

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Chapter 11

THE DIOCESE OF ST. CLOUD, a Minnesota religious corporation,

Case No. 20-60337

Debtor.

JOINT PLAN OF REORGANIZATION

INTRODUCTION

The Diocese of St. Cloud, a Minnesota religious corporation (the “**Debtor**”), the Debtor and Debtor-in-possession in the Reorganization Case (defined below) and the Official Committee of Unsecured Creditors (the “**Committee**”) submit this Joint Plan of Reorganization.

ALL CREDITORS ARE ENCOURAGED TO CONSULT THE DISCLOSURE STATEMENT BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. AMONG OTHER INFORMATION, THE DISCLOSURE STATEMENT CONTAINS DISCUSSIONS OF THE DEBTOR, THE HISTORICAL BACKGROUND OF THE REORGANIZATION CASE AND THE PREPETITION PERIOD, ANY PROJECTIONS GERMANE TO THE PLAN, THE PROJECTED POST-CONFIRMATION OPERATIONS OF THE REORGANIZED DEBTOR, AND A SUMMARY AND ANALYSIS OF THE PLAN. OTHER THAN THE DISCLOSURE STATEMENT AND RELATED MATERIALS TRANSMITTED THEREWITH, THE BANKRUPTCY COURT AND THE BANKRUPTCY CODE HAVE NOT AUTHORIZED ANY OTHER SOLICITATION MATERIALS FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN.

ARTICLE 1

RULES OF INTERPRETATION

1.1 The rules of construction in Bankruptcy Code § 102 apply to the Plan to the extent not inconsistent with any other provision in this Article 1. All definitions in the Bankruptcy Code and below will be subject to the rules of construction set forth in Bankruptcy Code § 102. A term that is used in the Plan and that is not defined in the Plan has the meaning attributed to that term in the Disclosure Statement, the Confirmation Order, the Trust Agreement, the Bankruptcy Code, or the Bankruptcy Rules. In addition, the use of the words “includes” or “including” are not limiting and mean “including but not limited to” and “including without

limitation,” “and/or” means either or both, and the phrases “related to” or “relating to” mean with regard to, by reason of, based on, arising out of, or in any way connected with.

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

1.3 The definition given to any term or provision in the Plan supersedes and controls any different meaning that may be given to that term or provision in the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement, or the Trust Agreement. In the event of any conflict between a definition of a term or provision in a Plan Document and the Plan, the definition or provision in the Plan will control unless otherwise provided in the Plan or a Plan Document.

1.4 Whenever it is appropriate from the context, each term, whether stated in the singular or the plural, includes both the singular and the plural. In addition, the singular and plural uses of such defined terms and the conjunctive and disjunctive uses thereof will be fungible and interchangeable (unless the context otherwise requires), and the defined terms will include masculine, feminine, and neuter genders.

1.5 Any reference to a document or instrument being in a particular form or on particular terms means that the document or instrument will be substantially in that form or on those terms. Any specific references to promissory notes, deeds of trust or other debt instruments or security documents include any amendments, modifications and extensions thereto, and any reference to an existing document means the document as it has been, or may be, amended or supplemented.

1.6 Unless otherwise indicated, the phrases “pursuant to the Plan,” “under the Plan” and the words “herein,” “hereunder,” and “hereto” and similar words or phrases refer to the Plan in its entirety rather than to only a particular portion of the Plan. Unless otherwise specified, all references to articles, sections, clauses, or exhibits (whether capitalized or lowercase) refer to the Plan’s articles, sections, clauses, or exhibits. In addition, section or article captions and headings are used only as convenient references and do not affect or limit the Plan’s meaning or provisions.

1.7 Nothing contained in the Plan, including any exhibits or attachments thereto, constitutes an admission or denial by any party of liability for, or the allowance, validity, priority, amount, or extent of any Claim, lien, or security interest asserted against the Debtor or against any third party.

ARTICLE 2

DEFINITIONS

2.1 ***Scope of Definitions.*** For purposes of the Plan, and except as expressly provided otherwise herein or unless the context otherwise requires, all of the defined terms stated in Article 2 will have the meanings hereinafter stated. The defined terms stated in Article 2 are also substantive terms of the Plan, and Article 2 will be deemed incorporated throughout the rest of the Plan to convey the substantive provisions included in the defined terms. Unless otherwise specified, all section, article, and exhibit references in the Plan are to the respective section in, article of, or exhibit to the Plan, as the same may be amended, waived, or modified from time to time.

2.2 **“Abuse”** means any (a) act of sexual conduct, misconduct, abuse, or molestation; any other sexually-related act, contact, or interaction; indecent assault and/or battery; rape; lascivious behavior; undue familiarity; infantophilia; pedophilia; hebephilia; ephebophilia; teleiophilia; or gerontophilia; (b) act that causes or allegedly causes sexually-related physical, psychological, or emotional harm, or any other contacts or interactions of a sexual nature, including any such contacts or interactions between a child and an adult, or a non-consenting adult and another adult; (c) assault; battery; corporal punishment; or any other act of physical, psychological, mental, or emotional abuse, humiliation, or intimidation; or (d) fraud, fraud in the inducement, misrepresentation, concealment, unfair practice, or any other tort relating to the acts and/or omissions listed in subparts (a)-(c) of this sentence. Abuse may occur whether or not this activity involves explicit force, whether or not it involves genital or other physical contact, and whether or not there is physical, psychological, or emotional harm to the Person.

