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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

In re:

FRANCISCAN FRIARS OF
CALIFORNIA, INC.,

Debtor.

Case No. 23-41723 WJL

Chapter 11

**FIRST AMENDED DISCLOSURE STATEMENT
IN SUPPORT OF SECOND AMENDED JOINT PLAN
OF REORGANIZATION FOR THE FRANCISCAN
FRIARS OF CALIFORNIA, INC. DATED JUNE 22, 2026**

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1 **IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT**

2 THE FRANCISCAN FRIARS OF CALIFORNIA, INC. (THE “**DEBTOR**” OR “**FFCI**”)
3 AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS (THE “**COMMITTEE**”
4 AND TOGETHER WITH THE DEBTOR, THE “**PLAN PROPONENTS**”) SEEK
5 CONFIRMATION OF *THE SECOND AMENDED JOINT PLAN OF REORGANIZATION FOR*
6 *THE FRANCISCAN FRIARS OF CALIFORNIA, INC., DATED JUNE 22, 2026* (AS IT MAY BE
7 AMENDED, SUPPLEMENTED, AND MODIFIED FROM TIME TO TIME, THE “**JOINT**
8 **PLAN**”). A COPY OF THE JOINT PLAN IS ATTACHED TO THIS DISCLOSURE
9 STATEMENT AS **EXHIBIT A**.¹

10 THIS DISCLOSURE STATEMENT, THE JOINT PLAN, THE PLAN DOCUMENTS,
11 THE ACCOMPANYING BALLOT AND RELATED MATERIALS ARE BEING
12 FURNISHED BY THE PLAN PROPONENTS UNDER SECTIONS 1125 AND 1126 OF THE
13 BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY
14 PROCEDURE, IN CONNECTION WITH THE PLAN PROPONENTS’ SOLICITATION OF
15 VOTES TO ACCEPT THE JOINT PLAN. THIS DISCLOSURE STATEMENT IS INTENDED
16 TO PROVIDE ADEQUATE INFORMATION TO ENABLE HOLDERS OF IMPAIRED
17 CLAIMS AGAINST THE DEBTOR (THAT ARE ENTITLED TO VOTE AS DESCRIBED
18 HEREIN) TO MAKE AN INFORMED DECISION ON WHETHER TO ACCEPT OR REJECT
19 THE JOINT PLAN.

20 THE SUMMARY OF THE JOINT PLAN AND STATEMENTS MADE IN THIS
21 DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO
22 THE JOINT PLAN.

23 HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE JOINT PLAN SHOULD NOT
24 RELY ON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE
25 ACCEPTANCE OF THE JOINT PLAN, OTHER THAN THOSE SET FORTH IN THIS
26 DISCLOSURE STATEMENT. NO PERSON MAY GIVE ANY INFORMATION ON
27 BEHALF OF THE PLAN PROPONENTS REGARDING THE JOINT PLAN OR THE
28 SOLICITATION OF ACCEPTANCES OF THE JOINT PLAN, OTHER THAN THE
INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. ALL OTHER
STATEMENTS REGARDING THE JOINT PLAN, WHETHER WRITTEN OR ORAL, ARE
UNAUTHORIZED.

IF THERE IS ANY CONFLICT BETWEEN THE DESCRIPTIONS SET FORTH IN
THIS DISCLOSURE STATEMENT AND THE JOINT PLAN OR ANY OTHER
APPLICABLE DOCUMENT, THE JOINT PLAN OR SUCH OTHER APPLICABLE
DOCUMENT SHALL GOVERN.

IF THE JOINT PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE
JOINT PLAN BECOMES EFFECTIVE (THE “**EFFECTIVE DATE**”), ALL HOLDERS OF
CLAIMS AGAINST THE DEBTOR (INCLUDING, WITHOUT LIMITATION, THOSE
HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE
JOINT PLAN OR WHO ARE NOT ENTITLED TO VOTE ON THE JOINT PLAN, EXCEPT
AS OTHERWISE PROVIDED IN THE JOINT PLAN) WILL BE BOUND BY THE TERMS
OF THE JOINT PLAN AND THE TRANSACTIONS DESCRIBED IN THE JOINT PLAN.

¹ CAPITALIZED TERMS NOT DEFINED HEREIN HAVE THE MEANING ASCRIBED TO THEM IN
THE JOINT PLAN.

1 THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL
2 INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR IN ANY
3 EXHIBIT, EXCEPT AS EXPRESSLY INDICATED IN THIS DISCLOSURE STATEMENT
4 OR IN ANY EXHIBIT. THIS DISCLOSURE STATEMENT WAS COMPILED FROM
5 INFORMATION OBTAINED BY THE PLAN PROPONENTS AS OF THE DATE HEREOF.
6 THE PLAN PROPONENTS' PROFESSIONALS HAVE NOT INDEPENDENTLY VERIFIED
7 ALL OF THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND
8 ARE NOT RESPONSIBLE FOR ANY INACCURACIES THAT MAY BE CONTAINED IN
9 THIS DISCLOSURE STATEMENT OR THE JOINT PLAN. THE STATEMENTS
10 CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE
11 HEREOF, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT
12 CREATE ANY IMPLICATION THAT THE INFORMATION IS CORRECT AT ANY TIME
13 SUBSEQUENT TO THIS DATE. THE PLAN PROPONENTS UNDERTAKE NO DUTY TO
14 UPDATE THE INFORMATION SET FORTH OR REFERENCED HEREIN. SUBSEQUENT
15 TO THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT: (I) THE
16 INFORMATION AND REPRESENTATIONS CONTAINED HEREIN REMAIN
17 MATERIALLY ACCURATE OR (II) THIS DISCLOSURE STATEMENT CONTAINS ALL
18 MATERIAL INFORMATION.

11 PERSONS OR ENTITIES HOLDING OR TRADING IN OR OTHERWISE
12 PURCHASING, SELLING, OR TRANSFERRING CLAIMS AGAINST THE DEBTOR
13 SHOULD EVALUATE THIS DISCLOSURE STATEMENT IN LIGHT OF THE PURPOSE
14 FOR WHICH IT WAS PREPARED, AND SHOULD BE AWARE THAT ACTUAL
15 DISTRIBUTIONS MAY VARY FROM THE ESTIMATES CONTAINED HEREIN.

14 THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY
15 PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR
16 REJECT THE JOINT PLAN, AND NOTHING STATED IN THIS DISCLOSURE
17 STATEMENT CONSTITUTES AN ADMISSION OF ANY FACT OR LIABILITY BY ANY
18 PERSON OR SHALL BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE PLAN
19 PROPONENTS, THE DEBTOR OR ANY OTHER PERSON, OR BE DEEMED
20 CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE JOINT
21 PLAN ON THE DEBTOR, THE PLAN PROPONENTS, ANY RELEASED PARTY OR
22 HOLDERS OF CLAIMS.

19 THIS DISCLOSURE STATEMENT IS FORWARD-LOOKING. FORWARD-
20 LOOKING STATEMENTS ARE STATEMENTS OF EXPECTATIONS, BELIEFS, PLANS,
21 OBJECTIVES, ASSUMPTIONS, PROJECTIONS, AND FUTURE EVENTS OF
22 PERFORMANCE. AMONG OTHER THINGS, THIS DISCLOSURE STATEMENT
23 CONTAINS FORWARD-LOOKING STATEMENTS WITH RESPECT TO ANTICIPATED
24 FUTURE PERFORMANCE OF THE DEBTOR AND A TRUST TO BE CREATED FOR THE
25 BENEFIT OF HOLDERS OF ABUSE CLAIMS, AS WELL AS ANTICIPATED FUTURE
26 DETERMINATIONS OF CLAIMS AND DISTRIBUTIONS ON CLAIMS. THESE
27 STATEMENTS, ESTIMATES, AND PROJECTIONS MAY OR MAY NOT PROVE TO BE
28 CORRECT. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE
REFLECTED IN THESE FORWARD-LOOKING STATEMENTS DUE TO MANY
BUSINESS, LEGAL, AND ECONOMIC RISKS, INCLUDING, AMONG OTHERS, THOSE
DESCRIBED IN THIS DISCLOSURE STATEMENT. THE PLAN PROPONENTS
UNDERTAKE NO OBLIGATION TO UPDATE ANY FORWARD-LOOKING STATEMENT.
NEW FACTORS EMERGE FROM TIME TO TIME AND IT IS IMPOSSIBLE TO PREDICT
ALL FACTORS, NOR CAN THE IMPACT OF ALL FACTORS BE ASSESSED.

27 HOLDERS OF CLAIMS SHOULD NOT CONSTRUE THE CONTENTS OF THIS
28 DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR

1 TAX ADVICE. EACH HOLDER OF A CLAIM SHOULD CONSULT WITH THEIR OWN
2 LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS WITH RESPECT TO ANY
3 MATTERS CONCERNING THIS DISCLOSURE STATEMENT, THE SOLICITATION OF
4 VOTES TO ACCEPT THE JOINT PLAN, THE JOINT PLAN AND THE TRANSACTIONS
5 CONTEMPLATED BY THE JOINT PLAN.

6 [THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY ORDER OF THE
7 BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION OF A KIND AND
8 IN SUFFICIENT DETAIL TO ENABLE HOLDERS OF CLAIMS TO MAKE AN INFORMED
9 JUDGMENT WITH RESPECT TO VOTING TO ACCEPT OR REJECT THE JOINT PLAN.
10 HOWEVER, THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE
11 STATEMENT IS NOT A RECOMMENDATION OR DETERMINATION BY THE
12 BANKRUPTCY COURT AS TO THE MERITS OF THE JOINT PLAN. EACH HOLDER OF
13 A CLAIM ENTITLED TO VOTE TO ACCEPT OR REJECT THE JOINT PLAN SHOULD
14 READ THIS DISCLOSURE STATEMENT AND THE JOINT PLAN (INCLUDING ALL
15 EXHIBITS AND SCHEDULES TO THE JOINT PLAN AND DISCLOSURE STATEMENT)
16 IN THEIR ENTIRETY BEFORE VOTING.]²

17 ALL DOCUMENTS FILED WITH THE BANKRUPTCY COURT, INCLUDING THE
18 JOINT PLAN AND DISCLOSURE STATEMENT, ARE AVAILABLE AT
19 [HTTPS://BANKRUPTCY.ANGEIONGROUP.COM/CLIENTS/FFC/INDEX](https://bankruptcy.angeiongroup.com/clients/ffc/index) FREE OF
20 CHARGE.
21
22
23
24
25
26

27 ² Brackets to be removed if this Disclosure Statement is approved by the Bankruptcy Court.
28

EXHIBITS

- Exhibit A** Joint Plan
- Exhibit B** [Order Approving Disclosure Statement]
- Exhibit C** Liquidation Analysis
- Exhibit D** Feasibility Analysis

ARTICLE I
EXECUTIVE SUMMARY

The Debtor, the Non-Debtor Affiliates (defined below) and the Committee support the Joint Plan and recommend that all Holders of Claims vote to accept the Joint Plan and become a “Consenting” Creditor.

After the enactment of California legislation reviving the statute of limitations for childhood sexual abuse claims, about 100 survivors of sexual abuse (“Survivors”) bravely asserted claims against the Debtor during the statutory window that opened on January 1, 2020 and closed on December 31, 2022. Many, if not all, of these Survivors also filed claims in this Chapter 11 Case (“Abuse Claims”). These Abuse Claims have been the central focus of this chapter 11 case and the Joint Plan. The tragedy of the Abuse that was inflicted in the past by certain friars purporting to do the missionary work of the Order is impossible to overstate. It not only affected Survivors, but it also has negatively affected the faithful and the community that FFCI serves. Through the Joint Plan, the Debtor will be able to restructure its financial affairs. The Reorganized Debtor will then be able to continue its mission and ministry to the elderly, poor, incarcerated, and vulnerable, among others, after confirmation of the Joint Plan.

The Joint Plan provides that holders of Allowed Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims, Professional Fee Claims, General Unsecured Claims and other classified claims will be paid as set forth therein and as summarized by this Disclosure Statement.

After extensive arm’s-length negotiations and mediation among (i) the Debtor, (ii) the Associated Ministries, Franciscan Charities, and Franciscan Ministries (collectively, the “Non-Debtor Affiliates”) and (iii) the Committee, the parties reached a global settlement, the terms of which are memorialized in the *Corrected Term Sheet Setting Forth Certain Material Terms of a Global Settlement Agreement by and Among The Debtor, Its Non-Debtor Affiliates and the Official Committee of Unsecured Creditors* [Dkt. No. 1502-1], entered into among the parties on January 29, 2026 and memorialized in the Joint Plan.

Under the global settlement and through the Joint Plan, a trust (the “Trust”) will be established for Survivors, funded with \$36.025 million, by: (i) the Debtor in the amount of \$5.8 million (the “Debtor Cash Contribution”); (ii) the Non-Debtor Affiliates in the amount of \$14.2 million (the “Non-Debtor Affiliates Cash Contribution”) and (iii) certain Settling Insurers in the amount of \$16.025 million.

The contribution by the Debtor and each of the Non-Debtor Affiliates that would receive a release under the Joint Plan was reached as the result of extensive negotiations and mediation regarding, among other things, the extent of liability faced by each entity, the ability of each entity to pay, and insurance coverage available for the types of Claims being satisfied by the Trust. *In exchange for the contributions to the Trust, all Abuse Claims will be channeled to the Trust and the Released Parties (consisting of (i) the Debtor, (ii) the Reorganized Debtor, (iii) the Protected Parties, and (iv) each Settling Insurer Releasee) shall receive certain releases, exculpation, and/or injunctions, all as more specifically set forth in this Disclosure Statement and the Joint Plan.*

The Plan Proponents believe that the Joint Plan provides the best alternative to compensate Abuse Claimants for their Abuse Claims. The combined \$36.025 million contribution from the Debtor (\$5.8 million), the Non-Debtor Affiliates (\$14.2 million) and the Insurance Settlement Amounts (\$16.025 million) exceeds the value of the Debtor’s current assets. The Non-Debtor Affiliates’ contribution represents a compromise of the direct Abuse Claims against the Non-Debtor Affiliates and any and all claims and causes of action, including involuntary equitable

1 subordination and alter ego claims, that the Estate and Consenting Class 5 and Class 6 Claimants
2 have against the Debtor and any of the Non-Debtor Affiliates.

3 Abuse Claimants have the ability to exempt themselves from the releases and channeling
4 injunction provisions of the Joint Plan relating to the Non-Debtor Affiliates by affirmatively
5 withholding consent to such releases and injunctions on the Abuse Claim Ballot. By
6 indicating a withholding of consent, however, such Abuse Claimant will be considered a Non-
Consenting Class 5 Claimant. A Non-Consenting Class 5 Claimant will only receive a distribution
from that portion of the Trust Assets funded by the Debtor Cash Contribution Amount, which is
only \$5.8 million, and Insurance Settlement Amounts, which is currently \$16.025 million of the
\$36.025 million in Trust Assets.

7 A Consenting Class 5 Claimant will receive its share of all of the Trust Assets. A
8 Consenting Class 5 Claimant means any holder of a Class 5 Claim who has consented to the
Channeling Injunction and release provisions of the Joint Plan.

9 *At least 85% of Class 5 Abuse Claimants who timely filed proofs of claim must consent*
10 *to the channeling injunction. If this threshold is not met, the Joint Plan may not be confirmed,*
potentially jeopardizing recoveries for all Abuse Claimants.

1 **ARTICLE II**
2 **INTRODUCTION**

3 **A. Purpose and Contents of this Disclosure Statement**

4 This Disclosure Statement is intended as a “plain English” explanation and summary of
5 the Joint Plan and is qualified in its entirety by the full terms of the Joint Plan, a copy of which is
6 attached as **Exhibit A**. You should review the Joint Plan and this Disclosure Statement in their
7 entirety before casting your vote.

8 This Disclosure Statement was approved by the Bankruptcy Court on June [●], 2026. A
9 copy of the order approving this Disclosure Statement is attached as **Exhibit B**.

10 The Bankruptcy Court will hold a hearing on confirmation of the Joint Plan commencing
11 on September 21, 2026 in Courtroom 220 at the United States Bankruptcy Court for the Northern
12 District of California in Oakland, California. The Confirmation Hearing may be adjourned from
13 time to time without further notice other than by announcement in the Bankruptcy Court on the
14 scheduled hearing date or upon the Plan Proponents filing a notice of adjournment.

15 The materials in the package that you have received with this Disclosure Statement include:

- 16 (i) notice of the hearing on confirmation of the Joint Plan;
- 17 (ii) the Joint Plan;
- 18 (iii) cover letter from the Committee recommending that Abuse Claimants vote
19 in support of the Joint Plan;
- 20 (iv) the Order approving this Disclosure Statement; and
- 21 (v) ballots for voting to accept or reject the Joint Plan with instructions on how
22 to complete and return the ballots.

23 The Joint Plan includes exhibits that are part of the Joint Plan and those should be
24 reviewed because they contain information relevant to your decision to vote to accept or reject
25 the Joint Plan.

26 **B. Summary of Voting Procedures**

27 **1. Vote Solicitation and Deadline.**

28 To be counted, your Ballot must be properly completed, signed, dated, and received by
Donlin Recano & Company, LLC (“**DRC**” or the “**Voting Agent**”), no later than **5:00 p.m.**
(**Prevailing Pacific Time**) on **August 5, 2026** (the “**Voting Deadline**”). The Plan Proponents
may extend the Voting Deadline in their discretion as to any individual Claim or Claims or as to
all Claims:

If by first class mail, overnight courier or hand delivery, your Ballot must be sent to:

Franciscan Friars of California, Inc.
Ballot Processing c/o Donlin Recano & Company LLC
Re: Franciscan Friars of California, Inc.
200 Vesey Street, 24th Floor
New York, NY 10281

If you wish to submit your Ballot by electronic, online submission:

Please visit <https://bankruptcy.angeiongroup.com/Clients/ffc/vote> and use the customized online balloting portal (the “E-Balloting Portal”) maintained by DRC on the Bankruptcy Case website. Click on the “E-Ballot” section of the website and follow the directions on your Ballot to submit your Ballot through the E-Balloting Portal. If you choose to submit your Ballot through the E-Balloting Portal, you should not return a hard (paper) copy of your Ballot.

IMPORTANT NOTE: For your vote to be counted you will need a unique E-Ballot ID Number that will be provided with your Ballot.

Any Ballot submitted by facsimile transmission, email, or any other means of electronic submission other than the E-Balloting Portal will not be counted, unless the Plan Proponents specifically consent in writing to receipt of such Ballot by such means.

IF YOU HOLD A CLAIM ENTITLED TO VOTE: Please (i) complete the information requested on the Ballot; (ii) sign, date, and indicate your vote to accept or reject the Joint Plan; and (iii) return the completed Ballot in the enclosed pre-addressed, postage-paid envelope, or by one of the other methods described above, so that it is actually received by DRC on or before the Voting Deadline.

BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED, NOR WILL ANY BALLOTS RECEIVED BY EMAIL, FACSIMILE OR ANY OTHER MEANS OF ELECTRONIC SUBMISSION OTHER THAN THROUGH THE E-BALLOTING PORTAL BE ACCEPTED.

IF YOU HAVE QUESTIONS ABOUT THE BALLOT, DID NOT RECEIVE A RETURN ENVELOPE WITH YOUR BALLOT, DID NOT RECEIVE AN ELECTRONIC COPY OF THIS DISCLOSURE STATEMENT AND THE JOINT PLAN, OR NEED PHYSICAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE DEBTOR’S SOLICITATION AND CLAIMS AGENT, DRC, BY EMAIL AT FFCINFO@DRC.EQUINITI.COM OR BY CALLING THE DEBTOR’S TOLL-FREE RESTRUCTURING HOTLINE AT (888) 444-4055 (U.S./CANADA) AND REQUESTING TO SPEAK WITH A MEMBER OF THE FFCI SOLICITATION TEAM.

2. Importance of Your Vote

You should evaluate the Joint Plan, complete your Ballot, and return it before the Voting Deadline; failure to do so will leave the acceptance or rejection of the Joint Plan to be determined by the votes of other Holders.

Under section 1126(c) of the Bankruptcy Code, a Class of Claims accepts the Joint Plan only if Holders of at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims in such Class that actually vote cast Ballots in favor of acceptance. Only Ballots actually cast are counted toward that calculation, any abstentions are disregarded. Solely for purposes of voting to accept or reject the Joint Plan, and not for the purpose of the allowance of, or distribution on account of, any Claim, and without prejudice to the rights of any party in interest in any other context, each Holder of a Class 5 Abuse Claim that has filed a proof of claim shall have such Claim temporarily allowed in the amount of \$1.00, notwithstanding the contingent, unliquidated, and disputed nature of such Claim, or any objections that may be pending with respect to such Claim. Likewise, the Unknown Abuse Claims Representative shall be entitled to vote a single Class 6 Claim, which shall be allowed for voting purposes only for \$1.00. Valuing

Abuse Claims at \$1.00 each for voting purposes shall not, and is not intended to, indicate or be relevant to the actual value of any Abuse Claim.

ARTICLE III

FREQUENTLY ASKED QUESTIONS

1. *Why did FFCI file a Chapter 11 Case?*

On December 31, 2023, FFCI filed its chapter 11 bankruptcy case (the “**Chapter 11 Case**”) in the United States Bankruptcy Court for the Northern District of California, Oakland Division. FFCI filed the Chapter 11 Case to address and resolve claims arising out of sexual abuse asserted against friars associated with FFCI given the State of California re-opening the window during which such claims could be asserted.

Approximately 100 Abuse Claimants have asserted Abuse Claims seeking damages for sexual abuse by friars allegedly associated with FFCI. Many Abuse Claimants also filed lawsuits against FFCI and other entities before the Chapter 11 Case.

2. *What is the Committee?*

The Committee is a group of Survivors appointed by the United States Trustee to represent Abuse Claimants’ collective interests in the Chapter 11 Case. The Committee consisted of seven, now six, individuals who hold Abuse Claims against FFCI. The Committee retained bankruptcy counsel and insurance counsel to represent it in the Chapter 11 Case and has taken an active role, including participating in mediation and working closely with the Debtor, the Non-Debtor Affiliates and the Settling Insurers on the Joint Plan. The Committee also retained a financial advisor to aid in its investigation of the Debtor and Non-Debtor Affiliates’ assets.

3. *What is a Chapter 11 plan?*

Chapter 11 of the Bankruptcy Code allows a debtor (in this case, FFCI) to resolve claims against it through a plan of reorganization. Creditors who hold claims that will not be paid in full against a debtor are given an opportunity to vote to approve or reject a plan. Bankruptcy Court approval of a plan is referred to as “confirmation” of the plan under bankruptcy law. Once confirmed and deemed effective, the terms of the Joint Plan become binding on all creditors.

4. *What is a Disclosure Statement?*

This Disclosure Statement is intended to provide you with sufficient information so that you can make an informed decision on whether to accept or reject the Joint Plan. This Disclosure Statement summarizes how the Joint Plan will affect your Claim against FFCI and the risks associated with confirmation and implementation of the Joint Plan.

5. *What must the Plan Proponents do to have the Joint Plan confirmed by the Bankruptcy Court?*

The Bankruptcy Code requires that, in order to confirm the Joint Plan, the Bankruptcy Court must make a series of findings on the Joint Plan and the Plan Proponents, including that: (i) the Joint Plan classifies Claims in a permissible manner; (ii) the Joint Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Plan Proponents have complied with applicable provisions of the Bankruptcy Code; (iv) the Plan Proponents proposed the Joint Plan in good faith and not by any means forbidden by law; (v) the disclosures required by section 1125 of the Bankruptcy Code have been made; (vi) the Joint Plan has been accepted by the requisite votes of Creditors (except to the extent that cramdown is available under section 1129(b) of the

1 Bankruptcy Code); (vii) the Joint Plan is feasible and confirmation is unlikely to be followed by
2 the liquidation or the need for further financial reorganization of the Debtor; (viii) the Joint Plan
3 is in the “best interests” of all holders of Claims in an Impaired Class by providing to such holders
4 on account of their Claims property of a value, as of the Effective Date, that is not less than the
5 amount that such holder would receive or retain in a chapter 7 liquidation, unless each holder of
6 a Claim in such Class has accepted or otherwise consented to the Joint Plan; and (ix) all U.S.
7 Trustee Fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy
8 Court at the Confirmation Hearing, have been paid or the Joint Plan provides for the payment of
9 such fees on the Effective Date.

10
11 (i) **Best Interests Test/ Liquidation Analysis**

12 Confirmation of a plan of reorganization requires that each holder of a claim in an
13 impaired class must either: (i) accept the plan or (ii) receive or retain under the plan property of
14 a value, as of the effective date, that is not less than the value such holder would receive or retain
15 if the debtor was liquidated under Chapter 7 of the Bankruptcy Code. The Plan Proponents
16 believe that the Joint Plan satisfies this standard with respect to all impaired classes because the
17 liquidation analysis, attached to the Joint Plan as **Exhibit C**, shows that unsecured creditors would
18 receive less than the projected distribution in this Chapter 11 Case than if the Debtor’s assets were
19 hypothetically liquidated.

20 (ii) **Feasibility Test**

21 To confirm a plan, the Bankruptcy Code requires that a Bankruptcy Court find that
22 confirmation of the plan is unlikely to be followed by liquidation or the need to further financially
23 reorganize the Debtor. For a plan to meet this test, the Bankruptcy Court must determine there is
24 a reasonable likelihood that the reorganized debtor will possess the working capital and other
25 resources necessary to meet its obligations under the plan. Based on the evidence to be established
26 at confirmation, and the feasibility analysis attached as **Exhibit D**, the Debtor will show that it
27 will have enough cash to make the required Joint Plan payments on the Effective Date and
28 continue to operate its business, as contemplated by the Joint Plan.

6. ***What conditions are there to confirmation of the Joint Plan?***

Confirmation of the Joint Plan will not occur unless all of the following conditions have
been satisfied (or waived):

- (i) The Plan Documents shall be in form and substance acceptable to the Plan Proponents and any Settling Insurers;
- (ii) Unless waived by the Non-Debtor Affiliates, no less than 85% of Allowed Abuse Claimants having timely filed a Proof of Claim are Consenting Class 5 Claimants before entry of the Confirmation Order;
- (iii) Unless waived by the Non-Debtor Affiliates, each of the Abuse Claimants to be listed in an Exhibit to the Joint Plan, which will be filed as a Plan Supplement, have executed a Consenting Class 5 Claim Release Agreement; and
- (iv) The Confirmation Order is in form and substance acceptable to the Plan Proponents and any Settling Insurers.

1 7. ***What conditions are there to the Joint Plan becoming effective?***

2 Once the Joint Plan is confirmed by the Bankruptcy Court, certain conditions must be met
3 before it becomes effective. The day when all of those conditions are satisfied or waived is the
4 **“Effective Date.”** The Effective Date will not occur, and the Joint Plan will not be consummated,
5 unless each of these conditions has been satisfied or waived by the Plan Proponents and the Settling
6 Insurers:

- 7 (i) The Bankruptcy Court shall have entered the Confirmation Order in form and
8 substance satisfactory to the Plan Proponents and any Settling Insurers;
- 9 (ii) The Confirmation Order shall be a Final Order, and no stay of the Confirmation
10 Order shall then be in effect;
- 11 (iii) The Trust Administrator and the Debtor shall have executed the Trust Agreement,
12 and the Debtor shall have delivered to the Trust Administrator the Trust Agreement;
- 13 (iv) The Insurance Settlement Amounts have been paid to the Trust; and
- 14 (v) The \$20 million combined Debtor Cash Contribution and Non-Debtor Affiliates
15 Cash Contribution has been irrevocably received in good funds by the Trust.

16 8. ***How much does the Joint Plan propose to pay to holders of non-Abuse
17 Claims entitled to vote?***

18 In short, voting creditors, other than holders of Abuse Claims (Classes 5 and 6), will
19 receive:

20

21

Class	Claims & Interest	Status	Recovery
1	Priority Non-Tax Claims	Unimpaired	100%
2	General Unsecured Claims	Impaired	Pro rata share of \$43,408.00
3	SAF Claim	Impaired	\$43,408.00 and retain its lien on and against the Serra Retreat Center without impairment until its Claim has been paid in full.
4	Province of St. John the Baptist Claim	Impaired	\$43,408.00 and retain its lien on and against the San Damiano Retreat Center without impairment until its Claim has been paid in full.
7	Inbound Contribution Claims	Impaired	0%

27

28

Class	Claims & Interest	Status	Recovery
8	Non-Abuse Litigation Claims	Impaired	0% from the Debtor but entitled to retain Cash, funds, or other property as may be available under any applicable Non-Settling Insurer Policy, if any.

9. How does the Joint Plan propose to pay Abuse Claimants?

The Joint Plan establishes a Trust funded by (i) the Debtor Cash Contribution, (ii) the Non-Debtor Affiliates Cash Contribution, (iii) Insurance Settlement Amounts, and (iv) any other assets and/or property to be transferred to the Trust under the Joint Plan or otherwise acquired by the Trust following the Effective Date, together with any proceeds thereof (collectively, the “**Trust Assets**”). All Abuse Claims will be channeled to the Trust, meaning they can be paid only with Trust Assets.

The Trust Administrator will liquidate the Trust Assets and distribute the proceeds to Abuse Claimants pursuant to the Trust Distribution Procedures.

Subject to the occurrence of the Effective Date, under the Joint Plan, the Trust created for the benefit of Abuse Claimants will be funded with **\$36.025 million** from the combined contributions of FFCI (the Debtor Cash Contribution of \$5.8 million), the Non-Debtor Affiliates (the Non-Debtor Affiliates Cash Contribution of \$14.2 million), and the Insurance Settlement Amounts (to date, **\$16.025 million**). The Joint Plan further provides that Non-Settling Insurers may become Settling Insurers and provides for settlement proceeds resulting therefrom to be used to supplement the Trust Assets.

All Class 5 Claimants shall receive a pro-rata distribution from the Debtor Cash Contribution. Consenting Class 5 Claimants (those who consent to the Channeling Injunction) will also receive distributions from the proceeds of the Non-Debtor Affiliates Cash Contribution. Non-Consenting Class 5 Claimants will not receive distributions from Non-Debtor Affiliates Cash Contribution.

10. What is a Consenting Class 5 Claimant and a Non-Consenting Class 5 Claimant and does the Joint Plan treat them differently?

Abuse Claimants have the right to choose whether they wish to be a “Consenting Class 5 Claimant” or a “Non-Consenting Class 5 Claimant” under the Joint Plan by checking the appropriate box in the Abuse Claim Ballot.

Consenting Class 5 Claimants. If you wish to be a Consenting Class 5 Claimant and receive the maximum distribution available to you under the Joint Plan in consideration for granting the Released Parties a release, you must check the box in the Abuse Claim Ballot which states: “*I wish to receive the maximum amount of distributions available to me under the Joint Plan and consent to the release and injunction provisions in the Joint Plan.*”

Consenting Class 5 Creditors will receive their portion of all of the funds in the Trust established for Survivors, which includes both the \$5.8 million being paid by the Debtor, the

1 \$14.2 million being paid by the Non-Debtor Affiliates and all amounts being paid by Settling
2 Insurers, which as of the date hereof is \$16.025 million.

3 *Non-Consenting Class 5 Claimants.* If you wish to be a Non-Consenting Class 5 Claimant
4 and receive a distribution under the Joint Plan which will be meaningfully less than if you choose
5 to be a Consenting Class 5 Claimant but retain your right to assert any Claim you may hold against
6 any Protected Party and a Non-Settling Insurer in accordance with the Joint Plan, you must check
7 the box in the Abuse Claim Ballot which states: “*I understand that by selecting this option, I will*
8 *not be eligible to receive any Distribution from Trust Assets funded by the Non-Debtor Affiliates’*
Cash Contribution of \$14,200,000, and my distributions under the Joint Plan will be limited to
those funded by the Debtor Cash Contribution and Insurance Settlement Amounts (and thus may
be significantly less than what I would otherwise receive as a Consenting Class 5 Claimant). I
do not consent to the releases and Channeling Injunction under the Joint Plan.”

9 Non-Consenting Class 5 Creditors will receive only their portion of the funds in the Trust
10 established for Survivors paid by the Debtor in the amount of \$5.8 million and by Settling
11 Insurers, currently in the amount of \$16.025 million. Non-Consenting Creditors will retain their
12 rights to assert claims against Protected Parties and Non-Settling Insurers but will not be eligible
13 to share in the \$14.2 million being paid by the Non-Debtor Affiliates because that payment is
only in consideration for receiving a release. The Non-Debtor Affiliates will not permit their
contribution to the Trust to be paid to Non-Consenting Class 5 Claimants because those claimants
may seek to assert a claim against the Non-Debtor Affiliates.

14 IF YOU RETURN THE ABUSE CLAIM BALLOT WITHOUT CHECKING EITHER
15 BOX IN THE ABUSE CLAIM BALLOT, YOU WILL BE CONCLUSIVELY DEEMED TO
16 BE A CONSENTING CLASS 5 CLAIMANT AND WILL BE BOUND BY THE RELEASES
AND INJUNCTIONS CONTAINED IN THE JOINT PLAN.

17 **11. *Are Class 5 Claimants required to sign an Abuse Claim Release***
Agreement before being paid under the Joint Plan? If so, why?

18 ***Yes.*** Class 5 Claimants are required to sign an Abuse Claim Release Agreement before
19 being paid under the Joint Plan. If a Class 5 Claimant fails to sign an Abuse Claim Release
Agreement, it will not be paid under the Joint Plan.

20 Requiring a Survivor to sign an agreement releasing the debtor and insurers who purchase
21 their insurance policies back from the debtor in a nonprofit religious bankruptcy case is standard
22 practice. Although the Bankruptcy Code grants the debtor a discharge, debtors are fearful that if
23 they pay their settlement funds to Survivors and their plan of reorganization is overturned on
24 appeal, they will have no means by which to claw their money back given that the release they
were relying on would now be invalid. Accordingly, the debtor requires a written release from all
Survivors being paid under its plan of reorganization before it will make payment. In addition, the
Settling Insurers have made it a condition to each of their settlements that Abuse Claimants execute
an Abuse Claim Release Agreement.

25 The Abuse Claim Release Agreements will be attached to a Plan Supplement and be
26 substantially similar to release agreements used in other non-profit religious institution
bankruptcies.

27 Consenting Class 5 Claimants must sign the Consenting Class 5 Claim Release Agreement
28 before they may receive payment from the Trust. Under the Consenting Class 5 Claim Release

1 Agreement, in return for being paid from all of the assets held in the Trust, ***which will total no less***
2 ***than \$36.025 million***, the Abuse Claimant will, among other things:

- 3 (i) release the Debtor and the other Released Parties, which includes Franciscan
4 Charities; Franciscan Ministries; Franciscan Renewal Center; Franciscan School of
5 Theology; Franciscan Outreach; Old Mission San Luis Rey; Old Mission Santa
6 Barbara; Serra Retreat; St. Anthony's Foundation; Santa Barbara Mission Archive
7 Library; San Damiano; St. Francis Center, St. Francis Retreat, and the Settling
8 Insurer Releasees, from all Claims held by such Consenting Class 5 Claimant in
9 accordance with the terms of the Joint Plan and (with respect to the Settling Insurer
10 Releasees) the Insurance Settlement Agreements; and
- 11 (ii) agree to dismiss, with prejudice, upon the occurrence of the applicable Abuse Claim
12 Discharge Date, any pending Action against the Debtor and/or any other Released
13 Parties. Any Settling Insurer Releasee will be dismissed, with prejudice, upon
14 payment by the applicable Settling Insurer of the Insurance Settlement Amount.

15 Non-Consenting Class 5 Claimants must sign the Non-Consenting Class 5 Claim Release
16 Agreement before they may receive payment from the Trust. Under the Non-Consenting Class 5
17 Claim Release Agreement, in return for being paid from only those assets paid into the Trust by
18 the Debtor and Settling Insurers, the Abuse Claimant will, among other things, release the Debtor
19 and Settling Insurers from any and all Abuse Claims held by a Non-Consenting Class 5 Claimant
20 in accordance with the terms of the Joint Plan.

21 **12. *Can I choose to pursue the Debtor's insurers even if the Joint Plan is***
22 ***confirmed?***

23 ***Yes.*** Consenting Class 5 Claimants with Abuse Claims potentially covered by Non-Settling
24 Insurers may elect to be Consenting Class 5 Litigation Claimants and, at their own expense, to
25 litigate their Abuse Claims against the Debtor and the Protected Parties to establish liability and
26 damages. Any judgment a Consenting Class 5 Litigation Claimant may obtain against the Debtor
27 or a Protected Party may only be enforced against Non-Settling Insurers.

28 A Consenting Class 5 Litigation Claimant (i) may settle his or her Consenting Class 5
Litigation Claim before judgment with a Non-Settling Insurer and (ii) shall have sole authority to
negotiate and execute such settlement; *provided, however*, the Trust Administrator is authorized
to negotiate with any Non-Settling Insurer in an attempt to agree on a global settlement under
which the Non-Settling Insurer would become a Settling Insurer under the Joint Plan. The Trust
may use the Trust Assets to negotiate and enter settlements with any Non-Settling Insurers.

If the Trust successfully negotiates a settlement with a Non-Settling Insurer, such proceeds
shall become Trust Assets available to pay, and shall increase the amount available to pay, Allowed
Class 5 Claims, pursuant to the Trust Distribution Procedures.

A Consenting Class 5 Litigation Claimant may withdraw his or her election to be a
Consenting Class 5 Litigation Claimant at any time by written notice to the Trust Administrator
and the Reorganized Debtor. Upon providing such notice, the Consenting Class 5 Litigation
Claimant shall not be entitled to any Abuse Claim Enhancement. A Consenting Class 5 Litigation
Claimant's determination not to proceed as a Consenting Class 5 Litigation Claimant shall be
irrevocable.

1 **13. Does the Joint Plan contemplate distributions to Unknown Abuse**
2 **Claimants?**

3 **Yes.** The Joint Plan provides for distributions to Holders of Allowed Unknown Abuse
4 Claims. Under the Joint Plan, an “**Unknown Abuse Claims Reserve**” will be established by the
5 Trust exclusively for payment of Allowed Unknown Abuse Claims, which shall be funded with
6 4% of the Debtor Cash Contribution, the Non-Debtor Affiliates Cash Contribution and the
Insurance Settlement Amounts if the Unknown Abuse Claimants Representative has elected to
treat Unknown Abuse Claims as Consenting Class 6 Claims or 4% of the Debtor Cash Contribution
and the Insurance Settlement Amounts if the Unknown Abuse Claimants Representative has
elected to treat Unknown Abuse Claims as Non-Consenting Class 6 Claims.

7 The amount to be placed into the Unknown Abuse Claims Reserve was negotiated with the
8 Unknown Abuse Claimants Representative, who was retained on behalf of the Debtor’s estate to
9 represent the interests of all Unknown Abuse Claims under the Joint Plan. The Unknown Abuse
10 Claimants Representative is also vested with the power to determine whether Holders of Unknown
11 Abuse Claims consent to the Channeling Injunction. That decision will impact the treatment of
12 Unknown Abuse Claims as set forth in Section 3.3.4 of the Joint Plan.

13 **14. How will the Joint Plan work?**

14 **(i) Compromise and Settlement of Certain Claims**

15 Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, in
16 consideration for the Distributions, payment of the Debtor Cash Contribution and the Non-Debtor
17 Affiliates Cash Contribution, releases, and other benefits provided under the Joint Plan, the Joint
Plan and the Plan Documents constitute a good faith compromise of all Claims for Alter Ego
Liability held by Consenting Class 5 and Class 6 Claimants and any right to assert Substantive
Consolidation as to the Debtor and the Associated Ministries. The entry of the Confirmation Order
will constitute the Bankruptcy Court’s approval of the compromise or settlement of all such
Claims and controversies, as well as a finding by the Bankruptcy Court that such compromises or
settlements are in the best interests of the Debtor, its Estate, and holders of such Claims, and are
fair, equitable, and reasonable.

18 The settlement is supported by the Debtor and the Committee because the settlement
19 satisfies the four factors used in the Ninth Circuit to determine whether a settlement or
20 compromise is fair and equitable: (a) the probability of success in the litigation; (b) the
difficulties, if any, to be encountered in the matter of collection; (c) the complexity of the litigation
involved, and the expense, inconvenience and delay necessarily attending it and (d) the paramount
interest of the creditors and a proper deference to their reasonable views in the premises. *See In*
re Woodson, 839 F.2d 610, 620 (9th Cir. 1988) (quoting *In re A & C Props.*, 784 F.2d 1377, 1381
(9th Cir. 1986)).

22 The Debtor contends that the probability of success in any future Action for involuntary
23 substantive consolidation or Alter Ego Liability would be severely limited by the fact that FFCI
24 and the Associated Ministries are all separately incorporated and have been so for decades. The
Debtor also asserts that the Associated Ministries each maintain separate bank accounts, have
separate boards, and that there have been no inequitable transfers that resulted in any disadvantage
to Abuse Claimants. While the Committee challenges certain of the Debtor’s arguments, the
Committee has concluded that the settlement is justified given, among other things, the time,
expense and uncertainty of litigation, the standard used by this Bankruptcy Court in determining
whether a claimant has properly pled a substantive consolidation cause of action that can
withstand a motion to dismiss, the fact intensive nature of the litigation, including its attendant

1 cost and time and the fact that the Non-Debtor Affiliates are funding the lion's share of
2 contributions to the Trust.

3 **(ii) Establishment of the Trust**

4 The Joint Plan establishes a Trust for the benefit of Abuse Claimants. The Trust will
5 distribute funds to Abuse Claimants as set forth below. The Joint Plan also establishes a
6 framework for Consenting Class 5 Litigation Claimants to pursue claims against the Non-Settling
7 Insurers.

8 **(iii) Method for Determining Payments to Abuse Claimants**

9 Funds will be distributed to Abuse Claimants under guidelines described in the Trust
10 Distribution Plan, which will be attached as a supplement to the Joint Plan. The Trust Distribution
11 Plan provides guidelines for an independent claim reviewer, the "Abuse Claims Reviewer," to
12 analyze Abuse Claimants' Abuse Claims and award each Allowed Abuse Claim a point score
13 taking into account both the nature of the abuse inflicted and the impact of abuse on each Abuse
14 Claimant. The settlement funds will be distributed based on the scores awarded by the Abuse
15 Claims Reviewer.

16 The Plan Proponents believe that the process described in the Trust Distribution Plan is a
17 fair and reasonable way to distribute the funds available for payment of Abuse Claims. Under
18 the Trust Distribution Plan, Abuse Claimants may supplement their claims to provide more
19 information they believe the Abuse Claims Reviewer should consider. The Trust Distribution
20 Plan also allows Abuse Claimants to appeal their award if they believe the award is too low.

21 The Plan Proponents recognize that each Abuse Claimant's trauma is unique and believe
22 that assessment by an independent evaluator provides a fair and efficient way to consider what
23 happened to each Abuse Claimant and the effects of the abuse on each Abuse Claimant. The Plan
24 Proponents recognize that money alone is not sufficient to compensate Abuse Claimants for the
25 abuse they suffered and the decades of trauma each Abuse Claimant suffered because of the abuse.
26 The Plan Proponents also recognize that excessive, onerous procedures for reviewing and
27 allocating payment for Abuse Claims would cause delay and expense that would cause Abuse
28 Claimants to wait longer to receive less money. For example, if evidentiary reviews (including
documents and witnesses) were required to assess each Abuse Claim, each review may take a
minimum of 10-15 hours for a claims reviewer. In addition, Abuse Claimants would have to
spend time preparing documents, testimony, and expert reports. Rather than force Abuse
Claimants to wait longer for less money, the Plan Proponents believe the Trust Distribution Plan
strikes the right balance of efficiency and fairness to Abuse Claimants.

Similar allocation methods have been used successfully in over 20 chapter 11 cases
involving other Roman Catholic dioceses and religious orders.

Distributions to Abuse Claimants will be made from the Trust in accordance with the Trust
Distribution Plan.

The Trust Administrator will make distributions to Abuse Claimants holding Allowed
Abuse Claims. As soon as practicable once all Abuse Claims have been scored under the Trust
Distribution Plan and any requests for reconsideration have been addressed, the Trust
Administrator will make distributions to Abuse Claimants proportionally based on the scores
awarded by the Abuse Claims Reviewer, subject to certain adjustments as explained in the Trust
Distribution Plan.

1 (iv) **Insurance Settlement Amounts**

2 The Committee has achieved settlements with four of the insurance companies that
3 provided commercial general liability coverage to FFCI during the relevant time period. The
4 Insurance Settlement Amounts total **\$16.025 million**. The Settling Insurers and their respective
5 contributions to the Trust are as follows:

- 6 • Transcontinental Insurance Company is contributing \$1,900,000;
- 7 • Zurich American Insurance Company, as successor in interest to Zurich Insurance
8 Company, a U.S. branch is contributing \$1,700,000;
- 9 • American National Fire Insurance Company and Agricultural Excess and Surplus
10 Insurance Company are contributing \$1,000,000;
- 11 • Interstate Fire & Casualty Company is contributing \$425,000; and
- 12 • Insurance Company of the State of Pennsylvania is contributing \$11,000,000.

13 (v) **Insurance Claims and Consenting Class 5 Litigation Claimants**

14 Under the Joint Plan, if settlements acceptable to the Plan Proponents cannot be reached
15 with all Insurers before confirmation of the Joint Plan, the Joint Plan provides that Consenting
16 Class 5 Claimants who choose to become Consenting Class 5 Litigation Claimants may sue the
17 Debtor (as a nominal party) in state court to recover against insurance coverage provided by Non-
18 Settling Insurers that is available to cover their Abuse Claims. The Trust Administrator retains
19 the right to settle with the Non-Settling Insurers on a global basis.

20 No later than the first anniversary of the Effective Date, Consenting Class 5 Claimants
21 holding Abuse Claims against the Debtor may elect to become Consenting Class 5 Litigation
22 Claimants to pursue litigation against the Debtor (as nominal party only), Non-Settling Insurers
23 and/or other parties by executing a Consenting Class 5 Litigation Claim Agreement.

24 If the Trust Administrator enters into a Trust Insurance Settlement Agreement with a Non-
25 Settling Insurer that covers a Consenting Class 5 Litigation Claimant's Abuse Claim while that
26 claim is pending in state court, such Claimant is entitled to an enhanced distribution (the "**Abuse
27 Claim Enhancement**") to his or her allocation under the Trust Distribution Plan, which enhanced
28 amount will be payable from the proceeds of the applicable Trust Insurance Settlement
29 Agreement. The Abuse Claim Enhancements are not cumulative such that a Consenting Class 5
30 Litigation Claimant may only receive the largest single Abuse Claim Enhancement. The Trust
31 Administrator shall reserve sufficient amounts to fund such enhanced payments before making
32 any distribution of Trust Insurance Settlement Agreement proceeds to Abuse Claimants who are
33 not Consenting Class 5 Litigation Claimants.

34 The Abuse Claim Enhancement will be applied prospectively as follows:

- 35 • A Consenting Class 5 Litigation Claimant shall be entitled to an enhancement of
36 25% of the points awarded to the Abuse Claimant under the Trust Distribution
37 Plan if a Trust Settlement Approval Order is entered after litigation commences
38 but before a deposition or interview of the Consenting Class 5 Litigation Claimant
39 by opposing counsel in such Consenting Class 5 Litigation Claimant's case.
- 40 • A Consenting Class 5 Litigation Claimant shall be entitled to an enhancement of
41 40% of the points awarded to the Abuse Claimant under the Trust Distribution

Plan if a Trust Settlement Approval Order is entered after a deposition or interview of the Consenting Class 5 Litigation Claimant by opposing counsel but before commencement of a trial in such Consenting Class 5 Litigation Claimant's case.

- A Consenting Class 5 Litigation Claimant shall be entitled to an enhancement of 50% of the points awarded to the Abuse Claimant under the Trust Distribution Plan if a Trust Settlement Approval Order is entered on or after the first day of a trial in such Consenting Class 5 Litigation Claimant's case.
- A Consenting Class 5 Litigation Claimant shall be entitled to an enhancement of 100% of the points awarded to the Abuse Claimant under the Trust Distribution Plan if a Trust Settlement Approval Order is entered after a Consenting Class 5 Litigation Claim Award entered in favor of the Consenting Class 5 Litigation Claimant in such litigation becomes final and non-appealable.

The Plan Proponents believe that the efforts of Consenting Class 5 Litigation Claimants will materially enhance the Trust's ability to pursue an appropriate settlement with Non-Settling Insurers and, therefore, Abuse Claim Enhancements for Consenting Class 5 Litigation Claimants are appropriate under the circumstances.

In no event may a Consenting Class 5 Litigation Claimant receive more than the total amount of his or her judgment from all sources. If, after accounting for recovery from parties other than the Trust, a Consenting Class 5 Litigation Claimant receives any amount in excess of the amount of the Consenting Class 5 Litigation Claim Award, such amount will be recoverable by the Trust Administrator. In any case of a Consenting Class 5 Litigation Claimant who obtains a Consenting Class 5 Litigation Claim Award, where the payment of any amounts payable to such Claimant by (i) defendants in the litigation other than the Released Parties and/or (ii) one or more Non-Settling Insurers, when taken together with any distributions received by such Claimant from the Trust, would cause such Claimant to receive more than the total amount of his or her Consenting Class 5 Litigation Claim Award, then (a) all amounts to be paid under such Award that would be in excess of such Consenting Class 5 Litigation Claim Award will be paid to the Trust Administrator to be allocated for distribution to other Abuse Claimants on account of their *pro rata* share of Trust Assets, or (b) if such amounts are paid directly to the Claimant, such Claimant will immediately turn them over to the Trust Administrator.

