLUSION

Debtor believes that the Plan provides the best prospect for recoveries for Creditors that can be achieved in any reasonable timeframe and that possible alternatives are likely to result in delayed and/or diminished prospective recoveries for holders of Claims. Therefore, Debtor urges all holders of Claims to vote to accept the Plan.

DATED December 27, 2017.

BISHOP GORMAN DEVELOPMENT CORPORATION

By:  _____

Its: Executive Director

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EXHIBIT A

1 BRETT A. AXELROD, ESQ.
Nevada Bar No. 5859
2 AMANDA A. HUNT, ESQ.
Nevada Bar No. 12644
3 FOX ROTHSCHILD LLP
4 1980 Festival Plaza Drive, Suite 700
Las Vegas, NV 89135
5 Telephone: (702) 262-6899
Facsimile: (702) 597-5503
6 Email: baxelrod@foxrothschild.com
ahunt@foxrothschild.com
7 *Counsel for Bishop Gorman Development Corporation*

Electronically Filed December 27, 2017

8 **UNITED STATES BANKRUPTCY COURT**

9 **DISTRICT OF NEVADA**

10
11 In re

Case No- BK-S-17-11942-ABL

12 BISHOP GORMAN DEVELOPMENT
CORPORATION, a Nevada nonprofit
13 corporation,

Chapter 11

14 Debtor.

**FIRST AMENDED CHAPTER 11
PLAN OF REORGANIZATION
DATED DECEMBER 27, 2017**

Hearing Date: N/A
Hearing Time: N/A

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16
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18 **DEBTOR'S FIRST AMENDED CHAPTER 11 PLAN OF**
19 **REORGANIZATION DATED DECEMBER 27, 2017 IS BEING FILED**
20 **FOR INFORMATIONAL PURPOSES ONLY. ANY OFFER OR**
21 **ABOVE-REFERENCED PLAN WILL COMPLY WITH ALL**
22 **APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE ONCE A**
23 **DISCLOSURE STATEMENT TO ACCOMPANY SUCH PLAN HAS**
24 **BEEN APPROVED BY THE BANKRUPTCY COURT.**

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1 Bishop Gorman Development Corporation (“Debtor”), debtor and debtor-in-possession in
2 the above-captioned case (the “Chapter 11 Case”), hereby proposes its First Amended Chapter 11
3 plan of reorganization dated December 27, 2017 (the “Plan”) pursuant to section 1121(a) of title 11
4 of the United States Code (the “Bankruptcy Code”).

5 THIS PLAN AND THE ACCOMPANYING DISCLOSURE STATEMENT REMAIN
6 SUBJECT TO APPROVAL BY THE BANKRUPTCY COURT AND HAVE NOT BEEN
7 AUTHORIZED BY THE BANKRUPTCY COURT FOR USE IN SOLICITING ACCEPTANCES
8 OR REJECTIONS OF THIS PLAN.

9 **DISCLAIMER**

10 Reference is made to the Disclosure Statement accompanying this Plan for a discussion of
11 Debtor’s history, business, and properties, and brief summary and detailed analysis of this Plan. All
12 creditors are encouraged to consult the Disclosure Statement and to read this Plan carefully and
13 completely before voting to accept or reject this Plan.

14 **ARTICLE I**

15 **DEFINITIONS AND RULES OF INTERPRETATION**

16 For the purposes of this Plan and the accompanying Disclosure Statement, the following
17 terms shall have the respective meanings as hereinafter set forth. Capitalized terms used in this Plan
18 at all times shall refer to terms defined in this Article I, or, if not defined in this Article I, then as
19 defined in any other section of this Plan. Unless otherwise provided in this Plan, all terms used
20 herein shall have the meaning assigned to them under the Bankruptcy Code or Bankruptcy Rules.
21 The rules of construction applicable to the Bankruptcy Code and the Bankruptcy Rules shall be
22 applicable to this Plan.

23 1.1. “Additional Rent” means an additional payment of \$500,000 per annum, to be paid
24 [no less frequently than quarterly] for a period of six (6) years from the Effective Date of the Plan to
25 be paid by the Diocese to the Debtor through an increase in the Rent under the BGHS Lease.

26 1.2. “Administrative Claim” means a Claim for costs and expenses of administration,
27 pursuant to Bankruptcy Code sections 503(b), 507(a)(2) or 507(b), including: (a) the actual and
28 necessary costs and expenses incurred after the Petition Date and through the Effective Date of

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1 preserving the Estate and operating the business of Debtor (such as wages, salaries, or commissions
2 for services, and payments for goods and services); (b) compensation and reimbursement of
3 expenses for legal, financial advisory, accounting, and other services, including but not limited to,
4 Allowed Professional Fees, pursuant to Bankruptcy Code sections 328, 330(a), or 331 or otherwise
5 for the period commencing on the Petition Date and ending on the Effective Date; (c) all fees and
6 charges assessed against the Estates, pursuant to chapter 123 of the Judicial Code and 28 U.S.C. §
7 1930; and (d) all Bankruptcy Court approved requests for compensation or expense reimbursement
8 for making a substantial contribution in the Chapter 11 Case, pursuant to Bankruptcy Code sections
9 503(b)(3), (4), and (5).

10 1.3. “Administrative Claim Bar Date” means the deadline for filing requests for payment
11 of Administrative Claims, which shall be thirty (30) days after entry of an order approving the
12 Disclosure Statement, except with respect to Professional Fees, which shall be subject to the
13 provisions of Section 2.2 hereof.

14 1.4. “Allowed” means, with reference to any Claim: (a) any Claim against the Debtor that
15 has been listed by Debtor in its Schedules as liquidated in amount and not disputed or contingent
16 and for which no contrary Proof of Claim has been filed; or (b) as to which a Proof of Claim has
17 been timely filed in a liquidated amount, provided that no objection to the allowance of such Claim
18 or motion to expunge such Claim has been interposed by any party in interest.

19 1.5. “Amended BGHS Lease” means that certain lease agreement to be entered into by
20 the Reorganized Debtor and the Diocese on the Effective Date of the Plan reflecting the Additional
21 Rent to be paid to the GUC Fund Account.

22 1.6. “Assets” means all of the assets, property (including the Property), interests, and
23 effects, cash, receivables, real and personal, tangible and intangible, wherever situated, of Debtor or
24 Debtor’s bankruptcy estate, as they existed on the Petition Date or thereafter.

25 1.7. “Assumed Contracts” means any of Debtor’s unexpired leases and executory
26 contracts existing on the Petition Date and any unexpired leases and executory contracts entered
27 into by Debtor post-petition which, prior to the Confirmation Date have been assumed by the
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1 Debtor pursuant to Bankruptcy Code section 365, or are to be assumed by the Debtor or
2 Reorganized Debtor.

3 1.8. "Authorized Donor Funds" means Donor Funds that the applicable Donor has
4 authorized the Debtor to use as Confirmation Funds that were previously restricted.

5 1.9. "Authorizing Donor" means a Donor that has authorized the Debtor to use its Donor
6 Funds as Authorized Donor Funds.

7 1.10. "Bank" means Bank of America, N.A., a national banking association duly organized
8 and existing under the laws of the United States of America.

9 1.11. "Bank Loan Agreements" means the Construction Loan Agreement, the Forbearance
10 Agreement, the Letter of Credit and Reimbursement Agreement, the Swap Agreement, and the
11 related subsidiary documents and instruments entered into in connection therewith.

12 1.12. "Bank's Collateral" means the assets of the Debtor subject to the Bank's Liens,
13 including the Replacement Liens, but excluding the GUC Fund Account.

14 1.13. "Bank Secured Claim" means all Allowed Claims of the Bank under the Bank Loan
15 Agreements, secured by the Bank's Collateral.

16 1.14. "Bankruptcy Code" means Title 11 of the United States Code, 11 U.S.C. §§ 101-
17 1532, as amended so to be applicable to the Chapter 11 Case.

18 1.15. "Bankruptcy Court" means the United States Bankruptcy Court for the District of
19 Nevada (Las Vegas) having original jurisdiction over Debtor's Chapter 11 Case under 28 U.S.C. §
20 1334 and exclusive jurisdiction over Debtor's bankruptcy estate pursuant 28 U.S.C. § 1334 and 11
21 U.S.C. § 541(a).

22 1.16. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as amended,
23 and the Local Rules of Bankruptcy Practice of the United States District Court for the District of
24 Nevada, as amended so as to be applicable to the Chapter 11 Case.

25 1.17. "Bar Date" means (a) August 23, 2017, the date established by the Bankruptcy Court
26 by which non-governmental Creditors are required to file proofs of claim with respect to pre-
27 petition Claims except with respect to Administrative Claims, Claims arising from the rejection of
28 any executory contracts and unexpired leases, and Claims that were scheduled by the Debtor as

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1 undisputed, non-contingent, and unliquidated; and (b) October 16, 2017, by which governmental
2 Creditors are required to file proofs of claim with respect to pre-petition Claims, including but not
3 limited to Priority Tax Claims.

4 1.18. "BGHS Lease" means that certain lease agreement between the Debtor and the
5 Diocese dated December 1, 2011 for the lease of the Property.

6 1.19. "Bonds" means the bonds issued by the County entitled "Clark County, Nevada
7 Variable Rate Demand Economic Development Refunding Revenue Bonds (Bishop Gorman High
8 School Project) Series 2011," in the aggregate principal amount of \$25,000,000.00, pursuant to the
9 Indenture.

10 1.20. "Cash" means currency, checks drawn on a bank insured by the Federal Deposit
11 Insurance Corporation, certified checks, money orders, negotiable instruments, and wire transfers of
12 immediately available funds.

13 1.21. "Cash Collateral Orders" means the *Order Granting Stipulated Agreement Between*
14 *Debtor, J.A. Tiberti Construction Co., Inc., and Bank of America, N.A. Regarding (I) Use of Cash*
15 *Collateral; and (II) Adequate Protection* [Docket No. 51], the *Order Granting Stipulated*
16 *Agreement Between Debtor, J.A. Tiberti Construction Co., Inc., and Bank of America, N.A.*
17 *Regarding (I) Continued Use of Cash Collateral; and (II) Adequate Protection* [Docket No. 154],
18 and *Order Granting Third Stipulated Agreement Between Debtor, J.A. Tiberti Construction Co.,*
19 *Inc., and Bank of America, N.A. Regarding (I) Continued Use of Cash Collateral; and (II) Adequate*
20 *Protection* [Docket No. 213], and any subsequent order approving the Debtor's use of cash
21 collateral.

22 1.22. "Cell Tower Lease" means that agreement between the Debtor and Golden State
23 Towers Ltd. for the placement of a cell tower on the Property.

24 1.23. "Confirmation Funds" means all funds required to be disbursed, or deposited and
25 held for later disbursement upon allowance or other Bankruptcy Court authorization, on or as of the
26 Effective Date (i) to Holders of Allowed Professional Fee Claims; (ii) to the U.S. Trustee for US
27 Trustee Fees; (iii) to the SAP Claim; (iv) to Holders of General Unsecured Claims through the GUC
28

1 Fund; and (v) for any other Distributions and payment of costs and expenses in connection with
2 consummating the Plan.