2.3 **“Abuse Claims Reviewer”** means Kramer Law LLC, a Minnesota limited liability company, including any designee of Kramer Law LLC, who will assess Tort Claims and any Unknown Tort Claims in accordance with the Plan and the Allocation Protocols.

2.4 **“Administrative Claim”** means (a) every cost or expense of administration of the Reorganization Case that is allowable pursuant to Bankruptcy Code § 503, including any actual and necessary post-petition expenses of preserving the Estate; (b) any actual and necessary post-petition expenses of operating the Debtor; (c) all Professional Charges approved by the Bankruptcy Court pursuant to interim and final allowances in accordance with Bankruptcy Code §§ 330, 331, 503(b) and the terms of the Plan; (d) every Property Tax Administrative Claim; and (e) all fees and charges assessed against the Estate under Chapter 123 of Title 28, United States Code.

2.5 **“Administrative Claim Deadline”** means the date that will be established by the Court in the Disclosure Statement Order as the date (except as to Administrative Claims for Professional Charges) by which an Administrative Claim (except an Administrative Claim for Professional Charges) must be evidenced by the filing of a Proof of Claim with the Bankruptcy Court.

2.6 **“Administrative Claim Reserve”** means the funds the Debtor reserves to pay for Allowed Professional Charges, as provided in Section 20.3 of the Plan.

2.7 “**Allocation Protocols**” means, collectively, the Tort Claims Allocation Protocol and the Unknown Tort Claims Allocation Protocol that provide for allocation of funds to Tort Claimants and Unknown Tort Claimants, respectively, pursuant to the terms of the Plan and the Allocation Protocols, copies of which are attached hereto as **Exhibits A** and **B**, respectively, and incorporated herein as part of the Plan for all purposes.

2.8 “**Allowed**” means (i) any Claim against the Debtor that has been listed by such Debtor in the Schedules (as such Schedules may be amended by the Debtor from time to time in accordance with Bankruptcy Rule 1009) as liquidated in amount and not disputed or Contingent and for which no contrary Proof of Claim has been filed, (ii) any timely filed Proof of Claim as to which no objection to allowance has been interposed in accordance with Section 20.11 hereof or such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or (iii) any Claim expressly allowed by a Final Order or hereunder.

2.9 “**Annuitant**” means the beneficiary of any Annuity Agreement.

2.10 “**Annuity**” means the charitable gift made to the Debtor by various individual donors in exchange for an Annuity Agreement to receive certain fixed payments during their lives, which payments were fixed at the date of the gift based on actuarial tables of the donor’s life expectancy and uniform gift annuity rates.

2.11 “**Annuity Agreement**” means the agreement between the Debtor and the donor evidencing the Annuity and providing for payment of the Annuity to the Annuitant.

2.12 “**Assets**” means each and every item of property and Interest of the Debtor therein, as of the Effective Date, but only Assets that are property of the Estate under Bankruptcy Code § 541, whether tangible or intangible, legal or equitable, liquidated or unliquidated, and includes without limitation: (a) all Cash; (b) all Retained Claims; (c) any and all amounts owed to the Debtor, including accounts receivable and contract rights, whether due prior or subsequent to the Petition Date; (d) any other right, Claim, cause of action, or defense, whether arising by statute or common law, and whether arising under the laws of the United States, other countries, or applicable state or local law, including, but not limited to, all insurance Claims; (e) all of the Debtor’s books, records, and privileges; (f) all contracts, agreements, appraisals, permits, licenses, and leases; and (g) any other property of the Debtor whether the Debtor holds a legal or equitable interest or both.

2.13 “**Avoidance Actions**” means all actions pursuant to Bankruptcy Code §§ 544, 547, 548, 549, and 550 and any other actions provided for under applicable bankruptcy or non-bankruptcy law, that allow a debtor, a trustee, or a debtor-in-possession to, among other things, avoid certain transfers.

2.14 “**Award**” means the amount payable to a Tort Claimant or an Unknown Tort Claimant as determined in accordance with the terms of the Plan, the Confirmation Order, and the applicable Allocation Protocol.

2.15 “**Ballot**” means each of the Bankruptcy Court-approved ballots for each Class of Claims entitled to vote on the Plan, as sent to all creditors entitled to vote on the Plan, whereby such creditors will indicate their vote to accept or reject the Plan.

2.16 “**Bankruptcy Code**” means Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.*, including any amendments thereto, that are in effect during the Reorganization Case.

2.17 “**Bankruptcy Court**” or “**Court**” each means the United States Bankruptcy Court for the District of Minnesota, or such other court of competent jurisdiction that properly exercises jurisdiction over part or all of the Reorganization Case, to the extent that the reference of part or all of the Reorganization Case is withdrawn.

2.18 “**Bankruptcy Rule(s)**” means the Federal Rules of Bankruptcy Procedure promulgated under Title 28 of the United States Code, § 2075, including any amendments thereto, and the local rules and general orders of the Bankruptcy Court, as applicable to Chapter 11 cases, together with all amendments and modifications thereto.

2.19 “**Business Day**” means any day except Saturday, Sunday, federal holidays, or a “legal holiday,” as that term is defined in Bankruptcy Rule 9006(a).