The Trust will make distributions of Trust Assets to all Abuse Claimants without considering whether an Abuse Claim is or is not covered by an insurance policy. The reasons for this include (a) many Abuse Claims are covered by more than one Insurer and (b) the Settling Insurers are settling their liability with FFCI on a global basis, meaning the Settling Insurers are receiving protection against both current and future claims by virtue of a policy-buy-back, among other protections.

(vi) Discharge, Release and Injunction Provisions

The Joint Plan provides for the Debtor to receive a Discharge of Abuse Claims asserted against it. Pursuant to the Joint Plan, the Debtor's discharge will be delayed until all Consenting Class 5 Litigation Claims are fully resolved to preserve Consenting Class 5 Litigation Claimants' rights to pursue claims against the Debtor in name only for purposes of liquidating claims against Non-Settling Insurers. Although the Debtor's Discharge will be delayed, as of the Effective Date of the Joint Plan, Abuse Claimants' recoveries on their Abuse Claims will be limited to the distributions they receive from the Trust and any recoveries received from Non-Settling Insurers.

The Joint Plan provides for a Channeling Injunction through which Abuse Claims against the Debtor and certain other parties will be enjoined from being asserted against them, but those

1 claims may only be pursued against the Trust. It is intended that the channeling of the Channeled
2 Claims will inure to the benefit of the Released Parties and the Settling Insurers. The Channeling
3 Injunction does not bar claims against any Non-Settling Insurer except if a Non-Settling Insurer
4 becomes a Settling Insurer.

5 The Joint Plan contains other releases and permanent injunctions that relate to and affect
6 the rights, Claims, and/or Causes of Action that Holders of Claims, including Holders of Abuse
7 Claims, may have against the Debtor or Reorganized Debtor.

8 The release and injunction provisions are below.

9 **A. Release by Debtor of Claims Against Protected Parties and Settling**
10 **Insurers (Section 12.3.8 of the Joint Plan)**

11 *Except for obligations arising under any executory contract assumed by the*
12 *Reorganized Debtor, obligations under any settlement agreement (including, for the avoidance*
13 *of doubt, any Insurance Settlement Agreement), and any Claims excepted from exculpation*
14 *and discharge, the Debtor, the Reorganized Debtor, and the Estate, waive, release, settle, and*
15 *compromise on the Effective Date any and all Claims or causes of action of every kind and*
16 *nature that the Debtor, the Reorganized Debtor, or the Estate have or may have against a*
17 *Protected Party or Settling Insurer Releasee, including, without limitation, Avoidance Actions*
18 *and any Claim that such Protected Party or Settling Insurer Releasee or its assets are a part of,*
19 *or are owned by, the Debtor or the Estate. No such Claim will survive the Effective Date or be*
20 *deemed to be assigned to the Trust. Nothing in the foregoing or otherwise contained in the*
21 *Joint Plan is intended to affect, diminish, or impair any releases in a Bankruptcy Court-*
22 *approved agreement with a Protected Party or Settling Insurer (including, for the avoidance of*
23 *doubt, any Insurance Settlement Agreement).*

24 **B. Release by Holders of Channeled Claims (Section 12.3.9 of the Joint**
25 **Plan)**

26 *Except for obligations arising under any executory contract assumed and assigned to*
27 *the Reorganized Debtor, obligations arising under the Joint Plan, and, solely with respect to*
28 *the Debtor and the Protected Parties, Abuse Claims subject to delayed discharge in accordance*
1 *with Section 12.1.4 above, on the Effective Date, each of the Protected Parties, the Committee,*
2 *the Trust, and each Consenting Class 5 and Class 6 Claimant shall be deemed to waive and*
3 *release any and all Claims and causes of action of every kind and nature that they may have*
4 *against each other, except that Class 5 and 6 Abuse Claimants shall not waive their rights to*
5 *distributions under the Trust in accordance with the Joint Plan and the Trust Documents, and*
6 *shall be deemed to release their Abuse Claims against the Debtor and the Protected Parties as*
7 *of the applicable Abuse Claim Discharge Date; provided, however, that before their release any*
8 *such Abuse Claims shall be enforceable only and compensable under the Joint Plan and Plan*
9 *Documents.*

10 **C. Mutual Releases (Section 12.4 of the Joint Plan)**

11 *Except for obligations arising under any executory contract assumed and assigned to*
12 *the Reorganized Debtor, obligations arising under the Joint Plan, and, solely with respect to*
13 *the Debtor and the Protected Parties, Abuse Claims subject to delayed discharge in accordance*
14 *with Section 12.1.4 of the Joint Plan, on the Effective Date, each of the Protected Parties, the*
15 *Committee, the Trust, and each Consenting Class 5 and Class 6 Claimant shall be deemed to*
16 *waive and release any and all Claims and causes of action of every kind and nature that they*
17 *may have against each other, except that Class 5 and 6 Abuse Claimants shall not waive their*
18 *rights to distributions under the Trust in accordance with the Joint Plan and the Trust*

1 *Documents, and shall be deemed to release their Abuse Claims against the Debtor and the*
2 *Protected Parties as of the applicable Abuse Claim Discharge Date; provided, however, that*
3 *before their release any such Abuse Claims shall be enforceable only and compensable under*
4 *the Joint Plan and Plan Documents.*

5 **D. Releases in Insurance Settlement Agreements (Section 12.4.1 of the**
6 **Joint Plan)**

7 *Consenting Class 5 and Class 6 Claimants shall be deemed to waive, release, and*
8 *discharge any and all Claims and causes of action of every kind and nature that they may have*
9 *against a Settling Insurer on the date such Settling Insurer irrevocably remits in good funds*
10 *the Insurance Settlement Amount due under such Settling Insurer's Insurance Settlement*
11 *Agreement. The releases in the Insurance Settlement Agreements are hereby fully*
12 *incorporated in the Joint Plan by reference and are adopted and ratified in all respects, and*
13 *the Confirmation Order shall adopt and ratify all such releases. For the avoidance of doubt,*
14 *but without limiting the generality of the foregoing, the Confirmation Order shall provide that*
15 *all such releases are binding on the Debtor, the Reorganized Debtor, the Protected Parties (as*
16 *applicable), the Trust, Trust Administrator, and Unknown Abuse Claims Representative.*

17 **E. Injunction Against Interference with the Joint Plan (Section 12.3.1 of**
18 **the Joint Plan)**

19 *Upon entry of the Confirmation Order, all Holders of Claims and all Non-Settling*
20 *Insurers shall be precluded and enjoined from taking any actions to interfere with the*
21 *implementation and consummation of the Joint Plan. On the Effective Date, the injunctions*
22 *provided for in the Joint Plan shall be deemed issued, entered, valid, and enforceable according*
23 *to their terms. The injunctions shall be permanent and irrevocable and are not subject to*
24 *vacatur or modification.*

25 **F. Channeling Injunction (Section 12.3.3 of the Joint Plan)**

26 *Except as provided in the Joint Plan for the treatment of Consenting Class 5 Litigation*
27 *Claims, in consideration of the undertakings of the Released Parties (including, where*
28 *applicable, their respective settlements with the Debtor and/or Trust), their contributions to the*
29 *Trust, other consideration, and to preserve and promote the agreements between and among*
30 *the Released Parties, the Trust Administrator and the Unknown Abuse Claimants*
31 *Representative, and the protections afforded the Released Parties, and under sections 105, 1123*
32 *and 1129 of the Bankruptcy Code:*

33 *(a) All Abuse Claims and Unknown Abuse Claims against the Debtor are channeled*
34 *into the Trust;*

35 *(b) All Abuse Claims and Unknown Abuse Claims held by Consenting Class 5 and*
36 *Class 6 Claimants against the other Released Parties are channeled into the Trust;*

37 *(c) All other Channeled Claims are channeled into the Trust;*

38 *(d) All Entities that have held or asserted, hold or assert, or may hold or assert, any*
39 *Channeled Claim are hereby permanently stayed, enjoined, barred, and restrained from taking*
40 *any action, directly or indirectly, to assert, enforce, or attempt to assert or enforce any*
41 *Channeled Claim, including:*

42 *(i) Commencing or continuing in any manner any suit, action or other*
43 *proceeding of any kind with respect to any Channeled Claim against any*

1 *of the Released Parties, or against any property or assets of any of the*
2 *Released Parties;*

3 (ii) *Enforcing, attaching, collecting or recovering, or seeking to accomplish*
4 *any of the foregoing, by any manner or means, any judgment, award,*
5 *decree, or order with respect to any Channeled Claim from any of the*
6 *Released Parties, or against any property or assets of any of the Released*
7 *Parties;*

8 (iii) *Creating, perfecting or enforcing against any Released Party or the*
9 *property or assets of any Released Party any Lien of any kind relating to*
10 *any Channeled Claim;*

11 (iv) *Asserting, implementing, or effectuating any Channeled Claim against:*

12 (1) *Any obligation due any of the Released Parties;*

13 (2) *Any of the Released Parties; or*

14 (3) *The property of any of the Released Parties; and*

15 (v) *Asserting or accomplishing any setoff, right of indemnity, subrogation,*
16 *contribution, or recoupment of any kind against an obligation due to any*
17 *of the Released Parties or the property of any of the Released Parties.*

18 *The Channeling Injunction is an integral part of the Joint Plan and is essential to the*
19 *Plan's consummation and implementation. The channeling of Channeled Claims as provided*
20 *above shall inure to the benefit of the Released Parties. In a successful action to enforce the*
21 *Channeling Injunction in response to a willful violation thereof, the moving party may seek an*
22 *award of costs (including reasonable attorneys' fees) against the non-moving party, and such*
23 *other legal or equitable remedies as are just and proper, after notice and hearing.*

24 **G. Limited Exceptions to the Channeling Injunction (Section 12.3.2 to the**
25 **Joint Plan)**

26 *The injunction set forth in Section 12.3.3 shall not apply to prevent a Non-Consenting*
27 *Class 5 Claimant or a Non-Consenting Class 6 Claimant from asserting any Claim they may*
28 *have against any Protected Parties or Non-Settling Insurers in accordance with, and subject*
to, the terms and provisions of the Joint Plan.

The injunction set forth in Section 12.3.3 shall not prevent Consenting Class 5
Litigation Claimants from naming the Debtor, the Reorganized Debtor or any Protected Party
in any litigation or other proceeding to resolve whether the Debtor, the Reorganized Debtor or
any Protected Party has liability for Abuse Claims and the amount of any such liability, solely
to pursue Coverage Claims against Non-Settling Insurers.

H. Settling Insurer Injunction (Section 12.3.5 of the Joint Plan)

In consideration of the undertakings of the Settling Insurers under their respective
Insurance Settlement Agreements, including the payment of each Settling Insurer's Insurance
Settlement Amount, and the Settling Insurers' purchase of Settling Insurer Policies and
Related Insurance Claims free and clear of all Claims and Interests under section 363(f) of the
Bankruptcy Code, and under sections 105, 363, 1123 and 1129 of the Bankruptcy Code, the
Joint Plan hereby incorporates by reference, adopts, and endorses (and the Confirmation Order

1 shall adopt and endorse) the Settling Insurer Injunction in the Insurance Settlement Approval
2 Order(s) in all respects.

3 **I. Gatekeeper Injunction (Section 12.3.6 of the Joint Plan)**

4 *To the extent permitted by law, and subject in all respects to Section 12.3.2 of the Joint*
5 *Plan, no Enjoined Party may commence or pursue against any Released Party (a) an Abuse*
6 *Claim or (b) any other Claim or cause of action that arose, arises from, or is related to an Abuse*
7 *Claim, the Chapter 11 Case, the negotiation of the Plan, the administration of the Plan or*
8 *property to be distributed under the Joint Plan, the wind-down or reorganization of the business*
9 *of the Debtor, the administration of the Trust, or the transactions in furtherance of the*
10 *foregoing without the Bankruptcy Court (i) first determining, after notice and a hearing, that*
11 *such Claim or cause of action represents a colorable Claim against a Released Party and (ii)*
12 *subject in all respect to the Channeling Injunction and Settling Insurer Injunction, specifically*
13 *authorizing such Enjoined Party to bring such Claim or cause of action against any such*
14 *Released Party. The Bankruptcy Court will have jurisdiction to determine whether a Claim or*
15 *cause of action is colorable and, to the extent legally permissible and as provided for in Article*
16 *XIII of the Joint Plan, have jurisdiction to adjudicate the underlying colorable Claim or cause*
17 *of action. For the avoidance of doubt, the Gatekeeper Injunction does not apply to Claims*
18 *commenced for the purpose of seeking recovery from Non-Settling Insurers.*

19 **J. Permanence**

20 *All injunctions and stays provided under the Joint Plan are permanent, remain in full*
21 *force and effect following the Effective Date, and are not subject to being vacated or modified.*

22 **(vii) Exculpation Provision**

23 *An exculpatory clause in a Chapter 11 plan is a provision that shields key stakeholders—*
24 *such as debtors, creditors' committees, lenders, and their professionals—from liability for actions*
25 *taken during the bankruptcy case. Section 12.2 of the Joint Plan provides for the exculpating or*
26 *limiting the liability of certain parties, including the Debtor, the Reorganized Debtor, the*
27 *Committee, and other parties. The Exculpation Clause may affect the rights, Claims, and/or*
28 *Causes of Action of Holders of Claims, including Holders of Abuse Claims, in relation to the*
exculpated parties.

The exculpation states that from and after the Effective Date, the Exculpated Parties will
not have or incur any liability for any act or omission that occurred between the Petition Date
and the Effective Date in connection with the Chapter 11 Case, or in connection with
formulating, negotiating, or pursuing confirmation of the Joint Plan. The only exception is for
claims arising from gross negligence, willful misconduct, fraud, or breach of the fiduciary duty
of loyalty, as determined by a final order of a court of competent jurisdiction. In other words,
no one can sue these parties for their conduct during the bankruptcy process unless it rises to
the level of truly egregious behavior.

The "Exculpated Parties," receiving the benefit of the exculpation clause are defined as:
(i) the Debtor; (ii) the Reorganized Debtor; (iii) the Debtor's Professionals; (iv) the Definitorium
(solely in its capacity as an oversight board of the Debtor); (v) the Committee; (vi) the
Committee's Professionals; (vii) the Mediator; and (viii) the Protected Parties as defined by
Section 2.2.117 of the Joint Plan—provided that no Excluded Party may be an Exculpated
Party. An Excluded Party includes any individual who personally committed an act of
Abuse that resulted or would result in an Abuse Claim against the Debtor or any Protected
Party, any religious order or other Entity that is an Affiliate of or associated with the Roman

Catholic Church (other than the Debtor, the Reorganized Debtor, and the Protected Parties), and the Holy See.

ARTICLE IV **THE DEBTOR**

A. Prepetition Operations

The Order of Friars Minor (“**Order**”) is a worldwide Roman Catholic men’s religious congregation founded in 1209 by St. Francis of Assisi, commonly known as the Franciscans. Geographically, the Order is structured into regional provinces, which are canonical subdivisions of the Order.

The Province of Saint Barbara is a canonical entity recognized by the Minister General of the Order and, subject to the “Rules” of the Order. The Province administers to the fraternal and temporal needs of Franciscan friars and provides the charism and religious spirit for their associated ministries, which are devoted primarily to supporting those in spiritual or economic need, particularly the poor and disenfranchised. FFCI was incorporated on April 11, 1900. The Province of Saint Barbara was formally established as an entity 15 years later, on December 4, 1915. FFCI is the civil embodiment of the Province for the friars’ temporal affairs and is the most commonly named defendant for legal actions against the Province.

Over time, some ministries founded by Saint Barbara Province friars attracted significant levels of community support, which resulted in these ministries incorporating to become separate 501(c)(3) religious corporations with administrative filings of separate Articles of Incorporation and Bylaws. This is typical of how ministries develop within the Order. Governance for the Associated Ministries is comprised of separate Member(s) (or “**Trustees**”) and Boards of Directors. Roles and responsibilities between the Trustees and the Board are defined in the respective ministries’ Bylaws.

Within the Saint Barbara Province, the active Associated Ministries consist of (1) social service organizations: St. Anthony Foundation and St. Francis Center; (2) retreat centers: Serra Retreat, St. Francis Retreat, the Franciscan Renewal Center and San Damiano Retreat; (3) California missions: Old Mission Santa Barbara and Old Mission San Luis Rey; (4) the Franciscan School of Theology, an educational corporation; and (5) SBMAL, a California nonprofit public benefit corporation and Franciscan Outreach.

The Associated Ministries consist of 18 educational, retreat house, charitable and old mission religious organizations. Some have ceased operating and others have merged to become affiliated with other entities since their formation. Except for SBMAL, the entities are not-for-profit religious corporations incorporated under Internal Revenue Code § 501(c)(3) and applicable state law – section 23701d of California Revenue and Tax Code for the California ministries, Arizona law for Casa Franciscana Outreach and Franciscan Friars of Arizona, Oregon law for Franciscan Friars of Oregon, Inc., and Washington law for Franciscan Friars of Washington, Inc.

The Province’s leadership is elected by its friars. The elected leaders are the Provincial Minister, Provincial Vicar and four Definitors who serve as advisors to the Provincial. This group is collectively known as the “Definitorium” of the Province of Saint Barbara. The Franciscan Order, as part of the Catholic Church, has a hierarchical structure, and authority rests with the Provincial Minister. The Provincial Minister, when acting as Provincial Minister of the Province, has essentially complete decision-making authority over fraternal matters.

FFCI’s Board of Trustees is defined within its Bylaws as the Provincial Minister, the Vicar, and the Definitorium of the Province of Saint Barbara. With respect to civil matters, when acting

1 as a member of a Board of Trustees, the Provincial Minister has only one vote, and decisions are
2 made by a simple majority.

3 The Associated Ministries operate on a two-tier governance model, with the first tier
4 composed of Trustees and the second composed of each individual ministry's Board of Directors.
5 Trustees are appointed leaders of the Province who, through reserved powers, assure that the
6 Associated Ministries operate in fulfillment of the Province's spiritual vision and particularly its
7 Franciscan character. Traditionally, the Trustees have been the Provincial Minister, Provincial
8 Vicar and Definitors, though others, including lay people, can be appointed through a majority
9 vote of the Trustees. FFCI's trustees are the Province's Provincial Minister, Vicar and Definitors.
10 Franciscan Ministries, Inc. ("**FM**") was formed in December 2021 as a separate religious non-
11 profit corporation. The Bylaws of the Associated Ministries were updated to reflect FM as the
12 sole Trustee. This harmonized the governance and established FM as the Trustee empowered to
13 administer the reserved oversight powers delineated in the Bylaws. FM now serves as the sole
14 member of most of the operating Associated Ministries. The Members of FM are, in turn, the
15 Province of St. Barbara Provincial Minister, Vicar and Definitorium, and its Board of Directors
16 consists of the Provincial Minister, Vicar, and lay professionals and a number of Friars. FM's
17 formation serves two purposes: first, the community of Friars across the Province was both aging
18 and declining in number. The implementation of the FM model had the effect of transitioning the
19 Trustee/Oversight role from the Provincial, Vicar and Definitors of the Saint Barbara Province
20 (acting as Trustees) to FM. Second, a transition to FM was seen as a practical necessity given the
21 impending suppression of the Saint Barbara Province and creation of a new national Province
22 scheduled for October 17, 2023, which is discussed below. The concept was that, once the
23 unification of the U.S. Franciscan provinces was accomplished, only a change to the governance
24 structure of FM would be required to enable the new national Province to step into the oversight
25 role for the Associated Ministries.

26 For over 800 years, as historical circumstances have changed, the Order has revised its
27 local structures to better meet the needs of the times. In May 2018, six U.S. provinces of Order of
28 Friars Minor voted to come together into a single large province. The Province of St. Barbara
covers the western United States and is one of the six U.S. provinces that voted to unify into a
single province. The decision to unify the six provinces was made to revitalize Franciscan life in
the United States and was made in recognition of the fact that declining numbers of friars in each
province meant that the burden of administrative and governance costs would fall more-and-more
heavily on a shrinking number of working friars.

To oversee the unification effort, the six Provincial Ministers of the provinces that voted
to unite formed a governing body known as the "US 6 Ministers Provincial (MP6)." This group
met monthly either in person or by electronic means to discuss the "Revitalization and
Restructuring" effort. The unification process was expected to take 4 to 6 years.

The General Council of the Order in Rome established October 17, 2023, as the date for
the creation of the new Province, to be called Our Lady of Guadalupe ("**OLG**"). On that date, a
new governance structure was appointed by Rome to administer the new Province in accordance
with canon law, specifically the Rules of the Order.

A related civil entity, Our Lady of Guadalupe, Inc., domiciled in Georgia, was created in
calendar year 2022 to begin building out the civil governance and supporting infrastructure. During
the project development period (2018 to present), Franciscan Charities, Inc, a dormant California
religious nonprofit corporation, was repurposed as the contracting and bill-paying entity to develop
the new OLG province's support structure.

Over the past four years, the Province of Saint Barbara participated in numerous initiatives
in concert with the other five affected provinces to develop mission- aligned structures and support

1 systems to facilitate the transfer of the existing Saint Barbara friar population (est. 115) to the new
2 province.

3 **B. The Tragedy of Abuse**

4 As explained in greater detail in the Debtor's first day declaration, "[t]he tragedy of child
5 sexual abuse continues to challenge the moral fabric of our society.... In the Province of Santa
6 Barbara, we have experienced these tragedies first hand, and victims continue to receive our care
7 and prayers in the healing process. [Friar Gaa is] deeply saddened by the sinful acts committed
8 and the damage caused to abuse survivors – then only children – who put their trust in friars. No
9 apology or any amount of financial compensation can reverse the harm, but perhaps abuse
10 survivors will find some solace in knowing that we are acknowledging their pain and that they are
11 important to us." *Declaration of David Gaa in Support of Debtor's First Day Motions*, Dkt. No.
12 23 at 2.

13 **C. Post-Petition Operations and Select Financial Information**

14 Since the Petition Date, the Debtor has continued to operate. The Debtor's expenses are
15 projected to decrease to approximately \$81,000 monthly by October, 2026. The Debtor does not
16 receive regular income from operations. Its cash inflow result from gifts and bequests and the
17 contributed salaries of the friars who are employed. Set forth below is a summary of the Debtor's
18 Assets as of March 31, 2026:

19 **1. Operating Cash**

20 According to its March, 2026 Monthly Operating Report, the Debtor had \$2,832,732 in
21 cash and cash equivalents in hand at the end of the month.

22 **2. Real Estate**

23 The Debtor currently owns the following real property:

- 24 (i) The St. Elizabeth's friary located at 1500 34th Avenue in Oakland, California at St.
25 Elizabeth's. This property was appraised for \$3,420,000 on August 13, 2025.
- 26 (ii) The parking lot located at 69 Leavenworth Street, San Francisco California. This
27 property was appraised for \$600,000 on September 18, 2025.
- 28 (iii) The Gibson Mine located in Gila County, Arizona, an abandoned copper mine that
produced from 1903-1975 and was the subject of \$5 million in restoration efforts
starting in 2006. The Debtor is presently exploring commercial opportunities to
monetize the Mine which might result in some recovery if commercial viability is
shown, but the Mine's value is uncertain.

3. Personal Property

The Debtor's personal property consists of 6 vehicles valued at \$34,000 and miscellaneous
personal property such as furniture and fixtures, computers, phones, and used goods for resale in
the FFCI thrift shop totaling \$20,000.

ARTICLE V
SUMMARY OF THE JOINT PLAN

The Plan Proponents submit that the treatment of Creditors under the Joint Plan is more favorable than the treatment Creditors would receive if the Chapter 11 Case were converted to a case under Chapter 7 of the Bankruptcy Code. Therefore, the Plan Proponents submit that the Joint Plan is in the best interests of all Creditors and the Plan Proponents recommend acceptance of the Joint Plan by holders of General Unsecured Claims and Abuse Claims.

The summary of significant elements of the Joint Plan below is provided for the convenience of all parties. The summary does not describe every element of the Joint Plan and is not intended to replace a comprehensive review of the Joint Plan. This summary is subject to, and is qualified in its entirety by reference to, the full text of the Joint Plan. All Creditors are encouraged to review the Joint Plan and this Disclosure Statement, including exhibits, in their entirety for a fuller understanding of the Joint Plan's provisions and impact upon Creditors. If any term or provision in this Disclosure Statement is inconsistent with a term or provision of the Joint Plan, the term or provision of the Joint Plan shall control.

A. Treatment of Unclassified Claims

1. Administrative Claims

Administrative Claims are Claims for costs or expenses incurred in the administration of the Debtor's Chapter 11 Case, which are Allowed under section 503(b) of the Bankruptcy Code. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims have not been classified and are paid in full as described in Section 2.2.9 of the Joint Plan.

With respect to any trade Claims arising after the Petition Date representing obligations incurred by the Debtor in the ordinary course of its business consistent with past practice, such trade Claims shall be paid in the ordinary course of business.

Administrative Claims representing obligations incurred by the Debtor after the date and time of the entry of the Confirmation Order shall not be subject to application to the Bankruptcy Court and may be paid by the Reorganized Debtor in the ordinary course of business and without Bankruptcy Court approval.

2. Priority Tax Claims

Priority Tax Claims are claims held by federal, state and local taxing authorities and those allowed claims will be paid in full. The holder of an Allowed Priority Tax Claim will not be entitled to receive any payment on account of any penalty arising from, or in connection with any Priority Tax Claim and any demand for such penalty will be deemed Disallowed by the confirmation of the Joint Plan. The Debtor does not anticipate that any Priority Tax Claims will exist as of the Effective Date.

3. Professional Fee Claims

All Professionals or other Persons requesting an award by the Bankruptcy Court of Professional Fee Claims for services rendered up to the Effective Date shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is 45 days after the Effective Date unless otherwise agreed by the Debtor and Committee up to a date no longer than 150 days after the Effective Date.

4. U.S. Trustee Fees

U.S. Trustee Fees include all fees and charges assessed against the Debtor under 28 U.S.C. § 1930, together with interest, if any, under 31 U.S.C. § 3717. All U.S. Trustee Fees due and payable before the Effective Date shall be paid by the Debtor as soon as practicable after the Effective Date. After the Effective Date, the Reorganized Debtor shall pay any and all U.S. Trustee Fees when due and payable. All U.S. Trustee Fees shall be paid by the Reorganized Debtor until the earliest of this Chapter 11 Case being closed or dismissed.

B. Classification of Claims Generally

Section 101(5) of the Bankruptcy Code defines a claim as: (a) a “right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured” or (b) a “right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.”

Section 1123 of the Bankruptcy Code provides that a plan of reorganization shall designate classes of claims against a debtor. Section 1122 of the Bankruptcy Code also requires that each class of claims contain only claims that are “substantially similar” to each other. The Plan Proponents believe that they have classified all Claims in compliance with the requirements of Section 1122 and 1123. But it is possible that the holder of a Claim may challenge such classification and that the Bankruptcy Court may find that a different classification is required for the Joint Plan to be confirmed. In such event, the Plan Proponents would, to the extent permitted by the Bankruptcy Court, modify the classifications in the Joint Plan as required and use the acceptances received in this solicitation for the purpose of obtaining the approval of a Class or Classes of which the accepting holder is ultimately deemed to be a member. Any such reclassification could adversely affect the Class of which such holder was initially a member, or any other Class under the Joint Plan, by changing the composition of such Class and the vote required of that Class for approval of the Joint Plan. Furthermore, a reclassification of Claims may require a re-solicitation.

C. Classification of Claims and Treatment

All classified Claims have been placed into one of the eight Classes below. The Joint Plan affirmatively states whether each Class of Claims is Impaired or Unimpaired and whether such Class is entitled to vote.

Class	Claims & Interest	Status	Voting Rights
1	Priority Non-Tax Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	General Unsecured Claims	Impaired	Entitled to Vote
3	SAF Claim	Impaired	Entitled to Vote
4	Province of St. John the Baptist Claim	Impaired	Entitled to Vote
5	Abuse Claims Other Than Unknown Abuse Claims	Impaired	Entitled to Vote
6	Unknown Abuse Claims	Impaired	Entitled to Vote
7	Inbound Contribution Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
8	Non-Abuse Litigation Claims	Impaired	Entitled to Vote

1 **D. Classified Claims**

2 **1. Class 1 (Priority Non-Tax Claims)**

3 **Classification:** Class 1 is comprised of certain priority non-tax Claims that are referred to
4 in Bankruptcy Code sections 507(a)(3), (4), (5), (6), and (7) are entitled to priority treatment.

5 **Treatment:** Unless a Holder of an Allowed Priority Non-Tax Claim and the Debtor agree
6 in writing to different treatment, each Holder of an Allowed Priority Non-Tax Claim shall receive,
7 in full and final satisfaction of such Claim, payment in full in Cash, without interest, in an amount
8 equal to such Allowed Priority Non-Tax Claim as soon as reasonably practicable after the later of
(a) the Effective Date and (b) the date when such Priority Non-Tax Claim becomes an Allowed
Priority Non-Tax Claim.

9 **2. Class 2 (General Unsecured Claims)**

10 **Classification:** Class 2 is comprised of General Unsecured Claims that are not entitled to
priority under Bankruptcy Code § 507(a).

11 **Treatment:** Unless a Holder of an Allowed General Unsecured Claim and the Debtor agree
12 in writing to different treatment, each Holder of an Allowed General Unsecured Claim shall
13 receive, in full and final satisfaction of such Claim, its pro rata share of \$43,408.00, without
14 interest, in an amount equal to such Allowed General Unsecured Claim as soon as reasonably
practicable after the later of (a) the Effective Date and (b) the date when such General Unsecured
Claim becomes an Allowed General Unsecured Claim.

15 **3. Class 3 (SAF Claim)**

16 **Classification:** Class 3 is comprised of the general unsecured claim held by SAF against
the Debtor, which is secured by a lien on and against the Serra Retreat.

17 **Treatment:** Unless the Holder of the Allowed Class 3 Claim and the Debtor agree in
18 writing to different treatment, the Holder of the Allowed Class 3 Claim shall receive, in full and
19 final satisfaction of such Claim, \$43,408.00, as soon as reasonably practicable after the later of (a)
the Effective Date and (b) the date when such Class 3 Claim becomes an Allowed Class 3 Claim.
20 For the avoidance of doubt, SAF shall retain its lien on and against the Serra Retreat Center without
impairment until its Claim has been paid in full.

21 **4. Class 4 (Province of St. John the Baptist Claim)**

22 **Classification:** Class 4 is comprised of the general unsecured claim held by The Province
23 of St. John the Baptist against the Debtor, which is secured by a lien on and against the San
Damiano Retreat Center.

24 **Treatment:** Unless the Holder of the Allowed Class 4 Claim and the Debtor agree in
25 writing to different treatment, the Holder of the Allowed Class 4 Claim shall receive, in full and
26 final satisfaction of such Claim, \$43,408.00, as soon as reasonably practicable after the later of (a)
the Effective Date and (b) the date when such Class 4 Claim becomes an Allowed Class 4 Claim.
For the avoidance of doubt, The Province of St. John the Baptist shall retain its lien on and against
the San Damiano Retreat Center without impairment until its Claim has been paid in full.

27 **5. Class 5 (Abuse Claims Other Than Unknown Abuse Claims).**

1 **Classification.** A Class 5 Claim means an Abuse Claim other than an Unknown Abuse
2 Claim.

3 **Treatment.** The Joint Plan authorizes and directs the creation of a Trust to fund payments
4 to Holders of Allowed Class 5 Claims. The specific treatment of an Allowed Class 5 Claim
5 depends on whether the Class 5 Claimant is a Consenting Class 5 Claimant, a Consenting Class 5
6 Litigation Claimant or a Non-Consenting Class 5 Claimant.

7 (a) **Consenting Class 5 Claimants.** On or after the Effective Date, Consenting Class
8 5 Claimants holding an Allowed Abuse Claim shall receive, except to the extent
9 that a Consenting Class 5 Claimant agrees to less favorable treatment of such
10 Claim, a Distribution from the Trust Assets calculated in accordance with, and as
11 authorized by, the Joint Plan, the Trust Distribution Plan, and all other Trust
12 Documents; *provided* that Consenting Class 5 Claimants may only receive a
13 Distribution from the Trust after he or she executes a Consenting Class 5 Claim
14 Release Agreement and delivers such agreement to counsel for the Debtor and the
15 Trust Administrator.

16 (b) **Consenting Class 5 Litigation Claimants.** At any time prior to the earlier to occur
17 of the first anniversary of the Effective Date or the applicable Abuse Claim
18 Discharge Date, a Consenting Class 5 Claimant may elect, at such Claimant's sole
19 expense, to proceed as a Consenting Class 5 Litigation Claimant such that the Class
20 5 Claimant may commence (or resume prosecution of) an action in any court of
21 competent jurisdiction solely for the purpose of determining any liability that the
22 Debtor and/or any Protected Party may have with respect to their Consenting Class
23 5 Litigation Claim, the amount of that liability, and to pursue Coverage Claims
24 against Non-Settling Insurers. To be a Consenting Class 5 Litigation Claimant, a
25 Class 5 Claimant shall first execute a Consenting Class 5 Litigation Claim
26 Agreement and deliver it to the Trust Administrator. The Trust Administrator shall
27 provide a copy of each Consenting Class 5 Litigation Claim Agreement to the
28 Reorganized Debtor upon receipt thereof, and to any Protected Party or Settling
Insurer upon written request. The treatment of Consenting Class 5 Litigation
Claims is set forth in Section 6 of the Joint Plan.

1 (c) **Non-Consenting Class 5 Claimants.** On or after the Effective Date, Non-
2 Consenting Class 5 Claimants holding an Allowed Abuse Claim shall (i) receive a
3 Distribution from that portion of the Trust Assets funded by the Debtor Cash
4 Contribution Amount and Insurance Settlement Amounts calculated in accordance
5 with, and as authorized by, the Joint Plan, the Trust Distribution Plan, and all other
6 Trust Documents and (ii) retain the right to assert any Claim they may have against
7 any Protected Party and Non-Settling Insurers in accordance with, and subject to,
8 the terms and provisions of the Joint Plan; *provided* that Non-Consenting Class 5
9 Claimants may only receive a Distribution from the Trust after he or she executes
10 a Non-Consenting Class 5 Claim Release Agreement and delivers such agreement
11 to counsel for the Debtor and the Trust Administrator.

12 *Holders of Non-Consenting Class 5 Claims may only receive a Distribution from
13 that portion of the Trust Assets funded by the Debtor Cash Contribution Amount
14 and Insurance Settlement Amounts and shall not be entitled to receive any
15 Distribution from any other Trust Assets, including, without limitation, any Trust
16 Assets funded by the Non-Debtor Affiliates' Cash Contribution.*

17 6. **Class 6 (Unknown Abuse Claims).**

1 **Classification.** A Class 6 Claim means an Unknown Abuse Claim.

2 **Treatment.** The Joint Plan authorizes and directs the creation of a Trust in which the
3 Unknown Abuse Claims Reserve will be held by the Trust Administrator to fund payments to
4 Holders of Allowed Class 6 Claims in accordance with the Joint Plan, the Trust Agreement and
5 the Trust Distribution Plan. The specific treatment of an Allowed Class 6 Claim depends on
6 whether the Class 6 Claimant is a Consenting Class 6 Claimant or a Non-Consenting Class 6
7 Claimant.

8 The Unknown Abuse Claimants Representative shall, by written notice Filed on the docket
9 on or before the Voting Deadline, elect on behalf of all, but not less than all, Unknown Abuse
10 Claimants to treat Unknown Abuse Claims as either Consenting Class 6 Claims or Non-Consenting
11 Class 6 Claims. If the Unknown Abuse Claimants Representative fails to File such notice on or
12 before the Voting Deadline, the Unknown Abuse Claimants Representative shall be deemed to
13 elect to treat Unknown Abuse Claims as Consenting Class 6 Claims.

14 (a) **Consenting Class 6 Claims.** If the Unknown Abuse Claimants Representative
15 elects to treat Unknown Abuse Claims as Consenting Class 6 Claims, except to the
16 extent that an Unknown Abuse Claimant agrees to less favorable treatment of such
17 Claim, the Trust shall, from time to time, make Distributions from the Unknown
18 Abuse Claims Reserve in accordance with, and as authorized by, the Joint Plan, the
19 Trust Distribution Plan, and all other Trust Documents, *provided* that Consenting
20 Class 6 Claimants may only receive a Distribution from the Unknown Abuse
21 Claims Reserve after he or she executes a Consenting Class 6 Claim Release
22 Agreement and delivers such agreement to counsel for the Debtor and the Trust
23 Administrator.

24 (b) **Non-Consenting Class 6 Claims.** If the Unknown Abuse Claimants
25 Representative elects to treat Unknown Abuse Claims as Non-Consenting Class 6
26 Claims, on or after the Effective Date, Non-Consenting Class 6 Claimants holding
27 an Allowed Abuse Claim shall (i) receive a Distribution from that portion of the
28 Unknown Abuse Claim Reserve funded by the Debtor Cash Contribution Amount
and Insurance Settlement Amounts calculated in accordance with, and as
authorized by, the Joint Plan, the Trust Distribution Plan, and all other Trust
Documents and (ii) retain the right to assert any Claim they may have against any
Protected Party and Non-Settling Insurers in accordance with, and subject to, the
terms and provisions of the Joint Plan; provided that Non-Consenting Class 6
Claimants may only receive a Distribution from the Trust after he or she executes
a Non-Consenting Class 6 Claim Release Agreement and delivers such agreement
to counsel for the Debtor and the Trust Administrator.

*Holders of Non-Consenting Class 6 Claims may only receive a Distribution from
that portion of the Unknown Abuse Claim Reserve funded by the Debtor Cash
Contribution Amount and Insurance Settlement Amounts and shall not be
entitled to receive any Distribution from any other Trust Assets, including, any
Trust Assets funded by the Non-Debtor Affiliates' Cash Contribution.*

7. Class 7 (Inbound Contribution Claims)

Classification. Class 7 is comprised of claims for indemnity, contribution or
reimbursement arising out of or related to the Debtor's liability to pay or defend any Abuse Claim.

Treatment. Class 7 claims shall be disallowed and extinguished, and there will be no
Distributions to the holders of Class 7 Claims on account of such Class 7 Claims. Notwithstanding

the above, any Contribution Claims of Non-Settling Insurers shall not be Disallowed and extinguished, but shall be channeled to the Trust and handled pursuant to Section 8.2.6 of the Joint Plan.

8. Class 8 (Non-Abuse Litigation Claims)

Classification. Class 8 is comprised of Non-Abuse Litigation Claims, which are litigation Claims against the Debtor that are not Abuse Claims.

Treatment. From and after the Effective Date, Claimants holding Class 8 Claims may litigate such Claims against the Debtor and/or the Reorganized Debtor (including by commencing, or recommencing, litigation in any court exercising competent jurisdiction), and such litigation shall not be stayed, whether by the Joint Plan or any provision of the Bankruptcy Code; *provided, however,* that such Claimants may only recover on account of such Class 8 Claim such Cash, funds, or other property as may be available under any applicable insurance policy, if any. Neither the Debtor, the Reorganized Debtor, nor the property or assets of either shall have any liability for, or be subject to, such Claims or any related liabilities or obligations after the Effective Date. Nothing in the Joint Plan shall enlarge the rights or Claims of Claimants holding Class 8 Claims or limit or waive any defenses to such Claims. Unless otherwise provided in the Joint Plan, the discharge granted by the Joint Plan shall not affect the liability of any other Entity on, or the property of any other Entity for, the Class 8 Claims, which liability shall continue unaffected by any provision of the Joint Plan and/or any discharge granted to the Debtor under the Joint Plan and/or Section 1141(d) of the Bankruptcy Code. Nothing in the Joint Plan affects, diminishes, or impairs the right(s) a Claimant holding a Class 8 Claim may have against Entities besides the Debtor and/or the Reorganized Debtor, including, without limitation, such Entity's joint and several liability, if any, for such Class 8 Claims.

E. Executory Contracts and Unexpired Leases

On the Effective Date, all executory contracts and unexpired leases not rejected on or before Confirmation will be deemed rejected. The Confirmation Order shall constitute an order approving such assumption as of the Effective Date.

F. Bar to Rejection Damages

All Proofs of Claim for Claims arising from a rejection of an executory contract or unexpired lease must be filed with the Bankruptcy Court within the earlier of (i) the date set forth for filing claims in any order of the Bankruptcy Court approving such rejection and (ii) 30 days after Confirmation. Any Proofs of Claim that are not filed timely shall be barred forever.

ARTICLE VI **ALLOWANCE AND DISALLOWANCE OF NON-ABUSE CLAIMS AND** **DISTRIBUTIONS**

A. Allowance of Claims. Any Non-Abuse Claim in the Debtor's Schedules that is not listed as contingent, unliquidated, and/or disputed shall be an Allowed Claim. Any Proof of Claim for a Non-Abuse Claim filed in an unliquidated amount shall be deemed Allowed in the amount listed in the Debtor's Schedules as liquidated, not contingent and not disputed. The Allowance and disallowance of Non-Abuse Claims shall be in all respects subject to the provisions of section 502 of the Bankruptcy Code.

B. Deemed Disallowance of Claims. All Non-Abuse Claims held by Persons against whom the Debtor or Reorganized Debtor, as appropriate, have filed or commenced or may file or

1 commence a Claim under sections 542, 543, 544, 547, 548, 549, 550, 551, 553 or 724(a) of the
2 Bankruptcy Code shall be deemed disallowed under section 502(d) of the Bankruptcy Code. The
3 Holders of any and all Non-Abuse Claims filed with the Bankruptcy Court after the Bar Date shall
4 (i) be deemed disallowed without further action by the Debtor or Reorganized Debtor and without
5 any further notice to or action, order, or approval of the Bankruptcy Court and (ii) not be entitled
6 to a distribution, unless otherwise allowed by Final Order of the Bankruptcy Court.

7 **C. Objections to Claims.** The Debtor shall have standing and the right to commence
8 and pursue objections to Non-Abuse Claims before the Effective Date. The Reorganized Debtor
9 shall have such standing after the Effective Date. Any objection to a Class 2 Claim must be filed
10 by the later of: (1) 180 days after the entry of the order confirming the Joint Plan; or (2) 60 days
11 after the Claim is filed or amended. If no objection is filed, a Claim shall be deemed an Allowed
12 Claim.

13 **D. Distributions.** Holders of Allowed Claims, other than Abuse Claims, shall receive
14 payment under the Joint Plan as follows:

15 **1. Disbursing Agent.** The Reorganized Debtor shall, by and through its
16 professional Glass Ratner, be the "Disbursing Agent" for all payments to be made under the Joint
17 Plan except for payments made to Class 5 and Class 6 Claims under the Trust.

18 **2. Manner of Payment.** Any payment of Cash under the Joint Plan may be
19 made either by check drawn or by wire transfer from a domestic bank, at the option of the
20 Disbursing Agent.

21 **3. Payments and Distributions on Disputed Claims.** Disputed Claims that
22 become Allowed Claims shall be paid from the Disputed Claim Reserve established under Section
23 9.4 of the Joint Plan. No Distribution shall be made on a Claim where only a portion of such
24 Claim is disputed until such dispute is resolved by settlement or Final Order.

25 **4. Disputed Claim Reserve.** If the Disbursing Agent makes a Distribution
26 to Holders of Allowed Claims in a Class before the resolution of all Disputed Claims in such
27 Class, the Disbursing Agent shall reserve an amount for any Disputed Claims in such Class equal
28 to the amount that such Holders of Disputed Claims in such Class would be entitled to receive
under the Joint Plan if such Disputed Claims were Allowed in the asserted amount of the Claim.

E. Transmittal of Distributions to Parties Entitled Thereto. All Distributions by
check shall be deemed made at the time such check is deposited in the United States mail, postage
prepaid. Any Distributions by wire transfer shall be deemed made as of the date the wire transfer
is made. Except as otherwise agreed with the Holder of an Allowed Claim in respect thereof or
provided in the Joint Plan, any Distribution required under the Joint Plan on account of an
Allowed Claim shall be mailed to (i) the latest mailing address filed for the Holder of an Allowed
Claim entitled to a distribution, (ii) the latest mailing address filed for a Holder of a filed power
of attorney designated by the Holder of such Claim to receive distributions, (iii) the latest mailing
address filed for the Holder's transferee as identified in a filed notice served on the Debtor under
Bankruptcy Rule 3001(e), or (iv) if no such mailing address has been filed, the mailing address
reflected on the Debtor's schedules or in the Debtor's books and records. The Holder of a Claim
shall be required to promptly notify the Reorganized Debtor and the Bankruptcy Court of any
change in its mailing address.

F. Distribution of Unclaimed Property. Except as otherwise provided in the Joint
Plan, any Distribution under the Joint Plan which is unclaimed after three months following any

1 Distribution Date shall be forfeited, and such distribution, together with any interest earned
2 thereon, shall return to and revest in the Reorganized Debtor.

3 **G. Setoffs and Recoupment.** Subject to the terms of the Joint Plan and under section
4 553 of the Bankruptcy Code and applicable law, the Debtor or Reorganized Debtor, as
5 appropriate, may but shall not be required to, setoff against or recoup from any Claim on which
6 payments are to be made pursuant to the Joint Plan, any Claims of any nature whatsoever the
7 Debtor may have against the Holder of such Claim.

8 **ARTICLE VII** 9 **ALTERNATIVES TO THE JOINT PLAN**

10 The Plan Proponents believe the Joint Plan is in the best interests of creditors and should
11 thus be accepted and confirmed. If the Joint Plan as proposed, however, is not confirmed, these
12 two alternatives may be available: (a) an alternative plan of reorganization may be proposed and
13 confirmed, or (b) the Chapter 11 Case may be dismissed. As discussed below, two other options,
14 liquidation under Chapter 7 and the appointment of a Chapter 11 trustee, are not viable alternatives
15 in this Chapter 11 Case.

16 **A. Alternative Plan Pursuant to Chapter 11 of the Bankruptcy Code**

17 If the Joint Plan is not confirmed, the Debtor or another party in interest may propose a
18 different plan, which might involve an alternative means for reorganizing the Debtor. Any
19 alternative plan would likely result in a much smaller distribution to the holders of Abuse Claims
20 because, among other things, the Non-Debtor Affiliates Cash Contribution and the contributions
21 of the Settling Insurers under the Insurance Settlement Agreements would not be available.
22 Whatever cash remains after the Joint Plan is not confirmed would almost certainly be expended
23 in professional fees.

24 The negotiation and drafting required for a new plan would likely add substantially greater
25 administrative expense with no guarantee of a better result for creditors and holders of Abuse
26 Claims. For these reasons, the Plan Proponents do not believe that an alternative plan of
27 reorganization is a preferable alternative to the Joint Plan.

28 **B. Dismissal of the Chapter 11 Case**

29 If the Joint Plan is not confirmed, the Debtor or another party in interest may seek to dismiss
30 the Chapter 11 Case. After appropriate notice and a hearing, the Bankruptcy Court may grant the
31 request and dismiss the Chapter 11 Case. Dismissal of the Chapter 11 Case would restore, or
32 attempt to restore, all parties to the position they were in just before the Petition Date.

33 Under the unique and specific facts of this case, the Plan Proponents believe that dismissal
34 of the Debtor's Chapter 11 Case is not a preferable alternative to confirming the Joint Plan.

35 **C. Chapter 7 Liquidation Is Not an Alternative**

36 Pursuant to 11 U.S.C. § 1112(c), if a debtor is "not a moneyed corporation," a debtor's
37 Chapter 11 case cannot be converted to a Chapter 7 case without the debtor's consent. The Debtor,
38 as a non-profit entity, is not a moneyed corporation, and cannot be forced to convert its Chapter
39 11 Case to a Chapter 7 case. Thus, conversion to Chapter 7 is not a viable alternative to the Joint
40 Plan.

41 **D. Appointment of a Chapter 11 Trustee is Not an Alternative**

As a result of limitations imposed by the First Amendment to the United States Constitution and the Religious Freedom and Restoration Act, a Chapter 11 trustee cannot be appointed to replace the Provincial Minister's administration of the Debtor.

ARTICLE VIII

RISK FACTORS TO BE CONSIDERED

ALL HOLDERS OF IMPAIRED CLAIMS SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS SET FORTH BELOW AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND SCHEDULES AND EXHIBITS) BEFORE DETERMINING WHETHER AND HOW TO VOTE ON THE JOINT PLAN. IF ANY OF THE FOLLOWING RISKS ACTUALLY OCCURS, THE JOINT PLAN MAY NOT BE CONFIRMED BY THE BANKRUPTCY COURT AND/OR CREDITOR RECOVERIES COULD BE LOWER THAN OTHERWISE DESCRIBED HEREIN. THE RISKS AND UNCERTAINTIES BELOW ARE NOT EXHAUSTIVE BUT REPRESENT THE RISKS THAT THE PLAN PROPONENTS BELIEVE ARE MATERIAL. THERE MAY BE ADDITIONAL RISKS THAT THE PLAN PROPONENTS CURRENTLY CONSIDER NOT TO BE MATERIAL OR OF WHICH THE PLAN PROPONENTS ARE CURRENTLY UNAWARE.

1. *Failure to Satisfy Vote Requirement*

If the Plan Proponents obtain the requisite votes to accept the Joint Plan in accordance with the requirements of the Bankruptcy Code, the Plan Proponents intend, as promptly as practicable thereafter, to seek confirmation of the Joint Plan. In the event that sufficient votes are not received to confirm the Joint Plan, the Plan Proponents may be forced to pursue an alternative plan or the Chapter 11 Case may be dismissed.