3 1.24. "Confirmation Order" means that certain order entered by the Bankruptcy Court
4 confirming Debtor's chapter 11 plan of reorganization in a form acceptable to Debtor and the
5 Diocese in their sole discretion.

6 1.25. "Construction Loan Agreement" means that certain Construction Loan Agreement
7 by and between the Debtor and the Bank dated as of December 1, 2011, pursuant to which the Bank
8 issued the Debtor a line of credit in the amount of \$12,500,000.00.

9 1.26. "2003 Conveyance" means any manner by which any estate or interest in the
10 Property is created, alienated, assigned or surrendered, and includes, without limitation, any sale,
11 lease, conveyance transfer, exchange, encumbrance or other disposition of the Property of any
12 portion thereof or facilities thereon, whether by agreement for sale or in any other manner. Any
13 sale or other transfer, including transfer by consolidation, merger, reorganization, encumbrance or
14 other conveyance by any of the Principals (hereinafter defined) of any portion of their interests in
15 Owner shall be deemed to be a Conveyance by Owner of Owners interest in the Property if such
16 transfer would result in the Principals collectively owning less than ten percent (10%) of the
17 beneficial control of Owner.

18 1.27. "2011 Conveyance" means any manner by which any estate or interest in the
19 Property is created, alienated, assigned or surrendered, and includes, without limitation, any sale,
20 lease, conveyance transfer, exchange, encumbrance or other disposition of the Property of any
21 portion thereof or facilities thereon, whether by agreement for sale or in any other manner. Any
22 sale or other transfer, including transfer by consolidation, merger, reorganization, encumbrance or
23 other conveyance by any of the Principals (hereinafter defined) of any portion of their interests in
24 Owner which results in a change in control of Owner shall be deemed to be a Conveyance by
25 Owner of Owner's interest in the Property. For purposes hereof, the term "Principals" means any
26 person or entity who owns or controls, directly or indirectly any financial interest in Owner on the
27 Effective Date of the Purchase Agreement. As used herein, "Control" shall mean the ability
28 (whether directly or indirectly or by contract or otherwise) to direct the management and affairs of

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1 another entity. Notwithstanding the foregoing, Owner may place encumbrances on the Property or
2 Improvements as security for an interim or permanent loan or loans made in good faith and for
3 value by an institutional lender reasonably acceptable to Hughes and used solely for the
4 construction of the Project on the Property or refinancing of such a construction loan or in respect
5 of equipment or fixtures to be located on the Property Notwithstanding the foregoing or any other
6 provision of this Development Declaration or the Purchase Agreement, a “Conveyance” shall not
7 include any conveyance or lease or any other agreement with The Roman Catholic Bishop of Las
8 Vegas, and His Successors, a Corporation Sole, with regard to the Property or any portion thereof.

9 1.28. “County” means Clark County, a political subdivision of the State of Nevada.

10 1.29. “County’s Collateral” means the assets of the Debtor subject to the County’s Secured
11 Claim.

12 1.30. “County Loan Agreement” means that certain loan agreement by and between the
13 County and Debtor dated as of December 1, 2011, pursuant to which the proceeds of the Bonds
14 were loaned to the Debtor.

15 1.31. “County Note” means that certain note executed by the Debtor in favor of the
16 County on December 1, 2011 obligating the Debtor to pay to the county the amount borrowed under
17 the County Loan Agreement.

18 1.32. “County Secured Claim” means all Allowed Claims of the County under the County
19 Loan Agreement, secured by the County’s Collateral.

20 1.33. “Debtor” means Bishop Gorman Development Corporation, a Nevada nonprofit
21 corporation.

22 1.34. “Debtor in Possession” means the Debtor, as debtor in possession in the Chapter 11
23 Case, pursuant to Bankruptcy Code sections 1107 and 1108.

24 1.35. “Development Declarations” means the Declaration of Development Covenants and
25 Restrictions by Bishop Gordon Development Corporation Village 16, Parcel 2, recorded December
26 19, 2003 and the Declaration of Development Covenants and Restrictions by Bishop Gordon
27 Development Corporation Village 16, Parcel Q and South Site Parcel recorded March 15, 2011.

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1 1.36. “Diocese” means The Roman Catholic Bishop of Las Vegas and his Successors, a
2 Corporation Sole (legally titled “The Roman Catholic Bishop of Las Vegas and His Successors, a
3 Corporation Sole”).

4 1.37. “Diocese Released Parties” means the Diocese and its heirs, administrators,
5 employees, volunteers, insurers, agents, predecessors in interest, successors and assigns, and any
6 other related or affiliated person, corporation, association, entity or partnership, but excluding the
7 Debtor.

8 1.38. “Diocese Plan Support Agreement” means that certain agreement between Debtor
9 and the Diocese that sets forth the material terms and conditions pursuant to which the Diocese
10 agrees to support and provide funding for Debtor’s Plan.

11 1.39. “Diocese Note” means the Unsecured Promissory Note dated May 9, 2017 made by
12 The Roman Catholic Bishop of Las Vegas, and His Successors, a Corporation Sole to Bishop
13 Gorman Development Corporation in the Principal Amount of \$4,859,567.42.

14 1.40. “DIP Lender” means Service Campaign Corporation, its successors, assigns and/or
15 designees.

16 1.41. “DIP Lender Claim” means the Claim held by the DIP Lender arising from the DIP
17 Loan.

18 1.42. “DIP Loan” means the unsecured post-petition credit facility in the amount of up to
19 \$500,000.00, made by the DIP Lender to the Debtor under Bankruptcy Code sections 364(b) and
20 503(b)(1), as authorized by and pursuant to the DIP Financing Order.

21 1.43. “DIP Financing Order” means the *Final Order Pursuant to 11 U.S.C. §§ 105, 362,*
22 *363 and 364, Fed. R. Bankr. P. 4001(C) and 9014 and L.R. 4001(B) and (C): (I) Authorizing*
23 *Debtor to Obtain Post-Petition Financing; (II) Granting Related Relief* [Docket No. 152].

24 1.44. “Disallowed Claim” means any Claim or portion thereof that has been disallowed by
25 a final order of the Bankruptcy Court.

26 1.45. “Disclosure Statement” means the solicitation and disclosure statement for this Plan,
27 including all exhibits, schedules, and supplements thereto, as approved by the Bankruptcy Court.

28 1.46. “Distribution” means payment of Cash or an Estate dividend pursuant to the Plan.

1 1.47. "Distribution Agent" means Debtor, Deacon Aruna Silva, or the Person or Entity
2 chosen by Debtor to make or to facilitate Distributions pursuant to this Plan.

3 1.48. "Donor" means a person who has donated Donor Funds that have not been used by
4 the Debtor prior to the Effective Date.

5 1.49. "Donor Funds" means a donation to the Debtor that its Donor restricted to specific
6 uses.

7 1.50. "Effective Date" means the first Business Day on which the conditions specified in
8 Article VII of this Plan have been satisfied in full or waived.

9 1.51. "Estate" shall mean Debtor's bankruptcy estate, comprised of all of Debtor's legal
10 and equitable interests in property, as set forth in 11 U.S.C. § 541(a) and related provisions of the
11 Bankruptcy Code and Bankruptcy Rules.

12 1.52. "Final Order" means any order of the Bankruptcy Court that (i) has not been stayed
13 by the Bankruptcy Court or any other court of competent jurisdiction, (ii) with respect to which all
14 available avenues for direct review have been exhausted, and (iii) that has not been reversed, in
15 whole or in part, vacated, or modified in any way following entry by the Bankruptcy Court.

16 1.53. "Forbearance Agreement" means that certain Forbearance Agreement entered into by
17 and between the Debtor, the Guarantor and the Bank on January 11, 2017.

18 1.54. "Guarantor" means the Roman Catholic Bishop of Las Vegas and His Successors, a
19 Corporation Sole, as guarantor under the Bank Loan Documents.

20 1.55. "Guaranty" means that certain Continuing and Unconditional Guaranty entered by
21 the Guarantor in favor of the Bank, dated as of December 1, 2011, to guarantee the obligations of
22 the Debtor to the Bank under the Reimbursement Agreement and Swap Agreement.

23 1.56. "General Unsecured Claims" means all the Claims against the Debtor, including the
24 JATCO Claim and Claims resulting from rejection of executory contracts and unexpired leases, that
25 are not Secured, Administrative, Priority Tax, or Priority Claims, and that are not subject to
26 subordination by agreement or otherwise.

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1 1.57. "GUC/Diocese Release" means that consensual release by holders of General
2 Unsecured Claims of the Diocese Released Parties from all Released Liabilities pursuant to the
3 provisions of Section 2.3(e) hereof.

4 1.58. "GUC Fund" means a fund of \$10 million made up of the assignment and
5 prepayment of the Diocese Note in the amount of \$4,859,567.42 plus \$2,140,432.58 in Cash from
6 the Confirmation Funds plus the Additional Rent.

7 1.59. "GUC Fund Account" means that certain account to be established by either Debtor
8 or the Reorganized Debtor on or about the Effective Date of the Plan, comprised of the GUC Funds,
9 and is expressly excluded from the Bank's Collateral.

10 1.60. "Howard Hughes Properties, Inc." means Howard Hughes Properties, Inc. the
11 counterparty to the Development Declarations.

12 1.61. "Indenture" means that certain Indenture of Trust dated December 1, 2011, between
13 the County and the Trustee with respect the Bonds.

14 1.62. "JATCO" means J.A. Tiberti Construction Co., Inc.

15 1.63. "JATCO Claim" means all Allowed General Unsecured Claims of JATCO against
16 the Debtor, whether based on the JATCO Judgment, Proof of Claim No. 6 or any other basis, in the
17 aggregate amount, as of the petition date, of \$29,446,976.01.

18 1.64. "JATCO Judgment" means that judgment against the Debtor in the amount of
19 \$28,749,663.34 entered by the Eighth Judicial District Court of Nevada on January 19, 2017.

20 1.65. "JATCO Liens" means all Liens which JATCO has as a result of the JATCO
21 Judgment, including but not limited to the Liens JATCO filed against the Property with the
22 Recorder of Clark County and the Writs of Execution and Writs of Garnishment against the
23 amounts due the Debtor from the Diocese, Greenberg Traurig LLP and the bank accounts of the
24 Debtor with the Bank.

25 1.66. "Key Transaction Documents" means, the Plan, the Disclosure Statement, the
26 Ballots, the Diocese Plan Support Agreement, and any and all Plan implementation documents filed
27 with the Plan Supplement.
28

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1 1.67. "Letter of Credit" means the Irrevocable Transfer Direct Pay Letter of Credit
2 No. 3118248 issued by the Bank to the Trustee, for the account of Debtor, in the amount of
3 \$25,320,548.00.

4 1.68. "Operative Document" means any contract, instrument, release, settlement
5 agreement or other agreement or document, if any, that is reasonably necessary to effectuate and
6 implement the transactions provided for in this Plan, including the Key Transaction Documents.