2.20 “**Canon Law**” means and refers to the 1983 Code of Canon Law applicable to the Roman Catholic Church. References to Canon Law in the Plan are for discussion purposes only. Nothing in the Plan or any Plan Document should be construed as making Canon Law binding on any Entity; nor should Canon Law be construed to govern any provision of the Plan or any Plan Document; *provided, however, that* the foregoing does not constitute a waiver by the Debtor or the Reorganized Debtor of the right to assert Canon Law or any other applicable non-bankruptcy law as a defense to any action to enforce any provision of the Plan or the Plan Documents.

2.21 “**Cash**” means cash, cash equivalents, bank deposits, and negotiable instruments payable on demand.

2.22 “**Catholic Charities**” means Catholic Charities of the Diocese of St. Cloud, a Minnesota nonprofit corporation.

2.23 “**Catholic Charities Claims**” means any and all Claims held by Catholic Charities against the Debtor or any of the Debtor’s Assets, including, without limitation, those Claims asserted by Catholic Charities in that certain lawsuit styled *Catholic Charities of the Diocese of St. Cloud v. The Diocese of St. Cloud*, Case No. 73-cv-18-5584, currently pending in Stearns County District Court.

2.24 “**Catholic Charities Settlement**” means the settlement between the Debtor and Catholic Charities, as set forth in the Catholic Charities Settlement Agreement.

2.25 “**Catholic Charities Settlement Agreement**” means that certain settlement agreement between the Debtor and Catholic Charities filed with the Court at Docket No. 76, evidencing the Catholic Charities Settlement.

2.26 “**Chancery Property**” means that certain real property and improvements located at 214 3rd Ave. S., Stearns County, St. Cloud, Minnesota, Parcel No. 82.51588.0000.

2.27 “**Channeled Claim**” means any Tort Claim, Unknown Tort Claim, and/or Claim against a Protected Party arising from, in connection with, or related in any way to such Claims. Each Claim described in this Section 2.27 includes all such Claims whenever and wherever arising or asserted, whether sounding in tort, contract, warranty or any other theory of law, equity or admiralty, including without limitation all Claims by way of direct action, subrogation, allocation of fault, contribution, indemnity, alter ego, statutory or regulatory action, or otherwise, Claims for exemplary or punitive damages, for attorneys’ fees and other expenses, or for any equitable remedy.

2.28 “**Channeling Injunction**” means the injunction issued pursuant to Section 26.5 of the Plan.

2.29 “**Chapter 11 Professionals**” means the Debtor’s Professionals, the Committee’s Professionals (including the Abuse Claims Reviewer), and the Unknown Claims Representative, collectively.

2.30 “**Children’s Home Property**” means the two parcels of real property and improvements located 1726 7th Avenue South and 375 16th Street South in St. Cloud, Stearns County, Minnesota and legally described as: “Lots 1 and 2, Block 1, Busch Terrace 2.”

2.31 “**Claim**” means any past, present, or future claim, demand, action, request, cause of action, suit, proceeding, or liability of any kind or nature whatsoever, whether at law or equity, known or unknown, asserted or unasserted, anticipated or unanticipated, accrued or unaccrued, fixed or Contingent, that has been or may be asserted by or on behalf of any Entity, whether seeking damages (including compensatory, punitive, or exemplary damages) including Tort Claims or equitable, mandatory, injunctive, or any other type of relief, including cross-claims, counterclaims, third-party claims, suits, lawsuits, administrative proceedings, notices of liability or potential liability, arbitrations, actions, rights causes of action or orders, and any Claim within the definition of Bankruptcy Code § 101(5).

2.32 “**Claim Objection Deadline**” means the date by which any objections to Non-Tort Claims must be filed. Unless an earlier time is fixed by order of the Bankruptcy Court, the Claim Objection Deadline will be on or before the first Business Day that is one hundred eighty (180) days after the Effective Date.

2.33 “**Claim Payment Date**” means the date that is ten (10) Business Days after a Non-Tort Claim becomes an Allowed Claim by a Final Order, if such Claim is not an Allowed Claim on the Effective Date. The Allocation Protocols and the Trust Agreement will govern Payment of Tort Claims and Unknown Tort Claims.

2.34 “**Class**” or “**Classes**” means each of the classifications of Claims described in Article 5 of the Plan, or all of them, as applicable.

2.35 “**Class 10 Ballot**” means the Ballot that the holders of Class 10 Tort Claims will use to accept or reject the Plan and includes the releases and certifications required pursuant to the Plan, the Confirmation Order, and the Trust.

2.36 “**Closing**” means the date the payments and transfers to the Trust of those Assets required to be paid and transferred in accordance with Sections 20.2 and 23.1 of the Plan are paid and transferred.

2.37 “**Co-Defendant**” means an Entity that (i) is named as a defendant in a lawsuit in which the Debtor is also named as a defendant, (ii) has initiated a third-party claim against the Debtor in a lawsuit, (iii) has initiated a cross-claim against the Debtor in a lawsuit, and/or (iv) has acknowledged that it is fully or partially responsible for a Tort Claim, including an Unknown Tort Claim asserted, or that may be asserted in the future, against such Entity, including any co-Debtor as described in Bankruptcy Code § 509.