2. *The Plan Proponents' Assumptions and Estimates May Prove Incorrect*

The Plan Proponents have relied on certain assumptions on the aggregate number and amount of non-Abuse Claims in each Class and the projected expenses incurred to date or to be incurred in connection with the confirmation of the Joint Plan. There can be no guarantee, however, that the Plan Proponents' assumptions and estimates regarding these amounts will prove to be accurate.

The Plan Proponents believe that the Debtor has sufficient assets at its disposal to timely and fully make the Debtor Cash Contribution and to fund its other obligations under the Joint Plan. There can be no guarantee, however, that the Plan Proponents' assumptions and estimates regarding the Debtor's ability to timely make these payments will prove to be accurate.

3. *Risk of Non-Confirmation*

Even if all impaired classes accept or could be deemed to have accepted the Joint Plan, the Joint Plan might not be confirmed by the Bankruptcy Court. Section 1129 of the Bankruptcy Code lists requirements for confirmation, including (a) that the confirmation of the Joint Plan not be followed by the need for a further liquidation or reorganization; (b) that the value of distributions to dissenting holders not be less than the value of distributions to such holders if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code; and (c) that the Joint Plan and the Plan Proponents otherwise comply with applicable provisions of the Bankruptcy Code. Although the Plan Proponents believe the Joint Plan will meet all applicable tests, there is no assurance that the Bankruptcy Court will reach the same conclusion.

1 **4. Consent Threshold May Not Be Met**

2 Under Section 11.1(b) of the Joint Plan, confirmation of the Joint Plan requires that at
3 least 85% of Allowed Abuse Claimants who timely filed proofs of claim and all Abuse Claimants
4 who assert direct claims against as Associated Ministry consent to the Channeling Injunction by
5 becoming Consenting Class 5 Claimants before entry of the Confirmation Order, unless waived
6 by the Non-Debtor Affiliates. If these thresholds are not met, the Joint Plan may not be confirmed,
7 potentially jeopardizing recoveries for all Abuse Claimants.

8 **5. The Plan Proponents May Fail to Meet the Conditions Precedent to the**
9 **Occurrence of the Effective Date**

10 The Effective Date of the Joint Plan is subject to certain conditions precedent set forth in
11 Section 11.2 of the Joint Plan. If any condition precedent is not satisfied or waived, the Effective
12 Date may not occur and the Joint Plan may not be consummated.

13 **6. Post-Confirmation Compliance Risk**

14 After the Effective Date, the Debtor and Reorganized Debtor must comply with their
15 respective obligations under the Joint Plan. If the Debtor or Reorganized Debtor fails to comply
16 with its obligations under the Joint Plan, recoveries to Abuse Claimants could be delayed or
17 reduced.

18 The Joint Plan provides that distributions to Abuse Claimants will be made from the Trust
19 in accordance with the Trust Distribution Plan. The actual amount and timing of distributions
20 will depend on several factors, including the total amount of Allowed Abuse Claims, the costs of
21 administering the Trust, and the outcome of any litigation with Non-Settling Insurers.

22 **7. Trust Administration Risk**

23 The Trust Administrator will be responsible for liquidating Trust Assets and distributing
24 proceeds to Abuse Claimants pursuant to the Trust Distribution Plan. The administration of the
25 Trust involves certain post-Effective Date costs and expenses that will be paid from Trust Assets,
26 which may reduce the amounts available for distribution to Abuse Claimants. In addition, the
27 Abuse Claims Reviewer must assess each Abuse Claim in accordance with the Trust Distribution
28 Plan, which process may take meaningful time to complete.

8. Risk of Limited Recoveries to Non-Consenting Abuse Claimants

 The Joint Plan provides different treatment for Consenting Class 5 and Class 6 Claimants
and Non-Consenting Class 5 and Class 6 Claimants. Consenting Class 5 and Class 6 Claimants
who affirmatively consent to the Channeling Injunction are entitled to receive distributions from
the Trust Assets, including proceeds from the Non-Debtor Affiliates Cash Contribution. Non-
Consenting Class 5 and Class 6 Claimants may only receive distributions from that portion of
Trust Assets funded by the Debtor Cash Contribution Amount and Insurance Settlement Amounts
and are not entitled to share in any other Trust Assets. Abuse Claimants should evaluate the
differences in treatment when deciding whether to consent to the Channeling Injunction, as Non-
Consenting Class 5 and Class 6 Abuse Claimants will receive a reduced distribution under the
Joint Plan.

9. Unknown Abuse Claims Reserve

 The Joint Plan establishes an Unknown Abuse Claims Reserve for the benefit of Unknown
Abuse Claimants. The Trust Administrator is obligated to maintain this reserve for seven years

1 after the Effective Date. If the Unknown Abuse Claims Reserve is depleted before an Unknown
2 Abuse Claim is first presented to the Trust, holders of such subsequently asserted Unknown
3 Abuse Claims shall not be entitled to any Distribution under the Joint Plan.

4 **10. Non-Settling Insurers May Object to Confirmation**

5 Non-Settling Insurers will likely object to confirmation of the Joint Plan by asserting that
6 the Joint Plan impermissibly alters their contractual rights, duties, and obligations under their
7 Insurance Policies. Although the Plan Proponents do not believe there is any merit to such
8 objections or assertions—because the Joint Plan does not alter the rights, claims, and defenses of
9 the Non-Settling Insurers and otherwise complies with federal and state law—if the Non-Settling
10 Insurers prevail on such contentions, the Bankruptcy Court might find that the Joint Plan is not
11 proposed in good faith, is not feasible, or is otherwise not confirmable.

12 **11. Coverage Claims Against Non-Settling Insurers**

13 The Joint Plan permits Consenting Class 5 Claimants to elect to become Consenting Class
14 5 Litigation Claimants, which allows them to commence or resume prosecution of an action
15 against the Debtor and/or Protected Parties solely for purposes of determining liability and
16 pursuing Coverage Claims against Non-Settling Insurers.

17 Non-Settling Insurers may assert factual and legal defenses to both their coverage
18 obligations and to the underlying liability of the Debtor. Litigation of such issues against Non-
19 Settling Insurers could be protracted and expensive. In addition, there is no guarantee that
20 Consenting Class 5 Litigation Claimants will prevail in enforcing any Coverage Claims against
21 Non-Settling Insurers. In the event the Non-Settling Insurers successfully defend against their
22 coverage obligations, the Debtor Cash Contribution, the Non-Debtor Affiliates Cash
23 Contribution, and any settlement payments from Settling Insurers would be the sole sources of
24 recovery for Abuse Claims.

25 The Non-Settling Insurers may also assert coverage defenses that they contend could
26 vitiate coverage. For example, the Non-Settling Insurers may assert defenses including, without
27 limitation, late notice, policy exclusions, cooperation clause violations, expected-or-intended
28 defenses, statute of limitations defenses, and defenses arising from the structure of the Plan itself.

12 **12. Certain Federal Income Tax Considerations**

13 THE INCOME TAX LAWS APPLICABLE TO RECEIVING A DISTRIBUTION OR
14 DEDUCTING A LOSS FROM A BANKRUPT ESTATE ARE COMPLEX. THE SUMMARY
15 DESCRIPTION OF TAX CONSEQUENCES BELOW IS FOR GENERAL INFORMATIONAL
16 PURPOSES ONLY AND IS SUBJECT TO SIGNIFICANT UNCERTAINTIES.

17 THE PLAN PROPONENTS HAVE NOT REQUESTED A RULING FROM THE
18 INTERNAL REVENUE SERVICE NOR HAVE THE PLAN PROPONENTS OBTAINED AN
19 OPINION OF COUNSEL WITH RESPECT TO THESE MATTERS. THUS, NO ASSURANCE
20 CAN BE GIVEN AS TO THE TAX CONSEQUENCES OF THE JOINT PLAN.

21 THE DISCUSSION CONTAINED IN THIS DISCLOSURE STATEMENT AS TO
22 FEDERAL TAX CONSIDERATIONS IS NOT INTENDED OR WRITTEN TO BE USED,
23 AND CANNOT BE USED, FOR AVOIDING PENALTIES.

24 NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX
25 CONSEQUENCES OF THE JOINT PLAN TO ANY HOLDER OF A CLAIM OR ANY OTHER
26 ENTITY OR PERSON. EACH HOLDER OF A CLAIM SHOULD CONSULT ITS TAX
27
28

1 PROFESSIONAL TO UNDERSTAND FULLY THE FEDERAL, STATE AND LOCAL AND
2 FOREIGN TAX CONSEQUENCES OF THE JOINT PLAN.

3 The following summary is a general discussion of certain of the potential Federal income
4 tax consequences of the Joint Plan. The summary is based on relevant provisions of the Internal
5 Revenue Code of 1986, as amended (the “**Tax Code**”), the applicable Treasury Regulations
6 promulgated thereunder (the “**Treasury Regulations**”), judicial authority, published rulings, and
7 such other authorities considered relevant now in effect, all of which are subject to change.

8 The Federal income tax consequences to any creditor may be affected by matters not
9 discussed below. Nor does the summary address all categories of creditors, some of which may
10 be subject to special rules not addressed herein. There also may be state, local, or foreign tax
11 considerations applicable to each creditor or the Debtor.

12 (i) **Tax Consequences to Creditors**

13 A creditor that receives cash in satisfaction of its claim will generally recognize a gain or
14 loss in an amount equal to the difference between (i) the amount of cash received by such creditor
15 in respect of its claim (excluding any cash received in respect of a claim for accrued interest) and
16 (ii) the creditor’s tax basis in its claim.

17 The character of any gain or loss recognized as long-term or short-term capital gain or
18 loss or as ordinary income or loss will be determined by a number of factors, including, among
19 other things, the tax status of the creditor, whether the claim constitutes a capital asset in the hands
20 of the creditor, whether the claim has been held for more than one year, and whether and to what
21 extent the creditor has claimed a bad debt deduction (or charged a reserve for bad debts) with
22 respect to the claim.

23 The Plan Proponents anticipate that distributions to Class 5 and Class 6 Claimants will, in
24 all instances, constitute payment for damages on account of personal physical injuries or sickness
25 arising from an occurrence, within the meaning of Section 104(a)(2) of the Tax Code. The Plan
26 Proponents have not, however, fully analyzed such tax issues and cannot (and do not hereby)
27 make any assurances or representations regarding the anticipated tax treatment of Class 5 and
28 Class 6 Claims.

29 MANY FACTORS WILL DETERMINE THE TAX CONSEQUENCE TO EACH
30 HOLDER OF AN UNSECURED CLAIM. FURTHERMORE, THE TAX CONSEQUENCES
31 OF THE JOINT PLAN ARE COMPLEX, AND IN SOME CASES, UNCERTAIN. IT IS THUS
32 IMPORTANT THAT EACH HOLDER OF AN UNSECURED CLAIM OBTAIN HIS, HER,
33 OR ITS OWN PROFESSIONAL TAX ADVICE REGARDING THE TAX CONSEQUENCES
34 TO SUCH HOLDER OF AN UNSECURED CLAIM AS A RESULT OF THE JOINT PLAN.

35 (ii) **Tax Consequences to the Debtor**

36 The Debtor is a non-profit, non-stock member corporation having tax-exempt status under
37 26 U.S.C. § 501(c)(3). Due to the Debtor’s status as a non-profit corporation, the Plan Proponents
38 do not expect that the Joint Plan will result in any significant federal income tax consequences to
39 the Debtor.

40 (iii) **Tax Consequences to the Trust**

41 The Trust may satisfy the requirements of a designated settlement fund under section
42 468B of the Tax Code or a qualified settlement fund under Regulation 1.468B-1 of the Treasury

1 Regulations. There are certain tax consequences associated with the characterization of the Trust
2 as a designated settlement fund or a qualified settlement fund.

3 The Plan Proponents express no opinion on whether the Trust is a designated settlement
4 fund or a qualified settlement fund. The Plan Proponents have not requested a ruling from the
5 Internal Revenue Service or an opinion of counsel regarding whether the Trust is a designated
6 settlement fund or a qualified settlement fund. Accordingly, each creditor is urged to consult its
7 own tax advisor regarding the characterization of the Trust and the tax consequences of such
8 characterization.

9 **13. *Appeal Risk***

10 If the Joint Plan is confirmed, it is possible that one or more parties may appeal the order
11 confirming the Joint Plan. If any such appeal is filed and is not resolved in favor of the Joint Plan,
12 the Effective Date could be delayed or may not occur.

13 Dated: June 22, 2026

14 **FRANCISCAN FRIARS OF CALIFORNIA,
15 INC.**

16 By: /s/ David Gaa

17 Name: David Gaa, ofm

18 Title: President

Exhibit A

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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

In re:

FRANCISCAN FRIARS OF
CALIFORNIA, INC.,

Debtor.

Case No. 23-41723 WJL

Chapter 11

**SECOND AMENDED JOINT PLAN OF REORGANIZATION
FOR THE FRANCISCAN FRIARS OF CALIFORNIA, INC.
DATED JUNE 22, 2026**

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The purpose of this Plan is to provide a mechanism by which the Debtor can reorganize its financial affairs and fairly, justly, and equitably compensate survivors of sexual abuse by clergy or others associated with the Debtor and bring a measure of healing to survivors and others affected by past acts of sexual abuse. Under this Plan, the Debtor will emerge from Chapter 11 as a reorganized entity to continue its ministries and the critical support it provides to individuals and families struggling with addiction, homelessness and the crippling effects of economic or spiritual poverty.

The Plan Documents, once Filed, can be obtained for free at <https://bankruptcy.angeiongroup.com/Clients/ffc/Index>, and shall also be available for review in the Office of the Clerk of the Bankruptcy Court during the Bankruptcy Court's normal hours of operation. Holders of Claims may also obtain copies of the Plan Documents by contacting counsel for the Debtor in writing at the address on the cover page of this Plan.

2.1. Interpretation: Application of Definitions and Rules of Construction.

2.1.2. The words “herein,” “hereof,” “hereto,” “hereunder” and other words of similar import refer to this Plan as a whole and not to any particular section, subsection, or clause contained therein.

2.1.4. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to this Plan.

2.1.5. The headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof.

2.1.6. Unless otherwise provided, any reference in this Plan to an existing document, exhibit or schedule means such document, exhibit or schedule as it may have been amended, restated, revised, supplemented or otherwise modified.

2.1.7. Where appropriate from a contextual reading of a term, each term includes the singular and plural form of the term regardless of how the term is stated and each stated pronoun is gender neutral.

2.1.8. Where appropriate from a contextual reading of the term, the term “Debtor” shall include the “Reorganized Debtor.”

2.2. Definitions.

2.2.1. “**Abuse Claim Ballot**” means the ballot approved by the Bankruptcy Court through which Abuse Claimants will (i) vote to accept or reject this Plan and (ii) have the right to consent to the Channeling Injunction and release provisions of this Plan, or, in the case of Class 6 Claimants, the Unknown Abuse Claims Representative shall have such right.

2.2.2. “**Abuse Claim Discharge Date**” has the meaning ascribed to such term in Section 12.1.4 of this Plan.

2.2.3. “**Abuse Claim Enhancement**” has the meaning ascribed to such term in Section 6.3.10 of this Plan.

2.2.4. “**Abuse Claim Release Agreement**” means, (i) with respect to any Consenting Class 5 Claim or Consenting Class 5 Claimant, a Consenting Class 5 Claim Release Agreement, (ii) with respect to any Non-Consenting Class 5 Claim or Non-Consenting Class 5 Claimant, a Non-Consenting Class 5 Claim Release Agreement, (iii) with respect to any Consenting Class 6 Claim or Consenting Class 6 Claimant, a Consenting Class 6 Claim Release Agreement and (iv) with respect to any Non-Consenting Class 6 Claim or Non-Consenting Class 6 Claimant, a Non-Consenting Class 6 Claim Release Agreement.

2.2.5. “**Abuse Claim**” means any Claim that has been or could be asserted against the Debtor or any Protected Party that is attributable to, arises from, is based upon, or results from, in whole or in part, directly, indirectly, or derivatively, Abuse that occurred prior to the Petition Date, including any such Claim that seeks monetary damages or any other relief under any theory of liability, law, or equity whatsoever, including contribution, indemnity, vicarious liability, *respondeat superior*, conspiracy, fraud (including fraud in the inducement), any negligence-based or employment-based theory (including negligent hiring, supervision, retention, or misrepresentation), any other theory based upon misrepresentation, concealment, or unfair practice, public or private nuisance, or any other theory (including any theory based upon public policy) or any act or failure to act by the Debtor or any Protected Party, or any other Entity for whose acts or failures to act the Debtor or any Protected Party is or was alleged to be responsible. For the avoidance of doubt, “Abuse Claim” includes (a) all Unknown Abuse Claims, Late-Filed Abuse Claims, and any Claim or cause of action against the Debtor or any Protected Party alleging childhood sexual assault or otherwise described in AB 218 or Cal. Assembly Bills 2777 or 250 and (b) any Claim against the Debtor or any Protected Party that is attributable to, arises from, is based upon, relates to, or results from Abuse that, as of the Petition Date is barred by any applicable statute of limitations, and in each case, irrespective of whether (x) such Claims also involve the conduct of Joint Tortfeasors, (y) such Claims arise under, or were revived pursuant to, AB 218, or any future reviver law, statute, or binding precedential decision passed or issued on or after the Effective Date, or (z) a proof of claim has been Filed or an Abuse Action has been commenced with respect to such Claim.

2.2.6. “**Abuse Claims Reviewer**” means the Person appointed by the Committee who will assess Class 5 and Class 6 Claims in accordance with the terms of this Plan, the Confirmation Order, and the Trust Documents, or any successor appointed in accordance with such terms thereafter.

2.2.7. “**Abuse**” means any actual or alleged: (a) sexual conduct or misconduct, sexual abuse or molestation, indecent assault and/or battery, rape, pedophilia, hebephilia, ephebophilia, lascivious behavior, undue familiarity, or sexually-related physical, psychological, or emotional harm, or contacts, or interactions of a sexual nature between a child and an adult, or a nonconsenting adult and another adult, sexual assault, sexual battery, sexual psychological or emotional abuse, humiliation, or intimidation, any other sexual misconduct, or any conduct constituting a sexual offense, incest, or use of a child in a sexual performance (as such terms are defined in the Penal Code of California); or (b) non-sexual assault, battery, corporal punishment and other non-sexual nonsexual acts of physical, psychological, mental or emotional abuse, humiliation or intimidation (including physical abuse or bullying without regard to whether such physical abuse or bullying is of a sexual nature), and all other non-sexual tortious behavior of any type whatsoever. For the avoidance of doubt, “Abuse” also includes (a) any conduct which would constitute (i) a crime against the person as set forth in part 1, titles 8 and 9 of the Penal Code of California, (ii) incest as defined in section 285 of the Penal Code of California, (iii) use of a minor in a prohibited act as set forth in section 311.4 of the Penal Code of California, or a predecessor statute that prohibited such conduct at the time of the act, and (iv) any offense included in 18 U.S.C. §§ 2251, 2251A, 2252, 2252A, or 2260, and (b) sexually-related injuries, including those stemming from the use of photography, video, or digital media.

2.2.8. “**Action**” means any lawsuit, proceeding, or other action in a court or any arbitration.

2.2.9. “**Administrative Expense Claim**” means any Claim constituting an actual, necessary cost or expense of administering this Chapter 11 Case under sections 503(b)(1) through (8) and 507(a)(2) of the Bankruptcy Code including, (i) any actual and necessary costs and expenses of preserving the Estate, (ii) all compensation and reimbursement of expenses under sections 330 or 503 of the Bankruptcy Code, (iii) any fees or charges assessed against the Estate under section 1930 of chapter 123 of title 28 of the United States Code, and (iv) all Claims arising under section 503(b)(9) of the Bankruptcy Code.

2.2.10. “**Affiliate**” is defined as set forth in section 101(2) of the Bankruptcy Code.

2.2.11. “**Agent**” means any past and present employee, officer, director, agent, shareholder, board member, trustee, administrator, religious brother, clergy, Person bound by a monastic vow, volunteer, attorney, professional, claim handling administrator, and representatives of a Person, in their capacity as such; *provided, however*, that “Agent” shall not include Excluded Parties.

2.2.12. “**AIG**” means Insurance Company of the State of Pennsylvania.

2.2.13. “**Alleged Insured**” has the meaning ascribed to such term in Section 7.3.1 of this Plan.

2.2.14. “**Allianz**” means Interstate Fire and Casualty Company (Allianz).

2.2.15. “**Allowed**” or “**Allowance**” means, with reference to any Claim, proof of which was timely and properly filed or deemed timely filed by a Final Order, or if no Proof of Claim was filed, which has been or hereafter is listed by the Debtor in the Schedules, as liquidated in amount and not disputed or contingent and, in each case, as to which: (i) no objection to allowance has been interposed within the applicable period fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or (ii) an objection has been interposed and such

1 Claim has been allowed, in whole or in part, by a Final Order. Notwithstanding the foregoing,
2 pursuant to the Trust Distribution Procedures, the Trust Administrator shall have the sole authority
3 to deem any Class 6 Claim a Class 5 Claim.

3 2.2.16. “**Alter Ego Liability**” means the equitable doctrine under California law allowing
4 courts to disregard the separate legal identity of a corporation and hold its shareholders, members,
5 or affiliated entities personally liable for the corporation’s debts or obligations. The definition of
6 “Alter Ego Liability” includes, but is not limited to, the single enterprise rule.

6 2.2.17. “**Amended Child Safety Policies**” has the meaning ascribed to such term in
7 Section 14.1 of this Plan.

7 2.2.18. “**Associated Ministries**” means, collectively, the following: (i) Franciscan
8 Renewal Center; (ii) Franciscan School of Theology; (iii) Franciscan Outreach; (iv) Old Mission
9 San Luis Rey; (v) Old Mission Santa Barbara; (vi) Serra Retreat; (vii) St. Anthony’s Foundation;
10 (viii) Santa Barbara Mission Archive Library; (ix) San Damiano; (x) St. Francis Center and (xi)
11 St. Francis Retreat.

10 2.2.19. “**Avoidance Actions**” means any and all rights to recover or avoid transfers or
11 Liens under Chapter 5 of the Bankruptcy Code or otherwise, including sections 506(d), 541, 542,
12 543, 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy Code, or otherwise under the
13 Bankruptcy Code or under similar or related state or federal statutes and common law, including,
14 all preference, fraudulent conveyance, fraudulent transfer, and/or other similar avoidance claims,
15 rights, and causes of action, whether or not litigation has been commenced as of the Effective Date
16 to prosecute such Avoidance Actions; subject, however, to any releases thereof provided in this
17 Plan, the Confirmation Order, or any other Final Order of the Bankruptcy Court.

14 2.2.20. “**Bankruptcy Court**” means the United States Bankruptcy Court for the Northern
15 District of California and any court having competent jurisdiction to hear appeals or certiorari
16 proceedings therefrom, or any successor thereto that may be established by any act of Congress,
17 or otherwise, and which has competent jurisdiction over this Chapter 11 Case or this Plan;
18 *provided, however*, that to the extent the reference under United States District Court, Northern
19 District of California General Order No. 24 is withdrawn with respect to any proceeding arising
20 from or related to the Bankruptcy Case, the term “Bankruptcy Court” shall also include the District
21 Court.

19 2.2.21. “**Bar Date**” means August 30, 2024, at 11:59 p.m.

20 2.2.22. “**Barred Claim**” means a Channeled Claim (specifically including, but not limited
21 to, all Consenting Class 5 Claims, Consenting Class 6 Claims, Medicare Claims, and Extra-
22 Contractual Claims), Non-Consenting Class 5 Claim, Non-Consenting Class 6 Claim, Abuse
23 Action, Related Insurance Claim, Insurer Contribution Claim, Inbound Contribution Claim, Direct
24 Action Claim, and every other Claim that (a) is under, arises out of, relates (directly or indirectly)
25 to, or connects in any way with an Abuse Claim or any of the Settling Insurer Policies or (b) is
26 released pursuant to any Insurance Settlement Agreement. For the avoidance of doubt, “Barred
27 Claim” includes all Claims exempted from the injunctions (including the Channeling Injunction)
28 set forth in the Plan.

25 2.2.23. “**Bequest**” means any bequest, donation, gift, transfer or assignment of any asset
26 or assets (including without limitation of cash, real or personal property, causes of action, claims,
27 rights, interests in or ownership of any Entity, or any other assets of any kind or character) to or
28 for the benefit of the Debtor.

1 2.2.24. “**Business Day**” means any day other than Saturday, Sunday, or a “legal holiday,”
2 as that term is defined in Bankruptcy Rule 9006(a).

3 2.2.25. “**Channeled Claim(s)**” means any Abuse Claim, Inbound Contribution Claim,
4 Medicare Claim, Extra-Contractual Claim, or any other Claim against any Released Party arising
5 from or related in any way to an Abuse Claim or any of the Settling Insurer Policies, whenever
6 and wherever arising or asserted, whether sounding in tort, contract, warranty, or any other theory
7 of law, equity, or admiralty, including without limitation all Claims by way of direct action,
8 subrogation, contribution, indemnity, alter ego, statutory or regulatory action, or otherwise, Claims
9 for exemplary or punitive damages, for attorneys’ fees and other expenses, or for any equitable
10 remedy, *provided, however*, that “Channeled Claims” shall not include any Claim exempted from
11 the injunctions set forth in Section 12.3.3 of the Plan pursuant to Section 12.3.4 of the Plan. For
12 the avoidance of doubt (i) a Channeled Claim includes any Claim against a Released Party based
13 on allegations that it is an alter ego of the Debtor or a Person that is not a Released Party or that
14 the Released Party’s corporate veil should be pierced on account of Claims against the Debtor or
15 a Person that is not a Released Party or based on any other theory under which the legal
16 separateness of any Person and any other Person may be disregarded to impose liability for a Claim
17 on either such Person, and (ii) notwithstanding anything to the contrary herein, Channeled Claims
18 do not include any Claims to the extent they are asserted against Excluded Parties or Non-Settling
19 Insurers; *provided, however*, any Claims that assert liability against an Excluded Party or Non-
20 Settling Insurer in conjunction with Released Party shall be Channeled Claims as to such Released
21 Party.

22 2.2.26. “**Channeling Injunction**” means the injunction contained in Section 12.3.3 of this
23 Plan.

24 2.2.27. “**Chapter 11 Case**” means the case under Chapter 11 of the Bankruptcy Code
25 commenced in the Bankruptcy Court by The Franciscan Friars of California, Inc. on December 31,
26 2023, Case No. 23-41723 WJL.

27 2.2.28. “**Claim**” means (i) a claim as that term is defined in section 101(5) of the
28 Bankruptcy Code or (ii) any claim, Action, assertion of right, complaint, cross-complaint,
counterclaim, liabilities, obligations, rights, request, allegation, mediation, litigation, direct action,
administrative proceeding, cause of action, Lien, encumbrance, indemnity, equitable indemnity,
right of subrogation, equitable subrogation, defense, injunctive relief, controversy, contribution,
exoneration, covenant, agreement, promise, act, omission, trespass, variance, damages, judgment,
compensation, set-off, reimbursement, restitution, cost, expense, loss, exposure, execution,
attorneys’ fee, obligation, order, affirmative defense, writ, demand, inquiry, request, directive,
obligation, Proof of Claim in a bankruptcy case or submitted to a trust established pursuant to the
Bankruptcy Code, government claim or Action, settlement, and/or any liability whatsoever,
whether past, present or (to the extent it arises prior to the Effective Date) future, known or
unknown, asserted or unasserted, foreseen or unforeseen, fixed or contingent, matured or
unmatured, liquidated or unliquidated, direct, indirect or otherwise consequential, whether in law,
equity, admiralty, under the Bankruptcy Code, or otherwise, whether compromised, settled or
reduced to a consent judgment for property damages, compensatory damages (such as loss of
consortium, wrongful death, survivorship, proximate, consequential, general and special
damages), punitive damages, bodily injury, personal injury, public and private claims, or any other
right to relief whether sounding in tort, contract, extra-contractual or bad faith, statute, strict
liability, equity, nuisance, trespass, statutory violation, wrongful entry or eviction or other eviction
or other invasion of the right of private occupancy, and any amounts paid in respect of any
judgment, order, decree, settlement, contract, or otherwise. The term “Claim” includes any Claim
based on allegations that an Entity is an alter ego of another Entity, that an Entity’s corporate veil
should be pierced on account of Claims against another Entity or Claims based on any other theory

under which the legal separateness of any Entity and any other Entity may be disregarded to impose liability for a Claim on either such Entity.

2.2.29. “**Claimant**” means a Person who holds a Claim.

2.2.30. “**Class 5 Claim**” means an Abuse Claim other than an Unknown Abuse Claim.

2.2.31. “**Class 6 Claim**” means an Unknown Abuse Claim.

2.2.32. “**Class**” means a grouping of substantially similar Claims for common treatment thereof pursuant to the terms of this Plan.

2.2.33. “**CMS**” means the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services, located at 7500 Security Boulevard, Baltimore, MD 21244-1850 and/or any other Agent or successor Person charged with responsibility for monitoring, assessing, or receiving reports made under MMSEA for reimbursement of Medicare Claims.

2.2.34. “**Committee**” has the meaning ascribed to it in Section I of this Plan.

2.2.35. “**Confirmation Date**” means the date the Confirmation Order is entered by the clerk of the Bankruptcy Court on the Bankruptcy Court’s docket.

2.2.36. “**Confirmation Hearing**” means the hearing on confirmation of this Plan pursuant to section 1129 of the Bankruptcy Code.

2.2.37. “**Confirmation Order**” means the order entered by the Bankruptcy Court confirming the Plan in accordance with Chapter 11 of the Bankruptcy Code.

2.2.38. “**Consenting Class 5 Claim Release Agreement**” means an agreement, to be executed by a Consenting Class 5 Claimant as a condition to receiving any Distribution from the Trust, under which such Consenting Class 5 Claimant (i) releases the Debtor and the other Released Parties from all Claims held by such Consenting Class 5 Claimant in accordance with the terms of this Plan and (with respect to the Settling Insurer Releasees) the Insurance Settlement Agreements and (ii) agrees to dismiss, with prejudice, upon the occurrence of the applicable Abuse Claim Discharge Date, any pending Action against the Debtor and/or any other Released Parties; *provided* that any Settling Insurer Releasee shall be dismissed, with prejudice, upon payment by the applicable Settling Insurer of the Insurance Settlement Amount. The Consenting Class 5 Claim Release Agreement must be in a form acceptable to the Plan Proponents and Settling Insurers and is attached as Exhibit 2.2.38.

2.2.39. “**Consenting Class 5 Claim**” means an Abuse Claim held by a Consenting Class 5 Claimant.

2.2.40. “**Consenting Class 5 Claimant**” means any Holder of a Class 5 Claim who has consented to the Channeling Injunction and release provisions of this Plan. Consent shall be conclusively presumed if an Abuse Claimant (i) submits an Abuse Claim Ballot consenting to the releases and injunctions contemplated in this Plan by checking the appropriate box in the Abuse Claim Ballot (ii) returns an Abuse Claim Ballot but fails to elect to be either a Consenting Class 5 Claimant or a Non-Consenting Class 5 Claimant or (iii) executes a Consenting Class 5 Claim Release Agreement.

2.2.41. “**Consenting Class 5 Litigation Claim Agreement**” means an agreement, in the form attached as Exhibit 2.2.41, pursuant to which a Consenting Class 5 Claimant informs the

1 Trust Administrator that he or she will seek to pursue an Abuse Claim against the Debtor, a
2 Protected Party, and/or any other defendant in a court of competent jurisdiction in accordance with
3 the terms of this Plan (and subject in all respects to the Insurance Settlement Approval Order(s)
4 and Settling Insurer Injunction). The Consenting Class 5 Litigation Claim Agreement must be in
5 a form acceptable to the Plan Proponents and Settling Insurers and shall provide: (i) that the
6 Consenting Class 5 Litigation Claimant may pursue his or her Consenting Class 5 Litigation Claim
7 solely for the purposes of (a) determining any liability that the Debtor and/or any Protected Party
8 may have with respect to such Consenting Class 5 Litigation Claim, (b) determining the amount
9 of that liability, and (c) pursuing Coverage Claims against Non-Settling Insurers; (ii) any award
10 obtained in respect of such Consenting Class 5 Litigation Claim may not be enforced (a) against
11 any Released Party, (b) in any manner that violates the Settling Insurer Injunction, any Insurance
12 Settlement Agreement, or the Insurance Settlement Approval Order(s); (iii) all Claims held by
13 such Consenting Class 5 Litigation Claimant against the Debtor or any Released Party shall
14 automatically and without further action be fully released and discharged upon the occurrence of
15 the applicable Abuse Claims Discharge Date, except that such release and discharge with respect
16 to the Settling Insurer Releasees shall be effective upon payment by the applicable Settling Insurer
17 of the Insurance Settlement Amount; and (iv) each of the Released Parties is an intended third
18 party beneficiary of such Consenting Class 5 Litigation Claim Agreement.

19 2.2.42. “**Consenting Class 5 Litigation Claim Award**” means a judgment or verdict
20 determining that the Debtor and/or any Protected Party is/are liable to a Consenting Class 5
21 Litigation Claimant on account of a Consenting Class 5 Litigation Claim.

22 2.2.43. “**Consenting Class 5 Litigation Claim**” means an Abuse Claim held by a
23 Consenting Class 5 Litigation Claimant, which may be litigated against the Debtor and/or a
24 Protected Party solely in accordance with this Plan and the Trust Documents (and subject in all
25 respects to the Insurance Settlement Approval Order(s)).

26 2.2.44. “**Consenting Class 5 Litigation Claimant**” means any Consenting Class 5
27 Claimant whose Abuse Claim alleges Abuse, at least in part, during the policy period(s) of any
28 Non-Settling Insurer Policies and who elects to liquidate their Abuse Claim in accordance with
this Plan and the Trust Documents for the purpose of collecting against Non-Settling Insurers by
executing a Consenting Class 5 Claim Litigation Agreement.

2.2.45. “**Consenting Class 6 Claim Release Agreement**” means an agreement, to be
executed by a Consenting Class 6 Claimant as a condition to receiving any Distribution from the
Trust, under which such Consenting Class 6 Claimant (i) releases the Debtor and the other
Released Parties from all Claims held by such Consenting Class 6 Claimant in accordance with
the terms of this Plan and (with respect to the Settling Insurer Releasees) the Insurance Settlement
Agreements and (ii) agrees to dismiss, with prejudice, upon the occurrence of the applicable Abuse
Claim Discharge Date, any pending Action against the Debtor and/or any other Released Parties;
provided that any Settling Insurer Releasee shall be dismissed, with prejudice, upon payment by
the applicable Settling Insurer of the Insurance Settlement Amount. The Consenting Class 6 Claim
Release Agreement must be in a form acceptable to the Plan Proponents and Settling Insurers and
is attached as Exhibit 2.2.45.

2.2.46. “**Consenting Class 6 Claim**” means an Abuse Claim held by a Consenting Class
6 Claimant.

2.2.47. “**Consenting Class 6 Claimant(s)**” means all Holders of Class 6 Claims deemed
to have consented to the Channeling Injunction and release provisions of this Plan if the Unknown
Abuse Claimants Representative elects to treat Class 6 Claims as Consenting Class 6 Claims as
provided for in Section 3.3.4 of this Plan.

2.2.48. “**Contribution**” has the meaning ascribed to such term in Section 8.2.6 of this Plan.

2.2.49. “**Coverage Claims**” means all Claims against a Non-Settling Insurer under or relating to the insurance policies issued by such Non-Settling Insurer to the Debtor and/ or any Protected Party. For the avoidance of doubt, “Coverage Claims” includes all Claims against any Non-Settling Insurer seeking any type of relief under or relating to the Non-Settling Insurer Insurance Policies other than coverage or benefits, including, but not limited to, Claims for compensatory, exemplary, or punitive damages, or attorneys’ fees, interests, costs or any other type of Claim with respect to (i) any Non-Settling Insurer Insurance Policy; (ii) any Claim allegedly or actually covered under any Non-Settling Insurer Insurance Policy or (iii) the conduct of a Non-Settling Insurer with respect to (i) or (ii). “Coverage Claims” include all Claims relating to the Non-Settling Insurers’ handling of any Claim under the Non-Settling Insurer Insurance Policies and conduct in engaging in any settlement negotiations related to any Claim. For the avoidance of doubt, Claims against Settling Insurers are not “Coverage Claims.”

2.2.50. “**Creditor**” means any person that has a Claim against the Debtor that arose on or before the Petition Date or a Claim against the Debtor’s estate of any kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code. This includes all Persons holding Claims against the Debtor.

2.2.51. “**Debtor Cash Contribution**” means \$5,800,000.00, to be contributed by the Debtor to the Trust on the Effective Date and used in accordance with this Plan and the Trust Documents.

2.2.52. “**Debtor**” has the meaning ascribed to such term in Section I of this Plan.

2.2.53. “**Definitorium**” means the leadership of the Province of St. Barbara elected by its friars consisting of the Provincial Minister, Provincial Vicar and the Definitors who serve as advisors to the Provincial.

2.2.54. “**Direct Action Claim**” means any Claim by any Person against a Settling Insurer identical or similar to, or relating to, any Abuse Claim, whether arising by contract, in tort or under the laws of any jurisdiction, including California Insurance Code § 11580 and any other statute that gives a third-party a direct cause of action against an insurer.

2.2.55. “**Disbursing Agent**” has the meaning ascribed to such term in Section 9.1 of this Plan.

2.2.56. “**Disclosure Statement**” means the Disclosure Statement filed by the Debtor under section 1125, *et seq.* of the Bankruptcy Code.

2.2.57. “**Distribution**” means any payment to the Holder of an Allowed Claim as provided in this Plan.

2.2.58. “**Effective Date**” means the date on which all of the conditions to Confirmation and conditions to the Effective Date have been satisfied or waived in accordance with the requirements of Article XI of this Plan.

2.2.59. “**Enjoined Party**” means all Persons who have held, hold, or may hold Claims or causes of action that have been released or discharged or are subject to exculpation, the Channeling Injunction, or the Settling Insurer Injunction, pursuant to the Plan, the Confirmation Order, or any Insurance Settlement Approval Order.

2.2.60. “**Entity**” is defined as set forth in section 101(15) of the Bankruptcy Code.

1 2.2.61. **"Estate"** means the bankruptcy estate of the Debtor created under section 541 of
2 the Bankruptcy Code.

3 2.2.62. **"Excluded Party"** means (i) any individual who personally committed an act of
4 Abuse that resulted or would result in an Abuse Claim against the Debtor or any Protected Party,
5 but solely in his or her capacity as an abuser; (ii) Joint Tortfeasors, unless such Joint Tortfeasor is
6 identified as a Protected Party or a Released Party in the Plan Documents, (iii) a successor or
7 predecessor of the Debtor to the extent of such successor's or predecessor's independent liability
8 for an act or acts of Abuse, (iv) the Holy See and (v) any religious order or other Entity that is an
9 Affiliate of or associated with the Roman Catholic Church (other than the Debtor, the Reorganized
10 Debtor and the Protected Parties); *provided, however*, that neither of the following is an "Excluded
11 Party": (a) any Person claiming to be an insured (as a named insured, additional insured, or
12 otherwise) under any of the Settling Insurer Policies, and/or (b) any Person who has actually or
13 allegedly acquired or been assigned the right to make a Claim for coverage under any of the
14 Settling Insurer Policies.

15 2.2.63. **"Exculpated Party"** or **"Exculpated Parties"** means: (i) the Debtor; (ii) the
16 Reorganized Debtor; (iii) the Debtor's Professionals; (iv) the Definitorium, solely in its capacity
17 as an oversight board of the Debtor; (v) the Committee; (vi) the Committee's Professionals; (vii)
18 the Mediator, and (viii) the Protected Parties ; *provided, however*, that notwithstanding anything
19 to the contrary herein, no Excluded Party may be an Exculpated Party.

20 2.2.64. **"Extra-Contractual Claim(s)"** means any Claim against any Settling Insurer
21 Releasee seeking any type of relief under or with respect to the Insurance Policies other than
22 coverage or benefits. "Extra-Contractual Claims" include Claims for compensatory, exemplary,
23 or punitive damages, or attorneys' fees, interests, costs or any other type relief, alleging any of the
24 following with respect to (a) any Insurance Policy; (b) any Claim allegedly or actually covered
25 under an Insurance Policy; or (c) the conduct of a Settling Insurer Releasee with respect to (a) or
26 (b): (i) bad faith; (ii) failure to provide insurance coverage under any Insurance Policy, including
27 any failure to investigate or to provide a defense or adequate defense; (iii) failure or refusal to
28 compromise and settle any Claim insured under any Insurance Policy; (iv) failure to act in good
faith; (v) violation or breach of any covenant or duty of good faith and fair dealing, whether
express, implied, or otherwise; (vi) violation of any state insurance codes, state surplus lines
statutes or similar codes or statutes; (vii) violation of any unfair claims practices act or similar
statute, regulation or code, including any statute, regulation, or code relating to unlawful, unfair,
or fraudulent competition, business, or trade practices, and/or untrue or misleading advertising;
(viii) any type of misconduct; or (ix) any other act or omission of any type by any Settling Insurer
Releasee for which the claimant seeks relief other than coverage or benefits under an Insurance
Policy. "Extra-Contractual Claims" further include all Claims relating to a Settling Insurer
Releasee's (x) handling of any Claim under the Insurance Policies, (y) conduct in negotiating the
Insurance Settlement Agreements and/or the Plan, and (z) conduct in the settlement of any Claims.

2.2.65. **"Fee Notice"** has the meaning ascribed to such term in Section 6.3.4 of this Plan.

2.2.66. **"Final Decree"** means the decree contemplated under Bankruptcy Rule 3022.

2.2.67. **"Final Order"** means an order as to which the time to appeal, petition for
certiorari, petition for review, or move for reargument or rehearing has expired and as to which
no appeal, petition for *certiorari*, or other proceedings for reargument or rehearing shall then be
pending without a stay. If any appeal of the Confirmation Order becomes equitably moot, the
Confirmation Order shall be considered a Final Order as of the date that the order determining
such appeal to be moot has become a Final Order.

2.2.68. **“Franciscan Charities”** means Franciscan Charities Inc.

2.2.69. **“Franciscan Ministries”** means Franciscan Ministries Inc.

2.2.70. **“General Unsecured Claim”** means any Claim against the Debtor that arose or is deemed by the Bankruptcy Code or Bankruptcy Court, as applicable, to have arisen before the Petition Date and that is not: (i) an Administrative Expense Claim, (ii) a Priority Tax Claim, (iii) a Non-Tax Priority Claim, (iv) a Secured Claim, (v) an Abuse Claim; (vi) an Unknown Abuse Claim or (vii) a Class 8 Non-Abuse Litigation Claim.

2.2.71. **“Gibson Mine”** means that certain patented lode mining claim situated in Gila County, Arizona more particularly described as follows: Lode Mining Claim designated by the Surveyor-General as Mineral Survey Map No. 2964, being a portion of Sections 20, 21, 28 and 29, Township 1 South, Range 14 East, Gila and Salt River Base and Meridian, Gila County, Arizona, the Globe Mining District, situated in Gila County, Arizona.

2.2.72. **“Great American”** means Great American Insurance Company and Agricultural Excess and Surplus Lines Insurance Company (Great American).

2.2.73. **“Holder”** means the beneficial holder of any Claim.

2.2.74. **“Inbound Contribution Claims”** means any Claim against the Debtor or any Protected Party asserting rights of contribution, indemnity, equitable indemnity, subrogation, equitable subrogation, allocation, reallocation, reimbursement, or any other direct, indirect or derivative recovery, arising from or related to any Abuse Claim.

2.2.75. **“Indemnified Claims”** means any and all of the following: (a) Channeled Claims; (b) Barred Claims; and (c) any other Claim that (i) is under, arises out of, relates (directly or indirectly to), or connects in any way with the Settling Insurer Policies or (ii) was otherwise released in any Insurance Settlement Agreement, including all such Claims made by (x) any Person claiming to be an insured (as a named insured, additional insured, or otherwise) under any of the Settling Insurer Policies, (y) any Person who has made, will make, or can make or assert an Abuse Claim or Related Insurance Claim, and (z) any Person who has actually or allegedly acquired or been assigned the right to make a Claim under any of the Settling Insurer Policies.

2.2.76. **“Insurance Policy”** means any known or unknown contract, binder, certificate, or policy of insurance or certificate of liability coverage that any Insurer issued, subscribed any interest in, or has underwritten any risk in, in effect on or before the Effective Date, which actually, allegedly, or potentially provides liability coverage for the Debtor or any Protected Party.

2.2.77. **“Insurance Settlement Agreement”** means (i) a settlement agreement among the Debtor, any applicable Protected Parties, and a Settling Insurer and (ii) following the Effective Date, a Trust Insurance Settlement Agreement. The Debtor may not enter into any Insurance Settlement Agreement prior to the Effective Date without the Committee’s consent.

2.2.78. **“Insurance Settlement Amount”** means the amount to be paid by a Settling Insurer pursuant to such Settling Insurer’s Insurance Settlement Agreement.

2.2.79. **“Insurance Settlement Approval Order”** means, with respect to any Insurance Settlement Agreement, the Final Order approving such Insurance Settlement Agreement in accordance with the terms thereof.

2.2.80. **“Insurer Contribution Claims”** means all Claims, most commonly expressed in terms of contribution, indemnity, equitable indemnity, subrogation, or equitable subrogation,

1 allocation or reallocation, or reimbursement, or any other indirect or derivative recovery, by an
2 Insurer against any Settling Insurer for the payment of money where such Insurer contends that it
has paid more than its equitable or proportionate share of an Abuse Claim.

3 2.2.81. “**Insurer**” means a Person that has, or is alleged to have, issued, subscribed any
4 interest in, assumed any liability for, or underwritten any risk in any Insurance Policy, whether or
5 not a regulated insurance company, along with all Affiliates, successors, assigns, and Agents of
such Person.

6 2.2.82. “**Joint Tortfeasor**” means any Person, other than the Debtor or a Protected Party,
7 who is alleged to be a joint tortfeasor with the Debtor and/or any Protected Party in connection
with the Abuse or alleged Abuse giving rise to an Abuse Claim.

8 2.2.83. “**Lien**” means any mortgage, pledge, deed of trust, assessment, security interest,
9 lease, lien, adverse claim, levy, charge or other encumbrance of any kind, including any “lien” as
defined in section 101(37) of the Bankruptcy Code, or a conditional sale contract, title retention
contract or other contract to give any of the foregoing.

10 2.2.84. “**Mediator**” means Mark G. Worischeck, Esq.

11 2.2.85. “**Medicaid**” means medical assistance provided under a state plan approved under
12 title XIX of the Social Security Act.

13 2.2.86. “**Medicare Beneficiary**” means an individual who is entitled to Medicare benefits
and/or who has been determined to be eligible for Medicaid.

14 2.2.87. “**Medicare Claims**” means all Claims by CMS, and/or any Agent or successor of
15 CMS, charged with responsibility for monitoring, assessing, or receiving reports made under
16 MMSEA or pursuing Claims under MSPA, relating to any payments in respect of any Abuse
Claims, including Claims for reimbursement of payments made to Abuse Claimants who recover
or receive any Distribution from the Trust, and Claims relating to reporting obligations.

17 2.2.88. “**Medicare Eligible**” means an Abuse Claimant who is eligible to receive, is
18 receiving, or has received Medicare benefits.

19 2.2.89. “**Medicare Secondary Payer Act**” or “**MSPA**” means 42 U.S.C. § 1395y et seq.,
20 or any other similar statute or regulation, and any related rules, regulations or guidance issued in
connection therewith or amendments thereto.

21 2.2.90. “**Medicare**” means the health insurance program for the aged and disabled under
title XVIII of the Social Security Act.

22 2.2.91. “**MMSEA**” means section 111 of the “Medicare, Medicaid, and SCHIP Extension
23 Act of 2007 (P.L. 110-173),” which imposes reporting obligations on those Persons with payment
obligations under the MSPA.

24 2.2.92. “**Non-Abuse Litigation Claims**” means Claims arising out of the Debtor’s alleged
25 misconduct prior to the Confirmation Date unrelated to Abuse.

26 2.2.93. “**Non-Consenting Class 5 Claim Release Agreement**” means an agreement, in
27 the form attached as Exhibit 2.2.93, releasing the Debtor and Settling Insurers from any and all
28 Abuse Claims held by a Non-Consenting Class 5 Claimant in accordance with the terms of this
Plan, to be executed by each Non-Consenting Class 5 Claimant as a condition of receiving any
Distribution.

2.2.94. “**Non-Consenting Class 5 Claim**” means an Abuse Claim held by a Non-Consenting Class 5 Claimant.

2.2.95. “**Non-Consenting Class 5 Claimant**” means the Holder of a Class 5 Abuse Claim who has not affirmatively consented to the Channeling Injunction and releases provided for in this Plan as set forth in Section 3.3.3.3 of this Plan or any Order of the Bankruptcy Court setting forth the requirements for being a Consenting or Non-Consenting Class 5 Claimant. A Non-Consenting Class 5 Claimant may become a Consenting Class 5 Claimant by means of the procedure set forth in Section 3.3.3.3(d) of this Plan.

2.2.96. “**Non-Consenting Class 6 Claim Release Agreement**” means an agreement, in the form attached as Exhibit 2.2.96, releasing the Debtor and the Settling Insurers from any and all Abuse Claims held by a Non-Consenting Class 6 Claimant in accordance with the terms of this Plan, to be executed by each Non-Consenting Class 6 Claimant as a condition of receiving any Distribution.

2.2.97. “**Non-Consenting Class 6 Claim**” means an Abuse Claim held by a Non-Consenting Class 6 Claimant.

2.2.98. “**Non-Consenting Class 6 Claimant**” means the Holder of Class 6 Claim if the Unknown Abuse Claimants Representative elects that Class 6 Claimants do not consent to having their Claim(s) released and enjoined under the Channeling Injunction as contemplated in this Plan.