7 1.69. "Owner" means Purchaser and its successors as the Record owner of fee simple title
8 to any portion of the Property, excluding any entity or person who holds such interest as security for
9 the payment of an obligation, but including contract sellers and any Mortgagee or other security
10 holder in actual possession of any portion of the Property.

11 1.70. "Petition Date" means April 17, 2017.

12 1.71. "Plan" means this chapter 11 plan, including all documents referenced herein and all
13 exhibits, supplements, appendices and schedules hereto or thereto, either in its present form or as
14 the same may be altered, amended or modified from time to time.

15 1.72. "Post Effective Date Fees" means the reasonable fees and expenses of Debtor's
16 Professionals incurred by the Debtor and/or Reorganized Debtor after the Effective Date, including
17 those fees and expenses incurred for legal, financial advisory, accounting and other services
18 rendered in connection with the implementation, consummation and performance of the Plan and
19 which are necessary to complete the administration of, conclude and close the Chapter 11 Case.

20 1.73. "Property" means that certain real property owned by the Debtor located at 5959 S.
21 Hualapai Way in Las Vegas, Nevada, bearing the Clark County Assessor's Parcel No. 164-36-601-
22 005, as subject to those certain Development Declarations and the BGHS Lease.

23 1.74. "Reimbursement Agreement" means that certain Letter of Credit and Reimbursement
24 Agreement dated as of December 1, 2011, by and between the Bank, Debtor and the Guarantor.

25 1.75. "Released Liabilities" means, with respect to a given Releasor, all claims,
26 obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities based
27 on any act, omission, transaction, event or other occurrence (other than rights to enforce the terms
28 of this Plan or any related document or agreement in the Chapter 11 Case), whether known or

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1 unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that
2 arose prior to the Effective Date and relate to the Debtor, this Plan, the Chapter 11 Case or the
3 Bishop Gorman High School which could have been asserted by such Releasor against (i) any
4 Releasee or any of its Representatives or (ii) solely with respect to the GUC/Diocese Release and
5 the Debtor’s Release of the Diocese, the Diocese Released Parties and any of their Representatives.

6 1.76. “Releasees” means (i) the Debtor, the Distribution Agent, Reorganized Debtor, DIP
7 Lender, Authorizing Donors and any current shareholders, subsidiaries, partners, members or
8 affiliates of the aforementioned Persons and any of their respective Representatives, but excluding
9 the Diocese and (ii) solely with respect to the GUC/Diocese Release and the Debtor’s Release of the
10 Diocese, the Diocese Released Parties and any of their Representatives.

11 1.77. “Releasors” means the holders of claims against the Debtor and (ii) solely with
12 respect to the GUC/Diocese Release and the Debtor’s Release of the Diocese, the Debtor, the
13 Reorganized Debtor, and the Holders of General Unsecured Claims that elect to grant the
14 GUC/Diocese Release and any of their Representatives.

15 1.78. “Reorganized Debtor” means, on or after the Effective Date, Bishop Gorman
16 Development Corporation as a reorganized debtor.

17 1.79. “Replacement Liens” has the meaning ascribed to it in the Cash Collateral Orders.

18 1.80. “Representatives” means, with respect to a given Person, its past and current
19 directors, officers, shareholders, members, partners, employees, agents, attorneys, professionals,
20 advisors, trustees, consultants, accountants, contractors and other representatives.

21 1.81. “Reserve” means the Distribution Agent’s segregated reserve accounts.

22 1.82. “SAP” means all Special Assessment Payables in connection with improvements to
23 the Property that are owed by Debtor to the Clark County Treasurer pursuant to NRS Chapter 271,
24 and that mature in June 2024 and accrue interest at the rate of 5.5%.

25 1.83. “SAP Claim” means all Allowed Claims held by the Clark County Treasurer based
26 on the SAP.

27 1.84. “Swap Agreement” means that certain interest rate swap transaction by and between
28 the Bank and the Debtor, effective as of November 28, 2011, which transaction is subject to the

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1 terms and conditions of, or governed by, that certain 2002 Master Agreement, dated as of
2 November 28, 2011, published by the International Swaps and Derivatives Association, Inc.

3 1.85. "Tenant" means The Roman Catholic Bishop of Las Vegas and his Successors, a
4 Corporation Sole as the operator of Bishop Gorman High School.

5 1.86. "Trustee" means New York Mellon Trust Company, N.A., as trustee under the
6 Indenture.

7 **ARTICLE II**

8 **CLASSIFICATION AND TREATMENT OF CLAIMS¹**

9 2.1 Introduction.

10 All Claims, except Administrative Claims (including Professional Fee Claims) and
11 Priority Tax Claims, are placed in the Classes set forth below. In accordance with Bankruptcy Code
12 section 1123(a)(1), Administrative Claims and Priority Tax Claims, as described below, have not
13 been classified.

14 2.2. Unclassified Claims.

15 (a) Administrative Claims.

16 (1) Deadline to File Administrative Claims. The Holder of an
17 Administrative Claim, other than (i) the DIP Lender Claim, (ii) a Professional Fee Claim, or (iii) a
18 liability incurred and paid in the ordinary course of business by the Debtor, must file with the
19 Bankruptcy Court and serve on Debtor and its counsel, notice of such Administrative Claim on or
20 before the Administrative Claim Bar Date. Such notice must include, at minimum, (i) the name of
21 the Holder of such Claim, (ii) the basis of the Claim, and (iii) the amount of the Claim. Failure to
22 file such notice timely and properly shall result in the Administrative Expense Claim being forever
23 barred and discharged.

24
25
26 ¹ Interests in the Debtor are not classified or treated in this Plan because the Debtor is a not for
27 profit corporation. See, e.g., *In re Gen. Teamsters, Warehousemen & Helpers Union, Local 890*,
28 265 F.3d 869, 873–74 (9th Cir. 2001).

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1 (2) Payment Provisions. Subject to the provisions of Bankruptcy Code
2 sections 330(a), 331 and 503(b), each Holder of an Administrative Claim shall, either:

3 (A) be paid in Cash in the Allowed amount of any such Claim
4 from the Confirmation Funds on, or as soon as reasonably practicable after, the later of (i) the
5 Effective Date, (ii) the date upon which such Administrative Claim becomes Allowed, or (iii) such
6 date as is otherwise agreed by Debtor and the Holder of such Claim; or

7 (B) have such Claim assumed by the Reorganized Debtor, to be
8 paid by Reorganized Debtor in Cash in the Allowed amount of any such Claim on, or as soon as
9 reasonably practicable after, the later of (i) the date upon which such Administrative Claim becomes
10 Allowed, (ii) the date on which such Administrative Claim becomes due in the ordinary course of
11 business, or (iii) such date as is otherwise agreed by Debtor, Reorganized Debtor and the Holder of
12 such Claim.

13 (3) DIP Lender Claim. The DIP Lender Claim will be paid in equal
14 monthly installments of principal plus interest at the rate set forth in the DIP Loan Agreement over
15 five years commencing on the first day of the month that is more than 30 days after the seventh
16 (7th) anniversary of the Effective Date.

17 (4) Professional Fee Claims. Notwithstanding the foregoing or anything
18 to the contrary in this Plan:

19 (A) all final applications for Professional Fee Claims constituting
20 amounts due for services rendered on or before thirty (30) days prior to the Confirmation Hearing
21 (the "Fee Cutoff Date") shall be filed no later than fifteen (15) days before the Confirmation
22 Hearing, and shall include an estimate of Professional Fee Claims that will arise for services to be
23 rendered between the Fee Cutoff Date and the Effective Date;

24 (B) all final applications for Professional Fee Claims constituting
25 amounts due for services rendered between the Fee Cutoff Date and the Effective Date shall be filed
26 no later than twenty (20) days after the Effective Date, unless otherwise ordered by the Bankruptcy
27 Court;

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1 (C) Debtor shall pay all Allowed Professional Fee Claims upon
2 entry of an order allowing such claims.

3 (5) US Trustee Fees

4 (A) Debtor shall pay, or cause to be paid, all accrued US Trustee
5 Fees on or before the Effective Date of the Plan; and following the Effective Date, the Reorganized
6 Debtor shall be responsible for timely payment of all US Trustee Fees until such time as the Final
7 Decree closing this Chapter 11 Case is entered and all US Trustee Fees due are paid in full; and

8 (B) Debtor or Reorganized Debtor (as applicable) shall File with
9 the Bankruptcy Court and serve on the United States Trustee a quarterly financial report for each
10 quarter (or portion thereof) that the Chapter 11 Case remains open in such format as reasonably
11 may be required by the United States Trustee.

12 (b) Priority Tax Claims.

13 There are no priority tax claims.

14 2.3. Classified Claims

15 (a) Class 1: Priority Claims.

16 There are no priority claims, other than Administrative Claims treated above.

17 (b) Class 2: Bank Secured Claim

18 *Claims in Class:* Class 2 consists of the Allowed Bank Secured Claim.

19 *Treatment.* On the Effective Date, the Reorganized Debtor shall reinstate the Bank
20 Loan Agreements as amended hereby: (i) that the expiration date of the Letter of Credit shall be
21 extended from November 30, 2018 to November 30, 2019, (ii) that the Bank shall have no right to
22 seek from Debtor or Reorganized Debtor interest in excess of the non-default rate that accrued
23 under the Bank Loan Agreements prior to the Effective Date, and (iii) the payments to be made on
24 account of other Claims under this Plan shall not constitute a breach of the Bank Loan Agreements.
25 The Bank shall retain all Liens on the Bank's Collateral.

26 *Impairment and Voting:* Class 2 is Impaired. Therefore, the Holder of the Class 2
27 Allowed Bank Secured Claim is entitled to vote to accept or reject this Plan.

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(c) Class 3: County Secured Claim

Claims in Class. Class 3 consists of the Allowed County Secured Claim.

Treatment. On the Effective Date, the Reorganized Debtor shall reinstate the County Loan Agreement, *provided, however,* that the County shall have no right to seek from Debtor or Reorganized Debtor interest in excess of the non-default rate that accrued under the County Loan Agreement prior to the Effective Date. The County shall retain all Liens it has on the County’s Collateral.

Impairment and Voting: Class 3 is Impaired. Therefore, the Holder of the Class 3 County Secured Claim is entitled to vote to accept or reject this Plan.

(d) Class 4: SAP Claim

Claims in Class. Class 4 consists of the Allowed SAP Claim.

Treatment. After the Effective Date, the Tenant shall assume all the Debtor’s obligations under the SAP and shall continue to pay the SAP Claim according to its terms until its maturity *provided that* the Holder of the Allowed SAP Claim shall have no right to seek from Debtor or Reorganized Debtor interest in excess of the non-default rate or fees, expenses and penalties that accrued under the SAP prior to the Effective Date.

Impairment and Voting: Class 4 is Impaired. Therefore, the Holder of the Class 4 SAP Claim is entitled to vote to accept or reject this Plan.

(e) Class 5: General Unsecured Claims

Claims in Class: Class 5 consists of General Unsecured Claims against Debtor, including the JATCO Claim.