2.38 “**Co-Defendant and Parish Claims**” means all Claims of any Co-Defendant or any of the Parishes against the Debtor that in any way arise from or relate to Tort Claims, Unknown Tort Claims, or Channeled Claims.

2.39 “**Committee**” means the Official Committee of Unsecured Creditors appointed by the United States Trustee in the Reorganization Case.

2.40 “**Committee’s Professionals**” means the law firm of Stinson LLP and Kramer Law LLC.

2.41 “**Conditional Payment**” means any payment made to a Tort Claimant under the MMSEA or MTPL, including any payment by a MCO or a MAO under the MSPA.

2.42 “**Confirmation Date**” means the date on which the Bankruptcy Court enters the Confirmation Order on the Court’s docket.

2.43 “**Confirmation Hearing**” means the hearing held by the Bankruptcy Court regarding confirmation of the Plan in the Reorganization Case, as such may be continued from time to time.

2.44 “**Confirmation Order**” means the Final Order confirming the Plan that is acceptable in form to the Debtor and the Committee.

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

2.46 “**Debtor**” means the civil entity titled The Diocese of St. Cloud, a Minnesota religious corporation, for which the articles of incorporation, as amended, are recorded in Book A, page 48, of the Religious Corporations register, maintained by the Minnesota Secretary of State.

2.47 “**Debtor’s Professionals**” means:

2.47.1 The law firm of Quarles & Brady LLP;

2.47.2 The law firm of Meier, Kennedy & Quinn, Chartered;

2.47.3 Tomas A. Janson d/b/a The Janson Law Office; and

2.47.4 Any and all other professionals that the Debtor retained or may retain to assist in the conduct of the Reorganization Case or to provide professional services for a specified purpose, all in accordance with Bankruptcy Code §§ 327 and 328, or under an order approving an ordinary course professional.

2.48 **“Diocese”** means the canonical and ecclesiastical entity of the Roman Catholic Church encompassing the territory of the Roman Catholic Diocese of St. Cloud subject to the jurisdiction of the Bishop and through which the Bishop carries out his canonical duties in accordance with Canon Law.

2.49 **“Disallowed”** means (i) a Claim, or any portion thereof, that has been disallowed by a Final Order; (ii) a Claim that has been listed in the Schedules at zero or as Contingent, disputed, or unliquidated and as to which no Proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, Final Order, or other applicable law; or (iii) a Claim that has not been listed in the Schedules and as to which no Proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, Final Order, or other applicable law.

2.50 **“Disclosure Statement”** means the joint Disclosure Statement relating to the Plan submitted by the Debtor in the Reorganization Case, as it may be amended from time to time, and as approved by the Bankruptcy Court pursuant to the Disclosure Statement Order.

2.51 **“Disclosure Statement Order”** means that certain order entered by the Bankruptcy Court in the Reorganization Case approving the Disclosure Statement.

2.52 **“Disputed Claim”** means every Claim, or portion thereof, that is subject to any defense, setoff, counterclaim, recoupment, or other adverse Claim of any kind of the Debtor or the Reorganized Debtor, or to which an objection (formal or informal) has been made, and that has not yet become an Allowed Claim pursuant to a Final Order. All disputed Non-Tort Claims may be estimated by the Debtor or the Reorganized Debtor, as the case may be, at an amount equal to (a) such lesser amount that is agreed to by the holder of such Non-Tort Claim, (b) the amount claimed if the Court has not made an estimation of such Non-Tort Claim or the holder of such Non-Tort Claim has not agreed to a lesser amount, or (c) the amount, if any, determined by the Court by Final Order pursuant to Bankruptcy Code § 502(c), as an estimate for distribution purposes. In any event, the Estimated Amount will be the maximum amount of the Non-Tort Claim for distribution purposes under the Plan. All Tort Claims and Unknown Tort Claims may be estimated by stipulation of the Debtor and the Committee, solely for voting purposes under the Plan.

2.53 **“D&L Lender”** means the Diocese of St. Cloud Deposit and Loan Fund, Inc., a Minnesota nonprofit corporation.

2.54 “**Effective Date**” means the fifteenth (15th) day following the Confirmation Date on which (i) all conditions to effectiveness specified in Section 25.1 of the Plan have been satisfied or waived, and (ii) the Confirmation Order is a Final Order.

2.55 “**Entity**” means a natural person, corporation, corporation sole, partnership, association, limited liability company, joint stock company, proprietorship, unincorporated association, joint venture, trust, estate, executor, legal representative, or any other organization, as well as any federal, international, foreign, state, or local governmental or quasi-governmental entity, body, or political subdivision or any agency, department, board or instrumentality thereof, any other “person” within the definition of Bankruptcy Code § 101(41), any other “entity” within the definition of Bankruptcy Code § 101(15), and any successor in interest, heir executor, administrator, trustee, trustee in bankruptcy, or receiver of the foregoing.

2.56 “**Estate**” means the bankruptcy estate of the Debtor created under Bankruptcy Code § 541.