2.2.99. “**Non-Debtor Affiliates Cash Contribution**” means \$14,200,000.00 to be contributed by the Non-Debtor Affiliates to the Trust on the Effective Date and used in accordance with this Plan and the Trust Documents.

2.2.100. “**Non-Debtor Affiliates**” means the following entities: (i) the Associated Ministries; (ii) Franciscan Charities and (iii) Franciscan Ministries.

2.2.101. “**Non-Settling Insurer Policy Claim**” means any Claim for which the Debtor or a Protected Party is covered or allegedly covered by a Non-Settling Insurer Policy.

2.2.102. “**Non-Settling Insurer Policy**” means any Insurance Policy where a Non-Settling Insurer has a duty or obligation to provide coverage to the Debtor and/or any Protected Party. For the avoidance of doubt, no Settling Insurer Policy is a Non-Settling Insurer Policy.

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

2.2.104. “**Payment Obligations**” has the meaning ascribed to such term in Section 8.2.6 of this Plan.

2.2.105. “**Person**” is defined as set forth in section 101(41) of the Bankruptcy Code and further includes all Entities.

2.2.106. “**Petition Date**” means December 31, 2023.

2.2.107. “**Plan Documents**” means, collectively: (i) this Plan; (ii) the Plan Supplement(s); (iii) the Disclosure Statement; (iv) the Trust Documents; (v) all of the exhibits and schedules attached to any of the foregoing and (vi) any other document or instrument necessary to implement this Plan.

1 2.2.108. “**Plan Proponents**” has the meaning ascribed to such term in Section I of this
2 Plan.

3 2.2.109. “**Plan Supplement(s)**” means any supplements to this Plan containing exhibits
4 and/ or schedules to this Plan, which may be filed in accordance with the terms of this Plan.

5 2.2.110. “**Plan**” has the meaning ascribed to such term in Section I of this Plan.

6 2.2.111. “**Post Effective Date Costs Reserve**” means the separate, segregated account
7 created by the Trust Administrator to be funded with \$600,000.00 to fund the fees and expenses
8 reasonably incurred by the Debtor, the Reorganized Debtor, or the Protected Parties in connection
9 with performing any of their respective duties or obligations under this Plan with respect to any
10 Abuse Claims, including, in connection with (a) any attempt by an Consenting Class 5 Litigation
11 Claimant to enforce or recover insurance claims against Non-Settling Insurers, (b) responding to
12 and defending against any legal action taken by any Consenting Class 5 Litigation Claimant with
13 respect to Abuse Claims; or (c) upon request by the Trust Administrator or the Abuse Claims
14 Reviewer, assisting with the administration of the Trust Distribution Procedures.

15 2.2.112. “**Post Effective Date Costs**” has the meaning ascribed to such term in Section 6.3
16 of this Plan.

17 2.2.113. “**Priority Non-Tax Claim**” means a Claim entitled to priority under sections
18 507(a)(2), (3), (4), (5), (6) or (7) of the Bankruptcy Code, but only to the extent it is entitled to
19 priority in payment under any such subsection.

20 2.2.114. “**Priority Tax Claim**” means any Claim entitled to priority in payment under
21 section 507(a)(8) of the Bankruptcy Code, but only to the extent it is entitled to priority under such
22 subsection.

23 2.2.115. “**Professional Fee Claim**” means a Claim against the Debtor for compensation
24 for legal or other professional services and related reimbursement of expenses under sections 327,
25 328, 330(a), 331 or 503(b) of the Bankruptcy Code and shall include the fees and expenses of the
26 Mediator.

27 2.2.116. “**Professionals**” means all professionals employed in this Chapter 11 Case
28 pursuant to sections 327, 328 or 1103 of the Bankruptcy Code.

2.2.117. “**Proof of Claim**” means a proof of Claim filed pursuant to Bankruptcy Code
section 501 and/or pursuant to any order of the Bankruptcy Court, together with supporting
documents, including any amendments.

2.2.118. “**Protected Parties**” means all Entities listed on Exhibit 2.2.118; *provided,*
however, that the Non-Debtor Affiliates are not a Protected Party unless and until they irrevocably
make the Non-Debtor Affiliates Cash Contribution to the Trust. Neither the Debtor, the
Reorganized Debtor nor any Settling Insurer is a Protected Party.

2.2.119. “**Reduction Amount**” has the meaning ascribed to it in Section 7.3.1 of this Plan.

2.2.120. “**Related Insurance Claim**” means: (a) all Claims, causes of action and
enforceable rights against any Settling Insurer Releasee, whether sounding in contract, tort, or
otherwise, including equity and bad faith, held by the Debtor, any Protected Party, or any Abuse
Claimant (whether a Consenting Class 5 Claimant, a Non-Consenting Class 5 Claimant, a
Consenting Class 6 Claimant, or a Non-Consenting Class 6 Claimant) for any reason related to
any Abuse Claim asserted or alleged against the Debtor or any Protected Party (whether a

Consenting Class 5 Claim, a Non-Consenting Class 5 Claim, a Consenting Class 6 Claim, or a Non-Consenting Class 6 Claim), including those for (i) indemnity and payment of any such Abuse Claim; (ii) any failure or refusal to provide insurance coverage for any such Abuse Claim under any Insurance Policy; (iii) any tortious or wrongful claims handling including the failure or refusal to timely compromise and settle any such Abuse Claims against the Debtor or any Protected Party pursuant to any Insurance Policy; (iv) to the extent not otherwise encompassed by section (iii) above, failure or refusal to reasonably settle such Abuse Claims; and (v) the interpretation or enforcement of the terms of any Insurance Policy as it pertains to any of the foregoing; (b) all Extra-Contractual Claims against any Settling Insurer Releasee; and (c) all other Claims and causes of action against any Settling Insurer Releasee that are under, arise out of, relate (directly or indirectly) to, or connect in any way with any Insurance Policy.

2.2.121. “**Released Party**” means: (i) the Debtor; (ii) the Reorganized Debtor; (iii) the Protected Parties; and (iv) each Settling Insurer Releasee; *provided* that a Settling Insurer Releasee other than a Settling Insurer shall be a Released Party only to the extent that such Settling Insurer Releasee’s liability is under, arises out of, relates (directly or indirectly) to, or connects in any way with the Settling Insurer Policies or otherwise from liabilities covered by the Settling Insurer Policies. Notwithstanding anything to the contrary in the foregoing, “Released Parties” shall not include Excluded Parties unless such Entity is identified as a Protected Party on Exhibit 2.2.118.

2.2.122. “**Releasing Party**” means all Holders of Channeled Claims and any Persons listed on Exhibit 2.2.122 of this Plan, which will be filed as a Plan Supplement, as may be amended prior to the Confirmation Date.

2.2.123. “**Reorganized Debtor**” means the Franciscan Friars of California, Inc. as it exists on and after the Effective Date.

2.2.124. “**Revested Assets**” means any and all assets, other than the Debtor Cash Contribution, owned by the Debtor, including, but not limited to: (i) all prepetition, postpetition and post-Effective Date Bequests; (ii) all real property titled in the name of the Debtor; (iii) the Gibson Mine and (iv) all rights with respect to any Avoidance Actions or other causes of action belonging to the Debtor or its Estate, which shall revest in the Reorganized Debtor on the Effective Date. Notwithstanding the above, “Revested Assets” do not include any Avoidance Actions or other causes of action that the Debtor, the Reorganized Debtor, or the Estate may have against a Protected Party or Settling Insurer Releasee.

2.2.125. “**San Damiano Retreat Center**” means the San Damiano Retreat Center and land located at 710 Highland Drive, Danville, CA 94526.

2.2.126. “**Schedules**” means the schedules, statements, and lists filed by the Debtor with the Bankruptcy Court pursuant to Bankruptcy Rule 1007, as they have been amended or supplemented from time to time.

2.2.127. “**Serra Retreat Center**” means the Serra Retreat Center, 3401 Serra Road, Malibu, CA 90265, Assessor’s Information Number 4452-014-064.

2.2.128. “**Settling Insurer Injunction**” means the permanent injunction provided for in the Insurance Settlement Approval Order(s) and incorporated by reference in Section 12.3.5 of this Plan.

2.2.129. “**Settling Insurer Policy**” means each Insurance Policy (or the coverage part(s) of such policy) that is canceled, settled, or sold back to a Settling Insurer pursuant to the Insurance Settlement Agreement with such Settling Insurer.

1 2.2.130. “**Settling Insurer Releasee**” means each Settling Insurer and each of their
2 respective past and present parents, subsidiaries, affiliates, and divisions solely in their respective
3 capacity as such; each of the foregoing Persons’ respective past and present parents, subsidiaries,
4 affiliates, holding companies, merged companies, related companies, divisions, and acquired
5 companies; each of the foregoing Persons’ respective past and present directors, officers,
6 shareholders, employees, partners, principals, agents, attorneys, joint ventures, joint venturers,
7 representatives, and claims handling administrators solely in their respective capacities as such;
8 and each of the foregoing Persons’ respective predecessors, successors, assignors, and assigns,
9 whether known or unknown, solely in their capacities as such, and all Persons acting on behalf of,
10 by, through, or in concert with them. For the avoidance of doubt, “Settling Insurer Releasee”
11 includes each Settling Insurer’s: (a) predecessors, successors, assigns, and present and former
12 shareholders, members, affiliates, subsidiaries, employees, agents, brokers, adjusters, managing
13 agents, claims agents, underwriting agents, administrators, officers, directors, trustees, partners,
14 attorneys, financial advisors, accountants, and consultants, each in their capacities solely as such;
15 and (b) reinsurers and retrocessionaires, solely in their capacities as such, with respect to the
16 Insurance Policies.

17 2.2.131. “**Settling Insurer Reserve**” means the reserved funds set aside for Indemnified
18 Claims in accordance with the Insurance Settlement Agreements. The Settling Insurer Reserve
19 shall be established in a subaccount segregated from any other Trust Reserve account. The amount
20 and structure of the Settling Insurer Reserve will be set forth in the Trust Agreement and shall be
21 acceptable to the Settling Insurers and Committee.

22 2.2.132. “**Settling Insurer(s)**” means (i) Zurich, (ii) Great American, (iii) Allianz, (iv)
23 Transcontinental, (v) AIG and (vi) any other Insurer that is party to an Insurance Settlement
24 Agreement with the consent of the Committee, or, after the Effective Date, the Trust Administrator
25 and the Debtor.

26 2.2.133. “**Substantive Consolidation**” means the equitable power recognized within the
27 Ninth Circuit allowing a bankruptcy court to combine the assets and liabilities of separate and
28 distinct—but related—legal entities into a single pool, treating them as though they belong to a
single entity.

2.2.134. “**Tax Code**” means the Internal Revenue Code of 1986, as amended.

2.2.135. “**Transcontinental**” means Transcontinental Insurance Company.

2.2.136. “**Treasury Regulations**” means the regulations promulgated under the Tax Code.

2.2.137. “**Trust Administrator**” means the Person appointed by the Committee as the
Trust Administrator of the Trust in accordance with the terms of this Plan, the Confirmation Order,
and the Trust Agreement, or any successor appointed in accordance with such terms thereafter.
The initial Trust Administrator will be identified in a Plan Supplement, which shall be filed on or
before 21 days prior to the deadline to object to confirmation of this Plan, unless otherwise ordered
by the Bankruptcy Court.

2.2.138. “**Trust Advisory Committee**” means the committee established pursuant to this
Plan and the Trust Agreement, having the powers, duties and obligations set forth in this Plan and
the Trust Agreement.

2.2.139. “**Trust Agreement**” means the “Franciscan Friars of California, Inc. Trust
Agreement” establishing the Trust as may be amended, attached to this Plan as Exhibit 2.2.139.
The Trust Agreement shall be in form and substance acceptable to the Settling Insurers and
Committee.

1 2.2.140. “**Trust Assets**” means the Debtor Cash Contribution, the Non-Debtor Affiliates
2 Cash Contribution, 50% of any proceeds derived from, arising out of, or in connection with any
3 transaction related to the Gibson Mine and any other assets and/ or other property to be transferred
4 to the Trust under this Plan or otherwise acquired by the Trust following the Effective Date,
5 together with any proceeds thereof. For avoidance of doubt, the Trust Assets shall specifically
6 exclude: (a) the Revested Assets, which the Reorganized Debtor shall take title to on and after the
7 Effective Date; (b) the Settling Insurer Policies and all Claims settled, sold back, and/or released
8 pursuant to an Insurance Settlement Agreement (including, for the avoidance of doubt, all Related
Insurance Claims); and (c) any Non-Settling Insurer Policy and any rights of an insured person
thereunder (except that the Trust shall have the right to negotiate and enter into such settlements
with any Non-Settling Insurers as it may reasonably request the Debtor and the applicable Non-
Debtor Affiliates to enter, which settlement(s) will contain customary provisions that are included
in similar settlement agreements entered in diocesan bankruptcies).

9 2.2.141. “**Trust Distribution Plan**” means the Trust Distribution Plan attached to this Plan
as Exhibit 2.2.141.

10 2.2.142. “**Trust Distribution Procedures**” means the procedures set forth in the Trust
11 Distribution Plan to be implemented by the Trust Administrator pursuant to the terms and
conditions of this Plan and the Trust Agreement to resolve, liquidate, and pay (if entitled to
payment) Allowed Class 5 and Class 6 Claims as and to the extent set forth in such procedures.

12 2.2.143. “**Trust Documents**” means the Trust Agreement and the Trust Distribution Plan
13 together with such additional documents as may be executed in connection with the Trust
14 Agreement.

15 2.2.144. “**Trust Expense Reserve**” means that portion of the Trust Reserve established by
the Trust Administrator exclusively for payment of Trust Expenses.

16 2.2.145. “**Trust Expenses**” means the costs and expenses of administering the Trust,
17 including, without limitation, payments due to the Trust Administrator and its professionals and
any other costs and expenses reasonably projected to be incurred by the Trust.

18 2.2.146. “**Trust Insurance Settlement Agreement**” means any Insurance Settlement
19 Agreement entered into between the Trust Administrator, on behalf of the Trust, and any Non-
Settling Insurer, following the occurrence of the Effective Date. To the extent necessary to
20 effectuate a Trust Insurance Settlement Agreement, the Debtor, Reorganized Debtor, and/or
Protected Parties, as the case may be, shall execute the Trust Insurance Settlement Agreement,
21 which shall contain customary provisions included in similar insurance settlement agreements
entered into in other Catholic abuse-related bankruptcies.

22 2.2.147. “**Trust Reserve(s)**” means the (i) Defense Cost Reserve, (ii) Trust Expense
23 Reserve, (iii) Unknown Abuse Claims Reserve, (iv) Settling Insurer Reserve, and (v) any other
reserve created by the Trust Administrator to assure the Trust’s future performance of its financial
24 obligations.

25 2.2.148. “**Trust**” means the trust to be established pursuant to this Plan and the Trust
Agreement for the satisfaction of all Abuse Claims.

26 2.2.149. “**U.S. Trustee Fees**” means any and all fees payable to the U.S. Trustee pursuant
27 to section 1930 of title 28 of the Bankruptcy Code and any interest thereupon.
28

2.2.150. “**U.S. Trustee**” means the Office of the United States Trustee for Region 17, which includes the Northern District of California.

2.2.151. “**Unknown Abuse Claim**” means any Claim against the Debtor, the Reorganized Debtor, or any Protected Party based on Abuse that occurred on or before the Effective Date and for which (i) no Proof of Claim is filed or deemed timely filed on or before the Bar Date, (ii) a timely Abuse Action has not been commenced on or before the Effective Date, or (iii) a Proof of Claim and/or Abuse Action is not otherwise deemed timely filed as of the Effective Date pursuant to this Plan or by order of the Bankruptcy Court. For the avoidance of doubt, and notwithstanding anything to the contrary herein, “Unknown Abuse Claim” includes any Abuse Claim revived pursuant to any law, statute, or binding precedential decision passed or issued on or after the Effective Date that extends the prescriptive period or statute of limitations (or any other, similar legal concept) for asserting such Claims under applicable state law (including, by way of example, Cal. Assembly Bill 2777 or Cal. Assembly Bill 250).

2.2.152. “**Unknown Abuse Claimants Representative**” means Melanie L. Cyganowski or any subsequent legal representative appointed to represent the Holders of Unknown Abuse Claims.

2.2.153. “**Unknown Abuse Claims Reserve Establishment Period**” has the meaning ascribed to such term in Section 5.4.4 of this Plan.

2.2.154. “**Unknown Abuse Claims Reserve**” means a portion of the Trust Reserve established by the Trust exclusively for payment of Allowed Unknown Abuse Claims, which shall be funded with 4% of the Debtor Cash Contribution, the Non-Debtor Affiliates Cash Contribution and the Insurance Settlement Amounts if the Unknown Abuse Claimants Representative has elected to treat Unknown Abuse Claims as Consenting Class 6 Claims or 4% of the Debtor Cash Contribution and the Insurance Settlement Amounts if the Unknown Abuse Claimants Representative has elected to treat Unknown Abuse Claims as Non-Consenting Class 6 Claims.

2.2.155. “**Voting Deadline**” means the deadline established by the Bankruptcy Court for claimants entitled to vote on this Plan to submit ballots accepting or rejecting this Plan.

2.2.156. “**Zurich**” means Zurich American Insurance Company, successor to Zurich Insurance Company, U.S. Branch.

ARTICLE III

CLASSIFICATION AND TREATMENT OF CLAIMS

3.1. Classification.

3.1.1. All Claims, except Professional Fee Claims, Administrative Expense Claims, U.S. Trustee Fees and Priority Tax Claims, are classified as set forth below.

3.1.2. The classification of Claims against the Debtor under this Plan is as follows:

Class	Claims & Interest	Status	Voting Rights
1	Priority Non-Tax Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	General Unsecured Claims	Impaired	Entitled to Vote
3	SAF Claim	Impaired	Entitled to Vote
4	Province of St. John the Baptist Claim	Impaired	Entitled to Vote

Class	Claims & Interest	Status	Voting Rights
5	Abuse Claims Other Than Unknown Abuse Claims	Impaired	Entitled to Vote
6	Unknown Abuse Claims	Impaired	Entitled to Vote
7	Inbound Contribution Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
8	Non-Abuse Litigation Claims	Impaired	Entitled to Vote

3.1.3. A Claim is included in a particular Class only to the extent that the Claim falls within the description of that Class and is included in other Classes to the extent that any portion of such Claim falls within the description of such other Classes. A Claim is included in a particular Class for the purpose of receiving distributions pursuant to this Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, discharged, released or otherwise settled prior to the Effective Date.

3.2. Treatment of Unclassified Claims.

3.2.1. **Administrative Expenses Claims.** The Reorganized Debtor shall pay Administrative Expense Claims in full, in Cash, on the later of (i) 15 days after the Effective Date; or (ii) 15 days after the date on which such Claim becomes an Allowed Administrative Expense Claim. Notwithstanding anything in this Plan to the contrary, the Holder of an Allowed Administrative Claim may be paid on such other date and upon such other terms as may be agreed upon by the Holder of an Allowed Administrative Expense Claim and Debtor/Reorganized Debtor.

3.2.2. **Priority Tax Claims.** The Reorganized Debtor shall pay any Allowed Priority Tax Claims, in full, in Cash, without interest, as soon as practicable after the later of (i) 15 days after the Effective Date, (ii) 15 days after the date on which such Claim becomes an Allowed Priority Tax Claim, (iii) at the option of the Debtor prior to the Effective Date in accordance with section 1129(a)(9)(C) of the Bankruptcy Code, in Cash, in an aggregate amount of such Allowed Priority Tax Claim payable in regular quarterly installments over a period of not more than five years from the Petition Date, or (iv) such other treatment agreed to by the Debtor and the Holder of such Allowed Priority Tax Claim; *provided, however*, that the Holder of an Allowed Priority Tax Claim will not be entitled to receive any payment on account of any penalty arising with respect to, or in connection with any Priority Tax Claim. Any demand for any such penalty will be deemed disallowed by Confirmation of this Plan.

3.2.3. **U.S. Trustee Fees.** All U.S. Trustee Fees due and payable prior to the Effective Date shall be paid by the Debtor as soon as practicable after the Effective Date. After the Effective Date, the Reorganized Debtor shall pay any and all U.S. Trustee Fees when due and payable. For the avoidance of doubt, the distribution to the Trust from the Debtor will constitute disbursements for purposes of assessing quarterly fees under 28 U.S.C. § 1930(a)(6). All U.S. Trustee Fees shall be paid by the Reorganized Debtor until the earliest of this Chapter 11 Case being closed or dismissed. For the avoidance of doubt, (i) the Trust shall have no liability for U.S. Trustee Fees and (ii) the following will not constitute a disbursement for purposes of 28 U.S.C. § 1930(a)(6): (a) any Distribution from the Trust (b) any payment by the Trust of compensation or expenses in accordance with the Trust Documents or (c) any sums paid directly from the Non-Debtor Affiliates to the Trust. The Debtor shall file all monthly operating reports due prior to the Effective Date when they become due, using UST Form 11- MOR. After the Effective Date, the Reorganized Debtor shall file with the Bankruptcy Court quarterly reports when they become due using UST Form 11-PCR.

1 **3.2.4. Professional Fee Claims.** All Persons seeking an award by the Bankruptcy Court
2 of Professional Fee Claims (i) shall file their respective final applications for allowance of
3 compensation for services rendered and reimbursement of expenses incurred by the date that is 45
4 days after the Effective Date and (ii) shall be paid in full, in Cash in such amounts as are Allowed
5 by the Bankruptcy Court (a) on the date upon which the Order relating to any such Allowed
6 Professional Fee Claim is entered, or (b) upon such other terms as may be mutually agreed upon
7 between the Holder of such an Allowed Professional Fee Claim and the Debtor or Reorganized
8 Debtor, as applicable. The Reorganized Debtor is authorized to pay compensation for services
9 rendered or reimbursement of expenses incurred by professionals after the Effective Date in the
10 ordinary course and without the need for Bankruptcy Court approval.

11 **3.3. Treatment of Classified Claims.**

12 **3.3.1. Class 1 (Priority Non-Tax Claims).** Certain priority non-tax Claims that are
13 referred to in Bankruptcy Code sections 507(a)(3), (4), (5), (6), and (7) are entitled to priority
14 treatment. These Claims are to be treated as follows:

15 **3.3.1.1 Classification.** Class 1 consists of Priority Non-Tax Claims.

16 **3.3.1.2 Impairment and Voting.** Class 1 is Unimpaired. Holders of Allowed
17 Class 1 Priority Non-Tax Claims are deemed to have accepted this Plan and, thus, are not entitled
18 to vote to accept or reject this Plan.

19 **3.3.1.3 Treatment.** Unless a Holder of an Allowed Priority Non-Tax Claim and the
20 Debtor agree in writing to different treatment, each Holder of an Allowed Priority Non-Tax Claim
21 shall receive, in full and final satisfaction of such Claim, payment in full in Cash, without interest,
22 in an amount equal to such Allowed Priority Non-Tax Claim as soon as reasonably practicable
23 after the later of (a) the Effective Date and (b) the date when such Priority Non-Tax Claim becomes
24 an Allowed Priority Non-Tax Claim.

25 **3.3.2. Class 2 (General Unsecured Claims).**

26 **3.3.2.1 Classification.** General Unsecured Claims are unsecured Claims not
27 entitled to priority under Bankruptcy Code section 507(a).

28 **3.3.2.2 Impairment and Voting.** Class 2 is Impaired, and each Holder of a Class
29 2 Claim is entitled to vote to accept or reject this Plan.

30 **3.3.2.3 Treatment.** Unless a Holder of an Allowed General Unsecured Claim and
31 the Debtor agree in writing to different treatment, each Holder of an Allowed General Unsecured
32 Claim shall receive, in full and final satisfaction of such Claim, its pro rata share of \$43,408.00,
33 without interest, in an amount equal to such Allowed General Unsecured Claim as soon as
34 reasonably practicable after the later of (a) the Effective Date and (b) the date when such General
35 Unsecured Claim becomes an Allowed General Unsecured Claim.

36 **3.3.2 Class 3 (SAF Claim).**

37 **3.3.2.1 Classification.** The SAF Claim is a general unsecured claim held by SAF
38 against the Debtor, which is secured by a lien on and against the Serra Retreat.

39 **3.3.2.2 Impairment and Voting.** Class 3 is Impaired, and the Holder of the Class
40 3 Claim is entitled to vote to accept or reject this Plan.

1 **3.3.2.3 Treatment.** Unless the Holder of an Allowed Class 3 Claim and the Debtor
2 agree in writing to different treatment, the Holder of an Allowed Class 3 Claim shall receive, in
3 full and final satisfaction of such Claim, \$43,408.00, as soon as reasonably practicable after the
4 later of (a) the Effective Date and (b) the date when such Class 3 Claim becomes an Allowed Class
5 3 Claim. For the avoidance of doubt, SAF shall retain its lien on and against the Serra Retreat
6 Center without impairment until its Claim has been paid in full.

7 **3.3.3 Class 4 (Province of St. John the Baptist Claim).**

8 **3.3.3.1 Classification.** The Province of St. John the Baptist Claim is a general
9 unsecured claim held by The Province of St. John the Baptist against the Debtor, which is secured
10 by a lien on and against the San Damiano Retreat Center.

11 **3.3.3.2 Impairment and Voting.** Class 4 is Impaired, and the Holder of the Class
12 4 Claim is entitled to vote to accept or reject this Plan.

13 **3.3.3.3 Treatment.** Unless the Holder of an Allowed Class 4 Claim and the Debtor
14 agree in writing to different treatment, the Holder of an Allowed Class 4 Claim shall receive, in
15 full and final satisfaction of such Claim, \$43,408.00, as soon as reasonably practicable after the
16 later of (a) the Effective Date and (b) the date when such Class 4 Claim becomes an Allowed Class
17 4 Claim. For the avoidance of doubt, The Province of St. John the Baptist shall retain its lien on
18 and against the San Damiano Retreat Center without impairment until its Claim has been paid in
19 full.

20 **3.3.3. Class 5 (Abuse Claims Other Than Unknown Abuse Claims).**

21 **3.3.3.1 Classification.** A Class 5 Claim means an Abuse Claim other than an
22 Unknown Abuse Claim.

23 **3.3.3.2 Impairment and Voting.** Class 5 is Impaired, and each Holder of a Class
24 5 Claim is entitled to vote to accept or reject this Plan.

25 **3.3.3.3 Treatment.** This Plan authorizes and directs the creation of a Trust to fund
26 payments to Holders of Allowed Class 5 Claims in accordance with this Plan, the Trust Agreement
27 and the Trust Distribution Plan. Any distributions on account of Allowed Class 5 Claims shall
28 constitute payment for damages on account of personal physical injuries or sickness arising from
an occurrence, within the meaning of section 104(a)(2) of the Tax Code. The specific treatment
of an Allowed Class 5 Claim depends upon whether the Class 5 Claimant is a Consenting Class 5
Claimant, a Consenting Class 5 Litigation Claimant or a Non-Consenting Class 5 Claimant.

(a) **Consenting Class 5 Claimants.** On or after the Effective Date, Consenting Class
5 Claimants holding an Allowed Abuse Claim shall receive, except to the extent
that a Consenting Class 5 Claimant agrees to less favorable treatment of such
Claim, a Distribution from the Trust Assets calculated in accordance with, and as
authorized by, this Plan, the Trust Distribution Plan, and all other Trust Documents;
provided that Consenting Class 5 Claimants may only receive a Distribution from
the Trust after he or she executes a Consenting Class 5 Claim Release Agreement
and delivers such agreement to counsel for the Debtor and the Trust Administrator.

(b) **Consenting Class 5 Litigation Claimants.** At any time prior to the earlier to occur
of the first anniversary of the Effective Date or the applicable Abuse Claim
Discharge Date, a Consenting Class 5 Claimant may elect, at such Claimant's sole
expense, to proceed as a Consenting Class 5 Litigation Claimant such that the Class
5 Claimant may commence (or resume prosecution of) an action in any court of

competent jurisdiction solely for the purpose of determining any liability that the Debtor and/or any Protected Party may have with respect to their Consenting Class 5 Litigation Claim, the amount of that liability, and to pursue Coverage Claims against Non-Settling Insurers. To be a Consenting Class 5 Litigation Claimant, a Class 5 Claimant shall first execute a Consenting Class 5 Litigation Claim Agreement and deliver it to the Trust Administrator. The Trust Administrator shall provide a copy of each Consenting Class 5 Litigation Claim Agreement to the Reorganized Debtor upon receipt thereof, and to any Protected Party or Settling Insurer upon written request. The treatment of Consenting Class 5 Litigation Claims is set forth in Section 6 of this Plan.

- (c) **Non-Consenting Class 5 Claimants.** On or after the Effective Date, Non-Consenting Class 5 Claimants holding an Allowed Abuse Claim shall (i) receive a Distribution from that portion of the Trust Assets funded by the Debtor Cash Contribution Amount and Insurance Settlement Amounts calculated in accordance with, and as authorized by, this Plan, the Trust Distribution Plan, and all other Trust Documents and (ii) retain the right to assert any Claim they may have against any Protected Party and Non-Settling Insurers in accordance with, and subject to, the terms and provisions of this Plan; *provided* that Non-Consenting Class 5 Claimants may only receive a Distribution from the Trust after he or she executes a Non-Consenting Class 5 Claim Release Agreement and delivers such agreement to counsel for the Debtor and the Trust Administrator. For the avoidance of doubt, Holders of Non-Consenting Class 5 Claims may only receive a Distribution from that portion of the Trust Assets funded by the Debtor Cash Contribution Amount and Insurance Settlement Amounts and shall not be entitled to receive any Distribution from any other Trust Assets, including, without limitation, any Trust Assets funded by the Non-Debtor Affiliates' Cash Contribution.
- (d) **Option to Become a Consenting Class 5 Claimant.** A Non-Consenting Class 5 Claimant may elect to become a Consenting Class 5 Claimant at any time by delivering to counsel for the Debtor and the Committee, and after the Effective Date, the Trust Administrator, a Consenting Class 5 Claim Release Agreement.
- (e) **Effect of Injunctions.** For the avoidance of doubt, the Channeling Injunction prohibits Consenting Class 5 Claimants (including all Consenting Class 5 Litigation Claimants) from asserting, enforcing, or attempting to enforce any Channeled Claim against any Settling Insurer Releasee or the property or assets of any Settling Insurer Releasee. For the further avoidance of doubt, the Settling Insurer Injunction prohibits any Person (including each and every Class 5 Claimant, whether a Consenting Class 5 Claimant or Non-Consenting Class 5 Claimant) from asserting, enforcing, or attempting to enforce any Barred Claim against any Settling Insurer Releasee or the property or assets of any Settling Insurer Releasee.

3.3.4. Class 6 (Unknown Abuse Claims).

3.3.4.1 **Classification.** A Class 6 Claim means an Unknown Abuse Claim.

3.3.4.2 **Impairment and Voting.** Class 6 is Impaired, and the Unknown Abuse Claimants Representative shall submit a single Abuse Claim Ballot on behalf of Class 6 Claimants.

3.3.4.3 **Treatment.** This Plan authorizes and directs the creation of a Trust in which the Unknown Abuse Claims Reserve will be held by the Trust Administrator to fund payments to Holders of Allowed Class 6 Claims in accordance with this Plan, the Trust Agreement and the Trust Distribution Plan. Any distributions on account of Class 6 Claims shall constitute

1 payment for damages on account of personal physical injuries or sickness arising from an
2 occurrence, within the meaning of section 104(a)(2) of the Tax Code. The specific treatment of
3 an Allowed Class 6 Claim depends upon whether the Class 6 Claimant is deemed a Consenting
4 Class 6 Claimant or a Non-Consenting Class 6 Claimant. The Unknown Abuse Claimants
5 Representative shall elect on behalf of all, but not less than all, Unknown Abuse Claimants to treat
6 Unknown Abuse Claims as either Consenting Class 6 Claims or Non-Consenting Class 6 Claims
by casting an Abuse Claim Ballot prior to the Voting Deadline making such election. Consent
shall be conclusively presumed if the Unknown Abuse Claimants Representative (i) submits an
Abuse Claim Ballot consenting to the releases and injunctions contemplated in this Plan by
checking the appropriate box in the Abuse Claim Ballot or returns an Abuse Claim Ballot but fails
to elect the treatment of Class 6 Claims.

7 (a) **Consenting Class 6 Claims.** If the Unknown Abuse Claimants Representative
8 elects to treat Unknown Abuse Claims as Consenting Class 6 Claims, except to the
9 extent that an Unknown Abuse Claimant agrees to less favorable treatment of such
10 Claim, the Trust shall, from time to time, make Distributions from the Unknown
11 Abuse Claims Reserve in accordance with, and as authorized by, this Plan, the Trust
Distribution Plan, and all other Trust Documents, *provided* that Consenting Class
6 Claimants may only receive a Distribution from the Unknown Abuse Claims
Reserve after he or she executes a Consenting Class 6 Claim Release Agreement
and delivers such agreement to counsel for the Debtor and the Trust Administrator.

12 (b) **Non-Consenting Class 6 Claims.** If the Unknown Abuse Claimants
13 Representative elects to treat Unknown Abuse Claims as Non-Consenting Class 6
14 Claims, on or after the Effective Date, Non-Consenting Class 6 Claimants holding
15 an Allowed Abuse Claim shall (i) receive a Distribution from that portion of the
16 Unknown Abuse Claim Reserve funded by the Debtor Cash Contribution Amount
17 and Insurance Settlement Amounts calculated in accordance with, and as
18 authorized by, this Plan, the Trust Distribution Plan, and all other Trust Documents
19 and (ii) retain the right to assert any Claim they may have against any Protected
20 Party and Non-Settling Insurers in accordance with, and subject to, the terms and
21 provisions of this Plan; provided that Non-Consenting Class 6 Claimants may only
receive a Distribution from the Trust after he or she executes a Non-Consenting
Class 6 Claim Release Agreement and delivers such agreement to counsel for the
Debtor and the Trust Administrator. For the avoidance of doubt, Holders of Non-
Consenting Class 6 Claims may only receive a Distribution from that portion of the
Trust Assets funded by the Debtor Cash Contribution Amount and Insurance
Settlement Amounts and shall not be entitled to receive any Distribution from any
other Trust Assets, including, without limitation, any Trust Assets funded by the
Non-Debtor Affiliates' Cash Contribution.

22 (c) **Effect of Injunctions.** For the avoidance of doubt, the Channeling Injunction
23 prohibits Consenting Class 6 Claimants from asserting, enforcing, or attempting to
24 enforce any Channeled Claim against any Settling Insurer Releasee or the property
25 or assets of any Settling Insurer Releasee. For the further avoidance of doubt, the
Settling Insurer Injunction prohibits any Person (including each and every Class 6
Claimant, whether a Consenting Class 6 Claimant or Non-Consenting Class 6
Claimant) from asserting, enforcing, or attempting to enforce any Barred Claim
against any Settling Insurer Releasee or the property or assets of any Settling
Insurer Releasee.

26 3.3.5. Class 7 (Inbound Contribution Claims).

27 3.3.5.1 **Classification.** A Class 7 Claim means an Inbound Contribution Claim.

3.3.5.2 **Impairment and Voting.** Class 7 is Impaired. Class 7 is not receiving a Distribution under this Plan and therefore is deemed to reject this Plan.

3.3.5.3 **Treatment.** Class 7 Claims shall be Disallowed and extinguished and there will be no Distributions to the holders of Class 7 Claims on account of such Class 7 Claims.

3.3.5.4 **Exception for Non-Settling Insurers.** Notwithstanding the above, any Contribution Claims of Non-Settling Insurers shall not be Disallowed and extinguished, but instead shall be channeled to the Trust and handled pursuant to Section 8.2.6.

3.3.6. Class 8 (Non-Abuse Litigation Claims).

3.3.6.1 **Classification.** Non-Abuse Litigation Claims are litigation Claims against the Debtor that are not Abuse Claims.

3.3.6.2 **Impairment and Voting.** Class 8 is Impaired, and each Holder of a Class 8 Claim is entitled to vote to accept or reject this Plan.

3.3.6.3 **Treatment.** On the Effective Date, Claimants holding Class 8 Claims may litigate such Claims against the Debtor and/or the Reorganized Debtor (including by commencing, or recommencing, litigation in any court exercising competent jurisdiction), and such litigation shall not be stayed, whether by this Plan or any provision of the Bankruptcy Code; *provided, however,* that such Claimants may only recover on account of such Class 8 Claim such Cash, funds, or other property as may be available under any applicable Non-Settling Insurer Policy, if any. Neither the Debtor, the Reorganized Debtor, nor the property or assets of either shall have any liability for, or be subject to, such Claims or any related liabilities or obligations after the Effective Date. Nothing in this Plan shall enlarge the rights or Claims of Claimants holding Class 8 Claims or limit or waive any defenses to such Claims. Unless otherwise provided in this Plan, the discharge granted by this Plan shall not affect the liability of any other Entity on, or the property of any other Entity for, the Class 8 Claims, which liability shall continue unaffected by any provision of this Plan and/or any discharge granted to the Debtor under this Plan and/or Section 1141(d) of the Bankruptcy Code. Nothing in this Plan affects, diminishes, or impairs the right(s) a Claimant holding a Class 8 Claim may have against Entities besides the Debtor and/or the Reorganized Debtor, including, without limitation, such Entity's joint and several liability, if any, for such Class 8 Claims. Notwithstanding anything to the contrary in the foregoing, the Settling Insurer Injunction prohibits any Person (including any Class 8 Claimant) from asserting, enforcing, or attempting to assert or enforce any Barred Claim against any Settling Insurer Releasee or the property or assets of a Settling Insurer Releasee.

ARTICLE IV

ACCEPTANCE OR REJECTION

4.1. **Acceptance or Rejection of Plan.** Each impaired class of Creditors with Claims against the Debtor's Estate shall be entitled to vote separately to accept or reject this Plan. A Class of Creditors shall have accepted this Plan if this Plan is accepted by at least two-thirds in the aggregate dollar amount, and more than one-half in number of Holders, of the Allowed Claims of such Class that have accepted or rejected this Plan.

4.2. **Cramdown.** To the extent necessary, the Plan Proponents shall request confirmation of this Plan under section 1129(b) of the Bankruptcy Code. The Plan Proponents reserve the right to modify, amend or withdraw this Plan to the extent, if any, that confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

4.3. Modification of Treatment of Claims. The Reorganized Debtor reserves the right to modify the treatment of any Allowed Claim (other than a Class 5 or Class 6 Claim) in any manner adverse only to the Holder of such Claim at any time after the Effective Date upon the consent of the Holder of the Claim whose Allowed Claim is being adversely affected, or as allowed by Bankruptcy Court Order, through the Effective Date.

ARTICLE V

THE TRUST

5.1. Establishment of Trust.

5.1.1. Effective as of the date the Confirmation Order is entered, the Trust shall be established in accordance with this Plan and the Trust Documents for the purposes of (a) assuming the liability of the Released Parties for Channeled Claims and Barred Claims, and (b) receiving, liquidating and distributing Trust Assets in accordance with this Plan and the Trust Distribution Plan. The Trust Documents, including the Trust Agreement, are incorporated herein by reference.

5.1.2. As of the Effective Date, the liability of Released Parties for all Channeled Claims and Barred Claims shall be assumed fully by the Trust, without further act, deed or Bankruptcy Court order, and, pursuant to the Channeling Injunction provided for herein, the liability of Released Parties for all Channeled Claims shall be satisfied solely from Trust Assets.

5.1.3. The Trust is intended to qualify as a “qualified settlement fund” pursuant to section 468B of the Tax Code and the Treasury Regulations. The Debtor is the “transferor” within the meaning of Treasury Regulation Section 1.468B-1(d)(1). The Trust Administrator shall be classified as the “administrator” within the meaning of Treasury Regulation Section 1.468B-2(k)(3).

5.1.4. Non-Consenting Class 5 Claims against Protected Parties are not being channeled to the Trust; the Trust shall have no liability for Non-Consenting Class 5 Claims against Protected Parties; and such Claims shall have no recourse to the Trust.

5.2. The Trust Administrator. The Trust Administrator shall commence serving as the Trust Administrator effective as of the date the Confirmation Order is entered and be permitted to act in accordance with the terms of the Trust Agreement from such date, as authorized jointly by the Plan Proponents. Such actions may include opening bank accounts and taking all further actions necessary to establish the Trust prior to the Effective Date in accordance with his or her duties under the Trust Agreement, for which the Trust Administrator shall be entitled to seek compensation in accordance with the terms of the Trust Agreement and this Plan.

5.3. Rights and Responsibilities of the Trust Administrator. The Trust Administrator shall be deemed the Estate's representative in accordance with section 1123 of the Bankruptcy Code and shall have all the rights, powers, authority, responsibilities, and benefits specified in this Plan, the Trust Documents, including (to the extent necessary to enforce those rights, powers, authority, responsibilities, and benefits only) the powers of a trustee under sections 704, 108 and 1106 of the Bankruptcy Code and Bankruptcy Rule 2004 (including commencing, prosecuting or settling Causes of Action, enforcing contracts, and asserting Claims, defenses, offsets and privileges). If there is any inconsistency or ambiguity between this Plan and Confirmation Order, on the one hand, and the Trust Documents, on the other hand, with respect to the Trust Administrator's authority to act, the provisions of this Plan and Confirmation Order shall control but shall not take precedence over any contrary provision in any Insurance Settlement Agreement or Insurance Settlement Approval Order (in which case, the Insurance Settlement Approval Order(s) and applicable Insurance Settlement Agreement(s) shall control and govern, in that order).

1 5.3.1. Among other things, the Trust Administrator: (i) may retain professionals, including
2 legal counsel, accountants, financial advisors, auditors and other agents on behalf of the Trust to
3 carry out the obligations of the Trust Administrator under this Plan and the Trust Documents with
4 payment to such professionals to be made solely from Trust Assets; (ii) shall liquidate and convert
5 to Cash the Trust Assets, make timely distributions and not unduly prolong the duration of the
6 Trust; (iii) may request an expedited determination of taxes of the Trust under section 505(b) of
7 the Bankruptcy Code for all returns filed for, or on behalf of, the Trust for all taxable periods
8 through the dissolution of the Trust; (iv) shall retain the Abuse Claims Reviewer to assess Class 5
9 and Class 6 Claims in accordance with the terms of this Plan, the Confirmation Order, and the
10 Trust Documents; (v) may negotiate and enter into settlements with any Non-Settling Insurers; (vi)
11 may defend and indemnify the Protected Parties against Abuse Claims as provided in the Trust
12 Distribution Documents; (vii) may take any action required to enforce the Insurance Settlement
13 Agreements; (viii) may create and replenish the Trust Reserves; (ix) shall defend, indemnify, and
14 hold harmless the Settling Insurer Releasees from and against all Indemnified Claims and shall
15 establish the Settling Insurer Reserve; and (x) shall have all rights and powers vested in the Trust
16 Administrator provided for in the Trust Distribution Plan.

17 5.3.2. The Trust Administrator may not, and shall not, pursue against any Settling Insurer
18 Releasee any Related Insurance Claim or other Claim settled, sold back, or otherwise released
19 pursuant to any Insurance Settlement Agreement.

20 **5.4. Funding the Trust.** The Trust shall be funded as follows:

21 5.4.1. **Funding by the Debtor on the Effective Date.** On the Effective Date, the Debtor
22 shall transfer, assign and/or deliver to the Trust (i) the Debtor Cash Contribution in good funds by
23 wire transfer and (ii) all proceeds held by the Debtor or the Reorganized Debtor on account of
24 Insurance Settlement Agreements.

25 5.4.2. **Funding by the Non-Debtor Affiliates on the Effective Date.** On the Effective
26 Date, the Non-Debtor Affiliates shall transfer, assign and/ or deliver to the Trust (i) the Non-Debtor
27 Affiliates Cash Contribution in good funds by wire transfer and (ii) any proceeds held by the Non-
28 Debtor Affiliates on account of Insurance Settlement Agreements.

5.4.2.1 The Debtor's and the Non-Debtor Affiliates' funding of the Trust is being
made in respect of the uninsured or underinsured exposure of the Debtor and the Non-Debtor
Affiliates (if any) for Abuse Claims, and not in respect of any Abuse Claims that may be covered
under Non-Settling Insurer Policies. The Debtor's and the Non-Debtor Affiliates' funding of the
Trust is not, and shall not be construed as, a discharge and/or release of any Abuse Claim covered
or alleged to be covered under Non-Settling Insurer Policies.

5.4.3. **Funding by Settling Insurers.** Each Settling Insurer shall pay to the Trust the
Insurance Settlement Amount due under such Settling Insurer's Insurance Settlement Agreement
in accordance with the terms thereof.

5.4.4. **Unknown Abuse Claims Reserve.** The Unknown Abuse Claims Reserve shall be
administered as provided in the Trust Distribution Plan. The Trust Distribution Plan shall provide
that the Trust Administrator is obligated to maintain the Unknown Abuse Claim Reserve for the
benefit of Unknown Abuse Claimants for a period of seven years after the Effective Date (the
"**Unknown Abuse Claims Reserve Establishment Period**"). After the expiration of the
Unknown Abuse Claims Reserve Establishment Period, and after the Trust has made all required
Distributions on account of each Allowed Unknown Abuse Claim filed before such date, the Trust
Administrator shall make a final, pro-rata Distribution to Allowed Unknown Abuse Claimants that
are Consenting Class 6 Unknown Abuse Claimants from the remaining Unknown Abuse Claims
Reserve funds based on the score each Unknown Abuse Claimant's Unknown Abuse Claim was

1 assigned by the Abuse Claims Reviewer pursuant to the Trust Distribution Plan. To the extent the
2 Unknown Abuse Claims Reserve is depleted prior to the date on which an Unknown Abuse Claim
3 is first presented to the Trust, the holders of such subsequently asserted Unknown Abuse Claims
4 shall not be entitled to any Distribution under this Plan. If, after the expiration of the Unknown
5 Abuse Claims Reserve Establishment Period, there are no Allowed Unknown Abuse Claims
6 entitled to receive any Distribution, additional or otherwise, the funds remaining in the Unknown
7 Abuse Claims Reserve shall be used to make Distributions to Allowed Class 5 Claimants that are
8 Consenting Class 5 Claimants in accordance with the Trust Distribution Procedures.

9 **5.4.5. Vesting of Trust Assets.** On the Effective Date, all Trust Assets shall vest in the
10 Trust, and the Debtor and the Protected Parties shall be deemed for all purposes to have transferred
11 all of their respective right, title, and interest in the Trust Assets to the Trust. On the Effective
12 Date, or as soon as practicable thereafter, the Debtor and the Protected Parties shall take all actions
13 reasonably necessary to transfer any Trust Assets to the Trust. Upon the transfer of control of
14 Trust Assets in accordance with this paragraph, the Debtor and the Protected Parties shall have no
15 further interest in or with respect to the Trust Assets except as otherwise explicitly provided in this
16 Plan. For the avoidance of doubt, the Settling Insurer Policies and Related Insurance Claims shall
17 not be transferred to the Trust (or retained by the Debtor or any other Person), having been sold to
18 the Settling Insurers and/or released, in each case as set forth in the Insurance Settlement
19 Agreement with such Settling Insurer.

20 **5.5. Appointment of Trust Advisory Committee.**

21 5.5.1. On the Effective Date, the Trust Advisory Committee shall be established pursuant
22 to the terms of the Trust Agreement. The Trust Advisory Committee shall have the functions,
23 duties and rights provided in the Trust Agreement. Upon termination of the Trust or as otherwise
24 provided in the Trust Agreement, the Trust Advisory Committee shall be deemed dissolved and
25 discharged of and from all further authority, duties, responsibilities, and obligations with respect
26 to or in connection with the Trust and this Chapter 11 Case.

27 5.5.2. Except for the reimbursement of reasonable actual costs and expenses incurred in
28 connection with their duties as members of the Trust Advisory Committee, the members of the
Trust Advisory Committee shall serve without compensation. Reasonable expenses incurred by
members of the Trust Advisory Committee may be solely paid by the Trust without need for
approval of the Bankruptcy Court.

5.6. Investment Powers; Permitted Cash Expenditures. All funds held by the Trust
shall be invested in Cash or short-term highly liquid investments that are readily convertible to
known amounts of Cash as more particularly described in the Trust Agreement. The Trust
Administrator may expend the Cash of the Trust.

5.7. Registry of Beneficial Interests. To evidence the beneficial interest in the Trust of
each Holder of such an interest, the Trust Administrator shall maintain a registry of beneficiaries
as provided for in the Trust Agreement.

5.8. Non-Transferability of Interests. Any transfer of interest in the Trust shall not be
effective until and unless the Trust Administrator receives written notice of such transfer.

5.9. Tax Matters. The Trust shall not be deemed to be the same legal entity as the Debtor
but only the assignee of certain assets of the Debtor and a representative of the Estate for delineated
purposes within the meaning of section 1123(b)(3) of the Bankruptcy Code. The Trust
Administrator shall file such income tax and other returns and documents as are required to comply
with the applicable provisions of the Tax Code, the Treasury Regulations, and applicable state law

1 and the regulations promulgated thereunder, and shall pay from the Trust all taxes, assessments,
2 and levies upon the Trust, if any.

3 **5.10. Termination.** The Trust shall terminate after (i) its liquidation, administration, and
4 Distribution of the Trust Assets and (ii) its full performance of all other duties and functions set
5 forth in this Plan, the Trust Agreement and the Trust Distribution Procedures.