Treatment: Subject to the penultimate sentence of this section, each Holder of a General Unsecured Claim shall, in full satisfaction, settlement, release and exchange for such Allowed General Unsecured Claim, receive its Pro Rata portion of the GUC Fund. The JATCO Liens shall be void and the JATCO Claim shall be treated in all respects as a General Unsecured Claim and shall be Allowed in the amount of \$29,446,976.01. Following the Effective Date, payment shall be made to the holders of Allowed General Unsecured Claims quarterly from the proceeds of the Additional Rent. The Additional Rent shall be deposited in a separate account by

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1 the Reorganized Debtor free of the Liens of Bank of America. Only holders of General Unsecured
2 Claims that execute the GUC/Diocese Release shall be entitled to receive their Pro Rata share of the
3 GUC Fund that is attributable to the Additional Rent. Holders of General Unsecured Claims may
4 elect to grant the GUC/Diocese Release by voting in favor of confirming the Plan, checking the box
5 on the Class 5 Ballot indicating their agreement to grant the GUC/Diocese Release and timely
6 returning their ballot in accordance with the solicitation procedures.

7 *Impairment and Voting:* Class 5 is Impaired. Therefore, the Holders of Class 5
8 General Unsecured Claims are entitled to vote to accept or reject this Plan.

9 (f) Class 6: Donors.

10 *Claims in Class.* Class 6 consists of all Donors whose Donor Funds remain in the
11 Debtor's bank accounts as of the Effective Date, whether subject to any restriction to a garnishment
12 lien or not.

13 *Treatment:* If a Donor votes in favor of the Plan, then the Donor Funds will be used
14 to fund payment of the estate dividend set forth for Holders of Class 5 General Unsecured Claims,
15 and such Donors voting in favor of the Plan will not receive payment of any estate dividend on
16 account of their Class 6 Claim(s). If a Donor votes against confirmation of the Plan, then that
17 Donor's Claim shall be included as part of Class 5, set forth above, and the Donor's Claim(s) in the
18 Chapter 11 Case shall be accorded the same treatment as the Holder of an Allowed General
19 Unsecured Claim in the Chapter 11 Case.

20 *Impairment and Voting:* Class 6 is Impaired. Therefore, the Holders of Class 6
21 Claims are entitled to vote to accept or reject this Plan.

22 (g) Class 7: Howard Hughes Properties, Inc.

23 *Claims in Class:* Class 7 consists of the Claims of Howard Hughes Properties, Inc.
24 which filed Proof of Claim No. 4 in an unliquidated amount relating to the Development
25 Declarations.

26 *Treatment.* Proof of Claim No. 4 shall be unimpaired. The Reorganized Debtor shall
27 continue to comply with the Development Declarations which shall remain in full force and effect.
28 Howard Hughes Properties, Inc. shall retain its lien on the Property.

1 *Impairment and Voting:* Class 7 is Unimpaired. Therefore, the Holders of Class 7
2 Claims are not entitled to vote to accept or reject this Plan.

3 (h) Convenience Class: This Class consists of Holders of Allowed General
4 Unsecured Claims totaling less than \$10,000.00.

5 *Treatment:* Holders of Allowed Convenience Class Claims will receive on
6 account of such Allowed Claim(s) payment of any estate dividend to which they are entitled under
7 this Plan as a single, lump-sum payment as part of the first quarterly disbursement to Holders of
8 General Unsecured Claims under this Plan.

9 *Impairment and Voting:* The Convenience Class is Impaired. Therefore, the Holders
10 of Convenience Class Claims are entitled to vote to accept or reject this Plan.

11 2.4. Retention of Defenses Regarding Claims. Except as otherwise provided in this Plan,
12 nothing shall affect Debtor’s rights and defenses, both legal and equitable, with respect to any
13 Claims.

14 **ARTICLE III**

15 **ACCEPTANCE OR REJECTION OF THIS PLAN**

16 3.1 Acceptance by an Impaired Class. In accordance with Bankruptcy Code section
17 1126(c) and except as provided in Bankruptcy Code section 1126(e), an impaired class of claims
18 shall be deemed to have accepted this Plan if this Plan is accepted by the holders of at least two-
19 third (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such
20 class that have timely and properly voted to accept or reject this Plan.

21 3.2. Nonconsensual Confirmation. If any impaired class of claims entitled to vote shall
22 not accept the Plan by the requisite statutory majorities provided in Bankruptcy Code section
23 1126(c), the Debtor reserves the right to amend the Plan or undertake to have the Bankruptcy Court
24 confirm the Plan under Bankruptcy Code section 1129(b) or both. With respect to any impaired
25 classes of claims that are deemed to reject the Plan, Debtor shall request that the Bankruptcy Court
26 confirm the plan under Bankruptcy Code section 1129(b).

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ARTICLE IV

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

4.1. To the extent not previously assumed or rejected, the Debtor shall be deemed to have assumed all of its executory contracts and unexpired leases, including the BGHS Lease, the Cell Tower Lease and the De Lage Landen Master Lease Agreements.

ARTICLE V

PLAN IMPLEMENTATION

5.1. Plan Implementation.

(a) This Plan shall be implemented in all respects in a manner that is consistent with the terms and conditions of the Operative Documents (including the Diocese Plan Support Agreement), DIP Financing Order, and the requirements of section 1123(a) and other applicable provisions of the Bankruptcy Code. Pursuant to the Diocese Plan Support Agreement, on the Effective Date, the Diocese shall prepay the Diocese Note into the GUC Fund Account to fund the Confirmation Payments. All Liens on the Debtor’s bank accounts shall be void and the Debtor shall use the unrestricted funds in its bank accounts to make the Confirmation Payments. Payments due after the Effective Date to the County on account of the County Note, to the Bank, the DIP Lender, and to counterparties on Assumed Contracts and Leases shall be paid from the rents received by the Reorganized Debtor under the Amended BGHS Lease and the Cell Tower Lease. Payments due after the Effective Date to the County on account of the Special Assessment shall continue to be paid by the Tenant directly to the County.

Disbursements under the Plan shall be funded from the Confirmation Funds, which are comprised of the prepayment of the Diocese Note, the Additional Rent, and the Authorized Donor Funds. Disbursements to Holders of General Unsecured Claims shall be funded through a \$10 million GUC Fund (which is a subset of the Confirmation Funds) comprised of the prepayment of the Diocese Note in the amount of \$4,859,567.42, plus \$2,140,432.58 in Cash from the Confirmation Funds, and, following the Effective Date, the Additional Rent. Additional Rent shall be paid directly into the GUC Funds Account and disbursed quarterly to holders of Allowed General Unsecured Claims that elect to execute the GUC/Diocese Release. Confirmation Funds,

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1 therefore, are estimated to be \$13 million, with \$3 million allocated to Administrative Claims and
2 \$10 million allocated to Holders of General Unsecured Claims.

3 5.2. Disposition of Assets, Properties and Equity Interests.

4 (a) Reorganized Debtor. On the Effective Date, without any further action, the
5 Reorganized Debtor will be vested with all of Properties, free and clear of all Claims, and Liens
6 (except for Liens provided or authorized pursuant to this Plan).

7 5.3. Assumption of Liabilities. On the Effective Date, unless such Claims shall be paid on
8 or prior to such date, Reorganized Debtor shall be deemed to have assumed any Administrative
9 Claim.

10 5.4. Management. Following the Effective Date, Reorganized Debtor shall be managed
11 by the same Persons as prior to the Effective Date which is the Board of Directors of BGDC
12 comprised of: The Most Reverend Joseph A. Pepe, or his successor, President; Michael Gaughan,
13 Secretary; Deacon Aruna Silva, Executive Director/Treasurer; and Lorenzo J. Fertitta, Director.

14 5.5. Exemption from Certain Transfer Taxes and Further Transactions Pursuant to
15 Bankruptcy Code section 1146(a), the issuance or exchange of any security, or the making or
16 delivery of any instrument of transfer under, in furtherance, or in connection with this Plan,
17 including, but not limited to, any deeds, bills of sale, assignments or other instruments of transfer
18 (including those with respect to the Properties), shall not be subject to any stamp tax, real estate
19 transfer tax or similar tax.

20 5.6. Post Effective Date Fees.

21 (a) From and after the Effective Date, the Reorganized Debtor shall, in the
22 ordinary course of business and without the necessity of any approval by the Bankruptcy Court, pay
23 any Post Effective Date Fees.

24 (b) In order to seek payment of Post Effective Date Fees, each respective
25 Professional will send its invoice to the Reorganized Debtor and the Reorganized Debtor shall have
26 ten (10) business days thereafter within which to notify the Professional in writing that it objects to
27 the invoice. If no objection is made within that time frame, Reorganized Debtor shall pay the
28 invoice within thirty (30) days thereafter. In the event the Reorganized Debtor objects and the

1 parties are unable to resolve the objection, the Professional may bring the matter before the
2 Bankruptcy Court on a motion for determination.

3 **ARTICLE VI**

4 **RESERVATION OF RIGHTS PENDING CONFIRMATION AND EFFECTIVE DATE**

5 6.1 Withdrawal of Plan; Rights if Plan Not Confirmed or Effective Date Does Not
6 Occur. Debtor reserves the right to revoke or withdraw this Plan prior to the Confirmation Date and
7 to file subsequent plans of reorganization. If Debtor revokes or withdraws this Plan, or if
8 Confirmation of this Plan or the Effective Date does not ultimately occur, then: (1) this Plan shall be
9 null and void in all respects; (2) any settlement or compromise embodied in this Plan (including the
10 fixing or limiting to an amount certain of any Claim or Class of Claims), assumption or rejection of
11 executory contracts or unexpired leases effected by this Plan, and any document or agreement
12 executed pursuant to this Plan, shall be deemed null and void; and (3) nothing contained in this Plan
13 shall: (a) constitute a waiver or release of any Claims by or against the Debtor or any Person; (b)
14 prejudice in any manner the rights of Debtor or any other Person in any further proceedings
15 involving the Debtor; or (c) constitute an admission, acknowledgment, offer, or undertaking of any
16 sort by Debtor or any other Person.

17 6.2 No Admissions or Waiver. Without limiting the generality of any similar provision
18 in this Plan, notwithstanding anything in the Plan to the contrary, nothing contained in the Plan,
19 Plan Supplement or in the Disclosure Statement shall be deemed an admission by Debtor or any
20 Person or Entity with respect to any matter set forth herein. If Confirmation of this Plan or the
21 Effective Date does not ultimately occur, no statement contained in the Plan, Plan Supplement or in
22 the Disclosure Statement may be used or relied on in any manner in any suit, action, proceeding or
23 controversy within or outside of the Chapter 11 Case against the Debtor. The Debtor reserves any
24 and all of their rights as against all Persons and Entities in the event Confirmation of this Plan or the
25 Effective Date does not ultimately occur.