2.57 “**Estimated Amount**” means the maximum amount at which the Court or the district court, pursuant to Bankruptcy Code § 502(c), at the request of the Debtor, or any other party with standing, estimates any Claim or Class of Claims against the Debtor that is Contingent, unliquidated or disputed (but excluding any Tort Claim or any Unknown Tort Claim) for the purpose of: (a) allowance (for estimation purposes only); (b) distribution; (c) confirming the Plan pursuant to Bankruptcy Code § 1129; (d) voting to accept or reject the Plan pursuant to Bankruptcy Code § 1126 and Bankruptcy Rule 3018(a); or (e) any other proper purpose.

2.58 “**Exculpated Parties**” means the Committee and each of its members; the Debtor, the Diocese, the Debtor’s Professionals, the Committee’s Professionals, the Unknown Claims Representative, the Trustee, any successor to the Trustee, the Trustee’s professionals, and, solely in their capacity as such, all of the respective present or former members, managers, officers, directors, employees, Representatives, attorneys, and agents with respect to the Debtor, the Diocese, the Debtor’s Professionals, the Committee, the Committee’s Professionals, the Unknown Claims Representative, the Trustee, any successor to the Trustee, and the Trustee’s professionals.

2.59 “**Executory Contract**” means every unexpired lease and other contract that is subject to being assumed or rejected by the Debtor under Bankruptcy Code § 365, pursuant to the Plan or pursuant to separate motion, and in which the Debtor holds either a legal or equitable Interest.

2.60 “**Faricy**” means, collectively, the law firm of Faricy Law Firm, P.A. and any partners, members, parents, affiliates, subsidiaries, indirect parents, principals, shareholders, managers, claims managers, officers, directors, employees, attorneys, or agents acting in such capacity as well as the predecessors, successors, assignors, and assigns of each of the foregoing.

2.61 “**Faricy Agreement**” means any and all engagement agreements by and between the Debtor and Faricy relating to prepetition legal services, including, without limitation, that certain *Retainer Agreement* dated October 27, 2015.

2.62 **“Faricy Claim”** means the Unsecured Claim held by Faricy against the Debtor arising under or related to the Faricy Agreement and set forth in Proof of Claim No. 9.

2.63 **“Final Order”** means any judgment or order of the Bankruptcy Court or any other court of competent jurisdiction (i) as to which the time to appeal, petition for certiorari, or move for re-argument or rehearing has expired, and as to which no appeal, petition for certiorari, or other proceedings for re-argument or rehearing will then be pending, or as to which any right to appeal, petition for certiorari, re-argue or rehear will have been waived in writing, in form and substance satisfactory to the Debtor, or, on and after the Effective Date, in form and substance satisfactory to the Reorganized Debtor and as to the Trust, the Trustee, or in the event that an appeal, writ of certiorari, re-argument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court or other court of competent jurisdiction will have been determined by the highest court to which such order was appealed, or certiorari, re-argument or rehearing will have been denied, and the time to take any further appeal, petition for certiorari or move for re-argument or rehearing will have expired, or (ii) that the Debtor, the Trustee (if after the Effective Date), or the Committee (if before the Effective Date), have all mutually agreed in writing should be deemed to be a Final Order, notwithstanding an appeal or request for review with respect to such judgment or order.

2.64 **“General Unsecured Claim”** means every Unsecured Claim against the Debtor, including, but not limited to, every Claim arising from the rejection of an Executory Contract, Claims related to bodily injuries or personal injuries that are not Tort Claims, and every Claim that is the undersecured portion of any Secured Claim, as such Claims are classified and treated as the Plan provides for Class 7 Claims; *provided, however, that* General Unsecured Claims do not include an Administrative Claim, a Priority Unsecured Claim, a Priority Tax Claim, a Priority Employee Unsecured Claim, a Prepetition Date Secured Tax Claim, a Faricy Claim, a US Bank PPP Loan Claim, a Catholic Charities Claim, a General Unsecured Convenience Claim, an Other Tort and Employee Claim, an Annuity Claim, a Tort Claim, an Unknown Tort Claim, or a Penalty Claim.

2.65 **“General Unsecured Convenience Claim”** means an Unsecured Claim in an amount of \$2,000.00 or less, inclusive of interest accrued thereon, after the Petition Date through the later to occur of the Effective Date or the Claim Payment Date; *provided, that*, if the holder of an Unsecured Claim in an amount greater than \$2,000.00 makes an election to reduce such Claim to \$2,000.00, such Claim will be treated as a General Unsecured Convenience Claim for all purposes. The holder will make such election on its Ballot, completed and returned within the time fixed by order of the Court. Making this election will be deemed to be a waiver by such electing holder of any right to participate in Class 7, as to any and all Claims held by such holder.

2.66 **“General Unsecured Convenience Claim Payment”** means the lesser of \$2,000.00 or the amount of the Allowed General Unsecured Claim if the amount of the Allowed General Unsecured Claim is less than \$2,000.00.

2.67 **“Insurance and Benefit Claim”** means any Unsecured Claim arising from or related to obligations, contributions, or benefits of the Debtor pursuant to any pension or other benefit plan sponsored by the Debtor or for which the Debtor is otherwise obligated.

2.68 “**Interest**” means all liens, Claims, encumbrances, interests, and other rights of any nature, whether at law or in equity, including any rights of contribution, indemnity, defense, subrogation, or similar relief.

2.69 “**MAO**” means Medicare Advantage Organizations under parts C & D of the MMSEA.