6 **5.11. No Recourse Against Trust Administrator.** No recourse shall ever be had, directly
7 or indirectly, against the Trust Administrator personally, or against any Agent retained in
8 accordance with the terms of the Trust Documents or this Plan by the Trust Administrator, by legal
9 or equitable proceedings or by virtue of any statute or otherwise, nor upon any promise, contract,
10 instrument, undertaking, obligation, covenant or agreement whatsoever executed by the Trust
11 Administrator in implementation of the Trust Documents or this Plan, or by reason of the creation
12 of any indebtedness by the Trust Administrator under this Plan for any purpose authorized by the
13 Trust Documents or this Plan, it being expressly understood and agreed that all such Claim shall
14 be enforceable only against and be satisfied only out of the Trust Assets or such part thereof as
15 shall under the term of any such Trust Agreement be liable therefore or shall be evidence only of
16 a right of payment out of the Trust Assets. Notwithstanding the foregoing, the Trust Administrator
17 may be held liable for its recklessness, gross negligence, willful misconduct, knowing and material
18 violation of law, breach of the fiduciary duty of loyalty, or fraud, and if liability on such grounds
19 is established, recourse may be had directly against the Trust Administrator. The Trust shall not
20 be covered by a bond. None of the Released Parties shall be liable for any acts or omissions by
21 the Trust, the Trust Administrator, or the respective Agents of either.

22 **5.12. Indemnification of Settling Insurers by Trust.** The Trust shall defend, indemnify,
23 and hold harmless each Settling Insurer from all Indemnified Claims, as set forth in such Settling
24 Insurer's Insurance Settlement Agreement, and the Trust Agreement shall so provide.

25 **ARTICLE VI**

26 **TRUST DISTRIBUTION PLAN AND RELATED PROVISIONS**

27 **6.1. Distributions and Payments from the Trust.**

28 6.1.1. Prior to making any Distributions to Holders of Allowed Abuse Claims, the Trust
Administrator shall create and fund the Trust Reserves, all of which may be replenished and/ or
dissolved as deemed necessary by the Trust Administrator; *provided*, that the Settling Insurer
Reserve shall not be dissolved except as set forth in the Trust Agreement.

6.1.2. The following distributions and payments will be made solely by the Trust.

6.1.2.1 **Distributions.** Distributions on Allowed Class 5 and 6 Claims in
accordance with this Plan and the Trust Documents.

6.1.2.2 **Trust Administrative Fees.** All fees, costs and expenses of administering
the Trust as provided in this Plan and the Trust Agreement, including: (i) as reasonably necessary
to meet current liabilities and to maintain the value of the respective Trust Assets; (ii) to pay
reasonable administrative expenses (including any taxes imposed on the Trust); (iii) to pay the
reasonable fees to the Abuse Claims Reviewer for review of Class 5 and Class 6 Claims and (iv)
to satisfy other liabilities incurred by the Trust in accordance with this Plan and the Trust
Agreement.

6.1.2.3 **Indemnity.** The Trust's obligations, if any, to defend, indemnify or hold
harmless any Person expressly set out in this Plan or any Insurance Settlement Agreement
(including, for the avoidance of doubt, the Trust's obligations in respect of Indemnified Claims).

1 **6.2. Trust Distribution Procedures.** Each Abuse Claim will be assessed by the Abuse
2 Claims Reviewer in accordance with the Trust Distribution Plan and any Distributions to Allowed
3 Abuse Claims shall be calculated as set forth therein.

4 **6.3. Payment of Certain Post Effective Date Costs.** As more fully set forth in the Trust
5 Distribution Plan, the Debtor, the Reorganized Debtor, and the Protected Parties may reasonably
6 incur out of pocket attorneys' fees, expert fees, costs and other expenses ("**Post Effective Date**
7 **Costs**") in connection with performing their respective duties or obligations under this Plan with
8 respect to Abuse Claims, including, in connection with (a) any attempt by a Consenting Class 5
9 Litigation Claimant to enforce or recover insurance claims against Non-Settling Insurers or any
10 attempt by a Non-Settling Insurer to obtain reimbursement from the Reorganized Debtor or any of
11 the Protected Parties for any settlement paid to a Consenting Class 5 Litigation Claimant or the
12 Trust, (b) responding to and defending against any legal action taken by any Consenting Class 5
13 Litigation Claimant with respect to Abuse Claims; or (c) upon request by the Trust Administrator
14 or the Abuse Claims Reviewer, assisting with the administration of the Trust Distribution
15 Procedures. For avoidance of doubt, "Post Effective Date Costs" include any costs and expenses
16 reasonably incurred by the Debtor, the Reorganized Debtor or the Protected Parties in connection
17 with such effort, or in connection with any depositions, discovery, or other litigation matters
18 relating in any way to Abuse Claims.

19 6.3.1. To assure payment of Post Effective Date Costs incurred by the Reorganized Debtor
20 or the Protected Parties, the Trust shall create the Post Effective Date Costs Reserve to fund the
21 payment thereof; *provided, however*, that if a Non-Settling Insurer defends the Debtor, the
22 Reorganized Debtor or a Protected Party against any legal action(s) taken by a Consenting Class
23 5 Litigation Claimant with respect to Abuse Claims, the Trust shall be relieved of its obligation to
24 pay any Post Effective Date Costs described in Section 6.3(b) incurred in connection with the
25 defended claim(s); *provided, further* that if any applicable Non-Settling Insurer elects not to defend
26 an Abuse Claim after receiving proper notice and opportunity to do so, the Abuse Claimant shall
27 be entitled to seek a default judgment against the Debtor, the Reorganized Debtor or Protected Party
28 as a nominal party only, solely to allow such Abuse Claimant to then pursue insurance rights
against such Non-Settling Insurer under Cal. Ins. Code § 11580 in accordance with the provisions
of this Plan. For the avoidance of doubt, a Consenting Class 5 Litigation Claimant may not under
any circumstance pursue a Channeled Claim or Barred Claim against a Settling Insurer Releasee
or the property or assets of a Settling Insurer Releasee.

6.3.2. Any Post Effective Date Costs paid by the Trust on behalf of the Debtor, the
Reorganized Debtor and/or the Protected Parties shall be reimbursed by the Class 5 or Class 6
Claimant to the Trust from the first proceeds derived from a settlement with, or judgment obtained
against, a Non-Settling Insurer. The Trust's obligation to fund Post Effective Date Costs shall not
exceed the amount set forth in the Post Effective Date Costs Reserve. If the Post Effective Date
Costs Reserve is exhausted, neither the Debtor, the Reorganized Debtor nor any Protected Party
shall be relieved of their obligations under this Plan.

6.3.3. The Debtor and the Protected Parties' selection of legal counsel shall be consistent
with the Debtor and the Protected Parties' historical retention and use of such counsel, who shall
exercise his or her professional judgment in accordance with the Rules of Professional Conduct
and any other relevant rules governing the duties and obligations of attorneys to their clients.

6.3.4. All invoices for Post Effective Date Costs shall be submitted to the Trust
Administrator by email within thirty (30) days following the end of the month in which the Post
Effective Date Costs are incurred (such submission, a "**Fee Notice**"). All Fee Notices provided to
the Trust Administrator may be redacted to prevent the disclosure of privileged information or trial
strategy. The Trust Administrator shall keep all Fee Notices confidential and shall not share any

1 information contained in them (other than the amount of the fees) except that the Trust
2 Administrator may share the Fee Notice and the information contained in them with its retained
professionals.

3 6.3.5. The Trust Administrator shall inform the Reorganized Debtor, the Protected Party,
4 and any professional submitting a Fee Notice of any disputes regarding the requested fees and
5 expenses within fifteen (15) days of submission of a Fee Notice or shall pay the requested fees
6 within such time. If any such dispute cannot be resolved within fifteen (15) days or such other
7 amount of time agreed upon by the parties, either may submit such dispute to the Bankruptcy
Court, or, if this Chapter 11 Case has been closed, to any other court of competent jurisdiction for
adjudication upon at least fifteen (15) days' notice or by arbitration by JAMS or the American
Arbitration Association in Northern California. The reviewing court shall review the applicable
fees and expenses as to reasonableness in light of the work performed.

8 6.3.6. Professionals shall charge rates and expenses that are no higher than their usual and
9 customary rates for similar work performed by such professionals for clients generally at the time
10 such services are provided, and such rates may be adjusted from time to time in accordance with
the general practices of such professionals, but not more often than once in any twelvemonth
period.

11 6.3.7. To the extent consistent with the advice of counsel, the Debtor, the Reorganized
12 Debtor, and any Protected Parties will use reasonable efforts to retain joint professional
13 representation in any case or cases brought by one Consenting Class 5 Litigation Claimant
pertaining to the same Abuse Claim.

14 **6.3.8. Settling a Consenting Class 5 Litigation Claim.**

15 6.3.8.1 A Consenting Class 5 Litigation Claimant (i) may settle his or her
16 Consenting Class 5 Litigation Claim prior to judgment with a Non-Settling Insurer and (ii) shall
17 have sole authority to negotiate and execute such settlement; *provided, however*, the Trust
Administrator is authorized to negotiate with any Non-Settling Insurer in an attempt to agree on a
global settlement under which the Non-Settling Insurer would become a Settling Insurer under this
Plan.

18 6.3.8.2 If a Consenting Class 5 Litigation Claimant settles their Consenting Class 5
19 Litigation Claim, they shall inform the Trust Administrator, in writing, within three business days
of the execution of the settlement agreement by all parties thereto.

20 6.3.8.3 If a Consenting Class 5 Litigation Claimant settles their Consenting Class 5
21 Litigation Claim, the Consenting Class 5 Litigation Claimant has the following option: (i) retain
22 all settlement proceeds and elect not to contribute the settlement proceeds to the Trust or (ii)
23 contribute all of the settlement proceeds to the Trust. If the Consenting Class 5 Litigation Claimant
24 elects option (i), such Consenting Class 5 Litigation Claimant shall no longer be eligible to share
25 in any future Trust Distributions but may retain any Distribution the Consenting Class 5 Litigation
26 Claim received prior to the settlement. If the Consenting Class 5 Litigation Claimant elects option
27 (ii), such Consenting Class 5 Litigation Claimant shall be eligible to share in any future Trust
28 Distributions and retain any Distribution the Consenting Class 5 Litigation Claim received prior
to the settlement. Such election must be made within thirty (30) days of the effective date of the
settlement or the Consenting Class 5 Litigation Claimant shall be deemed to have elected option
(i) in this paragraph. Irrespective of the option elected, the Class 5 Litigation Claimant may not
under any circumstance pursue a Channeled Claim or Barred Claim against a Settling Insurer
Releasee or the property or assets of a Settling Insurer Releasee.

6.3.9. Enforcing a Consenting Class 5 Litigation Claim Award.

6.3.9.1 Consistent with the injunctions and discharge provided for in Article XII of this Plan, the releases in Article XII of this Plan, and the Insurance Settlement Approval Order(s), any Consenting Class 5 Litigation Claim Award obtained in respect of any Consenting Class 5 Litigation Claim may not be enforced against (a) the Debtor, the Reorganized Debtor or the Protected Parties; (b) the Revested Assets and any other property or assets that are vested in the Reorganized Debtor pursuant to this Plan, and any property or assets otherwise acquired by the Reorganized Debtor; or (c) any Settling Insurer Releasee or the property or assets of any Settling Insurer Releasee. Any Consenting Class 5 Litigation Claim Award arising from a Consenting Class 5 Litigation Claim shall be fully enforceable solely against, and paid by, any Non-Settling Insurer under the terms of that Non-Settling Insurer's Insurance Policy and applicable law.

6.3.10. Abuse Claim Enhancement. If a Trust Settlement Approval Order approves a Trust Insurance Settlement Agreement between the Trust Administrator and a Non-Settling Insurer to resolve all Claims that have been, are or may be asserted in the future against the Non-Settling Insurer under the Non-Settling Insurer's Insurance Policy, each Consenting Class 5 Litigation Claimant who has prosecuted its Consenting Class 5 Litigation Claim and whose Consenting Class 5 Litigation Claim alleges abuse during the Non-Settling Insurer's coverage period shall be entitled to an enhanced Distribution (the "**Abuse Claim Enhancement**") as set forth below to his or her allocation pursuant to the Trust Distribution Plan, which enhanced amount shall be payable from the proceeds of the applicable Trust Insurance Settlement Agreement. The Abuse Claim Enhancements are not cumulative such that a Consenting Class 5 Litigation Claimant may only receive the largest single Abuse Claim Enhancement under (a) through (e) below. The Trust Administrator shall reserve sufficient amounts to fund such enhanced payments prior to making any Distribution of Trust Insurance Settlement Agreement proceeds to Abuse Claimants who are not Consenting Class 5 Litigation Claimants. The Abuse Claim Enhancement shall be applied prospectively as follows:

- (a) A Consenting Class 5 Litigation Claimant shall be entitled to an enhancement of twenty-five percent (25%) of the points awarded to the Abuse Claimant under the Trust Distribution Plan if a Trust Settlement Approval Order is entered after litigation commences but prior to a deposition or interview of the Consenting Class 5 Litigation Claimant by opposing counsel in such Consenting Class 5 Litigation Claimant's case.
- (b) A Consenting Class 5 Litigation Claimant shall be entitled to an enhancement of forty percent (40%) of the points awarded to the Abuse Claimant under the Trust Distribution Plan if a Trust Settlement Approval Order is entered after a deposition or interview of the Consenting Class 5 Litigation Claimant by opposing counsel but before commencement of a trial in such Consenting Class 5 Litigation Claimant's case.
- (c) A Consenting Class 5 Litigation Claimant shall be entitled to an enhancement of fifty (50%) of the points awarded to the Abuse Claimant under the Trust Distribution Plan if a Trust Settlement Approval Order is entered on or after the first day of a trial in such Consenting Class 5 Litigation Claimant's case.
- (d) A Consenting Class 5 Litigation Claimant shall be entitled to an enhancement of one hundred percent (100%) of the points awarded to the Abuse Claimant under the Trust Distribution Plan if a Trust Settlement Approval Order is entered after an Consenting Class 5 Litigation Claim Award entered in favor of the Consenting Class 5 Litigation Claimant in such litigation becomes final and non-appealable.

1 **6.3.11. Limitations on Recovery.** In no event may a Consenting Class 5 Litigation
2 Claimant receive more than the total amount of his or her judgment from all sources. If, after
3 accounting for recovery from parties other than the Trust, a Consenting Class 5 Litigation Claimant
4 receives any amount in excess of the amount of the Consenting Class 5 Litigation Claim Award,
5 such amount will be recoverable by the Trust Administrator. In any case of a Consenting Class 5
6 Litigation Claimant who obtains a Consenting Class 5 Litigation Claim Award, where the payment
7 of any amounts payable to such Claimant by (i) defendants in the litigation other than the Released
8 Parties and/or (ii) one or more Non-Settling Insurers, when taken together with any distributions
9 received by such Claimant from the Trust, would cause such Claimant to receive more than the
10 total amount of his or her Consenting Class 5 Litigation Claim Award, then (a) all amounts to be
11 paid under such Award that would be in excess of such Consenting Class 5 Litigation Claim Award
12 will be paid to the Trust Administrator to be allocated for distribution to other Abuse Claimants
13 on account of their *pro rata* share of Trust Assets, or (b) if such amounts are paid directly to the
14 Claimant, such Claimant will immediately turn them over to the Trust Administrator.

15 **6.3.12. Withdrawal of Consenting Class 5 Litigation Claim.** A Consenting Class 5
16 Litigation Claimant may withdraw his or her election to be a Consenting Class 5 Litigation
17 Claimant at any time by written notice to the Trust Administrator and the Reorganized Debtor.
18 Upon providing such notice, the Consenting Class 5 Litigation Claimant shall not be entitled to
19 any Abuse Claim Enhancement. A Consenting Class 5 Litigation Claimant's determination not to
20 proceed as a Consenting Class 5 Litigation Claimant shall be irrevocable.

21 **6.3.13. Dismissal of Pending Litigation.** Upon the occurrence of the applicable Abuse
22 Claim Discharge Date, the subject Abuse Claim asserted in any lawsuit against any Released Party
23 pending in state or federal court shall be dismissed, with prejudice, and without fees and costs
24 being recoverable against any Released Party; *provided, however*, that the subject Abuse Claim, if
25 asserted against any Settling Insurer Releasee, shall be dismissed (with prejudice, and without fees
26 or costs being recoverable) as to the Settling Insurer Releasee only, upon payment by the applicable
27 Settling Insurer of the Insurance Settlement Amount.

28 **6.4. Claim Withdrawal.** An Abuse Claimant may withdraw his or her Abuse Claim at
any time on written notice to the Trust Administrator. If withdrawn, (a) the Abuse Claim will be
shall be deemed withdrawn with prejudice and may not be reasserted, and such Abuse Claimant
shall still be subject to the Channeling Injunction, Settling Insurer Injunction, Gatekeeper
Injunction, and releases as provided by this Plan; and (b) any reserve maintained by the Trust on
account of such Abuse Claim shall revert to the Trust as a Trust Asset for Distribution in
accordance with this Plan, the Trust Distribution Plan, and Trust Agreement.

6.5. Objections and Litigation After the Effective Date. From and after the Effective
Date, the Trust Administrator, through the Abuse Claims Reviewer, shall have the exclusive right
to object to Channeled Claims. The Abuse Claims Reviewer shall allow, disallow and value
Channeled Claim as set forth in the Trust Distribution Plan.

6.6. Medicare Procedures. None of the Released Parties shall have any reporting
obligations in respect of their contributions to the Trust, or in respect of any payments, settlements,
resolutions, awards, or other Claim liquidations by the Trust, under the reporting provisions of
MSPA or MMSEA. To that end, the following shall apply (and the Confirmation Order shall so
provide):

- (a) The Trust shall register as a "Responsible Reporting Entity" under the reporting provisions of MMSEA.
- (b) With respect to all Abuse Claims, the Trust shall maintain sufficient funds to pay any Medicare Claims.

- 1 (c) The Trust shall confirm whether the holder of any Abuse Claims that occurred after
2 December 5, 1980, is enrolled in Medicare Parts A and B (fee- for-service), Part C
3 (Medicare Advantage), or Medicare Part D (drug coverage). This includes
4 implementing an appropriate process to gather the necessary information for
5 querying CMS on such determination, including, but not limited to, the Claimant's
6 first and last name, date of birth, gender, address, and social security number or
7 health insurance claim number.
- 8 (d) The Trust shall timely submit all reports required under MMSEA because of any
9 Abuse Claims that occurred after December 5, 1980, settled, resolved, paid, or
10 otherwise liquidated by the Trust. The Trust, as a Responsible Reporting Entity,
11 shall follow all applicable guidance published by CMS and/or any other agency or
12 successor Entity charged with responsibility for tracking, assessing, or receiving
13 reports made under MMSEA to determine whether, and, if so, how, to report to
14 such agency or agencies under MMSEA.
- 15 (e) For each Abuse Claim that occurred after December 5, 1980, before remitting funds
16 to any Person on account of such Abuse Claim, the Trust Administrator shall obtain
17 (i) a certification that said Person (or such Person's authorized representative)
18 has provided or will provide for the payment and/or resolution of any obligations
19 owing or potentially owing under the MSPA provisions, or any related rules,
20 regulations, or guidance, in connection with, or relating to, such Abuse Claim, and
21 (ii) an agreement that such Person indemnify the Trust for any such obligations.
22 The failure by one or more Holders of Abuse Claims to follow these provisions
23 shall not delay or impair the payment by the Trust to any other Holder of an Abuse
24 Claim following these provisions.
- 25 (f) Upon request, the Trust shall provide to a Settling Insurer or the Debtor information
26 sufficient to perform their own queries to CMS, to the extent they wish to do so,
27 including a report setting forth: (i) each Abuse Claimant whom the Trust
28 Administrator has determined to be a Medicare Beneficiary and (ii) the amount of
(a) all conditional payments to each such Medicare Beneficiary and (b) the amount
of the reserve maintained by the Trust for each Medicare Claim based upon such
conditional payments.
- (g) The Trust shall submit reimbursement to CMS for Medicare Claims relating to
Abuse Claims.
- (h) With respect to all Abuse Claims, the Trust shall maintain sufficient funds to pay
any potential reimbursements to CMS in full and consider the potential future
interests of CMS.
- (i) Nothing in this Plan shall imply, or constitute an admission, that the Debtor, the
Protected Parties, or any Settling Insurer Releasees are "applicable plans" within
the meaning of MMSEA, or that they have any legal obligation to report any actions
undertaken by the Trust or contributions to the Trust under MMSEA or any other
statute or regulation.

ARTICLE VII SETTLING INSURERS

7.1. Insurance Settlement Agreements. Each Insurance Settlement Agreement is
effective and binding upon all Persons who have notice (including constructive notice, to the extent

applicable), and any of the foregoing Persons' successors and assigns (including, for the avoidance of doubt, the Trust and the Trust Administrator), upon entry of the Insurance Settlement Approval Order approving such Insurance Settlement Agreement and satisfaction of all conditions precedent set forth therein. Payment to the Trust of a Settling Insurer's Insurance Settlement Amount, and the releases by the Debtor and Protected Parties of that Settling Insurer, shall occur and/or be effective according to the terms of such Settling Insurer's Insurance Settlement Agreement. The Insurance Settlement Agreements shall survive the confirmation, effectiveness, and consummation of this Plan. The rights of the parties under any Insurance Settlement Agreement shall be determined exclusively under the applicable Insurance Settlement Agreement and those provisions of the Insurance Settlement Approval Order approving such Insurance Settlement Agreement. In the event of a conflict between (a) any Insurance Settlement Agreement, on the one hand, and (b) this Plan, on the other, the terms of the applicable Insurance Settlement Agreement shall control and govern; and/or in the event of a conflict between (y) the Insurance Settlement Approval Order(s), on the one hand, and (z) the Confirmation Order, on the other, the terms of the Insurance Settlement Approval Order(s) shall control and govern.

7.2. Contribution Claims.

7.2.1. Each Settling Insurer agrees that it will not pursue any contribution claim that it might have against any other Insurer (a) whose Insurer Contribution Claim against Settling Insurers is satisfied and extinguished entirely through the judgment reduction provisions set forth in Section 7.3 below; or (b) that does not make an Insurer Contribution Claim against the Settling Insurers, or any of them. If, in the future, a Non-Settling Insurer releases its Insurer Contribution Claims, if any such exist, that it may have against the Settling Insurers, then such released Settling Insurer shall release its Insurer Contribution Claims against such releasing Insurer.

7.2.2. If any Insurer asserts a Claim directly against the Trust arising from or concerning the Settling Insurer Policies, any Insurer Contribution Claim of the Settling Insurers shall be transferred to the Trust, and the Trust shall be authorized to assert the Insurer Contribution Claims of such Settling Insurer against such other Insurer in accordance with the applicable Insurance Settlement Agreement.

7.2.3. For the avoidance of doubt, nothing in this Section 7.2 or otherwise shall limit (or be deemed or construed to limit) the effectiveness of the Settling Insurer Injunction.

7.3. Litigation/ Settlement Between an Alleged Insured or Abuse Claimant and Non-Settling Insurers.

7.3.1. In any Action involving the Debtor, the Reorganized Debtor and/ or any Protected Party (collectively, "**Alleged Insured**") and/ or an Abuse Claimant, as applicable, and one or more Non-Settling Insurers, where a Non-Settling Insurer has asserted, asserts, or could assert any Insurer Contribution Claim against any of the Settling Insurers, then any judgment or award obtained by such Alleged Insured or Abuse Claimant against such Non-Settling Insurer shall be automatically reduced by the amount, if any, that such Settling Insurer(s) would be liable to pay the Non-Settling Insurer as a result of the Non-Settling Insurer's asserted Insurer Contribution Claim ("**Reduction Amount**") so that the Insurer Contribution Claim is thereby satisfied and extinguished entirely.

7.3.2. In any Action involving an Alleged Insured or Abuse Claimant against a Non-Settling Insurer, where any of the Settling Insurers are not a party, such Alleged Insured or Abuse Claimant shall obtain a finding from that court or arbitrator(s), as applicable, of the Reduction Amount before entering judgment against such Non-Settling Insurer.

1 7.3.3. If an Alleged Insured or Abuse Claimant and a Non-Settling Insurer enter into an
2 agreement settling one or more Abuse Claims (including, for the avoidance of doubt, a Trust
3 Insurance Settlement Agreement), then such agreement shall include a provision whereby such
4 Insurer releases its Insurer Contribution Claims against the Settling Insurers.

5 7.3.4. The Settling Insurer(s) allegedly responsible for the Non-Settling Insurer's Insurer
6 Contribution Claim shall upon request and at the sole expense of the Trust cooperate in good faith
7 with the Alleged Insured or the Trust, as applicable, to take commercially reasonable steps to aid
8 the Alleged Insured or the Trust, as applicable, in defending against the Insurer Contribution Claim
9 or to otherwise establish the Reduction Amount. In the event that application of the Reduction
10 Amount eliminates the Non-Settling Insurer's Contribution Claim, then any determination
11 regarding the reimbursement by the Trust of costs and expenses, including legal fees, shall be
12 determined by a court of competent jurisdiction.

13 7.3.5. To ensure that the reduction contemplated above is accomplished, the Settling
14 Insurers shall be entitled to: (i) notice, within a reasonable time, of the initiation of any future
15 Action against or future settlement negotiations with any Non-Settling Insurer in which an Insurer
16 Contribution Claim could be asserted against any Settling Insurers, and periodic notices thereafter
17 on at least an annual basis of the status of such Action or negotiations; (ii) the opportunity to
18 participate in the Action or settlement negotiations, but only to the extent necessary to accomplish
19 the reduction contemplated above; (iii) the reasonable cooperation of the applicable Alleged
20 Insured or the Trust, as applicable, at the sole cost and expense of the Trust, so that the Settling
21 Insurers (or, as applicable, the Trust) can assert Section 7.3 as a defense in any Action against an
22 Insurer Contribution Claim; and (iv) have the court or appropriate tribunal issue such orders as are
23 necessary to effectuate the judgment, award, or settlement reduction in order to protect the Settling
24 Insurers from any Insurer Contribution Claim. The notice required above shall be given by: (a) the
25 Alleged Insured that is a party to such Action or settlement negotiations, or, alternatively, the
26 Trust; or (b) if no Alleged Insured is such a party and the Trust does not provide such notice, the
27 Non-Settling Insurer that is a party to such Action or settlement negotiations; or (c) if no Alleged
28 Insured or Non-Settling Insurer is a party to such Action or settlement negotiations, the Abuse
Claimant bound by this Plan.

7.3.6. For the avoidance of doubt, nothing in this Section 7.3 or otherwise shall limit (or
be deemed or construed to limit) the effectiveness of the Settling Insurer Injunction.

ARTICLE VIII

PRESERVATION OF NON-SETTLING INSURERS' RIGHTS

8.1. Insurance Obligations Remain Unaltered.

8.1.1. Notwithstanding confirmation of this Plan, the Debtor, the Reorganized Debtor and
any Protected Party shall not be relieved of their duties and obligations under any Non-Settling
Insurer Policies and shall continue to perform such duties as required by such Non-Settling Insurer
Policies and applicable law. Nothing in this Plan alters, modifies, amends, impairs or prejudices
the terms and conditions of the Non-Settling Insurer Policies, any reinsurance agreements related
thereto, and any rights and obligations under the Non-Settling Insurer Policies, including, without
limitation, contractual rights, duties, obligations, or defenses of the Debtor, the Reorganized
Debtor, any Protected Party, and the Non-Settling Insurers. Coverage under Non-Settling Insurer
Policies shall be determined under the Non-Settling Insurer Policies, as applicable, and applicable
non-bankruptcy law as if this Chapter 11 Case had not occurred. For the avoidance of doubt, in
any insurance recovery action (including under Cal. Ins. Code § 11580 or otherwise) against a
Non-Settling Insurer, Abuse Claimants shall have no greater or lesser rights than those available
under the Non-Settling Insurer Policies and applicable law.

1 8.1.2. All of the Non-Settling Insurer Policies, and all rights and obligations of the Debtor
2 and Protected Parties, if any, will automatically become vested, unaltered, in the Reorganized
Debtor and/or Protected Party as of the Effective Date without necessity for further approvals or
orders.

3
4 8.1.3. The Non-Settling Insurers remain fully liable for their obligations related in any way
to the Abuse Claims, and their obligations are not reduced by the fact that the Debtor is in
5 bankruptcy or by the amount of any distributions Abuse Claimants receive, or may be entitled to
6 receive, based on this Plan. Consenting Class 5 Litigation Claimants may continue efforts to obtain
recoveries from Non-Settling Insurers related to the Abuse Claims as set forth in this Plan. Any
7 such recoveries from Non-Settling Insurers will be handled pursuant to the terms of this Plan and
the Trust Documents.

8 8.1.4. If the Trust asserts any Claim that the Debtor, the Reorganized Debtor or any
Protected Party has breached its duties or obligations under the Non-Settling Insurer Policies
9 resulting in a loss of coverage, it shall give such party notice and an opportunity to cure any alleged
breach, and in any event, the Debtor, the Reorganized Debtor or any Protected Party shall not be
10 liable for any alleged breach resulting in a loss of coverage except to the extent that (a) the breach
relates to post-Effective Date conduct of the Debtor, the Reorganized Debtor or any Protected
11 Party and (b) the Debtor, the Reorganized Debtor or any Protected Party willfully or intentionally
fails to comply with its continuing obligations under the Non-Settling Insurer Policies. Any such
12 Claim will not be automatically allowed; the Debtor, the Reorganized Debtor or any Protected
Party will have the right to defend against such Claim in the Bankruptcy Court or, if the Bankruptcy
13 Court no longer has jurisdiction over the Chapter 11 Case, in a court of competent jurisdiction
subject to all due process protections. For the avoidance of doubt, this Section 8.1.4 applies only
14 to those preconditions and contractual requirements, if any, that the Debtor, the Reorganized
Debtor or any Protected Party must satisfy under the Non-Settling Insurer Policies or applicable
law as a condition of receiving coverage under such Non-Settling Insurer Policies.

15 **8.2. Preservation of Non-Settling Insurers' Rights.**

16
17 8.2.1. If an Abuse Claim is liquidated in any state or federal court as may be permitted by
this Plan, then each Non-Settling Insurer shall retain the right to assert (i) any and all coverage
18 defenses; and (ii) any and all rights and defenses of the Debtor and the Protected Parties with
respect to such Abuse Claim.

19 8.2.2. In defending against any Abuse Claim in any state or federal court, each Non-
Settling Insurer shall be entitled to all rights and defenses as are provided under the terms of its
20 Non-Settling Insurer Policies as if the Trust Distribution Plan did not exist and the determination
by the Abuse Claims Reviewer never occurred. For the avoidance of doubt, the Allowance of
21 Abuse Claims, assignment of points and distributions from the Trust to Holders of Allowed Class
5 Claims:

22 (a) shall not (i) constitute an admission of liability by any Person with respect to such
23 Abuse Claims; (ii) have any res judicata or collateral estoppel effect on any Person;
24 (iii) constitute a settlement, release, accord, satisfaction, or novation of such Abuse
Claims; (iv) be used by any third-party as a defense to any alleged joint liability; or
25 (v) otherwise prejudice any rights of the Trust, the Debtor, the Reorganized Debtor,
the Protected Parties, Non-Settling Insurers, or Abuse Claimants in all other
contexts or forums;

26 (b) shall be without prejudice to any and all rights of the Trust, the Debtor, the
27 Reorganized Debtor, the Non-Settling Insurers, and Abuse Claimants in all other
contexts and forums;

- 1 (c) shall not be deemed to be a determination of liability of the Debtor or any Protected
2 Party or a determination of whether, or the extent to which, such Abuse Claim is
3 covered under any Non-Settling Insurer Policy;
- 4 (d) shall have no effect upon any “no action” provisions contained in any Non-Settling
5 Insurer Policy to the extent any such provision remains enforceable by a Non-
6 Settling Insurer under applicable law; and
- 7 (e) shall not affect the rights, claims and obligations of the Debtor or any Protected
8 Parties under the Non-Settling Insurer Policies.

9 8.2.3. Nothing in this Plan, the Confirmation Order, or any Plan Document shall impose
10 any obligation on any Non-Settling Insurer to provide a defense for, settle, or pay any judgment
11 with respect to, any Abuse Claim, or grant to any Person any right to sue any Non-Settling Insurer
12 directly, relating to an Abuse Claim. All such obligations with respect to Non-Settling Insurers
13 shall be determined by and in accordance with the terms of the Non-Settling Insurer Policies and
14 with applicable law.

15 8.2.4. For the avoidance of doubt, a Non-Settling Insurer shall not be liable for an Abuse
16 Claim after the Effective Date unless: (i) a judgment is obtained by the Abuse Claimant in the
17 underlying state court action against the Debtor or other co-insured parties; and (ii) coverage is
18 then established for that judgment through an insurance coverage lawsuit. In the event a Non-
19 Settling Insurer makes a settlement payment for an Abuse Claim that it does not believe is covered,
20 such Non-Settling Insurer shall retain its right to assert a Contribution Claim, which claim shall be
21 channeled to the Trust and handled pursuant to Section 8.2.6.

22 8.2.5. Non-Settling Insurers shall be entitled to both (i) defend the Debtor and other co-
23 insured parties against the underlying state court action; and (ii) contest coverage for those lawsuits
24 through separate litigation, subject to the terms of their policies and applicable law.

25 8.2.6. Scope of Plan Injunctions. Any injunction under this Plan or Confirmation Order
26 shall not enjoin a Non-Settling Insurer’s right to assert any Claims against the Trust for
27 contribution, subrogation, indemnification, reimbursement, recoupment, or other similar Cause of
28 Action (collectively, “**Contribution**”) for any alleged share or equitable share paid by such Non-
Settling Insurer relating to the defense and/or indemnity obligation for any Abuse Claim, or for
any Cause of Action released in any Insurance Settlement Agreements, including but not limited
to any claim for reimbursement, recoupment, or other similar Cause of Action under *Blue Ridge*
Ins. Co. v. Jacobsen, 25 Cal. 4th 489 (2001) or *Buss v. Superior Court*, 16 Cal. 4th 35 (1997).
Such Contribution Claims may not be asserted against the Debtor, the Reorganized Debtor, or any
Settling Insurer Releasee, but only against the Trust. If a Non-Settling Insurer asserts it has (a)
Contribution Claims directly or indirectly arising out of or in any way relating to such Non-Settling
Insurer’s payment of loss on behalf of the Debtor or defense expenses incurred in any action that
should have been paid by or are otherwise attributable to a Settling Insurer or the Debtor related
to any Abuse Claim or (b) rights to recover any self-insured retentions/obligations and/or
deductibles (collectively, “**Payment Obligations**”) in connection with its payment of defense
and/or indemnity related to an Abuse Claim, then (i) such Contribution Claims or Payment
Obligations may be asserted as a setoff, defense, or counterclaim against any Abuse Claimant in
any insurance action or insurance recovery action (under Cal. Ins. Code § 11580 or otherwise)
involving such Non-Settling Insurer and (ii) to the extent such Contribution Claims or Payment
Obligations are determined to be valid, the liability (if any) of such Non-Settling Insurer to the
holder of the Abuse Claim shall be reduced by the amount of such Contribution Claims or Payment
Obligations, provided that if any such Contribution Claim exceeds the liability of such Non-
Settling Insurer to the Abuse Claimant, the Non-Settling Insurer does not waive any excess claim

1 and may seek affirmative recovery from the Trust. To the extent payment of a self-insured
2 retention is a condition to a Non-Settling Insurer's obligation to provide defense or indemnity
3 under applicable non-bankruptcy law and the Non-Settling Insurer's applicable insurance policies,
4 the failure of the Trust to pay such self-insured retention to the Non-Settling Insurer shall result
5 in the Non-Settling Insurer having the right to argue that such failure of payment is a complete
6 defense to any claim for coverage by the Non-Settling Insurer to, or related to, any claim for
7 recovery of insurance from the Non-Settling Insurer.

8 **8.3. Becoming a Settling Insurer.** A Non-Settling Insurer may become a Settling Insurer
9 at any time upon the due execution and delivery of an Insurance Settlement Agreement, entry of
10 an Insurance Settlement Agreement Approval Order and the payment to the Trust of the Insurance
11 Settlement Amount due thereunder. Each Settling Insurer shall be (a) protected by the Channeling
12 Injunction, Gatekeeper Injunction, and Settling Insurer Injunction and (b) entitled to benefit from
13 all releases given and/or executed by Claimants and the other rights and protections of a Settling
14 Insurer under this Plan, the Trust Documents, and the Insurance Settlement Approval Orders.

15 **ARTICLE IX**

16 **PROVISIONS GOVERNING DISTRIBUTIONS GENERALLY**

17 The following provisions of this Plan shall not apply to the Distributions to be made to
18 Class 5 and Class 6 Claims under the Trust.

19 **9.1. Disbursing Agent.** The Reorganized Debtor shall, by and through its professional
20 Glass Ratner, be the "**Disbursing Agent**" for all payments to be made under this Plan except for
21 payments made to Class 5 and Class 6 Claims under the Trust. With respect to the Trust, the Trust
22 Administrator shall be responsible for all Distributions made under the Trust.

23 **9.2. Manner of Payment.** Any payment of Cash under this Plan may be made either by
24 check drawn or by wire transfer from a domestic bank, at the option of the Disbursing Agent.

25 **9.3. Payments and Distributions on Disputed Claims.** Disputed Claims that become
26 Allowed Claims shall be paid from the Disputed Claim Reserve established under Section 9.4 of
27 this Plan. No Distribution shall be made on a Claim where only a portion of such Claim is disputed
28 until such dispute is resolved by settlement or Final Order.

9.4. Disputed Claim Reserve. If the Disbursing Agent makes a Distribution to Holders
of Allowed Claims in a Class prior to the resolution of all Disputed Claims in such Class, the
Disbursing Agent shall reserve an amount for any Disputed Claims in such Class equal to the
amount that such Holders of Disputed Claims in such Class would be entitled to receive under this
Plan if such Disputed Claims were Allowed in the asserted amount of the Claim.

9.5. Transmittal of Distributions to Parties Entitled Thereto. All Distributions by
check shall be deemed made at the time such check is deposited in the United States mail, postage
prepaid. Any Distributions by wire transfer shall be deemed made as of the date the wire transfer
is made. Except as otherwise agreed with the Holder of an Allowed Claim in respect thereof or
provided in this Plan, any Distribution required under this Plan on account of an Allowed Claim
shall be mailed to (i) the latest mailing address filed for the Holder of an Allowed Claim entitled
to a distribution, (ii) the latest mailing address filed for a Holder of a filed power of attorney
designated by the Holder of such Claim to receive distributions, (iii) the latest mailing address
filed for the Holder's transferee as identified in a filed notice served on the Debtor pursuant to
Bankruptcy Rule 3001(e), or (iv) if no such mailing address has been filed, the mailing address
reflected on the Debtor's schedules or in the Debtor's books and records. The Holder of a Claim
shall be required to promptly notify the Reorganized Debtor and the Bankruptcy Court of any
change in its mailing address.

1 **9.6. Distribution of Unclaimed Property.** Except as otherwise provided in this Plan, any
2 Distribution under this Plan which is unclaimed after three months following any Distribution Date
3 shall be forfeited, and such distribution, together with any interest earned thereon, shall return to
and revest in the Reorganized Debtor.

4 **9.7. Saturday, Sunday or Legal Holiday.** If any payment or act under this Plan is
5 required to be made or performed on a date that is not a Business Day, then the making of such
6 payment or the performance of such act may be completed on the following Business Day but shall
be deemed to have been completed as of the required date.

7 **9.8. Setoffs and Recoupment.** Subject to the terms of this Plan and pursuant to section
8 553 of the Bankruptcy Code and applicable law, the Debtor or Reorganized Debtor, as appropriate,
9 may but shall not be required to, setoff against or recoup from any Claim on which payments are
to be made pursuant to this Plan, any Claims of any nature whatsoever the Debtor may have against
the Holder of such Claim.

10 **9.9. Fractional Cents and De Minimis Distributions.** Notwithstanding any other
11 provisions of this Plan to the contrary, no payment of fractional cents will be made under this Plan.
12 Cash will be issued to Holders entitled to receive a Distribution of Cash in whole cents (rounded
to the nearest whole cent when and as necessary). Any Distribution of less than \$25.00 will be
considered *de minimis*, and Holders of Allowed Claims that are entitled to an interim or final
Distribution of less than \$25.00 will not receive any distribution. Such funds will remain with and
revest in the Reorganized Debtor.

13 **9.10. Allowance and Disallowance of Claims.**

14 **9.10.1. Allowance of Claims.** Except as expressly provided in this Plan, no Claims shall
15 be deemed Allowed by virtue of this Plan or the Confirmation Order unless and until such Claim
16 is deemed Allowed under the Bankruptcy Code, or the Bankruptcy Court enters a Final Order in
this Chapter 11 Case allowing such Claim. Notwithstanding the foregoing, any Claim included in
the Debtor's Schedules that is not listed as contingent, unliquidated, and/or disputed shall be an
17 Allowed Claim. Any Proof of Claim filed in an unliquidated amount shall be deemed Allowed in
the amount listed in the Debtor's Schedules as liquidated, not contingent and not disputed. The
18 Allowance and disallowance of Claims shall be in all respects subject to the provisions of section
502 of the Bankruptcy Code.

19 **9.10.2. Disallowance of Non-Abuse Claims.** Except as expressly provided in this Plan,
20 all Claims held by Persons against whom the Debtor or Reorganized Debtor, as appropriate, have
21 filed or commenced or may in the future file or commence a Claim under sections 542, 543, 544,
547, 548, 549, 550, 551, 553 or 724(a) of the Bankruptcy Code shall be deemed disallowed
22 pursuant to section 502(d) of the Bankruptcy Code. The Holders of any and all Non-Abuse Claims
filed with the Bankruptcy Court after the Bar Date shall (i) be deemed disallowed without further
23 action by the Debtor or Reorganized Debtor and without any further notice to or action, order, or
approval of the Bankruptcy Court and (ii) not be entitled to a distribution, unless otherwise allowed
24 by Final Order of the Bankruptcy Court. This Section 9.10.2 shall not apply to any Claims by a
Settling Insurer arising from or relating to such Settling Insurer's Insurance Settlement Agreement.

25 **9.11. Resolution of Disputed Claims.**

26 **9.11.1. Objections to Claims.** Except as otherwise set forth herein, the Debtor shall have
27 standing and the right to commence and pursue objections to Claims prior to the Effective Date,
and the Reorganized Debtor shall have such standing after the Effective Date. All objections to
Claims shall be filed with the Bankruptcy Court and served upon the Holders of each of the Claims
28

1 to which objections are made. Any objection to a Class 2 Claim must be filed by the later of: (1)
2 180 days after the entry of the order confirming this Plan; or (2) 60 days after the Claim is filed or
3 amended. If no objection is filed, a Claim shall be deemed an Allowed Claim. The Debtor reserves
the right to seek an extension of such date, *provided, however*, that such right shall be limited to
one extension of 60 days.

4 9.11.2. An objection to the allowance of a Claim shall be in writing and shall be filed with
5 the Bankruptcy Court by the Debtor or Reorganized Debtor, as applicable. Except as expressly
6 set forth herein or in any Insurance Settlement Agreement or Insurance Settlement Approval
7 Order, nothing herein, in the Confirmation Order or in any Order in aid of Confirmation, shall
8 constitute, or be deemed to constitute, a waiver or release of any Claim, including any Avoidance
9 Action, right of setoff or recoupment or other legal or equitable defense which the Debtor had
10 immediately prior to the commencement of this Chapter 11 Case against or with respect to any
11 Claim. Except as set forth herein or in any Insurance Settlement Agreement or Insurance
Settlement Approval Order, on and after the Effective Date, the Reorganized Debtor shall have,
retain, reserve and be entitled to assert all such Claims, rights of setoff and recoupment and other
legal or equitable defenses that the Debtor had immediately prior to the commencement of this
Chapter 11 Case against or with respect to any Claim. For the avoidance of doubt, and
notwithstanding anything to the contrary in this Section 9.11.2 or otherwise, the Reorganized
Debtor shall not retain, reserve, or be entitled to assert against any Settling Insurer any Avoidance
Action or other Claim released, settled, or sold back to such Settling Insurer pursuant to such
Settling Insurer's Insurance Settlement Agreement.

12 **ARTICLE X**

13 **TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

14 **10.1. Executory Contracts and Unexpired Leases.** On the Effective Date, all executory
15 contracts and unexpired leases not rejected on or before Confirmation will be deemed rejected.
16 The Confirmation Order shall constitute an order approving such rejection as of the Effective Date.
For the avoidance of doubt, the Insurance Settlement Agreements are not executory contracts
within the meaning of the Bankruptcy Code and are not subject to the treatment set forth in this
Article X.

17 **10.2. Bar to Rejection Damages.** All Proofs of Claim for Claims arising from a rejection
18 of an executory contract or unexpired lease must be filed with the Bankruptcy Court within the
19 earlier of (i) the date set forth for filing claims in any order of the Bankruptcy Court approving
such rejection and (ii) 30 days after Confirmation. Any Proofs of Claim that are not filed timely
shall be barred forever from assertion.

20 **ARTICLE XI**

21 **CONFIRMATION AND CONSUMMATION OF THIS PLAN**

22 **11.1. Conditions Precedent to Confirmation.** Confirmation of this Plan shall not occur
23 unless all of the following conditions precedent have been satisfied:

- 24 (a) the Plan Documents shall be in form and substance acceptable to the Plan
25 Proponents and each Settling Insurer, except that the Trust Distribution Procedures
need only be in form and substance acceptable to the Plan Proponents;¹

26 ¹ Neither the Insurance Settlement Agreements nor any of the Settling Insurers' actions or inactions in this
27 Chapter 11 Case shall be deemed as support for the Trust Distribution Procedures, and no party shall argue

- 1 (b) unless waived by the Non-Debtor Affiliates, no less than 85% of Abuse Claimants
2 having timely filed a Proof of Claim, a list of which will be attached to this Plan as
3 Exhibit 11.1(b), which will be filed as a Plan Supplement, are Consenting Class 5
4 Claimants prior to entry of the Confirmation Order;
- 5 (c) unless waived by the Non-Debtor Affiliates, each of the Abuse Claimants listed in
6 Exhibit 11.1(c), which will be filed as a Plan Supplement, have executed a
7 Consenting Class 5 Claim Release Agreement; and
- 8 (d) the Confirmation Order is in form and substance acceptable to the Plan Proponents
9 and each Settling Insurer and in all events:
- 10 (i) provides for confirmation of this Plan;
- 11 (ii) specifically, and individually, orders all Persons, as set forth in this Plan, to
12 act or refrain from acting as specified in this Plan;
- 13 (iii) incorporates the terms and provisions of the Insurance Settlement Approval
14 Order(s) as though fully set forth therein;
- 15 (iv) orders the Trust Administrator to perform the obligations, if any, imposed
16 upon the Trust Administrator by this Plan, the Trust Documents, and as
17 contemplated in each Insurance Settlement Agreement;
- 18 (v) approves and implements the Channeling Injunction and Gatekeeper
19 Injunction; and
- 20 (vi) incorporates the Settling Insurer Injunction.

21 **11.2. Conditions Precedent to the Effective Date.** The Effective Date shall not occur,
22 and this Plan shall not be consummated, unless and until each of the following conditions have
23 been satisfied:

- 24 (a) the Bankruptcy Court shall have entered the Confirmation Order in form and
25 substance satisfactory to the Plan Proponents and each Settling Insurer;
- 26 (b) the Confirmation Order shall be a Final Order, and no stay of the Confirmation
27 Order shall then be in effect;
- 28 (c) the Trust Administrator and the Debtor shall have executed the Trust Agreement,
the Debtor shall have delivered to the Trust Administrator the Trust Agreement,
and the Trust shall have been formed;
- (d) the payments required to be made by or on the Effective Date under this Plan shall
have been irrevocably received in good funds by the Trust, including, but not
limited to, the Debtor Cash Contribution and the Non-Debtor Affiliates Cash
Contribution;

in any proceeding that the Settling Insurers agreed or acquiesced to the Trust Distribution Procedures; the
Settling Insurers take no position on the matter.

(e) each Insurance Settlement Agreement agreed to prior to the Confirmation Date shall have been duly executed by all parties thereto and approved by the Bankruptcy Court via entry of the Insurance Settlement Approval Order(s); and

(f) this Plan has not been materially amended, altered, or modified as confirmed by the Confirmation Order, unless such material amendment, alteration, or modification has been made with consent of the Plan Proponents and each affected Settling Insurer.

11.3. Notice of Effective Date. The Debtor shall file with the Bankruptcy Court and serve on all Holders of Claims a Notice of Effective Date within three days after the occurrence of the Effective Date. Such notice will include all relevant deadlines put into effect by the occurrence of the Effective Date.

11.4. Waiver of Conditions Precedent. The condition in Section 11.2(b) may be waived by the mutual written consent of the Plan Proponents and each Settling Insurer without notice to or leave or order of the Bankruptcy Court or any formal action other than proceedings to confirm and/ or consummate this Plan.

11.5. Effect of Non-Occurrence of Conditions. If substantial consummation of this Plan does not occur, this Plan shall be null and void in all respects and nothing contained in this Plan or the Disclosure Statement will: (a) constitute a waiver or release of any Claims by or against the Debtor, the Reorganized Debtor, or the Protected Parties; (b) prejudice in any manner the rights of the Debtor, the Reorganized Debtor, or the Protected Parties or the Trust; (c) constitute an admission, acknowledgement, offer, or undertaking by the Protected Parties in any respect, including but not limited to, in any proceeding or case against the Debtor; or (d) be admissible in any action, proceeding, or case against the Protected Parties in any Bankruptcy Court or other forum. Notwithstanding the foregoing, each Insurance Settlement Agreement (including any release or waiver of Claims in accordance with the terms thereof) shall continue and survive, in accordance with its terms and to the extent set forth therein.