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ARTICLE VII

CONDITIONS TO EFFECTIVE DATE

7.1. Conditions to Occurrence of Effective Date. Each of the following are conditions to be met on or before the Effective Date, which conditions must be satisfied or waived in writing by Debtor and the Diocese:

- (a) That the Confirmation Order shall be entered by the Bankruptcy Court and shall have become a Final Order;
- (b) There are sufficient funds to make up the required Confirmation Funds;
- (c) To the extent Confirmation Funds are insufficient to satisfy the Allowed Administrative Claims, the Reorganized Debtor has assumed or will pay the remaining amounts unless otherwise agreed by the Holder of such Allowed Administrative Claim(s);
- (d) Any outstanding US Trustee Fees shall have been paid in full.

Debtor, in its sole discretion, may waive the final order condition in subpart (a) above at any time from and after the Confirmation Date; provided, however, that the Debtor shall first obtain the written consent of the Diocese pursuant to the Diocese Plan Support Agreement. In that event, Debtor will be entitled to render any or all performance under the Plan prior to what otherwise would be the Effective Date if the above-referenced conditions were not waived; including, but not limited to, the right to perform under any circumstances which would moot any appeal, review or other challenge of any kind to the Confirmation Order if the Confirmation Order is not stayed pending such appeal, review or other challenge;

(e) The BGHS Lease, as amended to provide for the Additional Rent, shall have been assumed by Debtor pursuant to an order of the Bankruptcy Court under 11 U.S.C. § 365; and

(f) JATCO’s liens shall have been avoided pursuant to the avoidance action claims and related causes of action asserted in adversary proceeding number 17-01211—ABL against JATCO.

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ARTICLE VIII

RETENTION OF JURISDICTION

8.1. Retention of Jurisdiction. Except to the extent otherwise expressly set forth herein, the Bankruptcy Court shall retain jurisdiction of the Chapter 11 Case following the Confirmation Date for the following purposes, it being expressly intended that such retention of jurisdiction shall in all cases hereafter set forth, extend to any actions or proceedings commenced prior or subsequent to the Confirmation Date and/or the Effective Date whether by Debtor, Reorganized Debtor, or the parties specified herein:

(a) To hear and determine any objections to the allowance of Claims;

(b) To determine any and all applications for compensation for any Professionals and similar fees to the extent made specifically subject to a hearing under this Plan and applicable provisions of the Bankruptcy Code;

(c) To modify this Plan pursuant to Bankruptcy Code section 1127 or to remedy any defect or omission or reconcile any inconsistency in the Confirmation Order to the extent authorized by the Bankruptcy Code;

(d) To hear and determine all controversies, suits and disputes, if any, as may arise in connection with the interpretation or enforcement of this Plan;

(e) To hear and determine all controversies, suits and disputes, if any, as may arise with regard to orders of this Bankruptcy Court entered in the Chapter 11 Case;

(f) To adjudicate all controversies concerning the classification of any Claim;

(g) To adjudicate all Claims to a security or ownership interest in any of the Assets, or in any proceeds thereof;

(h) To adjudicate all causes of action with respect to which Debtor, Reorganized Debtor are a party, whether or not such claim or controversy is raised or filed before or after the Effective Date;

(i) To enter any order, including injunctions, necessary to enforce the title, rights and powers of Debtor, Reorganized Debtor, or the rights of any Person hereunder and to impose

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1 such limitations, restrictions, terms and conditions on such title, rights and powers as the
2 Bankruptcy Court may deem necessary or appropriate;

3 (j) To determine such other matters as may be provided for in the Confirmation
4 Order and this Plan, or as may from time to time be authorized under the provisions of the
5 Bankruptcy Code or any other applicable law;

6 (k) To make such orders as are necessary or appropriate to carry out the
7 provisions of this Plan; and

8 (l) To hear and determine matters concerning state, local, and federal taxes in
9 accordance with Bankruptcy Code sections 345, 505, and 1146.

10 8.2. Jurisdiction Unaffected. The occurrence of the Effective Date and/or the entry of a
11 Final Decree shall not divest the Bankruptcy Court of any jurisdiction otherwise retained under this
12 Article or the Confirmation Order.

13 8.3. Failure of Bankruptcy Court To Exercise Jurisdiction. If the Bankruptcy Court
14 abstains from exercising or declines to exercise jurisdiction, or is otherwise without jurisdiction
15 over any matter arising under, arising in or related to the Chapter 11 Case, including any of the
16 matters set forth in the Plan, the Plan shall not prohibit or limit the exercise of jurisdiction by any
17 other court of competent jurisdiction with respect to such matter.

18 **ARTICLE IX**

19 **EFFECT OF CONFIRMATION OF PLAN**

20 9.1. Discharge.

21 (a) In conjunction with Bankruptcy Code section 1141, except as otherwise
22 provided for herein, the rights afforded herein and the treatment of all claims and equity interests
23 herein shall be in exchange for and in complete satisfaction, discharge and release of claims of any
24 nature whatsoever against the Debtor, and of the assets or property of the estate, including any
25 interest accrued on such claims from and after the petition date.

26 (b) Without limiting the generality of the foregoing, except as provided in the
27 confirmation order, confirmation discharges the Debtor and Reorganized Debtor from all claims, or
28 other debts that arose before the Effective Date, and all debts of the kind specified in sections

1 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not: (x) a proof of claim based on such
2 a debt has been filed, or deemed to have been filed, under Bankruptcy Code sections 501 or
3 1111(a); (y) a claim based on such debt is allowed under Bankruptcy Code section 502 of the
4 Bankruptcy Code; or (z) the holder of a claim based on such debt has accepted the plan.

5 (c) Except as otherwise provided in the plan, (i) on the effective date, all claims
6 against the debtor which arose before the effective date shall be satisfied, discharged and released in
7 full, and (ii) all persons shall be precluded from asserting against the debtor, reorganized debtor,
8 their successors, or any of their assets or properties, any other or further claims based upon any act
9 or omission, transaction or other activity of any kind or nature that occurred before the effective
10 date, as well as any debt of a kind specified in Bankruptcy Code sections 502(g), 502(h), or 502(i),
11 irrespective of whether (x) a proof of claim based on such a debt has been filed, or deemed to have
12 been filed, under Bankruptcy Code sections 501 or 1111(a), (y) such claim is allowed under
13 Bankruptcy Code section 502, or (z) the holder of the claim has accepted the plan.

14 9.2 Binding Effect of Plan/Injunction.

15 (a) Upon the Effective Date, Bankruptcy Code section 1141 shall become
16 applicable with respect to the Plan and the Plan shall be binding on all parties to the fullest extent
17 permitted by Bankruptcy Code section 1141(a). In accordance with Bankruptcy Code section 1141,
18 all of the Debtor’s property shall be vested in the Reorganized Debtor free and clear of all claims,
19 liens and interests of creditors.

20 (b) UPON THE EFFECTIVE DATE, ALL PERSONS AND ENTITIES SHALL
21 BE PERMANENTLY ENJOINED BY THE PLAN FROM (I) COMMENCING OR
22 CONTINUING ANY ACTION, EMPLOYING ANY PROCESS, ASSERTING OR
23 UNDERTAKING AN ACT TO COLLECT, RECOVER, OR OFFSET, DIRECTLY OR
24 INDIRECTLY, ANY CLAIM, RIGHTS, CAUSES OF ACTION, LIABILITIES, OR INTERESTS
25 IN OR AGAINST ANY PROPERTY DISTRIBUTED OR TO BE DISTRIBUTED UNDER THE
26 PLAN, OR VESTED IN THE REORGANIZED DEBTOR, BASED UPON ANY ACT,
27 OMISSION, TRANSACTION, OR OTHER ACTIVITY THAT OCCURRED BEFORE THE
28 EFFECTIVE DATE, (II) CREATING, PERFECTING OR ENFORCING ANY LIEN OR

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1 ENCUMBRANCE AGAINST ANY PROPERTY DISTRIBUTED OR TO BE DISTRIBUTED
2 UNDER THE PLAN OTHER THAN AS PERMITTED UNDER THE PLAN, AND (III)
3 WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ASSERTING ANY
4 CLAIMS AGAINST THE REORGANIZED DEBTOR OR REORGANIZED DEBTOR PARENT
5 BASED ON SUCCESSOR LIABILITY OR SIMILAR OR RELATED THEORY, EXCEPT TO
6 THE EXTENT A PERSON OR ENTITY HOLDS AN ALLOWED CLAIM UNDER THE PLAN
7 AND IS ENTITLED TO A DISTRIBUTION AND/OR LIEN UNDER THE PLAN IN
8 ACCORDANCE WITH ITS TERMS, AND TO ENFORCE ITS RIGHTS TO DISTRIBUTION
9 UNDER THE PLAN.

10 (c) ON AND AFTER THE EFFECTIVE DATE, EACH HOLDER OF ANY
11 CLAIM AGAINST THE DEBTOR IS PERMANENTLY ENJOINED FROM TAKING OR
12 PARTICIPATING IN ANY ACTION THAT WOULD INTERFERE OR OTHERWISE HINDER
13 DEBTOR FROM IMPLEMENTING THIS PLAN, THE CONFIRMATION ORDER OR ANY
14 OPERATIVE DOCUMENTS IN ACCORDANCE WITH THE TERMS THEREOF.

15 9.3 Exculpation. None of the Releasees nor any of their respective Representatives
16 shall have or incur any liability to any Holder of a Claim against or Interest in Debtor, or any other
17 party-in-interest, or any of their Representatives, or any of their successors or assigns, for any act,
18 omission, transaction or other occurrence in connection with, relating to, or arising out of the
19 Chapter 11 Case, the pursuit of confirmation of this Plan, or the consummation of this Plan, except
20 and solely to the extent such liability is based on fraud, gross negligence or willful misconduct. The
21 Releasees shall be entitled to reasonably rely upon the advice of counsel with respect to any of their
22 duties and responsibilities under this Plan or in the context of the Chapter 11 Case. No Holder of a
23 Claim against the Debtor, or any other party-in-interest, including their respective Representatives,
24 shall have any right of action against the Releasees or any of their Representatives, for any act,
25 omission, transaction or other occurrence in connection with, relating to, or arising out of, the
26 Chapter 11 Case, the pursuit of confirmation of this Plan, the consummation of this Plan or the
27 administration of this Plan, except to the extent arising from fraud, gross negligence or willful
28 misconduct. Nothing in this Section shall be deemed an exculpation by any Releasor of any

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1 Releasee or any of its Representatives for any acts, omissions, transactions, events or other
2 occurrences taking place after the Effective Date.

3 9.4. Releases. As of the Effective Date, for good and valuable consideration, the
4 adequacy of which is hereby confirmed, each Releasor will be deemed to release, waive and forever
5 discharge all Released Liabilities against each Releasee and each Releasee’s respective
6 Representatives; provided, however, that, the releases provided in this Section shall not constitute a
7 release of any liability based on willful misconduct, gross negligence or fraud; provided, further,
8 that nothing herein shall be deemed to constitute a release (a) by any Releasor of any Releasee or
9 any of its Representatives for any acts, omissions, transactions, events or other occurrences taking
10 place after the Effective Date, and provided, further, that any party who is rightly included in the
11 definition of Releasee that challenges the Plan or its implementation shall no longer be classified as
12 a Releasee. For the avoidance of doubt, no obligations assumed under this Plan are being released.