2.70 “**MCO**” means managed care organizations that contract with state Medicaid agencies to provide health care services to Medicaid Beneficiaries on a capitated arrangement

2.71 “**Medicare or Medicaid Beneficiary**” means a Tort Claimant or Unknown Tort Claimant who has received, applied for, or is eligible to receive Medicare or Medicaid benefits, and is asserting a Tort Claim or Unknown Tort Claim against the Debtor.

2.72 “**Medicare Claims**” means Claims for benefits paid, received or accrued to a Tort Claimant or Unknown Tort Claimant pursuant to the MMSEA or the MSPA.

2.73 “**MMSEA**” means the Medicare, Medicaid, and SCHIP Extension Act of 2007 (P.L. 110-117).

2.74 “**MSPA**” means the Medicare Secondary Payer Act codified at 42 U.S.C. § 1395y, and the regulations promulgated thereunder, found at 42 C.F.R. § 411.1 *et seq.*

2.75 “**MTPL**” means Minnesota’s Third Party Liability statute codified at Minn. Stat. Ann. § 256B.042 *et seq.*

2.76 “**Non-Tort Claims**” means all Claims other than Tort Claims and Unknown Tort Claims.

2.77 “**Other Insurers**” means any and all insurance companies (including all their respective affiliates, successors, or assigns) that have issued policies, or subscribed in any interest in or unwritten any risk in, any insurance policies or certificates covering the Debtor for Tort Claims; *provided, however, that* the term Other Insurers does not include the following entities: (i) The Catholic Mutual Relief Society of America (“**Catholic Mutual**”), the Debtor’s benefits coverage provider; (ii) Arrowood Indemnity Company, one of the Debtor’s former insurance providers; (iii) Church Mutual Insurance Company, the Debtor’s worker’s compensation coverage provider; and (iv) all predecessors, successors, assigns, and affiliates of the forgoing subsections (i)-(iii).

2.78 “**Other Tort and Employee Claims**” means any and all Claims, demands, suits, causes of action, proceedings, or any other rights or asserted rights to payment heretofore, now, or hereafter asserted against the Debtor, whether or not reduced to judgment, for property damage, liability, or workers compensation for which the Debtor is or may be liable (directly or indirectly), whether arising from tort, contract, or workers compensation for which there is insurance coverage, including, but not limited to, any Claim for which the Debtor has a self-insured retention, but excluding Tort Claims, Unknown Tort Claims, and any Claims of employees entitled to priority pursuant to Bankruptcy Code § 507.

2.79 **“Parishes”** means any one of the parishes, churches, and associated schools within the territory of the Diocese as set forth on **Exhibit C** hereto and their Representatives; for avoidance of doubt, entities that (i) may be commonly known as a parish, church, or associated school within the territory of the Diocese, but (ii) who are not specifically listed on Exhibit C hereto are not included as a Protected Party for purposes of Section 26.5 of the Plan.

2.80 **“Parishes Agreement”** means the agreement of the Parishes to provide some portion of the Plan funding in exchange for becoming a Protected Party under the Plan and the Confirmation Order. This Plan and the Confirmation Order evidences the Parishes Agreement.

2.81 **“Pastoral Center”** means that certain real property and improvements located at 303 7th Avenue North, Stearns County, St. Cloud, Minnesota at Parcel No. 82.51757.0025.

2.82 **“Pastoral Center Lot”** means that certain real property and improvements located at 321 7th Avenue North, Stearns County, St. Cloud, Minnesota at Parcel No. 82.51763.0000.

2.83 **“Penalty Claims”** means any Claims for any fine, penalty, forfeiture, multiple damages, punitive damages, or exemplary damages, including, but not limited to, any such Claims not meant to compensate the claimant for actual pecuniary loss, and including, but not limited to, any Claims created by the Patient Protection and Affordable Care Act, 42 U.S.C. § 18001 *et seq.*, and related regulations.

2.84 **“Person”** has the meaning set forth in Bankruptcy Code § 101(41).

2.85 **“Petition Date”** means June 15, 2020, which is the filing date of the voluntary Chapter 11 petition commencing the Reorganization Case.

2.86 **“Plan”** means this “Joint Plan of Reorganization” filed by the Debtor with respect to the Reorganization Case and every restatement, amendment, or modification thereof, if any, filed by the Debtor.

2.87 **“Plan Documents”** means all agreements, documents, and exhibits, as the same may be amended, modified, supplemented, or restated from time to time, that are incorporated into the Plan and/or are necessary or appropriate to implement the Plan and the Trust, including the Allocation Protocols and the Trust Documents.

2.88 **“Plan Proponents”** means the Debtor and the Committee.

2.89 **“Post-Effective Date Secured Tax Claims”** means every whole or prorated portion of a Secured Tax Claim that arises on or after the Effective Date, and that will be paid in the ordinary course of the Reorganized Debtor’s business.

2.90 **“PPP Loan”** means that certain “Paycheck Protection Program” loan made by US Bank to the Debtor in the original principal amount of \$512,500.00 under sections 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act and the SBA’s “7(a) loan program.”

2.91 **“PPP Loan Documents”** means that certain *U.S. Bank SBA Payroll Protection Loan* agreement, together with all instruments, agreements, and/or notes evidencing the PPP Loan, as such documents may be amended, modified, replaced, or supplemented from time to time.