ARTICLE XII

EFFECTS OF PLAN CONFIRMATION

12.1. Discharge.

12.1.1. Except as provided in Section 12.1.4 of this Plan, in the Confirmation Order, or in any Insurance Settlement Agreement or Insurance Settlement Approval Order, on the Effective Date under section 1141(d) of the Bankruptcy Code, the Debtor will be discharged from all liability for any and all Claims, known or unknown, whether or not giving rise to a right to payment or an equitable remedy, that arose, directly or indirectly, from any action, inaction, event, conduct, circumstance, happening, occurrence, agreement, or obligation of the Debtor before the Confirmation Date, or that otherwise arose before the Confirmation Date, including all interest, if any, on any such Claims, whether such interest accrued before or after the date of commencement of this Chapter 11 Case, and including, without limitation, all Claims based upon or arising out of an Abuse Claim and from any liability of the kind specified in sections 502(g), 502(h), and 502(i) of the Bankruptcy Code, whether or not (a) a proof of claim is filed or is deemed filed under section 501 of the Bankruptcy Code; (b) such Claim is Allowed under this Plan; or (c) the Holder of such Claim has accepted or rejected this Plan. The discharge granted to the Debtor under this Plan does not affect, diminish, or impair any Claims against the Debtor and/or the Reorganized Debtor resulting from a breach of the Debtor's, Reorganized Debtor's, or any Protected Party's obligations and duties under (y) a Non-Settling Insurance Policy or (z) any Insurance Settlement Agreement.

12.1.2. To preserve coverage under any Non-Settling Insurance Policy, (i) the Debtor shall not be discharged until the applicable Abuse Claim Discharge Date, (ii) the payment on Abuse Claims by the Trust will not, prior to the occurrence of the Abuse Claim Discharge Date, constitute a release, accord, or novation of the Debtor's or any Protected Parties' liability with respect to Class 5 Claims and (iii) Abuse Claimants specifically reserve, and do not release, any Claims they may have against the Debtor, the Reorganized Debtor, or any Protected Party that implicate insurance coverage under any Non-Settling Insurance Policy, but recovery is limited to the proceeds of the Non-Settling Insurance Policy, and to all other damages (including Coverage Claims), awards, judgments over policy limits, penalties, punitive damages and attorney's fees and costs that may be recoverable against any Non-Settling Insurer because of its conduct regarding insurance coverage for, or defense or settlement of, any Abuse Claim, and any such judgments or awards will be handled in accordance with this Plan and Trust Documents.

12.1.3. Consenting Class 5 Litigation Claimants shall be permitted to name the Debtor, the Reorganized Debtor or any Protected Party in any litigation or other proceeding to resolve whether the Debtor, the Reorganized Debtor or any Protected Party has liability for Abuse Claims and the amount of any such liability, solely for the purpose of pursuing Coverage Claims against Non-Settling Insurers. The discharge hereunder does not apply to, and shall not limit in any way, the obligations of Non-Settling Insurers to defend and pay the Debtor's, the Reorganized Debtor's or any Protected Party's liability for Abuse Claims under any Non-Settling Insurance Policy.

12.1.4. The "**Abuse Claim Discharge Date**" with respect to each Abuse Claim shall be determined as follows:

- (a) With respect to any Abuse Claim held by a Non-Consenting Class 5 Claim or a Non-Consenting Class 6 Claim, the Abuse Claim Discharge Date shall be the Effective Date.
- (b) With respect to any Abuse Claim held by a Consenting Class 5 Claimant who elects, on or before the first anniversary of the Effective Date, to proceed as a Consenting Class 5 Litigation Claimant, the Abuse Claim Discharge Date shall be the earlier of (a) the date on which all Abuse Claims asserted by such Consenting Class 5 Litigation Claimant against the Debtor and/or any Protected Party have been fully adjudicated, settled or dismissed on a final and non-appealable basis, (b) the date on which the Abuse Claimant withdraws his or her election to be a Consenting Class 5 Litigation Claimant; or (c) the date on which the Trust enters into a Trust Insurance Settlement with respect to all Non-Settling Insurer Policies that are alleged to afford coverage for that Claim.
- (c) With respect to any Abuse Claim held by Abuse Claimants who do not elect to become Consenting Class 5 Litigation Claimants on or before the first anniversary of the Effective Date, the Abuse Claim Discharge Date shall be the first anniversary of the Effective Date.

12.1.5. Subject to Section 8.1.4, but notwithstanding any other provisions herein or the Confirmation Order to the contrary, if any Non-Settling Insurer is released of its duty to defend and/or indemnify the Debtor, the Reorganized Debtor or any Protected Party due, in whole or in part, to the Debtor's, the Reorganized Debtor's, or any Protected Party's breach of its obligations and duties under a Non-Settling Insurance Policy, the Debtor, the Reorganized Debtor and such Protected Party shall be liable for any alleged breach causing a loss of insurance coverage to the extent described in Section 8.1.4, above.

12.1.6. Notwithstanding anything herein to the contrary, Class 5 and 6 Claimants do not release any Claim(s) against other Persons (other than a Released Party), including Excluded

Parties, who will remain severally liable on any Claims for Abuse. Any Person that is or was alleged to be a Joint Tortfeasor with any of the Protected Parties in connection with the Abuse that forms the basis of an Abuse Claim shall not be liable for any Released Party's share of causal liability or fault.

12.2. Exculpation; Limitation of Liability. From and after the Effective Date, none of the Exculpated Parties shall have or incur any liability for any Claim by any other Exculpated Party, by any Holder of a Claim, or by any other party in interest, for any act or omission (i) that occurred from the Petition Date through the Effective Date in connection with this Chapter 11 Case or (ii) in connection with the formulation, negotiation, or pursuit of confirmation of this Plan, except for Claims arising from the gross negligence, willful misconduct, fraud, or breach of the fiduciary duty of loyalty of any Exculpated Party, in each case subject to determination of such by Final Order of a court of competent jurisdiction and provided that any Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to its duties and responsibilities (if any) under this Plan. Without limiting the generality of the foregoing, the Exculpated Parties shall be entitled to and granted benefits of section 1125(e) of the Bankruptcy Code and the Channeling Injunction.

12.3. Effective Date Injunctions.

12.3.1. Injunction Against Interference with this Plan. Upon entry of the Confirmation Order, all Holders of Claims and all Non-Settling Insurers shall be precluded and enjoined from taking any actions to interfere with the implementation and consummation of this Plan. On the Effective Date, the injunctions provided for in this Plan shall be deemed issued, entered, valid, and enforceable according to their terms. The injunctions shall be permanent and irrevocable and are not subject to vacatur or modification.

12.3.2. Channeling Injunction. This provision shall be referred to as the "**Channeling Injunction.**" Except as provided in this Plan for the treatment of Consenting Class 5 Litigation Claims, in consideration of the undertakings of the Released Parties (including, where applicable, their respective settlements with the Debtor and/or Trust), their contributions to the Trust, other consideration, and to further preserve and promote the agreements between and among the Released Parties, the Trust Administrator and the Unknown Abuse Claimants Representative, and the protections afforded the Released Parties, and pursuant to sections 105, 1123 and 1129 of the Bankruptcy Code:

- (a) All Abuse Claims and Unknown Abuse Claims against the Debtor are channeled into the Trust;
- (b) All Abuse Claims and Unknown Abuse Claims held by Consenting Class 5 and Class 6 Claimants against the other Released Parties are channeled into the Trust;
- (c) All other Channeled Claims are channeled into the Trust;
- (d) All Entities that have held or asserted, hold or assert, or may in the future hold or assert, any Channeled Claim are hereby permanently stayed, enjoined, barred, and restrained from taking any action, directly or indirectly, for the purposes of asserting, enforcing, or attempting to assert or enforce any Channeled Claim, including:
 - (i) Commencing or continuing in any manner any suit, action or other proceeding of any kind with respect to any Channeled Claim against any of the Released Parties, or against any property or assets of any of the Released Parties;

- (ii) Enforcing, attaching, collecting or recovering, or seeking to accomplish any of the foregoing, by any manner or means, any judgment, award, decree, or order with respect to any Channeled Claim from any of the Released Parties, or against any property or assets of any of the Released Parties;
- (iii) Creating, perfecting or enforcing against any Released Party or the property or assets of any Released Party any Lien of any kind relating to any Channeled Claim;
- (iv) Asserting, implementing, or effectuating any Channeled Claim against:
- (1) Any obligation due any of the Released Parties;
- (2) Any of the Released Parties; or
- (3) The property of any of the Released Parties; and
- (v) Asserting or accomplishing any setoff, right of indemnity, subrogation, contribution, or recoupment of any kind against an obligation due to any of the Released Parties or the property of any of the Released Parties.

This Channeling Injunction is an integral part of this Plan and is essential to the Plan's consummation and implementation. The channeling of Channeled Claims as provided above shall inure to the benefit of the Released Parties. In a successful action to enforce the Channeling Injunction in response to a willful violation thereof, the moving party may seek an award of costs (including reasonable attorneys' fees) against the non-moving party, and such other legal or equitable remedies as are just and proper, after notice and hearing.

12.3.3. Limited Exceptions:

a. Non-Consenting Class 5 Claimants and Non-Consenting Class 6 Claimants excepted: The injunction set forth in Section 12.3.3 shall not apply to prevent a Non-Consenting Class 5 Claimant or a Non-Consenting Class 6 Claimant from asserting any Claim they may have against any Protected Parties or Non-Settling Insurers in accordance with, and subject to, the terms and provisions of this Plan.

b. Preservation of Insurance Claims: The injunction set forth in Section 12.3.3 shall not prevent Consenting Class 5 Litigation Claimants from naming the Debtor, the Reorganized Debtor or any Protected Party in any litigation or other proceeding to resolve whether the Debtor, the Reorganized Debtor or any Protected Party has liability for Abuse Claims and the amount of any such liability, solely for the purpose of pursuing Coverage Claims against Non-Settling Insurers.

12.3.4. Any injunction contained in a Bankruptcy Court-approved agreement with any Released Party (including, for the avoidance of doubt, any Insurance Settlement Agreement) is incorporated into this Plan by reference, is deemed fully set forth in this Plan, and is in addition to the Channeling Injunction. Any differences between this Channeling Injunction and the injunction(s) deemed set forth by this Section are not intended to affect, diminish, or impair the injunction(s) incorporated herein and contained in such agreement.

12.3.5. **Settling Insurer Injunction.** In consideration of the undertakings of the Settling Insurers pursuant to their respective Insurance Settlement Agreements, including the payment of each Settling Insurer's Insurance Settlement Amount, and the Settling Insurers' purchase of

Settling Insurer Policies and Related Insurance Claims free and clear of all Claims and Interests under section 363(f) of the Bankruptcy Code, and pursuant to sections 105, 363, 1123 and 1129 of the Bankruptcy Code, this Plan hereby incorporates by reference, adopts, and endorses (and the Confirmation Order shall adopt and endorse) the Settling Insurer Injunction set forth in the Insurance Settlement Approval Order(s) in all respects.

12.3.6. Gatekeeper Injunction. To the extent permitted by law, and subject in all respects to Section 12.3.2 of this Plan, no Enjoined Party may commence or pursue against any Released Party (a) an Abuse Claim or (b) any other Claim or cause of action that arose, arises from, or is related to an Abuse Claim, the Chapter 11 Case, the negotiation of this Plan, the administration of this Plan or property to be distributed under this Plan, the wind-down or reorganization of the business of the Debtor, the administration of the Trust, or the transactions in furtherance of the foregoing without the Bankruptcy Court (i) first determining, after notice and a hearing, that such Claim or cause of action represents a colorable Claim against a Released Party and (ii) subject in all respect to the Channeling Injunction and Settling Insurer Injunction, specifically authorizing such Enjoined Party to bring such Claim or cause of action against any such Released Party. The Bankruptcy Court will have jurisdiction to determine whether a Claim or cause of action is colorable and, to the extent legally permissible and as provided for in Article XIII of this Plan, have jurisdiction to adjudicate the underlying colorable Claim or cause of action. For the avoidance of doubt, the Gatekeeper Injunction does not apply to Claims commenced for the purpose of seeking recovery from Non-Settling Insurers.

12.3.7. Term of Injunctions and Stays and Confirmation of Settlements With Debtor, Protected Parties and Settling Insurers. All injunctions and/or stays provided for in this Plan, the injunctive provisions of sections 524 and 1141 of the Bankruptcy Code, and all injunctions or stays protecting the Released Parties are permanent, will remain in full force and effect following the Effective Date, and are not subject to being vacated or modified. The Insurance Settlement Agreements, if any, previously approved by an Insurance Settlement Agreement Approval Order are hereby affirmed, and any obligations of the Debtor with respect to such settlement agreements are excepted from the Debtor's discharge and shall be assumed by the Reorganized Debtor and Trust Administrator, as applicable, on the Effective Date.

12.3.8. Release by Debtor of Claims Against Protected Parties and Settling Insurers. Except for obligations arising under any executory contract assumed by the Reorganized Debtor, obligations under any settlement agreement (including, for the avoidance of doubt, any Insurance Settlement Agreement), and any Claims excepted from exculpation and discharge, the Debtor, the Reorganized Debtor, and the Estate, waive, release, settle, and compromise on the Effective Date any and all Claims or causes of action of every kind and nature that the Debtor, the Reorganized Debtor, or the Estate have or may have against a Protected Party or Settling Insurer Releasee, including without limitation, Avoidance Actions and any Claim that such Protected Party or Settling Insurer Releasee or its assets are a part of, or are owned by, the Debtor or the Estate. No such Claim will survive the Effective Date or be deemed to be assigned to the Trust. Nothing in the foregoing or otherwise contained in this Plan is intended to affect, diminish, or impair any releases in a Bankruptcy Court-approved agreement with a Protected Party or Settling Insurer (including, for the avoidance of doubt, any Insurance Settlement Agreement).

12.3.9. Release by Holders of Channeled Claims. Except as otherwise expressly provided in this Plan or the Confirmation Order, and to the fullest extent authorized by applicable law, all Releasing Parties, including Consenting Class 5 and Class 6 Claims, shall be deemed to provide a full release to the Released Parties and their respective property from any and all Claims relating to the Debtor, the Protected Parties, the Estate, the conduct of the Debtor's and the other Released Parties' businesses, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or this Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure

Statement, this Plan, the filing and prosecution of this Chapter 11 Case, the pursuit of confirmation and consummation of this Plan, the subject matter of, or the transactions or events giving rise to, any Claim or interest that is treated in this Plan, the business or contractual arrangements among the Releasing Parties and any Released Party, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date. The foregoing release shall be effective upon the occurrence of the Effective Date, except that, solely with respect to any Abuse Claim they may hold, each Class 5 Abuse Claimant will release the Debtor and/or any Protected Party upon the occurrence of the Abuse Claim Discharge Date applicable to such Abuse Claim.

12.4. Mutual Releases. Except for obligations arising under any executory contract assumed and assigned to the Reorganized Debtor, obligations arising under this Plan, and, solely with respect to the Debtor and the Protected Parties, Abuse Claims subject to delayed discharge in accordance with Section 12.1.4 above, on the Effective Date, each of the Protected Parties, the Committee, the Trust, and each Consenting Class 5 and Class 6 Claimant shall be deemed to waive and release any and all Claims and causes of action of every kind and nature that they may have against each other, except that Class 5 and 6 Abuse Claimants shall not waive their rights to distributions under the Trust in accordance with this Plan and the Trust Documents, and shall be deemed to release their Abuse Claims against the Debtor and the Protected Parties as of the applicable Abuse Claim Discharge Date; *provided, however*, that prior to their release any such Abuse Claims shall only be enforceable and compensable pursuant to the terms of this Plan and Plan Documents.

12.4.1. Releases in Insurance Settlement Agreements. Consenting Class 5 and Class 6 Claimants shall be deemed to waive, release, and discharge any and all Claims and causes of action of every kind and nature that they may have against a Settling Insurer on the date such Settling Insurer irrevocably remits in good funds the Insurance Settlement Amount due under such Settling Insurer's Insurance Settlement Agreement. The releases in the Insurance Settlement Agreements are hereby fully incorporated in this Plan by reference and are adopted and ratified in all respects, and the Confirmation Order shall adopt and ratify all such releases. For the avoidance of doubt, but without limiting the generality of the foregoing, the Confirmation Order shall provide that all such releases are binding upon the Debtor, the Reorganized Debtor, the Protected Parties (as applicable), the Trust, Trust Administrator, and Unknown Abuse Claims Representative.

12.5. Vesting of Assets in Reorganized Debtor. On the Effective Date, all Revested Assets shall vest in the Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances (except for Liens expressly preserved and continued under this Plan); *provided*, that all Settling Insurer Policies and all Claims settled, released, and/or sold back to a Settling Insurer pursuant to such Settling Insurer's Insurance Settlement Agreement shall be disposed of pursuant to the terms of such Insurance Settlement Agreement. On and after the Effective Date, except as otherwise provided in this Plan, the Reorganized Debtor may operate its businesses and may use, acquire or dispose of property and compromise or settle any Claims or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

12.6. Causes of Action. Except for the Claims released or otherwise resolved through this Plan or any Insurance Settlement Agreement, the Reorganized Debtor, on behalf of and for the benefit of the Debtor's estate, shall be vested with and shall retain, and may enforce, any and all Claims of any kind or nature whatsoever held by, through or on behalf of the Debtor and/or its Estate against any other Person, arising before the Effective Date that have not been fully resolved or disposed of prior to the Effective Date whether or not such Claims and Interests are specifically identified in the Disclosure Statement accompanying this Plan and whether or not litigation with respect to same has been commenced prior to the Effective Date.

12.7. Release and Discharge of the Committee. Effective on the Effective Date, the Committee shall be disbanded, and it and its Professionals released from their duties and obligations.

12.8. Compromise and Settlement of Claims, Interests, and Controversies. Pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Distributions, payment of the Debtor Cash Contribution and the Non-Debtor Affiliates Cash Contribution, releases, and other benefits provided under this Plan, the provisions of this Plan and the Plan Documents shall constitute a good faith compromise of all Claims for Alter Ego Liability held by Consenting Class 5 and Class 6 Claimants and any right to assert Substantive Consolidation as to the Debtor and the Non-Debtor Affiliates. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims and controversies, as well as a finding by the Bankruptcy Court that such compromises or settlements are in the best interests of the Debtor, its Estate, and holders of such Claims, and are fair, equitable, and reasonable.

ARTICLE XIII

RETENTION OF JURISDICTION

Pursuant to sections 105, 1123(a)(5) and 1142(b) of the Bankruptcy Code and 28 U.S.C. §§ 157 and 1334, on and after the Effective Date, the Bankruptcy Court shall retain: (i) original and exclusive jurisdiction over this Chapter 11 Case; (ii) original, but not exclusive jurisdiction to hear and determine all core proceedings arising under the Bankruptcy Code or arising in this Chapter 11 Case; and (iii) original, but not exclusive, jurisdiction to hear and make proposed findings of fact and conclusions of law in any non-core proceedings related to this Chapter 11 Case and this Plan, including matters concerning the interpretation, implementation, consummation, execution or administration of this Plan. Subject to, but without limiting the generality of the foregoing, the Bankruptcy Court's post-Effective Date jurisdiction shall include jurisdiction:

- (a) over disputes concerning the ownership of Claims;
- (b) over disputes concerning the Distribution or retention of assets under this Plan;
- (c) subject to the Plan Documents, over objections to Claims, motions to allow late-filed Claims and motions to estimate Claims;
- (d) over proceedings to determine the extent, validity, or priority of any Lien asserted against property of the Debtor, the Estate, or the Trust, or property abandoned or transferred by the Debtor, the Estate or the Trust;
- (e) over motions to approve Trust Insurance Settlement Agreements entered into after the Effective Date by the Trust Administrator;
- (f) over matters related to the assets of the Estate or of the Trust, including the terms of the Trust, or the recovery, liquidation, or abandonment of Trust Assets;
- (g) over matters related to the removal of the Trust Administrator and the appointment of a successor Trust Administrator;
- (h) over matters relating to the subordination of Claims;
- (i) to enter and implement such orders as may be necessary or appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

- (j) to consider and approve modifications of or amendments to this Plan, to cure any defects or omissions or to reconcile any inconsistencies in any order of the Bankruptcy Court, including the Confirmation Order;
- (k) to issue orders in aid of execution, implementation, or consummation of this Plan, including the issuance of orders enforcing any and all releases and injunctions issued under or pursuant to this Plan and any Insurance Settlement Agreement (including, without limitation, the Channeling Injunction, Settling Insurer Injunction, and Gatekeeper Injunction);
- (l) over disputes arising from or relating to this Plan, the Confirmation Order, or any agreements, documents, or instruments executed in connection therewith;
- (m) over requests for allowance of payment of Claims entitled to priority under sections 507(a)(2) and 503(b) of the Bankruptcy Code and any objections thereto;
- (n) over all applications for compensation under sections 327, 328, 329 and 330 of the Bankruptcy Code;
- (o) over matters concerning state, local, or federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- (p) over conflicts and disputes by, between or among the Trust, the Debtor, the Reorganized Debtor, the Non-Debtor Affiliates and Holders of Claims;
- (q) to issue injunctions, provide declaratory relief, or grant such other legal or equitable relief as may be necessary or appropriate to restrain interference with this Plan, the Debtor or its property, the Reorganized Debtor or its property, the Estate or its property, the Trust or its property, the Trust Administrator or the Confirmation Order, or any Insurance Settlement Agreement or Insurance Settlement Approval Order;
- (r) to enter a Final Decree closing this Chapter 11 Case;
- (s) to enforce all orders previously entered by the Bankruptcy Court (including without limitation any Insurance Settlement Approval Order);
- (t) over any and all other suits, adversary proceedings, motions, applications, and contested matters that may be commenced or maintained pursuant to this Chapter 11 Case or this Plan; and
- (u) to hear and determine any matters related to the indemnification obligations set forth in this Plan and/or any Insurance Settlement Agreements.

ARTICLE XIV **MISCELLANEOUS PROVISIONS**

14.1. Non-Monetary Debtor Commitments. The Debtor shall modify its existing child safety policies and procedures in an effort to prevent Abuse from occurring in the future. The Debtor and the Committee shall agree on any such modifications and any related policies and procedures intended to prevent Abuse (the “**Amended Child Safety Policies**”). The Amended Child Safety Policies will be filed as part of a Plan Supplement.

1 **14.2. Authority to Effectuate Plan.** Upon the Effective Date, all matters provided under
2 this Plan shall be deemed to be authorized and approved without the requirement of further
3 approval from the Bankruptcy Court or the Plan Proponents. The Plan Proponents shall be
4 authorized, without further application to or order of the Bankruptcy Court, to take whatever action
5 necessary to achieve consummation and carry out this Plan and to effectuate the transactions
6 provided for hereunder.

7 **14.3. Binding Effect.** Except as otherwise expressly provided in this Plan, on and after
8 the Effective Date, this Plan shall bind all Holders of Claims.

9 **14.4. Amendment or Modification of this Plan.** The Plan Proponents may modify this
10 Plan at any time prior to the Confirmation Hearing, in accordance with section 1127(a) of the
11 Bankruptcy Code. After the Confirmation Date and prior to substantial consummation, the Plan
12 Proponents may modify this Plan, in accordance with section 1127(b) of the Bankruptcy Code, by
13 filing a motion on notice as required under the applicable Bankruptcy Rules, and the solicitation
14 of all Creditors and other parties in interest shall not be required unless directed by the Bankruptcy
15 Court. Notwithstanding the foregoing, those provisions of this Plan that implement and
16 supplement or relate to the Insurance Settlement Agreements may not be severed, waived,
17 amended, deleted or otherwise modified without the prior written approval of each Settling Insurer
18 affected by such severance, waiver, amendment, deletion, or modification.

19 **14.5. Revocation or Withdrawal of this Plan.** The Plan Proponents reserve the right to
20 revoke or withdraw this Plan prior to the entry of the Confirmation Order. If the Plan Proponents
21 revoke or withdraw this Plan before the Confirmation Date, then this Plan shall be deemed null
22 and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release
23 of any Claims by or against the Debtor or the Committee or to prejudice in any manner the rights
24 of the Debtor or the Committee in any further proceedings.

25 **14.6. Severability of Plan Provisions.** If, prior to entry of the Confirmation Order, any
26 term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or unenforceable,
27 the Bankruptcy Court, at the request of the Plan Proponents, shall have the power to alter and
28 interpret such term or provision to make it valid or enforceable to the maximum extent practicable,
consistent with the original purpose of the term or provision held to be invalid, void or
unenforceable, and such term or provision shall then be applicable as altered or interpreted;
provided, however, that the Plan Proponents may not make any such request without the prior
written consent of each Settling Insurer (if any) affected by the proposed alteration or
interpretation, such consent to not be unreasonably withheld. Notwithstanding any such holding,
alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in
full force and effect and shall in no way be affected, impaired or invalidated by such holding,
alteration or interpretation. The Confirmation Order shall constitute a judicial determination and
shall provide that each term and provision of this Plan, as it may be altered or interpreted in
accordance with the foregoing, is valid and enforceable pursuant to its terms.

14.7. No Interest. Except as expressly stated in this Plan, no interest, penalty or late charge
is allowed or shall be paid on any Claim.

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

If to the Debtor or Reorganized Debtor:	If to the Committee:
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BINDER MALTER HARRIS & ROME-BANKS LLP Robert G. Harris Julie H. Rome-Banks Reno Fernandez Nathan Quach 1625 The Alameda, Suite 101 San Jose, CA 95126 Tel: (408) 295-1700 Email: rob@bindermalter.com Email: julie@bindermalter.com Email: reno@bindermalter.com Email: nathan@bindermalter.com	LOWENSTEIN SANDLER LLP Jeffrey D. Prol Brent Weisenberg One Lowenstein Drive Roseland, NJ 07068 Tel: (973) 597-2500 Email: jprol@lowenstein.com Email: bweisenberg@lowenstein.com KELLER BENVENUTTI KIM LLP Tobias S. Keller Jane Kim Gabrielle L. Albert 101 Market St., Suite 1950 San Francisco, CA 94104 Tel: (415) 496-6723 Email: tkeller@kbkllp.com Email: jkim@kbkllp.com Email: galbert@kbkllp.com BURNS BAIR LLP Timothy W. Burns Jesse J. Bair 10 East Doty Street, Suite 600 Madison, WI 53703-3392 Tel: (608) 286-2808 Email: tburns@burnsbair.com Email: jbair@burnsbair.com
If to the Trust Administrator:	If to the Unknown Abuse Claimants Representative:
[TBD]	OTTERBOURG P.C. Melanie L. Cyganowski 230 Park Avenue New York, NY 10169 Tel: (212) 905-3677 Email: mcyganowski@otterbourg.com

14.9. Controlling Documents. Notwithstanding anything to the contrary contained herein or in the Disclosure Statement, if any provision of this Plan is inconsistent with any provision of the Disclosure Statement, the provisions of this Plan shall control and take precedence. In the event of any inconsistency between this Plan and the Confirmation Order, the Confirmation Order shall control. In the event of any inconsistency among the Plan Documents, the Confirmation Order and any Insurance Settlement Agreement approved by an Insurance Settlement Approval Order, the Insurance Settlement Agreement and Insurance Settlement Approval Order shall control.

14.10. Filing Additional Documents. At any time before substantial consummation of this Plan, the Debtor, the Reorganized Debtor or the Trust, as appropriate, may file with the Bankruptcy Court or execute, as appropriate, such agreements and other documents as may be

1 necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan,
2 or otherwise to comply with applicable law.

3 **14.11. Reservation of Rights.** If this Plan is not confirmed by the Bankruptcy Court for
4 any reason, the rights of the Debtor, the Committee and all parties in interest in this Chapter 11
5 Case shall and will be reserved in full. Statements made in, and provisions of this Plan or in the
Disclosure Statement are made only for the purpose(s) of this Plan. If this Plan is withdrawn, the
Confirmation Order is not entered, or if the Effective Date does not occur, no Person shall be
bound by or deemed prejudiced by any such statement or provision.

6 **14.12. Computation of Time.** In computing any period of time prescribed or allowed by
7 this Plan, unless otherwise specifically designated herein, the provisions of Bankruptcy Rule
9006(a) shall apply.

8 **14.13. Successors and Assigns.** The rights, duties and obligations of any Person named
9 or referred to in this Plan, including all Creditors, shall be binding on, and shall inure to the benefit
of, the successors and assigns of such Person.

10 **14.14. Waiver of Subordination.** Notwithstanding anything herein to the contrary, all
11 Holders of Claims shall be deemed to have waived any and all contractual subordination rights to
12 which they may have with respect to the Distributions made pursuant to this Plan and the
Confirmation Order shall permanently enjoin, effective as of the Effective Date, all Holders of
Claims from enforcing or attempting to enforce any such rights against any Person receiving
Distributions under this Plan.

13 **14.15. Governing Law.** Unless a rule of law or procedure is supplied by federal law,
14 including the Bankruptcy Code and Bankruptcy Rules, the construction, implementation and
15 interpretation of this Plan and the Plan Documents shall be governed by California law, without
giving effect to the principles of conflict of law thereof.

16 **14.16. No Admissions.** Notwithstanding anything herein to the contrary, nothing
17 contained in this Plan shall be deemed an admission by any Entity with respect to any matter set
forth herein.

18 **14.17. Case Closure.** The existence and continued operation of the Trust shall not prevent
19 the Bankruptcy Court from closing this Chapter 11 Case upon a motion by the Reorganized Debtor
or any other Person. The Trust Administrator, in his or her sole discretion, may seek to reopen
this Chapter 11 Case to administer assets of the Trust.

1 Dated: June 22, 2026

2 **FRANCISCAN FRIARS OF CALIFORNIA,**
3 **INC.**

4 By: /s/ Robert G. Harris
5 Robert G. Harris

6 *Attorneys for Debtor and Debtor in Possession,*
7 *Franciscan Friars of California, Inc.*

8 **THE OFFICIAL COMMITTEE OF**
9 **UNSECURED CREDITORS OF FRANCISCAN**
10 **FRIARS OF CALIFORNIA, INC.**

11 By: /s/ Katie Halberg
12 Katie Halberg

13 *Chair of The Official Committee of Unsecured*
14 *Creditors*

Exhibit 2.2.38

Consenting Class 5 Claim Release Agreement

CONSENTING CLASS 5 CLAIM RELEASE AGREEMENT

This Consenting Class 5 Claim Release Agreement (this “**Agreement**”) is made and entered into by [●] (“**Claimant**”) pursuant to the *Second Amended Joint Plan of Reorganization For The Franciscan Friars Of California, Inc. Dated June 22, 2026* [Dkt. No. ●] (as it may be amended or supplemented, the “**Plan**”).¹

WHEREAS, Claimant has asserted an Abuse Claim against The Franciscan Friars of California, Inc. (the “**Debtor**”) and/or one or more Protected Parties;²

WHEREAS, on [●], the Bankruptcy Court entered an order confirming the Plan (the “**Confirmation Order**”); and

WHEREAS, the Effective Date of the Plan occurred on [●], 2026.

NOW, THEREFORE, in consideration of the treatment to be provided to Abuse Claims under the Plan, Claimant hereby irrevocably covenants and agrees as follows:

I.

ACKNOWLEDGMENT AND CERTIFICATION

1. Claimant accepts and acknowledges that, under the Plan, distributions from the Trust to holders of Abuse Claims will be determined solely by the Abuse Claims Reviewer. Claimant further accepts, acknowledges and understands that payments to Claimant from the Trust on account of Claimant’s Abuse Claim (if any) will be determined by the Abuse Claims Reviewer in accordance with the Plan and Trust Distribution Plan attached to the Plan and that, unless Claimant proceeds as a Litigation Claimant, the Trust Assets shall constitute the sole source of recovery for Claimant’s Abuse Claim. By signing below, Claimant certifies that Claimant has reviewed and understands the Trust Distribution Plan and further understands that the decision of the Abuse Claims Reviewer is final and not subject to appeal or further review. Claimant consents to the method set forth in the Plan and Trust Distribution Plan for determining distributions from the Trust on account of Claimant’s Abuse Claim and understands and agrees that, unless Claimant proceeds as a Litigation Claimant, Claimant waives any right he or she may have to a trial by jury by accepting a distribution from the Trust.

2. Claimant accepts and acknowledges that, except as expressly provided in the Plan, none of the Released Parties will have or incur any liability to, or be subject to any right of action by, Claimant or his or her heirs, successors, assigns, agents and representatives for any act or omission in or relating to the Chapter 11 Case, including the exercise of their respective business

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan or the Confirmation Order. In the event of any inconsistency between this Agreement and the Plan and/or Confirmation Order, the Plan and/or Confirmation Order shall control. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control. Where appropriate, from a contextual reading of the term, the term “Debtor” shall include the ‘Reorganized Debtor.

² **Schedule 1** attached hereto sets forth a list of the Released Parties, including any Protected Party.

judgment and the performance of their respective fiduciary obligations, the pursuit of confirmation of the Plan, or the administration of the Plan, and in all respects, such parties will be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan or in the context of the Chapter 11 Case.

3. Claimant accepts and acknowledges that, except as provided in the Plan, the Debtor, the Reorganized Debtor, the Trust, the Trust Administrator, the Protected Parties, and professionals employed by the foregoing shall not have any liability under the MSPA. Claimant agrees to provide the Trust Administrator with any information necessary to comply with reporting obligations arising under the MMSEA. Claimant acknowledges and agrees that if Claimant does have any obligations owing or potentially owing under the MSPA relating to any Abuse Claim or distribution from the Trust, the Trust Administrator may withhold from any payment directly or indirectly to Claimant funds sufficient to ensure that any obligations owing or potentially owing under the MSPA relating to such Abuse Claim are paid to the applicable agency.

II.

GENERAL RELEASE OF CLAIMS AGAINST RELEASED PARTIES

4. Claimant, individually and on behalf of Claimant's heirs, successors, assigns, agents and representatives, acknowledges that Claimant has received and reviewed copies of the Plan and each of the exhibits thereto, and has had an opportunity to consult with counsel of Claimant's choice regarding those documents and the substance of this Agreement, including, without limitation, the release provisions set forth herein. Accordingly, except as otherwise expressly provided in the Plan or the Confirmation Order, and to the fullest extent authorized by applicable law, Claimant hereby provides a full release to the "**Released Parties**," which is defined as: (i) the Debtor; (ii) the Reorganized Debtor; (iii) the Protected Parties; and (iv) each Settling Insurer, but only to the extent that such Settling Insurer's liability is under, arises out of, relates (directly or indirectly) to, or connects in any way with the Settling Insurer Policies or otherwise from liabilities covered by the Settling Insurer Policies, *provided, however*, that "Released Parties" shall not include Excluded Parties unless such Entity is identified as a Protected Party on Exhibit 2.2.118 to the Plan from any and all Claims relating to the Debtor, the Protected Parties, the Estate, the conduct of the Debtor's and the Protected Parties' businesses, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, this Plan, the filing and prosecution of the Chapter 11 Case, the pursuit of confirmation and consummation of this Plan, the subject matter of, or the transactions or events giving rise to, any Claim or interest that is treated in the Plan, the business or contractual arrangements among the Releasing Parties and any Released Party, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date.

Claimant also hereby releases all of the Settling Insurers' respective current and former officers, directors, principals, stockholders (and any fund managers, fiduciaries or other Agents of stockholders with any involvement with the Debtor), members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers,

consultants, representatives, management companies, fund advisors and other professionals, solely to the extent such Persons and entities acted on the behalf of such Settling Insurer in connection with the matters as to which releases are provided in the Plan.

5. Notwithstanding the foregoing and anything herein to the contrary, to preserve coverage under any Non-Settling Insurance Policy, (i) the Debtor shall not be discharged until the applicable Abuse Claim Discharge Date, (ii) the payment of Abuse Claims by the Trust will not, prior to the occurrence of the Abuse Claim Discharge Date, constitute a release, accord, or novation of the Debtor's or any Protected Parties' liability with respect to Class 5 Claims and (iii) Holders of Class 5 Abuse Claims specifically reserve, and do not release, any Claims they may have against the Debtor, the Reorganized Debtor, or any Protected Party that implicate insurance coverage under any Non-Settling Insurance Policy, but recovery is limited to the proceeds of the Non-Settling Insurance Policy, and to all other damages (including extra-contractual Claims), awards, judgments over policy limits, penalties, punitive damages and attorney's fees and costs that may be recoverable against any Non-Settling Insurer because of its conduct regarding insurance coverage for, or defense or settlement of, any Abuse Claim, and any such judgments or awards will be handled in accordance with this Plan and Trust Documents.

6. Holders of Class 5 Abuse Claims shall be permitted to name the Debtor, the Reorganized Debtor, or any Protected Party in any litigation or other proceeding to resolve whether the Debtor, the Reorganized Debtor, or any Protected Party has liability for Abuse Claims and the amount of any such liability, solely for the purpose of pursuing Coverage Claims against Non-Settling Insurers. The discharge hereunder does not apply to, and shall not limit in any way, the obligations of Non-Settling Insurers to defend and pay, the Debtor's, the Reorganized Debtor's, Settling Insurer's or any Protected Party's liability for Abuse Claims under any Non-Settling Insurance Policy.

7. Notwithstanding the foregoing and anything herein to the contrary, nothing herein requires any Holder of a Class 5 Abuse Claim to release any Claim(s) that is not a Channeled Claim and Abuse Claimant does not release any Claim(s) against other Persons (other than a Protected Party), including Excluded Parties, who will remain severally liable on any Claims for Abuse. Any Person (other than a Protected Party) that is, or was alleged to be a Joint Tortfeasor with any of the Protected Parties in connection with the Abuse that forms the basis of an Abuse Claim shall not be liable for any Protected Party's share of causal liability or fault.

III.

REPRESENTATIONS, THIRD PARTY BENEFICIARIES AND SUCCESSORS

8. Claimant represents and warrants that Claimant is the sole holder of the Abuse Claim Claimant has asserted against the Debtor and/or one or more Protected Parties and that Claimant has not assigned, transferred or granted any interest in such Claim to any other Person, nor has Claimant assigned or transferred to any Person any Claims Claimant may have against any Settling Insurers, other Protected Parties, or Exculpated Parties.

9. The releases, discharges, covenants and other undertakings made by Claimant pursuant to this Agreement shall be absolute and irrevocable. Each of the Protected Parties, including, without limitation, the Debtor, the Reorganized Debtor, the Protected Parties, and each Settling Insurer, shall be intended third party beneficiaries of this Agreement, and shall have the right to enforce the terms hereof in any court of competent jurisdiction.

10. The provisions of this Agreement shall be binding upon Claimant, and upon Claimant's heirs, successors, assigns, agents and representatives.

IN WITNESS WHEREOF, this Agreement has been executed by Claimant (or, in the case of death or legal disability, Claimant's duly-authorized legal representative acting under power of attorney) and delivered to the Trust Administrator as of the date set forth below.

Dated: _____, 2026

Signature

Print or type full name of Claimant

Claim Number (if known)

Address

Claimant's full Social Security Number

Exhibit 2.2.41

Consenting Class 5 Litigation Claim Agreement

CONSENTING CLASS 5 LITIGATION CLAIM AGREEMENT

This Class 5 Litigation Claim Agreement (this “**Agreement**”) is made and entered into by [●] (“**Claimant**”) pursuant to the *Second Amended Joint Plan of Reorganization For The Franciscan Friars Of California, Inc. Dated June 22, 2026* [Dkt. No. ●] (as it may be amended or supplemented, the “**Plan**”).¹

WHEREAS, Claimant has asserted an Abuse Claim against The Franciscan Friars of California, Inc. (the “**Debtor**”) and/or one or more Protected Parties;² and

WHEREAS, on [●], the Bankruptcy Court entered an order confirming the Plan (the “**Confirmation Order**”); and

WHEREAS, the Effective Date of the Plan occurred on [●];

WHEREAS, Claimant has previously executed and delivered to the Trust Administrator a Consenting Class 5 Claim Release Agreement, the terms of which are incorporated and made a part hereof as if fully set forth herein; and

WHEREAS, Claimant seeks to proceed as a Consenting Class 5 Litigation Claimant in accordance with the terms of the Plan and as set forth in this Agreement.

NOW, THEREFORE, in consideration of the agreements, covenants and obligations set forth herein, and the treatment to be provided to Claimant’s Abuse Claim under the Plan, Claimant hereby covenants and agrees as follows:

1. **Conduct of Litigation.** Subject in all respects to the Insurance Settlement Approval Order(s) and Settling Insurer Injunction, Claimant may, at Claimant’s sole cost and expense, commence or resume prosecution of an action against the Debtor and/or any Protected Party in any court of competent jurisdiction, solely for the purposes of (a) determining any liability that the Debtor and/or any Protected Party may have with respect to Claimant’s Consenting Class 5 Litigation Claim, (b) determining the amount of that liability, and (c) pursuing Coverage Claims against Non-Settling Insurers.

2. **Limited Recourse.** Any Consenting Class 5 Litigation Claim Award obtained by Claimant, including, without limitation, any judgment or verdict in respect of Claimant’s Consenting Class 5 Litigation Claim, shall not be enforced (a) against any Released Party, (b) in any manner that violates the Settling Insurer Injunction, any Insurance Settlement Agreement, or the Insurance Settlement Approval Order(s), (c) against the Revested Assets and any other property or assets that are vested in the Reorganized Debtor pursuant to the Plan, (d) against any

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan or the Confirmation Order. In the event of any inconsistency between this Agreement and the Plan and/or Confirmation Order, the Plan and/or Confirmation Order shall control. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control. Where appropriate, from a contextual reading of the term, the term “Debtor” shall include the ‘Reorganized Debtor.’

² **Schedule 1** attached hereto sets forth a list of the Released Parties, including any Protected Party.

property or assets otherwise acquired by the Reorganized Debtor, or (e) against any Settling Insurer Releasee or the property or assets of any Settling Insurer Releasee. Notwithstanding the above, any Consenting Class 5 Litigation Claim Award shall be fully enforceable solely against, and paid by, any Non-Settling Insurer under the terms of that Non-Settling Insurer's Insurance Policy and applicable law. Claimant covenants and agrees to take any action reasonably requested to enable the Debtor, the Reorganized Debtor, or any Protected Party (or any successor entity) to transfer, mortgage, or otherwise encumber any real or personal property free and clear of any judgment lien.

3. Defenses Preserved; No Estoppel or Preclusion. Nothing in the Plan shall prevent the Debtor or any Protected Party from asserting any legal or factual defenses they may have in response to Claimant's Consenting Class 5 Litigation Claim. If an Abuse Claim is liquidated in any state or federal court as permitted by the Plan, each Non-Settling Insurer shall retain the right to assert (i) any and all coverage defenses and (ii) any and all rights and defenses of the Debtor and the Protected Parties with respect to such Abuse Claim. In defending against any Abuse Claim in any state or federal court, each Non-Settling Insurer shall be entitled to all rights and defenses as are provided under the terms of its Non-Settling Insurer Policies as if the Trust Distribution Plan did not exist and the determination by the Abuse Claims Reviewer never occurred. Any determination by the Abuse Claims Reviewer of Claimant's qualification to receive Distributions under the Plan, estimation of Claimant's Claim, and, if applicable, payment of partial Distributions, shall not impair Claimant's right to obtain a judgment, including a judgment based on joint and several liability, against the Debtor and/or any Protected Party; *provided, however*, that recourse against the Debtor, Settling Insurers, and any Protected Party shall be limited as set forth herein and in the Plan. For the avoidance of doubt, the Allowance of Abuse Claims, assignment of points, and distributions from the Trust to Holders of Allowed Class 5 Claims:

- a. shall not (i) constitute an admission of liability by any Person with respect to such Abuse Claims; (ii) have any res judicata or collateral estoppel effect on any Person; (iii) constitute a settlement, release, accord, satisfaction, or novation of such Abuse Claims; (iv) be used by any third-party as a defense to any alleged joint liability; or (v) otherwise prejudice any rights of the Trust, the Debtor, the Reorganized Debtor, the Protected Parties, Non-Settling Insurers, or Abuse Claimants in all other contexts or forums;
- b. shall be without prejudice to any and all rights of the Trust, the Debtor, the Reorganized Debtor, the Non-Settling Insurers, and Abuse Claimants in all other contexts and forums;
- c. shall not be deemed to be a determination of liability of the Debtor or any Protected Party or a determination of whether, or the extent to which, such Abuse Claim is covered under any Non-Settling Insurer Policy;
- d. shall have no effect upon any "no action" provisions contained in any Non-Settling Insurer Policy to the extent any such provision remains enforceable by a Non-Settling Insurer under applicable law; and

- e. shall not affect the rights, claims, and obligations of the Debtor, the Reorganized Debtor, or any Protected Parties under the Non-Settling Insurer Policies.

4. Withdrawal of Litigation Claim; Discharge and Release.

- a. Claimant may withdraw his or her election to be a Consenting Class 5 Litigation Claimant at any time by written notice to the Trust Administrator and the Reorganized Debtor. Upon providing such notice, Claimant shall not be entitled to any Abuse Claim Enhancement, and Claimant's determination not to proceed as a Consenting Class 5 Litigation Claimant shall be irrevocable. Claimant acknowledges that the election to proceed as a Consenting Class 5 Litigation Claimant must be made prior to the first anniversary of the Effective Date.
- b. Claimant hereby acknowledges and agrees that all Claims Claimant may hold against the Debtor or any Released Party shall automatically and without further action be fully released and discharged upon the occurrence of the Abuse Claim Discharge Date applicable to Claimant's Claim pursuant to Section 12.1.4 of the Plan; *provided, however*, that such release and discharge with respect to the Settling Insurer Releasees shall be effective upon payment by the applicable Settling Insurer of the Insurance Settlement Amount.

5. Expenses; Third Party Beneficiaries.

- a. Each of the Released Parties, including, without limitation, the Debtor, the Reorganized Debtor, the Protected Parties, and each Settling Insurer Releasee, shall be intended third-party beneficiaries of this Agreement, and shall have the right to enforce the terms hereof in any court of competent jurisdiction.
- b. Any and all Post Effective Date Costs, as set forth in Section 6.3 of the Plan, incurred by the Debtor, the Reorganized Debtor, or any Protected Party in connection with (i) any attempt by Claimant to enforce or recover insurance claims against Non-Settling Insurers, (ii) any attempt by a Non-Settling Insurer to obtain reimbursement from the Reorganized Debtor or any Protected Party for any settlement paid to Claimant or the Trust, (iii) responding to, prosecuting, or defending Claimant's Consenting Class 5 Litigation Claim, or (iv) upon request by the Trust Administrator or the Abuse Claims Reviewer, assisting with the administration of the Trust Distribution Procedures, shall be paid by the Trust in accordance with the provisions of the Plan; *provided, however*, that any Post Effective Date Costs paid by the Trust on behalf of the Debtor, the Reorganized Debtor, and/or the Protected Parties shall be reimbursed by Claimant to the Trust from the first proceeds derived from a settlement with, or judgment obtained against, a Non-Settling Insurer.

- c. The Trust Administrator shall provide a copy of this Agreement to the Reorganized Debtor upon receipt hereof, and to any Protected Party or Settling Insurer upon written request.

IN WITNESS WHEREOF, this Agreement has been executed by Claimant (or, in the case of death or legal disability, Claimant's duly-authorized legal representative acting under power of attorney) and the Trust Administrator as of the date set forth below.

Dated: _____, 2026

Signature

Print or type name of Claimant

Claim Number (if known)

Address

Accepted and agreed by the Trust Administrator: _____

[_____] , in his/her capacity as Trust
Administrator of the [Trust]

Exhibit 2.2.45

Consenting Class 6 Claim Release Agreement

CONSENTING CLASS 6 CLAIM RELEASE AGREEMENT

This Consenting Class 6 Claim Release Agreement (this “**Agreement**”) is made and entered into by [●] (“**Claimant**”) pursuant to the *Second Amended Joint Plan of Reorganization for the Franciscan Friars of California, Inc. Dated June 22, 2026* [Dkt. No. ●] (as it may be amended or supplemented, the “**Plan**”).¹

WHEREAS, Claimant has asserted an Abuse Claim against The Franciscan Friars of California, Inc. (the “**Debtor**”) and/or one or more Protected Parties;²

WHEREAS, on [●], the Bankruptcy Court entered an order confirming the Plan (the “**Confirmation Order**”); and

WHEREAS, the Effective Date of the Plan occurred on [●], 2026.

NOW, THEREFORE, in consideration of the treatment to be provided to Unknown Abuse Claims under the Plan, Claimant hereby irrevocably covenants and agrees as follows:

I.

ACKNOWLEDGMENT AND CERTIFICATION

1. Claimant accepts and acknowledges that, under the Plan, distributions from the Trust to holders of Abuse Claims will be determined solely by the Abuse Claims Reviewer. Claimant further accepts, acknowledges and understands that payments to Claimant from the Trust on account of Claimant’s Abuse Claim (if any) will be determined by the Abuse Claims Reviewer in accordance with the Plan and Trust Distribution Plan attached to the Plan and that, unless Claimant proceeds as a Litigation Claimant, the Trust Assets shall constitute the sole source of recovery for Claimant’s Abuse Claim. By signing below, Claimant certifies that Claimant has reviewed and understands the Trust Distribution Plan and further understands that the decision of the Abuse Claims Reviewer is final and not subject to appeal or further review. Claimant consents to the method set forth in the Plan and Trust Distribution Plan for determining distributions from the Trust on account of Claimant’s Abuse Claim and understands and agrees that, unless Claimant proceeds as a Litigation Claimant, Claimant waives any right he or she may have to a trial by jury by accepting a distribution from the Trust.