13 9.5. Debtor’s Release of the Diocese on behalf of Debtor and the Estate.

14 (a) AS OF THE EFFECTIVE DATE, FOR GOOD AND VALUABLE
15 CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, DEBTOR AND
16 ITS BANKRUPTCY ESTATE HEREBY RELEASE, WAIVE AND FOREVER DISCHARGE
17 THE DIOCESE RELEASED PARTIES FROM ALL RELEASED LIABILITIES.

18 9.6. Injunctions.

19 (a) Injunction Against Releasors. ALL OF THE RELEASORS, ALONG WITH
20 ANY OF THEIR SUCCESSORS OR ASSIGNS, ARE PERMANENTLY ENJOINED, FROM
21 AND AFTER THE EFFECTIVE DATE, FROM (I) COMMENCING OR CONTINUING IN ANY
22 MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST THE
23 RELEASEES OR ANY OF THEIR RESPECTIVE REPRESENTATIVES IN RESPECT OF ANY
24 RELEASED LIABILITIES, (II) ENFORCING, ATTACHING, COLLECTING OR
25 RECOVERING BY ANY MANNER OR MEANS OF ANY JUDGMENT, AWARD, DECREE
26 OR ORDER AGAINST THE RELEASEES OR ANY OF THEIR RESPECTIVE
27 REPRESENTATIVES IN RESPECT OF ANY RELEASED LIABILITIES, (III) CREATING,
28 PERFECTING, OR ENFORCING ANY ENCUMBRANCE OF ANY KIND AGAINST THE

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1 RELEASEES OR ANY OF THEIR RESPECTIVE REPRESENTATIVES IN RESPECT OF ANY
2 RELEASED LIABILITIES, OR (IV) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION
3 OR RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE FROM THE
4 RELEASEES OR ANY OF THEIR RESPECTIVE REPRESENTATIVES OR AGAINST THE
5 PROPERTY OR INTERESTS IN PROPERTY OF THE RELEASEES OR ANY OF THEIR
6 RESPECTIVE REPRESENTATIVES, IN RESPECT OF ANY RELEASED LIABILITIES;
7 PROVIDED, HOWEVER, THAT NOTHING CONTAINED HEREIN SHALL PRECLUDE
8 SUCH RELEASORS FROM EXERCISING THEIR RIGHTS PURSUANT TO AND
9 CONSISTENT WITH THE TERMS HEREOF AND THE CONTRACTS, INSTRUMENTS,
10 RELEASES AND OTHER AGREEMENTS AND DOCUMENTS DELIVERED UNDER OR IN
11 CONNECTION WITH THIS PLAN; PROVIDED, FURTHER, THAT NOTHING CONTAINED
12 HEREIN SHALL BE DEEMED TO ENJOIN ANY RELEASOR FROM TAKING ANY ACTION
13 AGAINST ANY RELEASEE OR ANY OF ITS REPRESENTATIVES BASED ON THE
14 RELEASE EXCEPTIONS CONTAINED IN THIS PLAN.

15 (b) Injunction Protecting Exculpation of Releasees. ALL HOLDERS OF
16 CLAIMS AGAINST THE DEBTOR AND ANY OTHER PARTIES-IN-INTEREST, ALONG
17 WITH ANY OF THEIR REPRESENTATIVES AND ANY OF THEIR SUCCESSORS OR
18 ASSIGNS ARE PERMANENTLY ENJOINED, FROM AND AFTER THE EFFECTIVE DATE,
19 FROM (I) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER
20 PROCEEDING OF ANY KIND AGAINST RELEASEES OR ANY OF THEIR RESPECTIVE
21 REPRESENTATIVES IN RESPECT OF ANY POTENTIAL LIABILITY FOR WHICH
22 EXCULPATION IS GRANTED PURSUANT TO THIS PLAN, (II) ENFORCING, ATTACHING,
23 COLLECTING OR RECOVERING BY ANY MANNER OR MEANS OF ANY JUDGMENT,
24 AWARD, DECREE OR ORDER AGAINST RELEASEES OR ANY OF THEIR RESPECTIVE
25 REPRESENTATIVES IN RESPECT OF ANY POTENTIAL LIABILITY FOR WHICH
26 EXCULPATION IS GRANTED PURSUANT TO THIS PLAN, (III) CREATING, PERFECTING,
27 OR ENFORCING ANY ENCUMBRANCE OF ANY KIND AGAINST RELEASEES OR ANY
28 OF THEIR RESPECTIVE REPRESENTATIVES IN RESPECT OF ANY POTENTIAL

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1 LIABILITY FOR WHICH EXCULPATION IS GRANTED PURSUANT TO THIS PLAN, OR
2 (IV) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION OR RECOUPMENT OF ANY
3 KIND AGAINST ANY RELEASEE OR ANY OF THEIR RESPECTIVE REPRESENTATIVES
4 OR AGAINST THE PROPERTY OR INTERESTS IN PROPERTY ANY RELEASEE OR ANY
5 OF THEIR RESPECTIVE REPRESENTATIVES, IN RESPECT OF ANY POTENTIAL
6 LIABILITY FOR WHICH EXCULPATION IS GRANTED PURSUANT TO THIS PLAN;
7 PROVIDED, HOWEVER, THAT NOTHING CONTAINED HEREIN SHALL PRECLUDE ANY
8 HOLDER OR OTHER PARTY-IN-INTEREST FROM EXERCISING ITS RIGHTS PURSUANT
9 TO AND CONSISTENT WITH THE TERMS HEREOF AND THE CONTRACTS,
10 INSTRUMENTS, RELEASES AND OTHER AGREEMENTS AND DOCUMENTS DELIVERED
11 UNDER OR IN CONNECTION WITH THIS PLAN.

12 9.7. Adequate Protection Liens; Cash Collateral Orders. As of the Effective Date, any
13 replacement Liens granted as adequate protection pursuant to the terms of any Cash Collateral
14 Orders shall be deemed to be terminated, discharged, eliminated and of no further force and effect;

15 9.8. Revesting of Assets in Reorganized Debtor. Except as otherwise expressly provided
16 herein or in the Confirmation Order, on the Effective Date, but retroactive to the Confirmation Date,
17 without any further action, the Reorganized Debtor will be vested with all of the property of the
18 Estate, wherever situated, free and clear of all Claims and Liens (except for Liens provided or
19 authorized pursuant to this Plan). Without limiting the generality of the foregoing, on and after the
20 Effective Date, the Reorganized Debtor shall be vested with all of the property of the Estate,
21 wherever situated, free and clear of any Claims based on any form of successor liability or similar
22 or related theory of liability

23 9.9. Preservation of Causes of Action. Pursuant to Bankruptcy Code section 1123(b),
24 Debtor as Reorganized Debtor shall retain and reserve the right to enforce all rights to commence
25 and pursue causes of action whether arising prior to or after the Petition Dates, and whether pending
26 as of or filed after the Effective Date, in any court or other tribunal. Unless a cause of action is
27 expressly waived, relinquished, released, compromised or settled in the Plan, or any Final Order, the
28 Debtor on behalf of itself and as the Reorganized Debtor expressly reserve all causes of action for

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1 later adjudication and, therefore, no preclusion doctrine, including, without limitation, the doctrines
2 of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or
3 otherwise) or laches shall apply to any causes of action upon Confirmation or the Effective Date.

4 9.10. No Limitation on Effect of Confirmation. Nothing contained in the Plan or the
5 Disclosure Statement will limit, waive or restrict in any way the effect of Confirmation as set forth
6 in Bankruptcy Code section 1141.

7 **ARTICLE X**

8 **MISCELLANEOUS PROVISIONS**

9 10.1. Modification of this Plan.

10 (a) Debtor may alter, amend or modify the Plan at any time before the entry of
11 the Confirmation Order. However, the Bankruptcy Court may require a new disclosure statement
12 and/or re-voting on the Plan if Debtor modifies the plan before Confirmation.

13 (b) A Holder of a Claim that has accepted the Plan shall be deemed to have
14 accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or
15 modification does not materially and adversely change the treatment of the Claim of such Holder.
16 Prior the Effective Date, Debtor may make appropriate technical non-material modifications to the
17 Plan or the Disclosure Statement without further order or approval of the Bankruptcy Court,
18 provided that such technical modifications do not adversely affect the treatment of Holders of
19 Claims.

20 10.2. Notices. Except as otherwise set forth below, all notices, requests, elections or
21 demands in connection with this Plan, including any change of address of any Holder of a Claim for
22 the purposes of receiving any Distributions under this Plan, shall be in writing and shall be
23 delivered personally or by facsimile, electronic mail or overnight courier (confirmed by first class
24 mail or express mail) or mailed by first class mail. Such notice shall be deemed to have been given
25 when received or, if mailed by first class mail, seven (7) days after the date of mailing, or if express
26 mailed, the next Business Day following the date of mailing and addressed to the following:

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(702) 597-5503 (fax)

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Las Vegas, NV 89135
(702) 262-6899
(702) 597-5503 (fax)

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(a) If to Debtor:

Bishop Gorman Development Corporation
336 Cathedral Way
Las Vegas, NV 89109
Attn: Deacon Aruna Silva
Email: silva@dolv.org

with copies to:

Fox Rothschild LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, NV 89135
Attn: Brett A. Axelrod, Esq.
Email: baxelrod@foxrothschild.com
Facsimile: 702-597-5503

(b) If to the Diocese:

The Roman Catholic Bishop of Las Vegas, and His Successors,
a Corporation Sole
336 Cathedral Way
Las Vegas, NV 89109
Attn: Judith Simon-Kohl
Email: kohl@dolv.org

with copies to:

Klee, Tuchin, Bogdanoff, & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, CA 90067
Attn: Michael L. Tuchin, Esq.
Thomas E. Patterson, Esq.
Email: tpatterson@ktbslaw.com
Facsimile: (310) 407-9090

10.3. Notice of Entry of Confirmation Order. Notice of the entry of the Confirmation Order shall be sufficient if mailed to all known Holders of Claims and Interests within five (5) Business Days of the entry of Confirmation Order.

10.4. Headings. The headings used in this Plan are inserted for convenience only and neither constitute a portion of this Plan nor in any manner affect the provisions of this Plan.

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1 10.5. Conflicts. To the extent that any provision of the Disclosure Statement, or any other
2 order (other than the Confirmation Order) conflict with or are in any inconsistent with any provision
3 of this Plan, this Plan shall govern and control, unless expressly set forth herein.

4 10.6. Computation of Time. In computing any period of time prescribed or allowed by this
5 Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

6 10.7. Governing Law. Except to the extent that the Bankruptcy Code or any other Federal
7 law is applicable, the rights and obligations arising under this Plan shall be governed by, and
8 construed and enforced in accordance with, the laws of the State of Nevada.

9 10.8. Successors and Assigns. The rights and obligations of any Person named or referred
10 to in this Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of
11 such Person.