2.92 **“Prepetition Date Secured Tax Claims”** means every whole or prorated portion of a Secured Tax Claim that arises before and up to the Petition Date, and that will be classified and paid as Class 2 Claims under the Plan.

2.93 **“Priority Employee Unsecured Claim”** means every Unsecured Claim of an employee of the Debtor for vacation and/or sick leave pay, which is otherwise entitled to priority pursuant to Bankruptcy Code § 507(a)(4)(A).

2.94 **“Priority Tax Claim”** means every Unsecured Claim or portion thereof that is entitled to priority pursuant to Bankruptcy Code § 507(a)(8).

2.95 **“Priority Unsecured Claim”** means every Unsecured Claim or portion thereof that is not an Administrative Claim, a Priority Tax Claim or a Priority Employee Unsecured Claim and that is entitled to priority under any applicable provision of Bankruptcy Code § 507.

2.96 **“Professional Charges”** means the Allowed interim and final professional fees and expenses charged by the Debtor’s Professionals, the Committee’s Professionals, and the Unknown Claims Representative.

2.97 **“Proof of Claim”** means the form used by a creditor on which the specifics of a Claim are set forth as required by the Bankruptcy Code, the Bankruptcy Rules and the Proof of Claim Deadline Order, and which is filed in accordance with the procedures contained in the Proof of Claim Deadline Order.

2.98 **“Proof of Claim Deadline”** means the date established by the Court in the Proof of Claim Deadline Order as the last day to timely file a Proof of Claim, which excludes the Administrative Claim Deadline.

2.99 **“Proof of Claim Deadline Order”** means the *“Order (I) Granting Expedited Relief; (II) Approving Claim Forms; (III) Approving Manner and Form of Notice; and (IV) Approving Confidentiality Procedures,”* entered by the Bankruptcy Court in the Reorganization Case [Docket No. 46].

2.100 **“Property Tax Administrative Claim”** means every Claim of any state or local governmental unit that is an Administrative Claim for unpaid real property taxes, unpaid personal property taxes, or unpaid sales taxes or leasing taxes, and every prorated portion thereof arising on and after the Petition Date until the Effective Date. Allowed Property Tax Administrative Claims will be classified and paid as Administrative Claims.

2.101 **“Property Tax Claims”** means collectively: (a) every Property Tax Administrative Claim; (b) every Prepetition Date Secured Tax Claim; and (c) every Post-Effective Date Secured Tax Claim.

2.102 **“Protected Parties”** means: (a) the Debtor, the Diocese, and the Reorganized Debtor; (b) the Parishes to the extent specifically listed on Exhibit C hereto; (c) Catholic Charities; and (d) solely in their capacity as such, each of the forgoing parties’ Representatives, priests, clerics, members, affiliates, subsidiaries, parents, indirect parents, principals, shareholders, managers, claims managers, officers, directors, employees, attorneys, or agents as well as the predecessors, successors, and assigns of each of the foregoing. The term “affiliates” does not include any other diocese, archdiocese, or order, unless such entity is specifically listed in Exhibit C to the Plan. Protected Parties does not include a natural person having personally and directly committed one or more of the acts set forth in subparts (a)-(c) of Section 2.2 of this Plan and giving rise to a Tort Claim.

2.103 **“Real Property”** means collectively the Debtor’s interests in the Chancery Property, the Pastoral Center, the Pastoral Center Lot, and the Children’s Home Property.

2.104 **“Reorganization Case”** means the above-captioned Chapter 11 Case No. 20-60337.

2.105 **“Reorganized Debtor”** means the Debtor from and after the Effective Date. Unless otherwise expressly stated or unless the context otherwise requires, references to “the Debtor and the Reorganized Debtor” and references to “the Debtor or the Reorganized Debtor” throughout various provisions of the Plan are an effort to anticipate whether an event may occur before or after the Effective Date. In this regard, and generally for purposes of the Plan, any written agreement made by the Debtor as part of the Plan before the Effective Date (unless provided otherwise), will survive the Confirmation Date and the Effective Date and will bind the Reorganized Debtor and every other party to such agreement (including, but not limited to, the provisions of the Plan, as confirmed).

2.106 **“Representatives”** means the current and former bishops, priests, brothers, friars, clerics, deacons, members, parents, affiliates, subsidiaries, indirect parents, principals, shareholders, managers, claims managers, officers, directors, employees, attorneys, or agents acting in such capacity, as well as the predecessors, successors, assignors, and assigns of each of the foregoing, but excluding a natural person having personally and directly committed one or more of the acts set forth in subparts (a)-(c) of Section 2.2 of this Plan and giving rise to a Tort Claim.

2.107 **“Retained Claims”** means the Debtor’s Claims, including, but not limited to, all Avoidance Actions, all Claims against Faricy, and all malpractice claims, that are not otherwise settled pursuant to the Plan or agreements approved by the Bankruptcy Court on or prior to the Effective Date, any rights or Claims of the Debtor for indemnification, contribution, or fault allocation, and other Claims of the Debtor against any Entity on account of any Claims which are or may be asserted against the Debtor. Retained Claims do not include any Claims transferred or assigned to the Trust and expressly exclude any Claims against any Tort Claimant and against any Entity released by the Debtor under the Plan.

2.108 **“Revested Assets”** means all Assets and/or property owned by the Debtor, real or personal, that are not expressly transferred to the Trust under this Plan or the Plan Documents.