2. Claimant accepts and acknowledges that, except as expressly provided in the Plan, none of the Released Parties will have or incur any liability to, or be subject to any right of action by, Claimant or his or her heirs, successors, assigns, agents and representatives for any act or omission in or relating to the Chapter 11 Case, including the exercise of their respective business

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan or the Confirmation Order. In the event of any inconsistency between this Agreement and the Plan and/or Confirmation Order, the Plan and/or Confirmation Order shall control. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control. Where appropriate, from a contextual reading of the term, the term “Debtor” shall include the ‘Reorganized Debtor.

² **Schedule 1** attached hereto sets forth a list of the Released Parties, including any Protected Party.

judgment and the performance of their respective fiduciary obligations, the pursuit of confirmation of the Plan, or the administration of the Plan, and in all respects, such parties will be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan or in the context of the Chapter 11 Case.

3. Claimant accepts and acknowledges that, except as provided in the Plan, the Debtor, the Reorganized Debtor, the Trust, the Trust Administrator, the Protected Parties, and professionals employed by the foregoing shall not have any liability under the MSPA. Claimant agrees to provide the Trust Administrator with any information necessary to comply with reporting obligations arising under the MMSEA. Claimant acknowledges and agrees that if Claimant does have any obligations owing or potentially owing under the MSPA relating to any Abuse Claim or distribution from the Trust, the Trust Administrator may withhold from any payment directly or indirectly to Claimant funds sufficient to ensure that any obligations owing or potentially owing under the MSPA relating to such Abuse Claim are paid to the applicable agency.

II.

GENERAL RELEASE OF CLAIMS AGAINST RELEASED PARTIES

4. Claimant, individually and on behalf of Claimant's heirs, successors, assigns, agents and representatives, acknowledges that Claimant has received and reviewed copies of the Plan and each of the exhibits thereto, and has had an opportunity to consult with counsel of Claimant's choice regarding those documents and the substance of this Agreement, including, without limitation, the release provisions set forth herein. Accordingly, except as otherwise expressly provided in the Plan or the Confirmation Order, and to the fullest extent authorized by applicable law, Claimant hereby provides a full release to the "**Released Parties**," which is defined as: (i) the Debtor; (ii) the Reorganized Debtor; (iii) the Protected Parties; and (iv) each Settling Insurer, but only to the extent that such Settling Insurer's liability is under, arises out of, relates (directly or indirectly) to, or connects in any way with the Settling Insurer Policies or otherwise from liabilities covered by the Settling Insurer Policies, *provided, however*, that "Released Parties" shall not include Excluded Parties unless such Entity is identified as a Protected Party on Exhibit 2.2.118 to the Plan from any and all Claims relating to the Debtor, the Protected Parties, the Estate, the conduct of the Debtor's and the Protected Parties' businesses, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, this Plan, the filing and prosecution of the Chapter 11 Case, the pursuit of confirmation and consummation of this Plan, the subject matter of, or the transactions or events giving rise to, any Claim or interest that is treated in the Plan, the business or contractual arrangements among the Releasing Parties and any Released Party, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date.

Claimant also hereby releases all of the Settling Insurers respective current and former officers, directors, principals, stockholders (and any fund managers, fiduciaries or other Agents of stockholders with any involvement with the Debtor), members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers,

consultants, representatives, management companies, fund advisors and other professionals, solely to the extent such Persons and entities acted on the behalf of such Settling Insurer in connection with the matters as to which releases are provided in the Plan.

5. Notwithstanding the foregoing and anything herein to the contrary, to preserve coverage under any Non-Settling Insurance Policy, (i) the Debtor shall not be discharged until the applicable Abuse Claim Discharge Date, (ii) the payment of Abuse Claims by the Trust will not, prior to the occurrence of the Abuse Claim Discharge Date, constitute a release, accord, or novation of the Debtor's or any Protected Parties' liability with respect to Class 6 Unknown Abuse Claims and (iii) Holders of Class 6 Unknown Abuse Claims specifically reserve, and do not release, any Claims they may have against the Debtor, the Reorganized Debtor, or any Protected Party that implicate insurance coverage under any Non-Settling Insurance Policy, but recovery is limited to the proceeds of the Non-Settling Insurance Policy, and to all other damages (including extra-contractual Claims), awards, judgments over policy limits, penalties, punitive damages and attorney's fees and costs that may be recoverable against any Non-Settling Insurer because of its conduct regarding insurance coverage for, or defense or settlement of, any Abuse Claim, and any such judgments or awards will be handled in accordance with this Plan and Trust Documents.

6. Holders of Class 6 Unknown Abuse Claims shall be permitted to name the Debtor, the Reorganized Debtor, or any Protected Party in any litigation or other proceeding to resolve whether the Debtor, the Reorganized Debtor, or any Protected Party has liability for Abuse Claims and the amount of any such liability, solely for the purpose of pursuing Coverage Claims against Non-Settling Insurers. The discharge hereunder does not apply to, and shall not limit in any way, the obligations of Non-Settling Insurers to defend and pay, the Debtor's, the Reorganized Debtor's, Settling Insurer's or any Protected Party's liability for Abuse Claims under any Non-Settling Insurance Policy.

7. Notwithstanding the foregoing and anything herein to the contrary, nothing herein requires any Holder of a Class 6 Unknown Abuse Claim to release any Claim(s) that is not a Channeled Claim and Abuse Claimant does not release any Claim(s) against other Persons (other than a Protected Party), including Excluded Parties, who will remain severally liable on any Claims for Abuse. Any Person (other than a Protected Party) that is, or was alleged to be a Joint Tortfeasor with any of the Protected Parties in connection with the Abuse that forms the basis of an Abuse Claim shall not be liable for any Protected Party's share of causal liability or fault.

III.

REPRESENTATIONS, THIRD PARTY BENEFICIARIES AND SUCCESSORS

8. Claimant represents and warrants that Claimant is the sole holder of the Abuse Claim Claimant has asserted against the Debtor and/or one or more Protected Parties and that Claimant has not assigned, transferred or granted any interest in such Claim to any other Person, nor has Claimant assigned or transferred to any Person any Claims Claimant may have against any Settling Insurers, other Protected Parties, or Exculpated Parties.

9. The releases, discharges, covenants and other undertakings made by Claimant pursuant to this Agreement shall be absolute and irrevocable. Each of the Protected Parties, including, without limitation, the Debtor, the Reorganized Debtor, the Protected Parties, and each Settling Insurer, shall be intended third party beneficiaries of this Agreement, and shall have the right to enforce the terms hereof in any court of competent jurisdiction.

10. The provisions of this Agreement shall be binding upon Claimant, and upon Claimant's heirs, successors, assigns, agents and representatives.

IN WITNESS WHEREOF, this Agreement has been executed by Claimant (or, in the case of death or legal disability, Claimant's duly-authorized legal representative acting under power of attorney) and delivered to the Trust Administrator as of the date set forth below.

Dated: _____, 2026

Signature

Print or type full name of Claimant

Claim Number (if known)

Address

Claimant's full Social Security Number

Exhibit 2.2.93

Non-Consenting Class 5 Claim Release Agreement

NON-CONSENTING CLASS 5 CLAIM RELEASE AGREEMENT

This Non-Consenting Class 5 Claim Release Agreement (this “**Agreement**”) is made and entered into by [●] (“**Claimant**”) pursuant to the *Second Amended Joint Plan of Reorganization for the Franciscan Friars of California, Inc. Dated June 22, 2026* [Dkt. No. ●] (as it may be amended or supplemented, the “**Plan**”).¹

WHEREAS, Claimant has asserted an Abuse Claim against The Franciscan Friars of California, Inc. (the “**Debtor**”) and/or one or more Participating Parties;²

WHEREAS, on [●], the Bankruptcy Court entered an order confirming the Plan (the “**Confirmation Order**”); and

WHEREAS, the Effective Date of the Plan occurred on [●], 2026.

NOW, THEREFORE, in consideration of the treatment to be provided to Abuse Claims under the Plan, Claimant hereby irrevocably covenants and agrees as follows:

I.

ACKNOWLEDGMENT AND CERTIFICATION

1. Claimant accepts and acknowledges that, under the Plan, distributions from the Trust to holders of Abuse Claims will be determined solely by the Abuse Claims Reviewer. Claimant further accepts, acknowledges and understands that payments to Claimant from the Trust on account of Claimant’s Non-Consenting Class 5 Claim (if any) will be determined by the Abuse Claims Reviewer in accordance with the Plan and Trust Distribution Plan attached to the Plan and that the portion of the Trust Assets funded by the Debtor Cash Contribution Amount and the Settling Insurers’ Contribution shall constitute the sole source of recovery for Claimant’s Non-Consenting Class 5 Claim. By signing below, Claimant certifies that Claimant has reviewed and understands the Trust Distribution Plan and further understands that the decision of the Abuse Claims Reviewer is final and not subject to appeal or further review. Claimant consents to the method set forth in the Plan and Trust Distribution Plan for determining distributions from the Trust on account of Claimant’s Non-Consenting Class 5 Claim.

2. Claimant accepts and acknowledges that, except as expressly provided in the Plan, neither the Debtor nor the Reorganized Debtor will have or incur any liability to, or be subject to any right of action by, Claimant or his or her heirs, successors, assigns, agents and representatives for any act or omission in or relating to the Chapter 11 Case, including the exercise of their respective business judgment and the performance of their respective fiduciary obligations, the

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan or the Confirmation Order. In the event of any inconsistency between this Agreement and the Plan and/or Confirmation Order, the Plan and/or Confirmation Order shall control. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control. Where appropriate, from a contextual reading of the term, the term “Debtor” shall include the ‘Reorganized Debtor.’

² **Schedule 1** attached hereto sets forth a list of the Participating Parties.

pursuit of confirmation of the Plan, or the administration of the Plan, and in all respects, such parties will be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan or in the context of the Chapter 11 Case.

3. Claimant accepts and acknowledges that, except as provided in the Plan, the Debtor, the Reorganized Debtor, the Trust, the Trust Administrator, and professionals employed by the foregoing shall not have any liability under the MSPA. Claimant agrees to provide the Trust Administrator with any information necessary to comply with reporting obligations arising under the MMSEA. Claimant acknowledges and agrees that if Claimant does have any obligations owing or potentially owing under the MSPA relating to any Abuse Claim or distribution from the Trust, the Trust Administrator may withhold from any payment directly or indirectly to Claimant funds sufficient to ensure that any obligations owing or potentially owing under the MSPA relating to such Abuse Claim are paid to the applicable agency.

II.

GENERAL RELEASE OF CLAIMS AGAINST DEBTOR

4. Claimant, individually and on behalf of Claimant's heirs, successors, assigns, agents and representatives, acknowledges that, Claimant has received and reviewed copies of the Plan, the Disclosure Statement, and each of the exhibits thereto, and has had an opportunity to consult with counsel of Claimant's choice regarding those documents and the substance of this Agreement, including, without limitation the release provisions set forth herein. Accordingly, Claimant, individually and on behalf of Claimant's heirs, successors, assigns, agents and representatives does now hereby:

- (a) voluntarily, intentionally, knowingly, absolutely, unconditionally, irrevocably, fully, finally, and completely release, acquit, and forever discharge the Debtor and the Reorganized Debtor of and from any and all past, present, and future Abuse Claims, and each such Persons' portion or share of Claimant's damages that, directly or indirectly, arise out of, relate to, or are connected with: (i) Claimant's Non-Consenting Class 5 Claim and any other Channeled Claims, (ii) Claims that directly or indirectly arise out of, relate to, or are in connection with the handling of Claimant's Non-Consenting Class 5 Claim and any other Channeled Claims, and (iii) all Claims that, directly or indirectly, arise from, relate to, or are connected with the Chapter 11 Case, with such release and discharge being effective as of the Effective Date of the Plan; and
- (b) voluntarily and irrevocably agree and covenant (i) that Claimant shall not sue or seek recovery or relief of any kind from the Debtor or Reorganized Debtor in connection with any and all past, present, and future Claims that directly or indirectly arise out of, relate to or are in connection with Claimant's Abuse Claim or any other Channeled Claims, or the handling of Claimant's Abuse Claim or Channeled Claims; *provided, however*, that the foregoing shall not affect Claimant's right to assert any Claim Claimant may have against any Protected Party and Non-Settling Insurers in accordance

with, and subject to the terms and provisions of the Plan; (ii) to forever and irrevocably discharge that fraction, portion, or percentage of damages Claimant may have suffered in connection with any Abuse which is by trial or other disposition determined to be the causal fault or responsibility, if any, of the Debtor; (iii) that the trial court in any future action that, directly or indirectly, arises out of, relates to, or is connected with the Claims released hereby will be bound by this Agreement, and that Claimant will not oppose any future defense counsel submitting this Agreement in such an action; (iv) that the releases set forth in this Agreement, when effective in accordance with the terms hereof, extinguish any potential liability of the Debtor, Reorganized Debtor, and any Exculpated Party, for contribution or indemnity to any Person who has been or may be held liable to Claimant for any Abuse Claim or Channeled Claim, and (v) to be bound by the injunctions applicable to Non-Consenting Class 5 Claimants set forth in the Plan, including those injunctions contained in Section 12.3 thereof.

5. Claimant further agrees and covenants that Claimant's recourse shall be strictly limited to that portion of the Trust Assets funded by the Debtor Cash Contribution Amount and the Settling Insurers' Contribution allocable to Claimant's Non-Consenting Class 5 Claim in accordance with the terms of the Plan, and Claimant may not take any collection or enforcement action against any property of the Debtor or Reorganized Debtor.

III.

REPRESENTATIONS, THIRD PARTY BENEFICIARIES AND SUCCESSORS

6. Claimant represents and warrants that Claimant is the sole holder of the Abuse Claim Claimant has asserted against the Debtor and that Claimant has not assigned, transferred or granted any interest in such Claim to any other Person, nor has Claimant assigned or transferred to any Person any Claims Claimant may have against any Settling Insurers, other Participating Parties, or Exculpated Parties.

7. The releases, discharges, covenants and other undertakings made by Claimant pursuant to this Agreement shall be absolute and irrevocable. The Debtor and the Reorganized Debtor shall be intended third party beneficiaries of this Agreement, and shall have the right to enforce the terms hereof in any court of competent jurisdiction.

8. The provisions of this Agreement shall be binding upon Claimant, and upon Claimant's heirs, successors, assigns, agents and representatives.

IN WITNESS WHEREOF, this Agreement has been executed by Claimant (or, in the case of death or legal disability, Claimant's duly-authorized legal representative acting under power of attorney) and delivered to the Trust Administrator as of the date set forth below.

Dated: _____, 2026

Signature

Print or type full name of Claimant

Claim Number (if known)

Address

Claimant's full Social Security Number

Exhibit 2.2.96

Non-Consenting Class 6 Claim Release Agreement

NON-CONSENTING CLASS 6 CLAIM RELEASE AGREEMENT

This Non-Consenting Class 6 Claim Release Agreement (this “**Agreement**”) is made and entered into by [●] (“**Claimant**”) pursuant to the *Second Amended Joint Plan of Reorganization For The Franciscan Friars Of California, Inc. Dated June 22, 2026* [Dkt. No. ●] (as it may be amended or supplemented, the “**Plan**”).¹

WHEREAS, Claimant has asserted an Abuse Claim against The Franciscan Friars of California, Inc. (the “**Debtor**”) and/or one or more Participating Parties;²

WHEREAS, on [●], the Bankruptcy Court entered an order confirming the Plan (the “**Confirmation Order**”); and

WHEREAS, the Effective Date of the Plan occurred on [●], 2026.

NOW, THEREFORE, in consideration of the treatment to be provided to Abuse Claims under the Plan, Claimant hereby irrevocably covenants and agrees as follows:

I.

ACKNOWLEDGMENT AND CERTIFICATION

1. Claimant accepts and acknowledges that, under the Plan, distributions from the Trust to holders of Abuse Claims will be determined solely by the Abuse Claims Reviewer. Claimant further accepts, acknowledges and understands that payments to Claimant from the Trust on account of Claimant’s Non-Consenting Class 6 Claim (if any) will be determined by the Abuse Claims Reviewer in accordance with the Plan and Trust Distribution Plan attached to the Plan and that the portion of the Trust Assets funded by the Debtor Cash Contribution Amount and Settling Insurers’ Contribution shall constitute the sole source of recovery for Claimant’s Non-Consenting Class 6 Claim. By signing below, Claimant certifies that Claimant has reviewed and understands the Trust Distribution Plan and further understands that the decision of the Abuse Claims Reviewer is final and not subject to appeal or further review. Claimant consents to the method set forth in the Plan and Trust Distribution Plan for determining distributions from the Trust on account of Claimant’s Non-Consenting Class 6 Claim.

2. Claimant accepts and acknowledges that, except as expressly provided in the Plan, neither the Debtor nor the Reorganized Debtor will have or incur any liability to, or be subject to any right of action by, Claimant or his or her heirs, successors, assigns, agents and representatives for any act or omission in or relating to the Chapter 11 Case, including the exercise of their respective business judgment and the performance of their respective fiduciary obligations, the pursuit of confirmation of the Plan, or the administration of the Plan, and in all respects, such

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan or the Confirmation Order. In the event of any inconsistency between this Agreement and the Plan and/or Confirmation Order, the Plan and/or Confirmation Order shall control. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control. Where appropriate, from a contextual reading of the term, the term “Debtor” shall include the ‘Reorganized Debtor.

² **Schedule 1** attached hereto sets forth a list of the Participating Parties.

parties will be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan or in the context of the Chapter 11 Case.

3. Claimant accepts and acknowledges that, except as provided in the Plan, the Debtor, the Reorganized Debtor, the Trust, the Trust Administrator, and professionals employed by the foregoing shall not have any liability under the MSPA. Claimant agrees to provide the Trust Administrator with any information necessary to comply with reporting obligations arising under the MMSEA. Claimant acknowledges and agrees that if Claimant does have any obligations owing or potentially owing under the MSPA relating to any Abuse Claim or distribution from the Trust, the Trust Administrator may withhold from any payment directly or indirectly to Claimant funds sufficient to ensure that any obligations owing or potentially owing under the MSPA relating to such Abuse Claim are paid to the applicable agency.

II.

GENERAL RELEASE OF CLAIMS AGAINST DEBTOR

4. Claimant, individually and on behalf of Claimant's heirs, successors, assigns, agents and representatives, acknowledges that, Claimant has received and reviewed copies of the Plan, the Disclosure Statement, and each of the exhibits thereto, and has had an opportunity to consult with counsel of Claimant's choice regarding those documents and the substance of this Agreement, including, without limitation the release provisions set forth herein. Accordingly, Claimant, individually and on behalf of Claimant's heirs, successors, assigns, agents and representatives does now hereby:

- (a) voluntarily, intentionally, knowingly, absolutely, unconditionally, irrevocably, fully, finally, and completely release, acquit, and forever discharge the Debtor and the Reorganized Debtor of and from any and all past, present, and future Abuse Claims, and each such Persons' portion or share of Claimant's damages that, directly or indirectly, arise out of, relate to, or are connected with: (i) Claimant's Non-Consenting Class 6 Claim and any other Channeled Claims, (ii) Claims that directly or indirectly arise out of, relate to, or are in connection with the handling of Claimant's Non-Consenting Class 6 Claim and any other Channeled Claims, and (iii) all Claims that, directly or indirectly, arise from, relate to, or are connected with the Chapter 11 Case, with such release and discharge being effective as of the Effective Date of the Plan; and
- (b) voluntarily and irrevocably agree and covenant (i) that Claimant shall not sue or seek recovery or relief of any kind from the Debtor or Reorganized Debtor in connection with any and all past, present, and future Claims that directly or indirectly arise out of, relate to or are in connection with Claimant's Class 6 Unknown Abuse Claim or any other Channeled Claims, or the handling of Claimant's Class 6 Unknown Abuse Claim or Channeled Claims; *provided, however*, that the foregoing shall not affect Claimant's right to assert any Claim Claimant may have against any Protected Party and Non-Settling Insurers in accordance with, and subject to the terms and

provisions of the Plan; (ii) to forever and irrevocably discharge that fraction, portion, or percentage of damages Claimant may have suffered in connection with any Abuse which is by trial or other disposition determined to be the causal fault or responsibility, if any, of the Debtor; (iii) that the trial court in any future action that, directly or indirectly, arises out of, relates to, or is connected with the Claims released hereby will be bound by this Agreement, and that Claimant will not oppose any future defense counsel submitting this Agreement in such an action; (iv) that the releases set forth in this Agreement, when effective in accordance with the terms hereof, extinguish any potential liability of the Debtor, Reorganized Debtor, and any Exculpated Party, for contribution or indemnity to any Person who has been or may be held liable to Claimant for any Class 6 Unknown Abuse Claim or Channeled Claim, and (v) to be bound by the injunctions applicable to Non-Consenting Class 6 Claimants set forth in the Plan, including those injunctions contained in Section 12.3 thereof.

5. Claimant further agrees and covenants that Claimant's recourse shall be strictly limited to that portion of the Trust Assets funded by the Debtor Cash Contribution Amount and the Settling Insurers' Contribution allocable to Claimant's Non-Consenting Class 6 Claim in accordance with the terms of the Plan, and Claimant may not take any collection or enforcement action against any property of the Debtor or Reorganized Debtor.

III.

REPRESENTATIONS, THIRD PARTY BENEFICIARIES AND SUCCESSORS

6. Claimant represents and warrants that Claimant is the sole holder of the Abuse Claim Claimant has asserted against the Debtor and that Claimant has not assigned, transferred or granted any interest in such Claim to any other Person, nor has Claimant assigned or transferred to any Person any Claims Claimant may have against any Settling Insurers, other Participating Parties, or Exculpated Parties.

7. The releases, discharges, covenants and other undertakings made by Claimant pursuant to this Agreement shall be absolute and irrevocable. The Debtor and the Reorganized Debtor shall be intended third party beneficiaries of this Agreement, and shall have the right to enforce the terms hereof in any court of competent jurisdiction.

8. The provisions of this Agreement shall be binding upon Claimant, and upon Claimant's heirs, successors, assigns, agents and representatives.

IN WITNESS WHEREOF, this Agreement has been executed by Claimant (or, in the case of death or legal disability, Claimant's duly-authorized legal representative acting under power of attorney) and delivered to the Trust Administrator as of the date set forth below.

Dated: _____, 2026

Signature

Print or type full name of Claimant

Claim Number (if known)

Address

Claimant's full Social Security Number

Exhibit 2.2.118

Protected Parties

1. St. Anthony Foundation
2. St. Francis Center
3. Serra Retreat
4. St. Francis Retreat
5. Franciscan Renewal Center
6. San Damiano Retreat
7. Old Mission Santa Barbara
8. Old Mission San Luis Rey
9. Franciscan School of Theology
10. SBMAL, a California nonprofit public benefit corporation
11. Santa Barbara Mission Archive Library
12. Casa Franciscana Outreach (AZ)
13. Province of Our Lady Guadalupe
14. Franciscan Ministries, Inc.
15. Our Lady of Guadalupe, Inc.
16. Franciscan Charities, Inc.
17. Fraternal Care Trust
18. Franciscan Friars of Arizona, Inc.
19. Franciscan Friars of Oregon, Inc.
20. Franciscan Communications, Inc.
21. St. Anthony's Retreat, Inc.
22. St. Anthony Seminary High School

23. The Cause of the Blessed Junipero

Exhibit 2.2.139

Trust Agreement

FRANCISCAN FRIARS OF CALIFORNIA, INC. TRUST AGREEMENT

This trust agreement (this “**Trust Agreement**”) is made and entered into by and between the Franciscan Friars of California, Inc. (the “**Debtor**”) and [●] (the “**Trust Administrator**”) pursuant to the *Second Amended Joint Plan of Reorganization For The Franciscan Friars Of California, Inc. Dated June 22, 2026* [Dkt. No. ●] (together with all amendments, exhibits, supplements, and schedules thereto, the “**Plan**”) filed in the Debtor’s chapter 11 bankruptcy case, Case No. 23-41723 WJL, pending before the United States Bankruptcy Court for the Northern District of California (the “**Bankruptcy Court**”). Unless otherwise stated in this Trust Agreement, capitalized terms used in this Trust Agreement shall have the meanings ascribed to them in the Plan, the Confirmation Order (defined below), and/or title 11 of the United States Code (the “**Bankruptcy Code**”).

RECITALS

A. On the Petition Date, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor continues to operate its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. The Bankruptcy Court entered an order confirming the Plan (the “**Confirmation Order**”) on [●], 2026.

C. The Plan anticipates the creation of the Trust and the transfer and assignment to the Trust of the Trust Assets.

D. Pursuant to the Plan, the Trust is to use the Trust Assets to pay Class 5 Claims and Class 6 Claims and carry out the purposes of the Plan, among other obligations set forth therein.

E. Effective as of the date the Confirmation Order is entered, the Trust is established for the benefit of the Beneficiaries of the Trust (each defined below) and is intended to qualify as a “qualified settlement fund” within the meaning of Section 468B of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”) and Sections 1.468B-1 to -5 of the regulations promulgated under the Tax Code (the “**Treasury Regulations**”).

NOW, THEREFORE, pursuant to the Plan and the Confirmation Order, in consideration of the premises and provisions in the Plan, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and affirmed, it is agreed as follows:

DECLARATION OF TRUST

Subject to approval by the Bankruptcy Court and effective as of the Effective Date, the Debtor hereby absolutely and irrevocably assigns to the Trust, and to its successors in trust and its successors and assigns, all rights, title, and interest of the Debtor in and to the Trust Assets;

TO HAVE AND TO HOLD unto the Trust and its successors in trust and its successors and assigns forever;

IN TRUST NEVERTHELESS upon the terms and subject to the conditions set forth in this Trust Agreement and for the benefit of the Beneficiaries (defined below), as and to the extent provided in the Plan, and for the performance of, and compliance with, the terms of this Trust Agreement, the Plan, and the Confirmation Order;

PROVIDED, HOWEVER, that upon termination of the Trust in accordance with Article IV of this Trust Agreement, this Trust Agreement shall cease, terminate, and be of no further force and effect; and

IT IS HEREBY FURTHER COVENANTED AND DECLARED that the Trust Assets are to be held and applied by the Trust Administrator upon the further covenants and terms and subject to the conditions set forth in this Trust Agreement.

ARTICLE I. **AGREEMENT OF TRUST**

1.1 Creation and Name. Effective as of the date the Confirmation Order is entered, the Debtor hereby creates the Trust known as “The Franciscan Friars of California, Inc. Settlement Trust,” which is the Trust provided for in the Plan. In the event of any inconsistency between the Plan and this Trust Agreement, the terms of the Plan shall govern.

1.2 Purpose. The purpose of the Trust is to assume responsibility for preserving, managing, and distributing Trust Assets to Class 5 Claimants and distributing the Unknown Abuse Claims Reserve to Class 6 Claimants in accordance with this Trust Agreement, the Plan, the Confirmation Order and the Trust Distribution Plan.

1.3 Transfer of Trust Assets. Pursuant to the Plan and upon the Effective Date, the Debtor hereby irrevocably transfers, absolutely grants, assigns, conveys, sets over, and delivers to the Trust at all times as set forth in the Plan, all of the Debtor’s rights, titles, and interests in and to the Trust Assets in accordance with the Plan to be held in trust and for the uses and purposes stated in this Trust Agreement and in the Plan. The Trust Administrator is hereby authorized to file with the proper governmental authorities any and all documents necessary or helpful to establish the Trust as of the date the Confirmation Order is entered.

1.4 Transfer of Confidential Information. The Trust Administrator shall maintain the confidentiality of all documents and follow the confidentiality procedures provided for in the Bankruptcy Court’s *Order Establishing Deadlines for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof* [Dkt. No. 280] and the *Order Extending the Claims Bar Date and Granting Related Relief* [Dkt. No. 384].

1.5 Irrevocability. The Trust shall be irrevocable. The Debtor shall not alter, amend, revoke, or terminate the Trust. The Debtor shall have no power or authority to direct the Trust Administrator to return any of the Trust Assets to the Debtor.

1.6 Beneficiaries. The beneficiaries of the Trust are Class 5 Claimants and Class 6 Claimants under the Plan whose Claims are allowed by the Abuse Claims Reviewer under the Trust Distribution Plan (each a “**Beneficiary**” and collectively, the “**Beneficiaries**”).

1.7 Acceptance of Assets and Assumption of Liabilities.

1.7.1 In furtherance of the purposes of the Trust, the Trust Administrator hereby accepts the role of trustee of the Trust and accepts the grant, assignment, transfer, conveyance and delivery of the Trust Assets to the Trust, subject to the terms and conditions set forth in this Trust Agreement, the Plan, the Confirmation Order and the Trust Distribution Plan.

1.7.2 In furtherance of the purposes of the Trust, the Trust Administrator, on behalf of the Trust, hereby expressly assumes all responsibility for preserving, managing and distributing Trust Assets to the Beneficiaries. The Claims of the Beneficiaries will be evaluated by the Abuse Claims Reviewer in accordance with the Trust Distribution Plan.

1.7.3 The Trust Administrator shall have all of the rights, powers and duties set forth in this Trust Agreement, the Trust Distribution Plan, and the Plan, and available under applicable law, for accomplishing the purposes of the Trust. The Trust Administrator's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the applicable provisions of the Plan, the purpose of the Trust, and applicable law. The Trust Administrator shall have the authority to bind the Trust within the limitations set forth in this Trust Agreement, but shall be acting in the capacity as Trust Administrator, and not individually, for all purposes contained in this Trust Agreement.

1.7.4 In furtherance of the purposes of the Trust, the Trust Administrator assumes responsibility for: (a) making payments to the Beneficiaries and Holders of Unknown Claims; (b) receiving, collecting, liquidating, maintaining, and distributing the Trust Assets; and (c) fulfilling all other obligations of the Trust under this Trust Agreement, the Plan, the Confirmation Order, and the Trust Distribution Plan. The Trust will be administered consistent with the purpose of the Trust and with no objective to continue or to engage in the conduct of a trade or business, except to the extent reasonably necessary to preserve the value of the Trust Assets or as otherwise provided in the Plan, the Confirmation Order or the Trust Distribution Plan.

1.7.5 All Trust expenses and all liabilities of the Trust with respect to the Beneficiaries shall be payable solely by the Trust Administrator out of the Trust Assets.

ARTICLE II.
CORPUS OF THE TRUST

2.2 Trust Composition. The Trust Assets shall include all property transferred to the Trust pursuant to the Plan, Confirmation Order, and any future orders of the Bankruptcy Court, including without limitation, all rights of every kind, nature, and description transferred to the Trust pursuant to the Plan.

2.3 Transfer to Trust. Upon the Effective Date, pursuant to the Plan and Confirmation Order, title to and all rights and interests in the Trust Assets shall be transferred to the Trust free and clear of all Liens, Claims, encumbrances or interests of any kind in the Trust Assets of any other Person (including all Liens, Claims, encumbrances or interests of creditors of the Debtor) in accordance with sections 1123, 1141, and 1146(a) of the Bankruptcy Code, except as otherwise

provided for in the Plan. The Trust Administrator, on behalf of the Trust, shall receive the Trust Assets when they are transferred to the Trust.

2.4 Trust Administrator's Right to and Title and Interest in Trust Assets. Upon the transfer of the Trust Assets, the Trust succeeds to all of the Debtor's and the Estate's right to and title and interest in the Trust Assets, and the Debtor and the Estate shall have no further right to, or title or interest in or with respect to, the Trust Assets or the Trust.

2.5 No Tax on Transfers to Trust. Pursuant to section 1146(a) of the Bankruptcy Code, the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with this Trust, including any deeds, bills of sale, or assignments executed in connection with any transfer to the Trust or receipt or disposition/sale of assets by the Trust contemplated by the Plan, shall not be subject to any stamp tax, real estate transfer tax, excise tax, sales tax, use tax, or similar tax.

2.6 Spendthrift Provision. To the fullest extent permitted by law, neither the principal nor income of the Trust, in whole or in part, shall be subject to (a) any legal or equitable claims of creditors of any Beneficiary or others, (b) legal process, or (c) voluntary or involuntary transfer, assignment, anticipation, pledge, or other form of alienation or encumbrance except as may be ordered by the Bankruptcy Court.

2.7 Trust Corpus. The entirety of the Trust's corpus shall be available to pay the Beneficiaries and authorized expenses. The Trust Corpus shall be allocated, administered, and distributed as provided in this Trust Agreement, the Plan, the Confirmation Order, and the Trust Distribution Plan.

2.8 Unknown Abuse Claims Reserve. \$[●] of the Trust Assets shall be set aside in a reserve fund owned by the Trust for Unknown Abuse Claims pursuant to the Plan (the "Unknown Abuse Claims Reserve"). The payments to holders of Unknown Abuse Claims shall be made in accordance with the Trust Distribution Plan. The Unknown Abuse Claims Reserve will terminate in accordance with the Plan and the Trust Distribution Plan. After the Unknown Claims Reserve Establishment Period terminates, to the extent there are any remaining funds after payment to all Unknown Abuse Claims pursuant to the Trust Distribution Plan, such remaining funds shall be retained by the Trust, with no further restrictions on the Trust's use of such funds except for the general restrictions on use of Trust Assets provided for herein. For the avoidance of doubt, the Unknown Abuse Claims Reserve shall be treated as assets of the Trust and the Class 5 Claimants shall be treated as Beneficiaries of the Trust to the extent otherwise provided in this Trust Agreement, the Plan, and the Trust Distribution Plan.

ARTICLE III.

POWERS AND DUTIES OF TRUST ADMINISTRATOR

3.1 Trust Administrator's Bond. The Trust Administrator shall not be required to post any bond, surety, or other security for the performance of the Trust Administrator's duties unless otherwise ordered by the Bankruptcy Court, and, in the event the Trust Administrator is so otherwise ordered, all reasonable costs and expenses of procuring any bond or surety shall be borne by the Trust and paid for from the Trust Assets.

3.2 Powers and Duties. The Trust Administrator shall have, in addition to any other powers and duties conferred on the Trust Administrator by applicable trust law (to the extent not inconsistent with applicable bankruptcy law, the Plan, and the Confirmation Order), the Plan, the Confirmation Order, and the Trust Distribution Plan, the following powers and duties:

3.2.1 To act as custodian of, and to receive, control, manage, liquidate, monetize, and dispose of, all Trust Assets and the Unknown Abuse Claims Reserve for the benefit of the Beneficiaries as the Trust Administrator deems appropriate to accomplish the purpose of the Trust, in accordance with the terms contained in this Trust Agreement, the Plan, the Confirmation Order, and the Trust Distribution Plan.

3.2.2 To abandon any property which the Trust Administrator determines in the Trust Administrator's reasonable discretion to be of *de minimus* value or of more burden than value to the Trust.

3.2.3 To protect and enforce the rights in and to the Trust Assets and the Unknown Abuse Claims Reserve by any method deemed appropriate, including without limitation, by judicial proceedings or pursuant to any applicable bankruptcy, insolvency, moratorium, or similar law and general principles of equity.

3.2.4 To enter into contracts in the course of administering the Trust Assets and the Unknown Abuse Claims Reserve under this Trust Agreement, the Plan, the Confirmation Order, and the Trust Distribution Plan.

3.2.5 To open and maintain bank accounts on behalf of the Trust, deposit funds in the bank accounts, and draw checks on the bank accounts, as appropriate under this Trust Agreement, the Plan, and the Confirmation Order. Notwithstanding anything herein to the contrary, the Trust Administrator may open and maintain bank accounts on behalf of the Trust after the date the Confirmation Order is entered but prior to the Effective Date.

3.2.6 To obtain all reasonably available insurance coverage with respect to any property that is, or may in the future become, a Trust Asset.

3.2.7 To incur on behalf of the Trust, and pay from the assets of the Trust, all fees, costs, and expenses of administering the Trust as provided this Trust Agreement, the Plan, the Confirmation Order, and the Trust Distribution Plan. These fees, costs, and expenses include: (a) the fees of bankruptcy claims and/or distribution agents, (b) the fees and costs of professionals employed by the Trust Administrator (the "Professionals"), including without limitation, the Abuse Claim Reviewer, investment advisors, accountants, agents, managers, attorneys-at-law, actuaries, or auditors, and (c) the premiums charged by insurers, including without limitation, professional liability insurers.

3.2.8 To make distributions, in accordance with the Trust Distribution Plan, to Beneficiaries who have provided signed copies of all releases as required by the Plan.

3.2.9 In the Trust Administrator's discretion, to rely on the authenticity of the signature of the Abuse Claim Reviewer, and the accuracy of the information set forth by, and the reasonableness of the determination of, the Abuse Claim Reviewer in the

administration of the Trust Distribution Plan and assessment of the Class 5 Claims and Class 6 Claims without any verification or confirmation.

3.2.10 In the Trust Administrator's discretion, as a party in interest, to seek enforcement of any provision of the Plan or Confirmation Order pertaining to the Trust.

3.2.11 To retain any attorney-at-law, consultant, expert, accountant, investment advisor, bankruptcy management company, or such other agents and advisors as are necessary and appropriate to effectuate the purpose of, and maintain and administer, the Trust and shall be entitled to rely on advice given by such advisors within his, her, or its areas of competence.

3.2.12 Subject to consultation with the Trust Advisory Committee (defined below), to remove the Abuse Claim Reviewer for cause. For purposes of this Trust Agreement, "cause" shall mean (a) the willful and continued refusal by the Abuse Claim Reviewer to perform the Abuse Claim Reviewer's duties as set forth in this Trust Agreement, the Trust Distribution Plan, and the Plan, (b) gross negligence, gross misconduct, fraud, embezzlement, or theft, (c) a breach of fiduciary duty, or (d) other cause as the Trust Administrator shall in good faith determine. In the event the Abuse Claim Reviewer resigns, is removed, or is otherwise unable to perform the Abuse Claim Reviewer's obligations, the Trust Administrator, but subject to consultation with the Trust Advisory Committee, shall have exclusive authority to appoint a new Abuse Claim Reviewer. Nothing contained in this Trust Agreement shall prohibit the Trust Administrator from also serving as the Abuse Claim Reviewer if the Trust Administrator determines, but subject to consultation with the Trust Advisory Committee, that serving as both the Trust Administrator and the Abuse Claim Reviewer is in the best interest of the Trust and the Beneficiaries.

3.2.13 To make, sign, execute, acknowledge, and deliver any documents that may be necessary or appropriate to effectuate the purpose of the Plan or the Trust or to maintain and administer the Trust.

3.2.14 To seek the examination of any Person under, and subject to, the provisions of the Bankruptcy Rules, including without limitation Bankruptcy Rule 2004.

3.2.15 To amend, modify, or alter this Trust Agreement by filing a motion with the Bankruptcy Court, with notice to the Beneficiaries (through their counsel when known, and otherwise directly), the Debtor, and any or all other parties in interest. For the avoidance of doubt, the amendments, modifications, or alterations may not be inconsistent with the terms of the Plan, the terms of the Confirmation Order, or the purpose of the Trust, as identified in Section 1.2 of this Trust Agreement.

3.2.16 Upon any event terminating the Trust, to defer distribution of Trust Assets and the Unknown Abuse Claims Reserve for a reasonable time needed to wind up the affairs of the Trust, including time needed to provide for payment of debts and expenses, although the Beneficiaries' rights to distributions shall vest immediately.

3.2.17 To comply with section 345 of the Bankruptcy Code with regard to the investment of the Trust Assets. The Trust Administrator is relieved of any obligation to diversify.

3.2.18 To establish the accounts, funds, and reserves, as required by the Plan, for ease of administration. Nothing in this provision shall restrict the Trust Administrator's authority to pool the accounts, funds, or reserves for investment purposes or shall require separate bank accounts for the accounts, funds, or reserves.

3.2.19 To be responsible for only the Trust Assets and the Unknown Abuse Claims Reserve delivered to the Trust and have no duty to make, nor incur any liability for failing to make, any search for unknown property or liabilities.

3.2.20 To cause the Trust to assume and undertake all duties, obligations and indemnification responsibilities set forth in the Plan and Insurance Settlement Agreements;

3.2.21 To negotiate with any Non-Settling Insurer in an attempt to agree on a global settlement under which a Non-Settling Insurer would become a Settling Insurer under the Plan and to enter into and consummate any agreed upon settlement with the Non-Settling Insurer in conformance with the Plan.

3.2.22 To request an expedited determination of taxes of the Trust under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Trust for all taxable periods through the dissolution of the Trust; and

3.2.23 To take any action required to enforce the Insurance Settlement Agreements.

3.3 Limitations on the Trust Administrator. Notwithstanding anything in this Trust Agreement to the contrary, the Trust Administrator shall not do or undertake any of the following:

3.3.1 Guaranty any debt other than as provided for in this Trust Agreement or as required by the Plan;

3.3.2 Make loan(s) of Trust Assets;

3.3.3 Make any transfer or distribution of Trust Assets other than those authorized in this Trust Agreement, the Plan, the Confirmation Order, or the Trust Distribution Plan;

3.3.4 Engage in any trade or business; or

3.3.5 Engage in any investments or activities inconsistent with the treatment of the Trust as a "qualified settlement fund."

3.4 Settling Insurer Indemnification Reserve.

3.4.1 To receive a distribution from the Trust Assets, a Beneficiary must provide the Trustee with a completed and executed Abuse Claim Release Agreement. Upon written

request of the Reorganized Debtor, a Protected Party, or a Settling Insurer, the Trustee shall provide to such requesting party copies of the Abuse Claim Release Agreements executed by the Beneficiaries.

3.4.2 Upon receipt of the aggregate Insurance Settlement Amount, and to facilitate the Trust's indemnification obligations in favor of the Settling Insurers, the Trustee shall establish a reserve (the "**Settling Insurer Indemnification Reserve**"), which shall be funded, maintained, and released as follows:

- (i) First, the Trustee shall fund the Settling Insurer Indemnification Reserve with \$8,100,000 from the aggregate Insurance Settlement Amount.
- (ii) Thereafter, the Trustee may release from the Settling Insurer Indemnification Reserve \$90,000.00 for every Abuse Claimant who either (i) returns to the Trust an Abuse Claim Release Agreements or (ii) is deemed to be a Non-Communicative Abuse Claimant (defined below). All such funds released from the Settling Insurer Indemnification Reserve pursuant to this Section 3.4.2 shall be transferred to the general Trust Assets and made available for distributions to Abuse Claimants in accordance with the Plan and Trust Distribution Plan. A "**Non-Communicative Abuse Claimant**" means an Abuse Claimant who has not responded to any Trustee communication within one year of the Effective Date.
- (iii) All funds held in the Settling Insurer Indemnification Reserve shall be segregated from other Trust Assets or funds, and accounted for separately from such other Trust Assets or funds, by the Trustee.

3.4.3 The reserve amounts specified in Section 3.4.2 above are in addition to, and do not include, the reserves that otherwise must be established pursuant to the Plan. For the avoidance of doubt, nothing in this Section 3.4 shall limit Section 5.12 of the Plan (Indemnification of Settling Insurers by Trust), and the obligations set forth therein shall survive the exhaustion or depletion of the Settling Insurer Indemnification Reserve.

3.4.4 At the request of a Settling Insurer, the Trustee shall provide a report to that Settling Insurer identifying the Abuse Claimants that are deemed to be Non-Communicative Abuse Claimants and those Abuse Claimants that have signed the Abuse Claim Release Agreements. The Trustee or its professionals will make themselves reasonably available to the Settling Insurers to address questions regarding such reporting.

ARTICLE IV. **TERMINATION OF THE TRUST**

4.1 **Pre-Effective Date Termination.** The Trust Administrator, with the written consent of the Committee, may terminate the Trust if (a) the Plan does not become effective within one (1) year from the date the Confirmation Order is entered by the Bankruptcy Court or (b) the Chapter 11 Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code (the "**Pre-Effective Date Termination**"). Upon the Pre-Effective Date Termination of the Trust, the Trust Agreement shall be null and void and of no force and effect, with the Trust Administrator and the

Debtor both discharged from any and all duties and obligations provided for in this Trust Agreement.

4.2 Post-Effective Date Termination. The Trust Administrator shall terminate the Trust after (a) the Trust Administrator's liquidation, administration, and distribution of substantially all of the Trust Assets and the Unknown Abuse Claims Reserve in accordance with this Trust Agreement, the Plan, the Confirmation Order, and/or the Trust Distribution Plan and (b) the Trust Administrator's full performance of all other duties and functions set forth in this Trust Agreement and the Plan (the "**Post-Effective Date Termination**").

4.3 Post-Effective Date Termination Procedures. After the Post-Effective Date Termination of the Trust and solely for the purpose of liquidating and winding up its affairs, the Trust Administrator shall continue to act as Trust Administrator until the Trust Administrator's duties in this Trust Agreement have been fully performed. The Trust Administrator shall retain the books, records, documents, and files that shall have been delivered to, or created by, the Trust Administrator until distribution of all the Trust Assets. For purposes of this provision, the Trust Assets and the Unknown Abuse Claims Reserve will be deemed distributed when the total amount remaining in the Trust is less than \$50,000 and the Trust Administrator has decided that he or she can no longer make a cost efficient pro rata distribution of such Trust Assets and/or the Unknown Abuse Claims Reserve to Beneficiaries. At the Trust Administrator's discretion, all of the books, records, documents, and files may be destroyed at any time following the later of: (a) the first anniversary of the final distribution of the Trust Assets and the Unknown Abuse Claims Reserve or (b) the date until which the Trust Administrator is required by applicable law to retain the books, records, documents, and files; provided that, notwithstanding the foregoing, the Trust Administrator shall not destroy or discard any books, records, documents, or files relating to the Trust without giving the Debtor and the Beneficiaries reasonable prior written notice.

4.4 Post-Effective Date Termination Distribution. Upon Post-Effective Date Termination of the Trust, provided that all fees and expenses of the Trust have been paid or provided for in full, the Trust Administrator will deliver all funds and other investments in the Trust, if any, including any investment earnings to a non-profit organization whose mission includes supporting or advocating for survivors of child sexual abuse.

4.5 Discharge, Exculpation, and Exoneration. Upon Post-Effective Date Termination of the Trust and accomplishment of all activities described in this Article, the Trust Administrator and the Professionals shall be discharged and exculpated from liability, and the Trust Administrator's bond (if any), shall be exonerated except for acts or omissions resulting from the recklessness, gross negligence, willful misconduct, knowing and material violation of law, or fraud of the Trust Administrator or his designated agents or representatives. The Trust Administrator may, at the expense of the Trust, seek an order of the Bankruptcy Court confirming the discharges, exculpations, and exoneration referenced in this Section.

ARTICLE V.

IMMUNITY, LIABILITY, AND INDEMNIFICATION OF TRUST ADMINISTRATOR

5.1 Limitations on Liability. Neither the Trust Administrator nor any of the Trust Administrator's duly designated agents, representatives, or Professionals shall be liable for any act

or omission taken or omitted by them in good faith, other than acts or omissions resulting from the recklessness, gross negligence, willful misconduct, knowing and material violation of law, or fraud of the Trust Administrator or the Trust Administrator's designated agents, representatives, or Professionals. The Trust Administrator may, in connection with the performance of the Trust Administrator's functions, and in the Trust Administrator's sole and absolute discretion, consult with the Professionals and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with the reasonable advice or opinions rendered by the Professionals. Notwithstanding this authority, the Trust Administrator shall be under no obligation to consult with the Professionals, and the Trust Administrator's good faith determination not to consult with the Professionals shall not result in the imposition of liability on the Trust Administrator, unless the determination is based on the Trust Administrator's recklessness, gross negligence, willful misconduct, knowing and material violation of law, or fraud.

5.2 No Recourse Against the Trust Administrator Personally. No recourse shall be had, directly or indirectly, against the Trust Administrator personally, or against any employee, contractor, or Professional retained by the Trust Administrator in accordance with the terms of this Trust Agreement, Plan, or Confirmation Order, by legal or equitable proceedings or by virtue of any statute or otherwise, nor upon any promise, contract, instrument, undertaking, obligation, covenant, or trust agreement executed by the Trust Administrator in implementation of this Trust Agreement or the Plan or by reason of the creation of any indebtedness by the Trust Administrator under the Plan for any purposes authorized by this Trust Agreement or the Plan, it being expressly understood and agreed that any promise, contract, instrument, undertaking, obligation, covenant, or trust agreement entered into by the Trust Administrator, whether in writing or otherwise, shall be enforceable only against, and be satisfied only out of, the Trust Assets and shall be evidence only of a right of payment out of the Trust Assets. The Trust Administrator may be held liable for the Trust Administrator's recklessness, gross negligence, willful misconduct, knowing and material violation of law, or fraud; and if liability for these grounds is established, recourse may be had directly against the Trust Administrator. The Trust will not be covered by a bond.

5.3 Indemnification. The Trust Administrator, using Trust Assets, shall defend, indemnify, and hold harmless the Trust Administrator, the Trust Administrator's officers, directors, attorneys, Professionals, agents, representatives, and employees to the fullest extent that a corporation or trust organized under the laws of the state of California is entitled to defend, indemnify, and hold harmless its trustees, officers, directors, attorneys, agents, representatives, and employees against any and all costs (including attorneys' fees and costs), judgments, awards, amounts paid in settlement, liabilities, expenses, claims, damages, or losses incurred by them in the performance of their duties under this Trust Agreement; provided that neither the Trust Administrator nor the Trust Administrator's officers, directors, attorneys, Professionals, agents, representatives, or employees shall be defended, indemnified, or held harmless in any way for any liability, expense, claim, damage, or loss for which they are ultimately held liable under Section 5.1 of this Trust Agreement.

ARTICLE VI.
COMPENSATION AND EXPENSE
REIMBURSEMENT OF TRUST ADMINISTRATOR AND ITS AGENTS

The Trust Administrator shall receive fair and reasonable compensation for his or her services based upon his or her regular hourly rate, which are subject to adjustment from time to time, plus reimbursement of all reasonable and documented costs and expenses. The Trust Administrator shall notify the Trust Advisory Committee of any increases in his or her hourly rate. The Trust Administrator's compensation structure may be modified by agreement between the Trust Administrator and the Trust Advisory Committee.