12 10.9. Post Confirmation Quarterly Fees. US Trustee Fees continue to be payable to the
13 Office of the United States Trustee post-confirmation until such time as the case is converted,
14 dismissed, or closed pursuant to Final Decree.

15 DATED this 27th day of December, 2017.

16
17 Bishop Gorman Development Corporation

18 By: 
19 Title: Executive Director

20 Respectfully submitted by:

21 FOX ROTHSCHILD LLP

22 By: /s/ Brett A. Axelrod
23 BRETT A. AXELROD, ESQ.
24 AMANDA A. HUNT, ESQ.
25 1980 Festival Plaza Drive, Suite 700
26 Las Vegas, NV 89135
27 Counsel for Debtor
28

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EXHIBIT B

Bishop Gorman Development Corporation
Liquidation Analysis

	Pro-Forma		Liquidation Values		
	6/30/18 Book Value	Pro-Forma 6/30/18 Fair Value	No Declarations Exercised	Price Participation	Repurchase Option
Cash and Cash Equivalents					
Unrestricted Cash and Cash Equivalents	2,955,803	2,955,803	2,955,803	2,955,803	2,955,803
Restricted Cash and Cash Equivalents (Donors)	2,266,579	2,266,579	2,266,579	2,266,579	2,266,579
Restricted Cash and Cash Equivalents (Other)	61,033	61,033	-	-	-
Total Cash and Cash Equivalents	5,283,416	5,283,416	5,222,383	5,222,383	5,222,383
Other Current Assets					
Accounts Receivable (Net)	241,056	241,056	241,056	241,056	241,056
Prepaid Expenses	7,937	7,937	-	-	-
Total Other Current Assets	248,994	248,994	241,056	241,056	241,056
Total Current Assets	5,532,409	5,532,409	5,463,439	5,463,439	5,463,439
Property and Equipment					
Bishop Gorman High School Book Value	107,711,981	25,650,000	21,615,000	12,500,000	8,650,000
Total Property and Equipment Fair Value	107,711,981	25,650,000	21,615,000	12,500,000	8,650,000
Other Assets					
Note Receivable	4,359,567	4,359,567	4,359,567	4,359,567	4,359,567
Other Assets (Bond Issuance Costs)	549,229	-	-	-	-
Total Other Assets	4,908,796	4,359,567	4,359,567	4,359,567	4,359,567
Total Assets Available For Recovery	\$ 118,153,186	\$ 35,541,977	\$ 31,438,006	\$ 22,323,006	\$ 18,473,006

Bishop Gorman Development Corporation
Liquidation Analysis

	Pro-Forma 6/30/18 Book Value		Pro-Forma 6/30/18 Fair Value		Liquidation Values		
	\$	118,153,186	\$	35,541,977	No Declarations Exercised	Price Participation	Repurchase Option
Total Assets Available For Recovery	\$	118,153,186	\$	35,541,977	31,438,006	\$ 22,323,006	\$ 18,473,006
Chapter 7 Fees + Admin Claims							
Trustee Fee of 3% of Assets Available for Recovery					943,140	669,690	554,190
Professional Fees of 2% of Assets Available for Recovery					628,760	446,460	369,460
Admin Claims Post-Conversion					-	-	-
Total Chapter 7 Fees					<u>1,571,900</u>	<u>1,116,150</u>	<u>923,650</u>
Funds Available for Distribution					29,866,106	21,206,856	17,549,356
Class 4							
County Special Assessment Program		1,313,338			-	-	-
Classes 2 & 3 - Secured Claims							
County Loan		23,870,000			23,870,000	19,780,930	16,369,356
Bank of America Secured Claim		1,720,691			1,720,691	1,425,927	1,180,000
Total Secured Claims		<u>25,590,691</u>			<u>25,590,691</u>	<u>21,206,856</u>	<u>17,549,356</u>
Remaining Proceeds Available					4,275,415	-	-
Class 1 - Priority Claims							
Pre-Conversion Professional Fees		4,000,000			3,800,369	-	-
Post-Petition DIP Loan		500,000			475,046	-	-
Total Class 1 Priority Claims		<u>4,500,000</u>			<u>4,275,415</u>	-	-
Remaining Proceeds Available					-	-	-
Class 5 - General Unsecured Claims							
J.A. Tiberti Construction Co.		29,446,976			-	-	-
Donors		2,266,579			-	-	-
Service Campaign Corp		301,888			-	-	-
Refundable Security Deposit		272,400			-	-	-
Due to BGHS		201,603			-	-	-
Accounts Payable		197,171			-	-	-
Total Class 5 General Unsecured Claims		<u>\$ 32,686,617</u>			-	-	-

Bishop Gorman Development Corporation
Notes to Liquidation Analysis

#	Description
1	Funds held at BNY Mellon assumed not recovered.
2	Prepaid expenses assumed not recovered.
3	Per Greg Gotthardt valuation report.
4	Bond issuance expenses are a sunk cost with no recovery in a liquidation scenario.
5	Assumes post-conversion operation at a breakeven.
6	Claim is assumed to be paid in full by the Tenant who agreed to assume the obligation.
7	Professional fees outstanding as of June 30, 2018 are estimated to be approximately \$4,000,000 after a \$500,000 payment funded by the DIP Loan.
8	DIP Loan is assumed to be fully drawn as of February 28, 2018.

EXHIBIT C

Bishop Gorman Development Corporation
Cash Flow Projections [1]

#	Notes	7/1/18 - 12/31/18	2019	2020	2021	2022	2023	2024	2025
Receipts									
1	Rent from BGHS	[2] \$ 1,161,675	\$ 2,029,895	\$ 2,039,957	\$ 2,044,356	\$ 1,557,517	\$ 1,781,845	\$ 1,778,053	\$ 1,778,391
2	Rent from Cell Tower Lease	[3] 6,089	12,421	12,669	12,923	13,181	13,445	13,714	13,988
3	Total Rent Receipts	\$ 1,167,764	\$ 2,042,316	\$ 2,052,626	\$ 2,057,279	\$ 1,570,698	\$ 1,795,290	\$ 1,791,767	\$ 1,792,379
Disbursements									
<i>Disbursements for Operations</i>									
4	Bookkeeper Fees	[4] \$ 3,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956	\$ 7,164	\$ 7,379
5	US Trustee Fees	[5] 23,400	21,125	-	-	-	-	-	-
6	Miscellaneous Fees	[6] 3,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379
7	Total Disbursements for Operations	\$ 29,400	\$ 33,485	\$ 12,731	\$ 13,113	\$ 13,506	\$ 13,911	\$ 14,329	\$ 14,758
<i>Disbursements for Loan Agreement:</i>									
8	Swap Interest	[7] \$ 360,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ -	\$ -	\$ -	\$ -
9	Bond Interest	[8] 297,750	588,594	580,677	572,271	563,010	547,625	526,573	504,885
10	Letter of Credit Fees	[9] 119,100	235,438	232,271	228,908	225,204	219,050	210,629	201,954
11	Bond Principal	[10] 300,000	315,000	335,000	350,000	595,000	840,000	865,000	895,000
12	Indenture Trustee (BNY Mellon)	[11] 30,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
13	Bond Remarketing Fees	[12] 14,825	29,364	28,964	28,541	28,027	27,206	26,148	25,058
14	Bond Ratings Fees	[13] 15,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
15	Audit & Tax Return Fees	[14] 25,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494
16	Total Disbursements for Loan Agreement	\$ 1,161,675	\$ 2,029,895	\$ 2,039,957	\$ 2,044,356	\$ 1,557,517	\$ 1,781,845	\$ 1,778,053	\$ 1,778,391
17	Total Disbursements Before Plan Payments	\$ 1,191,075	\$ 2,063,380	\$ 2,052,688	\$ 2,057,469	\$ 1,571,023	\$ 1,795,756	\$ 1,792,382	\$ 1,793,150
18	Net Cash Flow from Operating Activity	\$ (23,311)	\$ (21,064)	\$ (61)	\$ (190)	\$ (325)	\$ (466)	\$ (615)	\$ (770)
19	Begin Unrestricted Cash Balance	\$ 2,955,803	\$ 63,959	\$ 42,895	\$ 42,833	\$ 42,643	\$ 42,319	\$ 41,852	\$ 41,237
20	Net Cash Flow from Operating Activity	(23,311)	(21,064)	(61)	(190)	(325)	(466)	(615)	(770)
21	Plan Receipts								
22	Additional Rent Payment from BGHS - GUC Fund	500,000	500,000	500,000	500,000	500,000	500,000	-	-
23	Additional Rent Payment from BGHS - DIP Principal	-	-	-	-	-	-	-	100,000
24	Additional Rent Payment from BGHS - DIP Interest	10,712	21,250	21,250	21,250	21,250	21,250	21,250	19,108
25	Diocese Note Prepayment	4,359,567	-	-	-	-	-	-	-
26	Restricted Donor Funds	2,266,579	-	-	-	-	-	-	-
27	Plan Disbursements								
28	GUC Fund Payment - Additional Rent from BGHS	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	-	-
29	GUC Fund Payment - Confirmation Funds	(2,140,433)	-	-	-	-	-	-	-
30	GUC Fund Payment - Diocese Note Payment & Prepayment	(4,859,567)	-	-	-	-	-	-	-
31	DIP Principal	(10,712)	(21,250)	(21,250)	(21,250)	(21,250)	(21,250)	(21,250)	(100,000)
32	DIP Interest	(10,712)	(21,250)	(21,250)	(21,250)	(21,250)	(21,250)	(21,250)	(19,108)
33	Professional Payments	(2,494,680)	-	-	-	-	-	-	-
34	End Unrestricted Cash Balance	\$ 63,959	\$ 42,895	\$ 42,833	\$ 42,643	\$ 42,319	\$ 41,852	\$ 41,237	\$ 40,467

Bishop Gorman Development Corporation
Cash Flow Projections [1]

#	Notes	2026	2027	2028	2029	2030	2031	2032	2033
Receipts									
1	Rent from BGHS	\$ 1,782,679	\$ 1,780,770	\$ 1,782,814	\$ 1,778,664	\$ 1,783,455	\$ 1,781,875	\$ 1,779,089	\$ 1,780,085
2	Rent from Cell Tower Lease	14,268	14,553	14,844	15,141	15,444	15,753	16,068	16,389
3	Total Rent Receipts	\$ 1,796,947	\$ 1,795,323	\$ 1,797,658	\$ 1,793,805	\$ 1,798,899	\$ 1,797,627	\$ 1,795,157	\$ 1,796,475
Disbursements									
<u>Disbursements for Operations</u>									
4	Bookkeeper Fees	\$ 7,601	\$ 7,829	\$ 8,063	\$ 8,305	\$ 8,555	\$ 8,811	\$ 9,076	\$ 9,348
5	US Trustee Fees	-	-	-	-	-	-	-	-
6	Miscellaneous Fees	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348
7	Total Disbursements for Operations	\$ 15,201	\$ 15,657	\$ 16,127	\$ 16,611	\$ 17,109	\$ 17,622	\$ 18,151	\$ 18,696
<u>Disbursements for Loan Agreement:</u>									
8	Swap Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Bond Interest	482,438	459,125	435,052	410,115	384,406	357,708	330,135	301,677
10	Letter of Credit Fees	192,975	183,650	174,021	164,046	153,763	143,083	132,054	120,671
11	Bond Principal	930,000	960,000	995,000	1,025,000	1,065,000	1,100,000	1,135,000	1,175,000
12	Indenture Trustee (BNY Mellon)	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
13	Bond Remarketing Fees	23,928	22,756	21,545	20,292	18,998	17,656	16,270	14,839
14	Bond Ratings Fees	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
15	Audit & Tax Return Fees	63,339	65,239	67,196	69,212	71,288	73,427	75,629	77,898
16	Total Disbursements for Loan Agreement	\$ 1,782,679	\$ 1,780,770	\$ 1,782,814	\$ 1,778,664	\$ 1,783,455	\$ 1,781,875	\$ 1,779,089	\$ 1,780,085
17	Total Disbursements Before Plan Payments	\$ 1,797,880	\$ 1,796,427	\$ 1,798,941	\$ 1,795,275	\$ 1,800,564	\$ 1,799,497	\$ 1,797,240	\$ 1,798,781
18	Net Cash Flow from Operating Activity	\$ (933)	\$ (1,104)	\$ (1,283)	\$ (1,470)	\$ (1,665)	\$ (1,870)	\$ (2,083)	\$ (2,306)
19	Beg Unrestricted Cash Balance	\$ 40,467	\$ 39,534	\$ 38,430	\$ 37,147	\$ 35,677	\$ 34,012	\$ 32,143	\$ 30,059
20	Net Cash Flow from Operating Activity	(933)	(1,104)	(1,283)	(1,470)	(1,665)	(1,870)	(2,083)	(2,306)
21	Plan Receipts								
22	Additional Rent Payment from BGHS - GUC Fund	-	-	-	-	-	-	-	-
23	Additional Rent Payment from BGHS - DIP Principal	100,000	100,000	100,000	100,000	-	-	-	-
24	Additional Rent Payment from BGHS - DIP Interest	14,858	10,608	6,358	2,108	-	-	-	-
25	Diocese Note Prepayment	-	-	-	-	-	-	-	-
26	Restricted Donor Funds	-	-	-	-	-	-	-	-
27	Plan Disbursements								
28	GUC Fund Payment - Additional Rent from BGHS	-	-	-	-	-	-	-	-
29	GUC Fund Payment - Confirmation Funds	-	-	-	-	-	-	-	-
30	GUC Fund Payment - Diocese Note Payment & Prepayment	-	-	-	-	-	-	-	-
31	DIP Principal	(100,000)	(100,000)	(100,000)	(100,000)	-	-	-	-
32	DIP Interest	(14,858)	(10,608)	(6,358)	(2,108)	-	-	-	-
33	Professional Payments	-	-	-	-	-	-	-	-
34	End Unrestricted Cash Balance	\$ 39,534	\$ 38,430	\$ 37,147	\$ 35,677	\$ 34,012	\$ 32,143	\$ 30,059	\$ 27,753

Bishop Gorman Development Corporation
Cash Flow Projections [1]

#	Notes	2034	2035	2036	2037	2038	2039	2040	2041	Total
Receipts										
1	Rent from BGHS	\$ 1,779,699	\$ 1,782,917	\$ 1,779,592	\$ 1,779,876	\$ 1,783,588	\$ 1,780,583	\$ 1,781,012	\$ 1,784,697	\$ 42,673,087
2	Rent from Cell Tower Lease	16,717	17,051	17,392	17,740	18,095	18,457	18,826	19,203	364,373
3	Total Rent Receipts	\$ 1,796,416	\$ 1,799,969	\$ 1,796,985	\$ 1,797,616	\$ 1,801,683	\$ 1,799,040	\$ 1,799,839	\$ 1,803,899	\$ 43,037,460
Disbursements										
Disbursements for Operations										
4	Bookkeeper Fees	\$ 9,628	\$ 9,917	\$ 10,215	\$ 10,521	\$ 10,837	\$ 11,162	\$ 11,497	\$ 11,842	\$ 203,559
5	US Trustee Fees	-	-	-	-	-	-	-	-	44,525
6	Miscellaneous Fees	9,628	9,917	10,215	10,521	10,837	11,162	11,497	11,842	203,559
7	Total Disbursements for Operations	\$ 19,256	\$ 19,834	\$ 20,429	\$ 21,042	\$ 21,673	\$ 22,324	\$ 22,993	\$ 23,683	\$ 451,643
Disbursements for Loan Agreement:										
8	Swap Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,520,000
9	Bond Interest	272,219	241,750	210,167	177,573	143,844	108,875	72,771	35,406	8,604,646
10	Letter of Credit Fees	108,888	96,700	84,067	71,029	57,538	43,550	29,108	14,163	3,441,858
11	Bond Principal	1,215,000	1,260,000	1,300,000	1,345,000	1,395,000	1,440,000	1,490,000	1,545,000	23,870,000
12	Indenture Trustee (BNY Mellon)	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	1,410,000
13	Bond Remarketing Fees	13,358	11,825	10,238	8,598	6,902	5,144	3,328	1,448	425,259
14	Bond Ratings Fees	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	705,000
15	Audit & Tax Return Fees	80,235	82,642	85,122	87,675	90,306	93,015	95,805	98,679	1,696,324
16	Total Disbursements for Loan Agreement	\$ 1,779,699	\$ 1,782,917	\$ 1,779,592	\$ 1,779,876	\$ 1,783,588	\$ 1,780,583	\$ 1,781,012	\$ 1,784,697	\$ 42,673,087
17	Total Disbursements Before Plan Payments	\$ 1,798,956	\$ 1,802,752	\$ 1,800,022	\$ 1,800,918	\$ 1,805,262	\$ 1,802,907	\$ 1,804,006	\$ 1,808,380	\$ 43,124,730
18	Net Cash Flow from Operating Activity	\$ (2,539)	\$ (2,783)	\$ (3,037)	\$ (3,302)	\$ (3,578)	\$ (3,867)	\$ (4,167)	\$ (4,480)	\$ (87,270)
19	Begin Unrestricted Cash Balance	\$ 27,753	\$ 25,214	\$ 22,431	\$ 19,394	\$ 16,092	\$ 12,514	\$ 8,648	\$ 4,480	\$ 2,955,803
20	Net Cash Flow from Operating Activity	(2,539)	(2,783)	(3,037)	(3,302)	(3,578)	(3,867)	(4,167)	(4,480)	(87,270)
21	Plan Receipts	-	-	-	-	-	-	-	-	3,000,000
22	Additional Rent Payment from BGHS - GUC Fund	-	-	-	-	-	-	-	-	500,000
23	Additional Rent Payment from BGHS - DIP Principal	-	-	-	-	-	-	-	-	191,250
24	Additional Rent Payment from BGHS - DIP Interest	-	-	-	-	-	-	-	-	4,359,567
25	Diocese Note Prepayment	-	-	-	-	-	-	-	-	2,266,579
26	Restricted Donor Funds	-	-	-	-	-	-	-	-	-
27	Plan Disbursements	-	-	-	-	-	-	-	-	(3,000,000)
28	GUC Fund Payment - Additional Rent from BGHS	-	-	-	-	-	-	-	-	(2,140,433)
29	GUC Fund Payment - Confirmation Funds	-	-	-	-	-	-	-	-	(4,859,567)
30	GUC Fund Payment - Diocese Note Payment & Prepayment	-	-	-	-	-	-	-	-	(500,000)
31	DIP Principal	-	-	-	-	-	-	-	-	(191,250)
32	DIP Interest	-	-	-	-	-	-	-	-	(191,250)
33	Professional Payments	-	-	-	-	-	-	-	-	(2,494,680)
34	End Unrestricted Cash Balance	\$ 25,214	\$ 22,431	\$ 19,394	\$ 16,092	\$ 12,514	\$ 8,648	\$ 4,480	\$ 0	\$ 0

Bishop Gorman Development Corporation
Notes to Cash Flow Projections

#	Description
1	Assumes Effective Date of July 01, 2018.
2	BGHS rent receipts are estimated to be per the Amended Lease Section 3 rent.
3	Cell tower lease receipts are estimated to be \$1,015 per month in 2018 increasing 2% per year.
4	Bookkeeper fees are assumed to be \$500 per month increasing 3% per year.
5	US trustee fees estimated at the statutory fees for quarterly disbursements. It is assumed the case can be closed by the end of 2019 so no additional US Trustee fees will be required thereafter.
6	Miscellaneous fees are assumed to be \$500 per month increasing 3% per year.
7	Swap interest has been forecast at \$60,000 per month through the end of the swap agreement in 2021 and zero thereafter.
8	Bond interest has been forecasted to be 2.5%.
9	Letter of credit fees have been forecast at 1% of the annual Outstanding Bond Debt principal balance.
10	Bond principal payments are set per Schedule 5.7 of the Reimbursement Agreement.
11	Indenture Trustee fees are estimated at \$2,500 per month.
12	Bond remarketing fees are set at 1/8th of 1% of the bond principal balance per annum per Section 10 of Remarketing Agreement
13	Bond ratings fees are estimated at \$7,500 per quarter.
14	Audit and tax fees are forecasted to be \$35,000 and \$15,000 per year respectively, increasing 3% per year.
15	Beginning Unrestricted Cash Balance forecasted based on October 31, 2017 ending cash balances and estimated cash flows through June 30, 2018. The July 1, 2018 cash balance includes a \$500,000 payment received in November 2017 on the Diocese Note.
16	Per plan, additional rent payments by BGHS of \$500,000 annually will be made to the GUC Fund for six years.
17	Per plan, DIP principal payments will be funded by an increase in the BGHS rent.
18	Per plan, DIP interest payments will be funded by an increase in the BGHS rent.
19	Per plan, the Diocese Note will be prepaid and the proceeds paid to the GUC Fund.
20	Per plan, Class 6 Donors are assumed to confirm the plan and restricted funds made available as Confirmation Funds.
21	Per plan, additional rent payments by BGHS of \$500,000 annually will be made to the GUC Fund for six years.
22	Per plan, Confirmation Funds of \$2,140, 433 are paid to the GUC Fund.
23	Per plan, the Diocese Note will be prepaid and the proceeds paid to the GUC Fund, plus the \$500,000 payment made in November 2017.
24	Per plan, DIP principal repayments are made starting the seventh anniversary from the Confirmation Date of the plan.
25	DIP draw of \$500,000 estimated in February of 2018, with interest compounding monthly at an annual rate of the June 2017 Bank of America Prime Rate (4.25%) based on Section 1.5 of the DIP Loan Agreement.
26	Professional fees outstanding as of July 01, 2018 are estimated to be between \$3,500,000 and \$4,500,000 after a \$500,000 payment funded by the DIP Loan. Current available cash is \$2,494,680 which will then require additional plan support to pay professionals. Debtor is in discussions with BGHS and the Diocese regarding the provision of additional funds.