All Professionals retained by the Trust Administrator shall be entitled to reasonable compensation for services rendered and reimbursement of expenses reasonably incurred in rendering such services.

The payment of the fees and expenses of the Trust Administrator and Professionals retained by the Trust Administrator shall be made in the ordinary course of business and, unless otherwise required by an order of the Bankruptcy Court, shall not be subject to the approval of the Bankruptcy Court, but such payment shall be subject to the following procedures:

- (i) All Professionals retained by the Trust Administrator shall deliver their invoices or fee statements (which invoices and/or fee statements shall be reasonably detailed (but may include redactions for privilege) and, with respect to attorney fee statements, shall not be provided in summary fashion) on a monthly basis via electronic mail to the Trust Administrator before payment of such invoices or fee statements shall be approved.
- (ii) The Trust Administrator shall deliver reasonably detailed monthly invoices or fee statements via electronic mail to the members of the Trust Advisory Committee.
- (iii) The Trust Administrator and the Trust Advisory Committee, as applicable, shall have fourteen (14) days from the date of delivery of any invoice or fee statement to provide written notice of an objection to the invoice or fee statement to the Professional or Trust Administrator, as applicable, seeking compensation and/or reimbursement of expenses.
- (iv) For an objection to an invoice or fee statement to be valid, it shall set forth in reasonable detail the specific fees objected to and the basis for the objection, and be sent via electronic mail to the Trust Administrator or the Professional (with a copy to the Trust Administrator), as applicable. The uncontested portion of each invoice or fee statement shall be deemed approved and shall be paid within twenty (20) days after its original delivery to the Trust Administrator.
- (v) Any objection to an invoice or fee statement that remains unresolved fifteen (15) days after it is made in writing may be submitted for resolution to the Bankruptcy Court (via motion on notice to the Trust Administrator) by the party seeking payment.

ARTICLE VII.
TRUST ADVISORY COMMITTEE

7.1 Members. The Trust Advisory Committee shall be appointed by the Committee and formed as of the Effective Date to oversee certain actions of the Trust Administrator as set forth herein. The Trust Advisory Committee shall initially consist of those members of the Committee, or their designees, who agree to serve on the Trust Advisory Committee. Upon the death or resignation of a member of the Trust Advisory Committee or removal for good cause shown, the remaining members of the Trust Advisory Committee may, but shall not be required to, fill the applicable vacancy on the Trust Advisory Committee with a new member, subject to the reasonable consent of the Trust Administrator, which consent shall not be unreasonably withheld.

7.2 Term of Service. Upon the completion of all the Trust Administrator's duties, responsibilities, and obligations under the Plan and this Trust Agreement, the Trust Advisory Committee shall be automatically disbanded and its members shall have no further duties, responsibilities, and obligations in connection with the Chapter 11 Case or the Plan and its implementation.

7.3 Reporting to the Trust Advisory Committee. After the Effective Date, and until the Trust Advisory Committee is disbanded, the Trust Administrator shall provide the Trust Advisory Committee with periodic updates on its and the Abuse Claims Reviewer's progress. Nothing herein shall preclude the Trust Advisory Committee from reasonably requesting additional information from the Trust Administrator in the exercise of the Trust Advisory Committee's duties under the Plan or this Trust Agreement.

7.4 Fiduciary. The members of the Trust Advisory Committee shall act in a fiduciary capacity on behalf of the interests of all Beneficiaries.

7.5 No Compensation. Members of the Trust Advisory Committee shall receive no compensation from the Debtor, the Trust Administrator, or the Trust on account of their membership on the Trust Advisory Committee except for reimbursement of their reasonable and documented out of pocket expenses (which, for the avoidance of doubt, shall not include the fees or expenses of any professionals retained individually by any member of the Trust Advisory Committee).

ARTICLE VIII.
SUCCESSOR TRUST ADMINISTRATOR

8.1 Vacancy Caused by the Trust Administrator's Resignation or Removal.

8.1.1 The Trust Administrator may resign at any time upon thirty (30) days written notice to be filed with the Bankruptcy Court. The outgoing trustee (the "**Outgoing Trust Administrator**") shall, within thirty (30) days after the Outgoing Trust Administrator's resignation takes effect, deliver to the successor trustee (the "**Successor Trust Administrator**") all of the Trust Assets which were in the possession of the Outgoing Trust Administrator along with a complete list of Trust Assets and a complete

accounting of all transactions engaged by the Outgoing Trust Administrator while serving as the Trust Administrator.

8.1.2 The Bankruptcy Court may remove a Trust Administrator for cause, which cause shall include, but shall not be limited to, the factors set forth in any applicable California law. The removal will take effect upon the date the Bankruptcy Court specifies. In the event of removal, the Trust Administrator shall, within thirty (30) days after such removal takes effect, or at some earlier date as the Bankruptcy Court may specify, deliver to the Successor Trust Administrator all of the Trust Assets which were in the possession of the Outgoing Trust Administrator along with a complete list of Trust Assets and a complete accounting of all transactions engaged in by the Outgoing Trust Administrator while serving as such.

8.2 Outgoing Trust Administrator Obligations. In the event of the resignation or the removal of the Trust Administrator, the Outgoing Trust Administrator, in addition to the duties imposed under Sections 8.1.1 or 8.1.2, shall:

8.2.1 Execute and deliver by the effective date of the resignation or removal the documents, instruments, records, and other writings as may be reasonably requested by the Successor Trust Administrator to effect the resignation or removal of the Outgoing Trust Administrator and the conveyance of the Trust Assets and the Unknown Abuse Claims Reserve to the Successor Trust Administrator.

8.2.2 Deliver to the Successor Trust Administrator all documents, instruments, records, and other writings relating to the Trust Assets and the Unknown Abuse Claims Reserve as may be in the possession or under the control of the Outgoing Trust Administrator.

8.2.3 Otherwise assist and cooperate in effecting the assumption of the Outgoing Trust Administrator's obligations and functions by the Successor Trust Administrator.

8.2.4 The Outgoing Trust Administrator hereby irrevocably appoints the Successor Trust Administrator (and any interim trustee) as the Outgoing Trust Administrator's attorney-in-fact and agent with full power of substitution for the Outgoing Trust Administrator and the Outgoing Trust Administrator's name, place, and stead to do any and all acts that the Outgoing Trust Administrator is obligated to perform under this Trust Agreement. The appointment of the Successor Trust Administrator as the Outgoing Trust Administrator's attorney-in-fact and agent shall not be affected by the subsequent disability or incompetence of the Outgoing Trust Administrator. The Bankruptcy Court may also enter any order necessary to effect the termination of the appointment of the Outgoing Trust Administrator and the subsequent appointment of the Successor Trust Administrator.

8.3 Appointment of Successor Trust Administrator. Any vacancy in the office of the Trust Administrator shall be filled by the nomination of a majority of the members of the Trust Advisory Committee

8.4 Preservation of Record of Changes in Trust Administrators. A copy of each instrument of resignation, removal, appointment, and acceptance of appointment shall be attached to an executed counterpart of this Trust Agreement.

ARTICLE IX.

TRUST ADMINISTRATOR REPORTING AND DISCHARGE

9.1 Annual Accountings. The Trust Administrator shall prepare, at least annually, a written accounting of the administration of the Trust listing the current Trust Assets and the Unknown Abuse Claims Reserve with fair market values and detailing all transactions that occurred during the period covered by the accounting. Each accounting shall be filed with the Bankruptcy Court no later than April 30 of the following year for as long as the Chapter 11 Case remains open and pending before the Bankruptcy Court. Copies of the accounting shall be available to the Beneficiaries upon request. However, the Trust Administrator shall redact any and all confidential and personal identifying information from any and all accountings or reports filed with the Bankruptcy Court or provided to any Beneficiary.

9.2 Approval of Accountings and Discharge of the Trust Administrator. At any time when the Chapter 11 Case is open, the Trust Administrator may file with the Bankruptcy Court a motion for approval of any accounting described in Section 9.1 of this Trust Agreement. Upon the entry of an order of the Bankruptcy Court approving the accounting, the Trust Administrator shall be discharged from all liability to the Trust, any Beneficiary, or any Person who has or may have a claim against the Trust Administrator or Trust for acts or omissions in the Trust Administrator's capacity as Trust Administrator with respect to all assets listed and transactions detailed in the accounting.

ARTICLE X.

SECTION 468B SETTLEMENT FUND

10.1 Qualification. In accordance with the Plan, the Trust Administrator shall take all reasonable steps to ensure that the Trust will qualify as, and remain, a "qualified settlement fund" within the meaning of Section 468B of the Tax Code and the Treasury Regulations. The Debtor shall be the "transferor" within the meaning of Treasury Regulation Section 1.468B-1(d)(1). The Trust Administrator shall be classified as the "administrator" within the meaning of Treasury Regulation Section 1.468B-2(k)(3).

10.2 All Events Test and Economic Performance Requirement. It is intended that the transfer of the Trust Assets to the Trust shall satisfy the "All Events Test" and the "Economic Performance" requirement of Section 461(h)(1) of the Tax Code and Treasury Regulation Section 1.461-1(a)(2).

10.3 Employer Identification Number. Upon establishment of the Trust, the Trust Administrator shall apply for an employer identification number for the Trust in accordance with Treasury Regulation Section 1.468B-2(k)(4).

10.4 Relation-Back Election. If applicable, the Trust Administrator and the Debtor shall fully cooperate in filing a relation-back election under Treasury Regulation Section 1.468B-1(j)(2) to treat the Trust as coming into existence as a settlement fund as of the earliest possible date.

10.5 Filing Requirements. The Trust Administrator shall cause to be filed, on behalf of the Trust, all required federal, state, and local tax returns in accordance with the provisions of Treasury Regulation Section 1.468B-2(k)(1). The Debtor shall supply to the Trust Administrator and to the Internal Revenue Service (the “**IRS**”) the statement described in Treasury Regulation Section 1.468B-3(e)(2) no later than February 15 of the year following each calendar year in which the Debtor makes a transfer to the Trust.

10.6 Broad Powers of the Trust Administrator. The Trust Administrator is empowered to take all actions, including any action consistent with those expressly set forth in Article IX of this Trust Agreement, as the Trust Administrator deems necessary to reasonably ensure that the Trust is treated as a “qualified settlement fund” under Section 468B of the Tax Code and the Treasury Regulations. Further, the Trust Administrator may, unilaterally and without order from the Bankruptcy Court, amend, either in whole or in part, any administrative provision of this Trust Agreement which causes unanticipated tax consequences or liabilities inconsistent with this Article X of this Trust Agreement.

ARTICLE XI. **BENEFICIARIES**

11.1 Register. The Trust Administrator shall keep a register (the “**Register**”) in which the Trust Administrator shall at all times maintain the names and addresses of the Beneficiaries and the actual distributions made to the Beneficiaries pursuant to the Plan and Trust Distribution Plan. The Trust Administrator may rely upon the Register for the purposes of delivering distributions or notices. In preparing and maintaining the Register, the Trust Administrator may rely on the name and address of each Holder of a Claim as set forth in a Proof of Claim filed by the Holder, or proper notice of a name or address change, which has been delivered by the Beneficiary to the Trust Administrator. The Trust Administrator shall be obligated to maintain the confidentiality of all names, addresses, and any and all other personally identifying information of the Beneficiaries provided to the Trust Administrator.

11.2 Rights of Beneficiaries. Subject to the terms of the Trust Distribution Plan, the rights of a Beneficiary under this Trust Agreement shall, upon the death or incapacity of an individual Beneficiary, pass to the legal representative of the Beneficiary. A Beneficiary shall have no title to, right to, possession of, management of, or control of the Trust Assets or Unknown Abuse Claims Reserve, or any right to call for a partition or division of the Trust Assets. Title to all the Trust Assets shall be vested in the Trust Administrator, and the sole interest of the Beneficiaries shall be the rights and benefits given to the Beneficiaries under this Trust Agreement, the Plan, the Confirmation Order, and the Trust Distribution Plan.

11.3 Tax Identification Numbers. The Trust Administrator shall require any Beneficiary to furnish to the Trust Administrator the Beneficiary’s employer or taxpayer identification number or social security number as assigned by the IRS, and other records or documents necessary to satisfy the Trust Administrator’s tax reporting obligations (including, but not limited to, certificates of non-foreign status). The Trust Administrator shall condition the payment of any distribution to any Beneficiary upon receipt of the number and records or documents.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

12.1 Plan Incorporation. The terms of the Plan, the Confirmation Order, and the Trust Distribution Plan are incorporated into this Trust Agreement. In the event of any conflict between the terms of this Trust Agreement and the Plan, the terms of the Plan shall govern.

12.2 Notices. All notices or deliveries required or permitted under this Trust Agreement shall be given as directed in the Plan, to the following:

IF TO THE DEBTOR: BINDER MALTER HARRIS & ROME-BANKS LLP Robert G. Harris Julie H. Rome-Banks Reno Fernandez 1625 The Alameda, Suite 101 San Jose, CA 95126 Tel: (408) 295-1700 Email: rob@bindermalter.com Email: julie@bindermalter.com Email: reno@bindermalter.com	IF TO THE COMMITTEE: LOWENSTEIN SANDLER LLP Jeffrey D. Prol Brent Weisenberg One Lowenstein Drive Roseland, NJ 07068 Tel: (973) 597-2500 Email: jprol@lowenstein.com Email: bweisenberg@lowenstein.com KELLER BENVENUTTI KIM LLP Tobias S. Keller Gabrielle L. Albert 101 Market St., Suite 1950 San Francisco, CA 94104 Tel: (415) 496-6723 Email: tkeller@kbkllp.com Email: galbert@kbkllp.com BURNS BAIR LLP Timothy W. Burns Jesse J. Bair 10 East Doty Street, Suite 600 Madison, WI 53703-3392 Telephone: (608) 286-2808 Email: tburns@burnsbair.com Email: jbair@burnsbair.com
IF TO THE TRUST ADMINISTRATOR: [TBD]	IF TO THE UNKNOWN ABUSE CLAIMS REPRESENTATIVE: OTTERBOURG P.C. Melanie L. Cyganowski 230 Park Avenue New York, NY 10169 Tel: (212) 905-3677 Email: mcyanowski@otterbourg.com

12.3 Waiver. No failure or delay of any party to exercise any right or remedy pursuant to this Trust Agreement shall affect the right or remedy or constitute a waiver by the party of any

right or remedy pursuant to this Trust Agreement. Resort to one form of remedy shall not constitute a waiver of alternative remedies.

12.4 Reimbursement of Costs. If the Trust Administrator or the Trust, as the case may be, is the prevailing party in a dispute regarding the provisions of this Trust Agreement or the enforcement of a provision of this Trust Agreement, the Trust Administrator or the Trust, as the case may be, shall be entitled to collect from the non-prevailing party any and all costs, reasonable and documented out-of-pocket expenses and fees, including attorneys' fees, incurred in connection with the dispute or enforcement action.

12.5 Entirety of Trust Agreement. This Trust Agreement supersedes any and all prior oral discussions and agreements with respect to the subject matter in this Trust Agreement. This Trust Agreement, together with the Exhibits to the Trust Agreement, the Plan, and the Confirmation Order, contain the sole and entire Trust Agreement and understanding with respect to the matters addressed in the Trust Agreement. It is acknowledged that there are no communications or oral understandings that are contrary to, or that in any way restrict, this Trust Agreement and that all prior agreements or understandings within the scope of the subject matter of this Trust Agreement are, upon execution and delivery of this Trust Agreement, superseded, null, and void.

12.6 Counterparts. This Trust Agreement may be executed in two or more counterparts, with the same effect as if all signatures on the counterparts appeared on one document, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile signatures or signatures delivered by any other electronic means shall have the same force and effect as original signatures.

12.7 Captions. The captions of Articles and Sections are included for convenience only and are to be disregarded in interpreting this Trust Agreement.

12.8 Representation. It is acknowledged that each of the parties to this Trust Agreement has reviewed this Trust Agreement and has consulted counsel, or knowingly chose not to consult counsel, before executing this Trust Agreement. Each of the parties to this Trust Agreement relied upon its own judgment and that of its counsel in executing this Trust Agreement and has not relied on, or been induced by, any representation, statement, or act by any party that is not referred to in this instrument. It is specifically acknowledged and understood that this Trust Agreement has not been submitted to, nor reviewed or approved by, the IRS or the taxing authorities of any state or territory of the United States of America. Each of the parties entered into this Trust Agreement voluntarily, with full knowledge of its significance, and the Trust Agreement is, in all respects, complete and final.

12.9 Interpretation. This Trust Agreement has been reached through negotiations between the parties to this Trust Agreement. Each of the parties to this Trust Agreement acknowledges that the party has participated in the drafting of this Trust Agreement and reviewed the terms of the Trust Agreement and, as such, no rule of construction shall apply which might result in this Trust Agreement being construed in favor or against any of the parties, including without limitation, any rule of construction to the effect that ambiguities ought to be resolved

against the drafting party. The parties to this Trust Agreement have used their own judgment in entering into this Trust Agreement.

12.10 Savings Clause. If any clause or provision of this Trust Agreement shall for any reason be held invalid or unenforceable by the Bankruptcy Court or any other court with competent jurisdiction, such invalidity or unenforceability shall not affect any other clause or provision in this Trust Agreement, but this Trust Agreement shall be construed, insofar as reasonable to effectuate the purpose of this Trust Agreement, as if the invalid or unenforceable provision had never been contained in the Trust Agreement.

12.11 Applicable Law. This Trust Agreement shall be administered under, governed by, and enforced according to the laws of the State of California applicable to contracts and trust agreements made and to be performed in this Trust Agreement, except that all matters of federal tax law and the Trust's compliance with Section 468B of the Tax Code and any Treasury Regulations shall be governed by federal tax law and all matters of federal bankruptcy law shall be governed by the Bankruptcy Code and federal bankruptcy law.

Dated: [●], 2026

**THE FRANCISCAN FRIARS OF
CALIFORNIA, INC.**

By: _____
[●]

Dated: [●], 2026

THE TRUST ADMINISTRATOR

By: _____
[●]

Dated: [●], 2026

**BINDER MALTER HARRIS & ROME-
BANKS LLP**

Robert G. Harris, Esq.

Exhibit 2.2.141

Trust Distribution Plan

**BINDER MALTER HARRIS &
ROME-BANKS LLP**

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*Attorneys for Official Committee of
Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

In re:

FRANCISCAN FRIARS OF
CALIFORNIA, INC.,

Debtor.

Case No. 23-41723 WJL

Chapter 11

**TRUST DISTRIBUTION PLAN FOR THE SECOND AMENDED JOINT PLAN OF
REORGANIZATION FOR THE FRANCISCAN FRIARS OF CALIFORNIA, INC.
DATED JUNE 22, 2026¹**

**NO DETERMINATION MADE UNDER THE TRUST DISTRIBUTION PLAN
CONCERNING THE ALLOWANCE AND ALLEGED DOLLAR VALUE OF AN
ABUSE CLAIM MAY BE USED IN ANY LITIGATION ARISING OUT OF OR IN
CONNECTION WITH NON-SETTLING INSURER POLICIES ISSUED BY NON-
SETTLING INSURERS. NEITHER THE ABUSE CLAIMS REVIEWER'S AND/OR
TRUSTEE ADMINISTRATOR'S ALLOWANCE OF AN ABUSE CLAIM NOR THE
PAYMENT OF DISTRIBUTIONS SHALL CONSTITUTE A TRIAL, AN
ADJUDICATION ON THE MERITS, OR EVIDENCE OF LIABILITY OR DAMAGES
IN ANY LITIGATION WITH THE NON-SETTLING INSURER OR ANY OTHER
PERSON.**

This document is the “Trust Distribution Plan” and the procedures set forth herein are the “Trust Distribution Procedures” defined in the *Second Amended Joint Plan of Reorganization for The Franciscan Friars Of California, Inc. Dated June 22, 2026* [Dkt. No. ●] (the “**Plan**”). The terms of the Plan shall prevail if there is any discrepancy between the terms of the Plan and the terms of this Trust Distribution Plan.

1. **Abuse Claims Reviewer.** [●] is the Abuse Claims Reviewer. The Abuse Claims Reviewer shall conduct a review of each of (i) the Proofs of Claim filed by Holders of Class 5 Claims against the Debtor in the Chapter 11 Case (each an “**Abuse Claim**,” and the holder of an Abuse Claim being an “**Abuse Claimant**”) and (ii) the Claims Filed by Class 6 Unknown Abuse Claimants (if any) within 7 years of the Effective Date in order to (a) determine whether the Holder of the Abuse Claim has proven by credible evidence that the Abuse alleged by the Abuse Claimant was perpetrated by a Perpetrator of the Debtor (if so, the Abuse Claimant is an “**Allowed Claimholder**,” and its claim, an “**Allowed Claim**”) and (b) if such Abuse Claim is Allowed, value the Abuse Claim using the Evaluation Factors (defined below). The Abuse Claims Reviewer’s review of each Abuse Claimant shall be the final review, subject only to reconsideration as set forth in paragraph 9.(b) below.

“**Perpetrator of the Debtor**” means a person: (1) who was an employee or other agent of the Debtor or any other Participating Party when such person committed an act of Abuse; or (2) for whom or for whose actions the Debtor or any other Participating Party was otherwise responsible.

2. **Successor to Abuse Claimant.** An Abuse Claim filed by or on behalf of an Abuse Claimant who dies after the Abuse Claim is filed but before receiving a distribution shall be reviewed and scored without penalty and shall be paid to the Abuse Claimant’s successor, estate or survivors in accordance with applicable law. The executor or administrator of the estate or other person authorized under applicable law to administer the assets of the decedent (an “**Estate**”

¹ All capitalized terms not defined below have the meaning ascribed to such term in the *Second Amended Joint Plan of Reorganization for The Franciscan Friars of California, Inc. Dated June 22, 2026*.

Representative”) shall provide documentation satisfactory in form and substance to the Survivors’ Trustee affirming such Estate Representative’s authority to administer the Abuse Claim on behalf of the decedent Abuse Claimant’s estate within 90 days of the Survivors’ Trustee’s request for such documentation.

An Unknown Abuse Claim filed on behalf of a deceased person shall be awarded zero points.

3. **Abuse Claim Supplement Deadline.** No later than 30 days after the Effective Date (such date being the “**Abuse Claim Supplement Deadline**”), Abuse Claimants shall be permitted to supplement their Abuse Claim by providing the Abuse Claims Reviewer with a supplement to their Proof of Claim no longer than 10 pages, single sided, double spaced with 12-point font, addressing the Evaluation Factors (defined below) and any other issue bearing on the evaluation of the Abuse Claim. All supplements shall be submitted by the Abuse Claim Submission Deadline unless the Abuse Claims Reviewer determines, in his or her sole discretion, there is good cause for delay. The Abuse Claims Reviewer, in his or her sole discretion, may allow an Abuse Claimant to exceed the page limit for the Abuse Claim Supplemental Submission.

The Debtor and any Participating Party (other than an Insurer) must cooperate with any reasonable information or discovery request by an Abuse Claimant that is necessary to provide information which will assist the Abuse Claims Reviewer in evaluating the Abuse Claim. If an Abuse Claimant seeks such information, the Abuse Claim Supplement Deadline shall be reasonably extended to allow an Abuse Claimant to obtain such information.

4. **Transfer of Proofs of Claim to the Abuse Claims Reviewer.** Within seven days of request, the Debtor shall provide electronic copies of all Proofs of Claim and the supplements thereto (as the same may have been amended from time to time) to the Abuse Claims Reviewer.

5. **Confidentiality and Privilege.**

All information that the Abuse Claims Reviewer receives from any source about any Abuse Claimant shall be held in strict confidence and shall not be disclosed absent an Order of the Bankruptcy Court or the written consent of the Abuse Claimant (or such Abuse Claimant’s counsel of record). All information that the Abuse Claims Reviewer receives from any Abuse Claimant (including from counsel to such Abuse Claimant) shall be subject to a mediation privilege and receipt of such information by the Abuse Claims Reviewer shall not constitute a waiver of any attorney-client privilege or attorney work-product claim or any similar privilege or doctrine.

6. **The Initial Review of Class 5 Claims.** Beginning within 7 days of the Abuse Claim Supplement Deadline, the Abuse Claims Reviewer will evaluate each Proof of Claim and any supplements filed by the Holder of a Class 5 Claim, as may have been also supplemented in accordance with Paragraph 2 herein, and, in doing so, use the Evaluation Factors set forth in Section 10 below to determine (the “**Initial Review Determination**”):

- (i) Whether the Holder of the Abuse Claim has proven by credible evidence that the Abuse alleged by the Abuse Claimant was perpetrated by a Perpetrator of the Debtor

(in such instance the Abuse Claimant is an “**Allowed Claimholder**,” and its claim, an “**Allowed Claim**”); and

- (ii) If an Abuse Claim is an Allowed Claim, the amount of points to be assigned to the Allowed Claim (the “**Proposed Allowed Claim Amount**”).

7. **Right to Request Additional Information.** Before making an Initial Review Determination, the Abuse Claims Reviewer may request that an Abuse Claimant provide additional documentation to support his or her Abuse Claim. The Abuse Claims Reviewer’s deadline to issue the Initial Claims Review Determination Letter (defined below) shall be extended if such request for additional information is made of an Abuse Claimant. Failure to respond to such request shall not be construed against the Abuse Claimant.

8. **Determinations Made Under Initial Claims Review.** Within 60 days of the Abuse Claim Supplement Deadline, or as soon thereafter as is reasonably practicable, the Abuse Claims Reviewer will provide written notice to each Abuse Claimant or his or her counsel of whether the Abuse Claim is Allowed and if so, the Proposed Allowed Claim Amount (the “**Initial Claims Review Determination Letter**”).

The Initial Claims Review Determination Letter will be sent in accordance with the Abuse Claimant’s preference for communication method selected in Part 2 of his or her Proof of Claim; *provided, however*, that if an Abuse Claimant is not represented by counsel and selected home voicemail or cell voicemail as his or her preferred communication method, the Initial Claims Review Determination Letter shall be sent via electronic email if an email address was provided on the Proof of Claim. If an email address was not provided, the Initial Claims Review Determination Letter shall be mailed by certified mail, return receipt requested, postage prepaid.

If an Abuse Claimant is sent the Initial Claims Review Determination Letter by email, the Initial Claims Review Determination Letter shall be deemed received upon being sent unless an error message is received by the sender indicating that such email address is invalid, no longer in use or the email has otherwise not been delivered, in which case the Initial Claims Review Determination Letter shall be mailed by certified mail, return receipt requested, postage prepaid.

9. **Acceptance or Reconsideration of the Initial Claims Review.** Abuse Claimants may:

- (i) Accept the determinations set forth in the Initial Claims Review Determination Letter; or
- (ii) Seek reconsideration of the determinations set forth in the Initial Claims Review Determination Letter.
 - (a) **Acceptance of the Initial Claims Review Determination Letter.** If the Abuse Claimant accepts the determinations set forth in the Initial Claims Review Determination Letter, the Abuse Claimant need not take any further

action other than as provided in the Initial Claims Review Determination Letter.

If an Allowed Claimholder accepts the determinations set forth in the Initial Claims Review Determination Letter, the Allowed Claimholder shall have the right to distributions from the Trust as provided for in paragraph 12 below.

- (b) **Reconsideration Requests.** Within 30 days of receipt of the Initial Claims Review Determination Letter (the “**Reconsideration Deadline**”), each Holder of a Trust Claim shall have the right to request an additional review (a “**Reconsideration Request**”) of the Initial Determination by the Abuse Claims Reviewer and shall be allowed to submit additional documentation or information that such Claimant believes should be considered. The Abuse Claims Reviewer shall provide a subsequent determination (the “**Review Determination**”). The Abuse Claims Reviewer shall notify all Abuse Claimants timely submitting a Reconsideration Request of its final determination within 90 days of the Reconsideration Deadline (the “**Reconsideration Decision**”).

10. **Allowance and Evaluation of Abuse Claims - Initial Review Determination.**

- (i) **Evaluation Factors.** If an Abuse Claim is Allowed, the Abuse Claims Reviewer shall determine the value of such Allowed Claim by assigning such Allowed Claim a point value under the following factors (the “**Evaluation Factors**”). Although the factors below collectively comprise the methodology that must be applied in reviewing Allowed Claims, the Abuse Claims Reviewer may take into account considerations in addition to those identified herein when evaluating an Allowed Claim within the parameters of the delineated factors.
- (a) **Nature of Abuse & Circumstances.** A point value ranging from 0 to 55 should be allocated for this section.

Considerations should include, but are not limited to, the following factors:

1. The duration and/or frequency of the abuse;
2. Type of abuse: e.g. penetration, attempted penetration, masturbation, oral sex, touching under the clothing, touching over the clothing, removing of clothing covering genitals, exposure of perpetrator’s genitals, kissing, sexualized talk, etc.;
3. Circumstances of abuse:

- A. grooming behaviors, including but not limited to, special privileges, special activities, and attention, social relationship with parents, personal relationship with claimant, opportunity to experience sports or activities, isolation from others, use of alcohol or illicit drugs by abuser or claimant or use of or exposure to pornography;
- B. coercion or threat or use of force or violence, stalking;
- C. relationship of claimant to perpetrator, including but not limited to, whether claimant was a parishioner or student, held perpetrator in high regard, whether perpetrator was in position of trust, whether perpetrator had unsupervised access to claimant, and whether claimant valued relationship with perpetrator; and
- D. Debtor's legal responsibility, including but not limited to, whether the perpetrator is identified by name, whether the perpetrator was a Debtor friar, cleric, employee or agent, whether there were multiple allegations/ claims/ lawsuits against the perpetrator, whether the perpetrator appears on the Debtor's credibly accused list, and whether the perpetrator appears on any credibly accused list.

- (b) Impact of the Abuse. A point value ranging from 0 to 40 should be allocated for this section.

This category will evaluate how the abuse impacted the Allowed Claimholder. This includes how the abuse impacted the Allowed Claimholder's mental health, physical health, spiritual well-being, interpersonal relationships, vocational capacity or success, academic capacity or success, and whether the abuse at issue resulted in legal difficulties for the claimant. Some of these considerations may include the below factors, but the below list is not intended to be exhaustive.

The Abuse Claims Reviewer should consider, along with any and all other relevant factors, whether the abuse at issue manifested, or otherwise led the claimant to experience, or engage in behaviors resulting from:

- A. Mental Health Issues: This includes but is not limited to anxiety, depression, post-traumatic stress disorder, substance abuse, addiction, embarrassment, fear, flashbacks, nightmares, sleep issues, sleep disturbances, exaggerated startle response, boundary issues, self-destructive behaviors, guilt, grief, homophobia, hostility, humiliation, anger, isolation, hollowness, regret, shame, isolation, sexual addiction, sexual problems, sexual identity confusion, low self-esteem or self-image, bitterness, suicidal ideation and suicide attempts.
- B. Physical Health Issues: This includes but is not limited to physical manifestations of emotional distress, gastrointestinal issues, headaches, high blood pressure, physical manifestations of anxiety, erectile dysfunction, heart palpitations, sexually-transmitted diseases, physical damage caused by acts of abuse, reproductive damage, self-cutting and other self-injurious behavior.
- C. Spiritual Wellbeing: This includes but is not limited to loss of faith in God, loss of faith and trust in religion and spiritual distress.
- D. Interpersonal Relationships: This includes but is not limited to problems with authority figures, hypervigilance, sexual problems, marital difficulties, problems with intimacy, lack of trust, isolation, betrayal, impaired relations, secrecy, social discreditation and isolation; damage to family relationships, and fear of children or parenting.
- E. Vocational Capacity: This includes but is not limited to under- and un-employment, difficulty with authority figures, difficulty changing and maintaining employment, feeling of unworthiness or guilt related to financial success.
- F. Academic Capacity: This includes but is not limited to school behavior problems.
- G. Legal Difficulties: This includes but is not limited to criminal difficulties, bankruptcy.

- (c) Claimant Involvement. A point value ranging from 0 to 5 should be allocated for this section.

The Abuse Claims Reviewer shall consider that all Allowed Claimholders have benefited from the work and cost incurred by those Abuse Claimants who asserted claims against the Debtor before the bankruptcy was filed and have participated in the legal and factual development of claims against the Debtor. The Abuse Claims Reviewer should consider factors, including, but not limited to, whether the Allowed Claimholder filed a pre-petition lawsuit; whether the Allowed Claimholder and/or the Allowed Claimholder's family has been subject to a deposition, mediation or interview; whether the Allowed Claimholder has participated on the Tort Committee; and whether the Allowed Claimholder participated in publicizing the issue of clergy sex abuse which has benefitted all claimants.

- (ii) Minimum Point Allocation. Notwithstanding anything to the contrary herein or in the Plan, every holder of an Allowed Claim shall receive a point allocation of at least 15.
- (iii) Abuse Claim Enhancement. The Trust Administrator shall apply any further enhancements to the claims awards under Section 6.3.10 of the Plan.

11. **Establishing Reserves.** The Trust Administrator is vested with authority to establish, and subsequently modify, the Trust Reserves and any and all other reserves required to fund all costs and expenses of the Trust before distributions are made to Holders of Allowed Abuse Claims.

12. **Distributions from the Trust.** After the Abuse Claims Reviewer has made all determinations regarding whether an Abuse Claim is an Allowed Claim and the total points assigned to each Allowed Abuse Claim is final under the procedures set forth herein, the Abuse Claims Reviewer shall determine the dollar value of each Abuse Claimant's actual distribution.

- (i) When calculating a Consenting Class 5 Claimant's distribution, the Abuse Claims Reviewer shall determine the Consenting Class 5 Claimant's pro rata share of the total final points assigned and the total available Trust Assets for Distribution.
- (ii) When calculating a Non-Consenting Class 5 Claimant's distribution, the Abuse Claims Reviewer shall determine the Non-Consenting Class 5 Claimant's pro rata share of the total final points assigned and the total available funds for Distribution from that portion of the Trust Assets funded by the Debtor Cash Contribution Amount.
- (iii) At the Trust Administrator's discretion, each Holder of an Allowed Consenting Class 5 Claim may receive an initial distribution from the Trust and subsequent

distributions from the Trust as proceeds become available, including from settlements with Settling Insurers, until all Trust Assets have been substantially disbursed such that the Trust Administrator can no longer make a cost-effective and meaningful distribution to Holders of Allowed Consenting Class 5 Claims.

13. **The Review of Class 6 Claims.** The Abuse Claims Reviewer shall evaluate Class 6 Claims in accordance with the procedures set forth herein provided that the relevant deadlines for doing so shall be set forth in a letter substantially similar to the Initial Claims Review Determination Letter.

- (i) When calculating a Consenting Class 6 Claimant's distribution from the Unknown Abuse Claims Reserve, the Abuse Claims Reviewer shall determine the Consenting Class 6 Claimant's pro rata share of the total final points assigned and the total available funds in the Unknown Abuse Claims Reserve available for Distribution.
- (ii) When calculating a Non-Consenting Class 6 Claimant's distribution, the Abuse Claims Reviewer shall determine the Non-Consenting Class 6 Claimant's pro rata share of the total final points assigned and the total available funds for Distribution from that portion of the Unknown Abuse Claims Reserve funded by the Debtor Cash Contribution Amount.
- (iii) Each Holder of an Allowed Consenting Class 6 Claim may receive an initial distribution from the Trust and subsequent distributions from the Trust as proceeds become available, including from settlements with Settling Insurers, until all Trust Assets have been substantially disbursed such that the Trust Administrator can no longer make a cost-effective and meaningful distribution to Holders of Allowed Consenting Class 6 Claims.

No Unknown Abuse Claimant shall receive more than he or she would have as a Class 5 Claimant. The Trust Administrator shall make an immediate distribution of up to \$20,000 to the holders of Allowed Consenting Unknown Abuse Claims immediately upon determination by the Abuse Claims Reviewer, with the remaining portion of the Allowed Consenting Unknown Abuse Claim paid at the termination of the Unknown Abuse Claim Reserve Fund as provided for in the Trust Agreement.

14. **Tolling of Limitations Period.** The running of any relevant statute of limitation shall be tolled as to each Abuse Claimant's Abuse Claim until all Abuse Claims are resolved under these Trust Distribution Procedures or are otherwise resolved by a Final Order.

15. **Reservation of Rights.**

The Trust Administrator and the Abuse Claims Reviewer reserve the right to modify the terms of these Trust Distribution Procedures, in consultation with the Trust Advisory Committee, in any manner that is not inconsistent with or otherwise in contravention of the terms of the Plan and the Confirmation Order and at all times to the ends of making certain that Abuse Claimants

are treated fairly, equitably and reasonably in light of the finite assets available to satisfy such claims.

Exhibit 11.1(b)

Timely Filed Proof(s) of Claim filed by Abuse Claimants

Proof of Claim Number(s)
20131
20100
20102
20010
20130
20112
20039
20013
20016
20101
20043
20104
20103
20080
20086
20037
20035
20033
20026
20108
20067
20084

Proof of Claim Number(s)
20031
20030
20111
20114
20128
20021
20073
20085
20017
20119
20075
20083
20011
20105
20079
20024
20022
20074
20027
20118
20081
20040
20012
20077

Proof of Claim Number(s)
20046
20034
20042
20124
20038
20116
20019
20020
20023
20070
20025
20110
20132
20087
20107
20129
20127
20076
20082
20018
20014
20115
20113
20095

Proof of Claim Number(s)
20036
20044
20109
20088
20092
20069
20068
20121
20047
20008
20006
20120
20125
20133
20071
20032
20041
20029
20028
20123; 20117
20106
20096
20009
20126

Proof of Claim Number(s)
20045
20005
20000
20007
20135

Exhibit 11.1(c)

Abuse Claimants Required to Execute a Consenting Class 5 Claim Release Agreement

Proof of Claim Number
20081
20082
20087
20079
20088
20118
20119
20107
20023
20027
20017
20073
20047
20096

Exhibit B

[To Be Filed]

Exhibit C

Franciscan Friars of California, Inc. Chapter 7 Liquidation Estimates Net Value Available for Creditor Distribution Sept 1, 2026 Projection	
Category	Projected Value
Cash and Cash Equivalents	\$1,280,094
Investments	\$0
Saleable Real Estate:	
Oakland Friary/ Office	\$3,240,000
San Francisco Parking Lot	\$600,000
Cars	\$34,835
Misc (Furniture and Fixtures, computers, phones, etc.) - est. thrift shop value	\$20,000
Other - Gibson Mine	\$0
Gross Liquidated Value	\$5,174,929
Chapter 7 Trustee Fees (est. at 5%)	(\$258,746)
Net available for Creditor Distribution	\$4,916,182
Valuation Notes:	
Investments (Trillium/ Schwab)	Investments accounts liquidated and closed in February 2026
Gibson Mine	Dormant copper mine located in AZ. Deemed at \$0 current saleable value as mine viability and residual EPA liabilities under evaluation with a potential buyer under a long term (five year) option agreement.
Other Notes:	
Carr Trust future payments	Assuming liquidation, Carr Trustee would be required to allocate payments to alternative mission aligned charity as FFCI would cease its missionary activities. No future beneficial interest.

Franciscan Friars of California, Inc Beneficial Interest of Creditors Analysis Proposed Plan Value versus Chapter 7 Liquidation Value Projected Values as of September 1, 2026			
Creditor/ Service Provider	Claim Amount as of Filing date	Payment amount under proposed plan	Notes
Survivors/ Abuse Claimants	Undetermined	\$ 20,000,000	Gross Trust Contribution
		\$ (800,000)	Set aside for future claims (4%)
		\$ (600,000)	Set aside for residual case legal fees(3%)
		\$ 18,600,000	Net available for current survivor cases
US Trustee Fees	N/A	\$ 655,459	.092% of settlement amount
Pre Petition Accounts Payable	\$ 43,408	\$ 43,408	100% Paid as FFCI will continue and trade creditor relations need attention
St John Baptist Province Loans	\$ 3,062,000	\$ 43,408	Equal \$ to Pre Petition Class
Due to Province of Guadelupe ("POLG") as of filing date (12/31/2023)	\$ 184,997	\$ 43,408	Equal \$ to Pre Petition Class
St Anthony Loan	\$ 3,500,000	\$ 43,408	Equal \$ to Pre Petition Class
Creditor/ fee disbursements under plan		\$ 20,829,091	
Funds available under Chapter 7 Liquidation estimate		\$ 4,916,182	
Incremental settlement value to creditors		\$ 15,912,909	

Note: As of the date of filing of this Disclosure Statement a number of estate professionals had not provided an estimate of their estimated expenses through the Effective Date. The Debtor expects to file with the court revised exhibits showing such estimates and their impact on cash flow to support feasibility.”

Exhibit D

Franciscan Friars of California, Inc.						
Feasibility Analysis - Quarterly Cash Flow Forecast						
Calendar Year 2026						
	Q1	Q2	Q3	Q4	Full Year	
Income						
Donation, Interest. Misc.	\$ 84,613	\$ 91,896	\$ 30,000	\$ 90,000	\$ 296,509	
MacSpeiden Trust Bequest	\$ 1,474,000	\$ -	\$ -	\$ 65,000	\$ 1,539,000	
Carr Trust - FFCI	\$ 125,000	\$ -	\$ 200,000	\$ 200,000	\$ 525,000	
Carr Trust - FMU	\$ 65,500	\$ -	\$ 100,000	\$ 100,000	\$ 265,500	
Gibson Mine			\$ 250,000	\$ -	\$ 250,000	
Gibson Mine Trust allocation			\$ (125,000)	\$ -	\$ (125,000)	
Grants	\$ -	\$ -	\$ 8,319,932	\$ -	\$ 8,319,932	
Total Income	\$ 1,749,113	\$ 91,896	\$ 8,834,932	\$ 455,000	\$ 11,130,941	
BK Professionals (Base)	\$ 990,268	\$ 415,766	\$ 1,255,835	\$ 471,748	\$ 3,133,617	
Settlement Funding - FFCI Portion		\$ -	\$ 5,054,063	\$ -	\$ 5,054,063	
US Trustee Fees		\$ 11,889	\$ 655,459	\$ -	\$ 667,348	
Holdback Releases		\$ 193,000	\$ -	\$ 818,622	\$ 1,011,622	
Opex	\$ 302,004	\$ 265,700	\$ 260,250	\$ 242,250	\$ 1,070,204	
Total Expenses	\$ 1,292,272	\$ 886,355	\$ 7,225,607	\$ 1,532,620	\$ 10,936,854	
Net Income (Expense)	\$ 456,841	\$ (794,459)	\$ 1,609,325	\$ (1,077,620)	\$ 194,087	
Cash						
Operating	\$ 2,403,068	\$ 1,586,387	\$ 3,095,712	\$ 1,918,092	\$ 1,918,092	
Other	\$ 111,371	\$ -	\$ -	\$ -	\$ -	
Blocked	\$ -	\$ -	\$ -	\$ -	\$ -	
Donor Restricted						
FMU	\$ 425,989	\$ 389,570	\$ 453,870	\$ 518,170	\$ 518,170	
Mass	\$ 3,682	\$ 3,660	\$ 3,660	\$ 3,660	\$ 3,660	
Investments	\$ -	\$ -	\$ -	\$ -		
Total	\$ 2,944,110	\$ 1,979,617	\$ 3,553,242	\$ 2,439,922	\$ 2,439,922	

Note: As of the date of filing of this Disclosure Statement a number of estate professionals had not provided an estimate of their estimated expenses through the Effective Date. The Debtor expects to file with the court revised exhibits showing such estimates and their impact on cash flow to support feasibility.

Franciscan Friars of California, Inc. Feasibility Analysis - Monthly Cash Flow Forecast Calendar Year 2026															
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full Year		
Income															
Donation, Interest, Misc.	\$ 30,176	\$ 20,000	\$ 34,437	\$ 20,000	\$ 41,896	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 296,509		
MacSpeiden Trust Bequest		\$ 1,474,000										\$ 65,000	\$ 1,539,000		
Carr Trust - FFCI	\$ 125,000						\$ 200,000					\$ 200,000	\$ 525,000		
Carr Trust - FMU	\$ 65,500						\$ 100,000					\$ 100,000	\$ 265,500		
Gibson Mine							\$ 250,000						\$ 250,000		
Gibson Mine Trust allocation							\$ (125,000)						\$ (125,000)		
Grants								\$ 8,319,932					\$ 8,319,932		
Total Income	\$ 220,676	\$ 1,494,000	\$ 34,437	\$ 20,000	\$ 41,896	\$ 30,000	\$ 455,000	\$ 8,349,932	\$ 30,000	\$ 30,000	\$ 30,000	\$ 395,000	\$ 11,130,941		
Expenses															
BK Professionals (Base)	\$ 313,948	\$ 300,000	\$ 376,320	\$ 153,762	\$ 147,916	\$ 114,088	\$ 418,612	\$ 418,612	\$ 418,612	\$ 418,612	\$ 33,298	\$ 19,838	\$ 3,133,617		
Settlement Funding - FFCI Portion								\$ 5,054,063					\$ 5,054,063		
US Trustee Fees	\$ 4,000			\$ 11,889				\$ 655,459					\$ 667,348		
Holdback Releases				\$ 193,000	\$ -		\$ -			\$ 818,622			\$ 1,011,622		
Opex	\$ 98,730	\$ 97,178	\$ 106,096	\$ 87,150	\$ 91,825	\$ 86,725	\$ 86,750	\$ 86,750	\$ 86,750	\$ 80,750	\$ 80,750	\$ 80,750	\$ 1,070,204		
Total Expenses	\$ 416,678	\$ 397,178	\$ 482,416	\$ 445,801	\$ 239,741	\$ 200,813	\$ 505,362	\$ 6,214,884	\$ 505,362	\$ 1,317,984	\$ 114,048	\$ 100,588	\$ 10,936,854		
Net Income (Expense)	\$ (196,002)	\$ 1,096,822	\$ (447,979)	\$ (425,801)	\$ (197,845)	\$ (170,813)	\$ (50,362)	\$ 2,135,048	\$ (475,362)	\$ (1,287,984)	\$ (84,048)	\$ 294,412	\$ 194,087		
Cash															
Operating	\$ 470,338	\$ 2,830,906	\$ 2,403,068	\$ 1,950,633	\$ 1,757,200	\$ 1,586,387	\$ 1,436,026	\$ 3,571,074	\$ 3,095,712	\$ 1,807,728	\$ 1,723,680	\$ 1,918,092	\$ 1,918,092		
Other	\$ 111,371	\$ 111,371	\$ 111,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Blocked	\$ 465,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Donor Restricted															
FMU	\$ 449,070	\$ 437,170	\$ 425,989	\$ 421,306	\$ 416,906	\$ 389,570	\$ 477,670	\$ 465,770	\$ 453,870	\$ 441,970	\$ 430,070	\$ 518,170	\$ 518,170		
Mass	\$ 3,715	\$ 3,715	\$ 3,682	\$ 3,671	\$ 3,660	\$ 3,660	\$ 3,660	\$ 3,660	\$ 3,660	\$ 3,660	\$ 3,660	\$ 3,660	\$ 3,660		
Investments	\$ 798,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total	\$ 2,298,240	\$ 3,383,162	\$ 2,944,110	\$ 2,375,610	\$ 2,177,766	\$ 1,979,617	\$ 1,917,356	\$ 4,040,504	\$ 3,553,242	\$ 2,253,358	\$ 2,157,410	\$ 2,439,922	\$ 2,439,922		

Note: As of the date of filing of this Disclosure Statement a number of estate professionals had not provided an estimate of their estimated expenses through the Effective Date. The Debtor expects to file with the court revised exhibits showing such estimates and their impact on cash flow to support feasibility.

Franciscan Friars of California, Inc. Professionals Forecasted Fees January Through October 2026			
	Payments		
Firm	Six Month Jan - June Actuals	Four Month July - Oct Forecast	Ten Month Average
Donlin Recano	\$ 93,236	\$ 77,696	\$ 17,093
GlassRatner Advisory & Capital Group LLC	\$ 10,967	\$ 30,000	\$ 4,097
Binder, Mather, Harris & Rome	\$ -	\$ 850,000	\$ 85,000
Cornerstone Law Group	\$ 119,030	\$ 99,192	\$ 21,822
Keller Benvenuti Kim	\$ 145,608	\$ 121,340	\$ 26,695
Lowenstein Sandler	\$ 786,949	\$ 655,790	\$ 144,274
Berkeley Research Group	\$ -	\$ -	\$ -
Burns Blair	\$ 180,577	\$ 150,481	\$ 33,106
Weintraub Tobin	\$ -	\$ -	\$ -
Berliner Cohen	\$ 12,007	\$ 10,006	\$ 2,201
Stout Risius Ross, LLC	\$ 20,785	\$ 17,320	\$ 3,810
Snell & Wilmer LLP	\$ 1,480	\$ 1,233	\$ 271
Sanders & Parks P.C. (Mediator)	\$ 66,737	\$ 80,000	\$ 14,674
Bledsoe, Diestel, Treppa & Crane, LLP	\$ -	\$ -	\$ -
Projected October Holdback Release		\$ 818,622	
Bankruptcy Professional Fees:	\$ 1,437,374	\$ 2,911,681	\$ 434,906
Non BK Professional Fees: G. Dooley	\$ 137,733	\$ 66,000	\$ 20,373
TOTAL	\$ 1,575,107	\$ 2,977,681	\$ 455,279

Note: As of the date of filing of this Disclosure Statement a number of estate professionals had not provided an estimate of their estimated expenses through the Effective Date. The Debtor expects to file with the court revised exhibits showing such estimates and their impact on cash flow to support feasibility.