2.109 “**RRE**” means an entity with responsibility to ensure fulfillment of the reporting and reimbursement requirements, if any, pursuant to the MSPA, the MTPL, and section 111 (42 U.S.C.A. § 1395y(b)(8)) of the MMSEA.

2.110 “**SBA**” means the U.S. Small Business Administration, an independent federal agency of the United States of America.

2.111 “**Schedules**” means the Schedule of Assets and Liabilities and Statement of Financial Affairs of the Debtor filed pursuant to Bankruptcy Code § 521, the Official Bankruptcy Forms, and the Bankruptcy Rules, and the amendments thereto, including any additional supplements or amendments thereto through the Confirmation Date.

2.112 “**Secured Claim**” means every Claim or portion thereof that is secured by a lien, security interest, or assignment, encumbering property in which the Debtor has an Interest, including any right to setoff asserted by a creditor holding a Secured Claim under the Bankruptcy Code, but only to the extent of the validity, perfection, and enforceability of the claimed lien, security interest, or assignment, and the value of such creditor’s Interest in such Claim against the Debtor’s property.

2.113 “**Secured Tax Claim**” means every Claim of any federal, state, or local governmental unit that is secured by property of the Estate by operation of applicable non-bankruptcy laws, including, but not limited to, every such Claim for unpaid real property taxes, unpaid personal property taxes, or unpaid sales taxes or leasing taxes of the Debtor, and further including, but not limited to, both the Prepetition Date Secured Tax Claims and the Post-Effective Date Secured Tax Claims, but only to the extent of the validity, perfection, and enforceability of the claimed lien, security interest, or assignment, and the value of such governmental unit’s Interest in such Claim against the Debtor’s property.

2.114 “**Tort Claim**” means any and all Claims for damages, including Penalty Claims, for attorneys’ fees and other expenses, fees or costs for any equitable remedy asserted against the Debtor, the Trustee, or the Trust, related to bodily injuries or personal injuries, including emotional distress, mental distress, mental anguish, shock or humiliation caused by or related to: (a) acts of Abuse committed by any cleric, employee, volunteer, or other Entity associated with the Debtor or any affiliated Entity; (b) the failure to properly hire, install, and/or supervise any cleric, any volunteer, or any other employee of or Entity associated with the Debtor or any affiliated Entity; (c) the processing, adjustment, defense, settlement, payment, negotiation, or handling of any Claims, demands, suits, proceedings, or causes of action based upon or relating in any way to the Claims made as a result of any Abuse or other Claim asserted by a Tort Claimant related to the Debtor; or (d) the failure to warn, disclose, or provide information concerning the Abuse or other misconduct of clergy, other employees or volunteers, or Entities associated with the Debtor. Subject to the limitations contained in the Plan, and except for purposes of classification under the Plan, Tort Claims include Unknown Tort Claims when they are asserted by Unknown Tort Claimants.

2.115 “**Tort Claimant**” means any Person who holds or asserts a Tort Claim, but excluding any Unknown Tort Claimant.

2.116 “**Tort Claims Allocation Protocol**” means the allocation protocol with respect to Class 10 Tort Claims in the form attached hereto as **Exhibit A** and incorporated herein.

2.117 “**Trust**” means the trust to be established pursuant to the Plan and the Trust Agreement.

2.118 “**Trust Account**” means the bank account that will be established by the Trustee into which the Cash designated under the Plan to be transferred to the Trust will be transferred, in accordance with the provisions of the Plan and the Trust Agreement.

2.119 “**Trust Agreement**” means the agreement attached hereto as **Exhibit E**.

2.120 “**Trust Assets**” means all property or rights transferred, or to be transferred, to the Trust pursuant to the Plan, the Confirmation Order, the Trust Documents, and the Plan Documents.

2.121 “**Trust Documents**” means the Trust Agreement and other instruments and documents that are reasonably necessary or desirable in order to implement the provisions of the Plan that relate to the creation, administration, and funding of the Trust, in a form that is acceptable to the Debtor and the Reorganized Debtor.

2.122 “**Trustee**” means the trustee of the Trust and any successor trustee appointed pursuant to the terms of the Plan and the Trust Agreement. The Committee will choose the initial Trustee.

2.123 “**Unknown Claims Representative**” means the Hon. (Ret.) Michael R. Hogan, as the person appointed by the Bankruptcy Court to act as the Unknown Claims Representative.

2.124 “**Unknown Tort Claim**” means any Tort Claim based on acts or omissions that occurred prior to the Effective Date and for which no Proof of Claim is filed or deemed filed on or before the Proof of Claim Deadline by a Tort Claimant (as opposed to a Proof of Claim filed by the Unknown Claims Representative) or for which a Proof of Claim is filed after the Proof of Claim Deadline if the Person asserting the Tort Claim:

2.124.1 Has a Tort Claim that was barred by the applicable statute of limitations as of the Proof of Claim Deadline but is no longer barred by the applicable statute of limitations for any reason, including, for example, the passage of legislation that revives such previously time-barred Tort Claim; or

2.124.2 Attains the age of eighteen (18) on or after the date that is thirty (30) days prior to the generally applicable Proof of Claim Deadline in the Reorganization Case; or

2.124.3 As to which the applicable tort claim statute of limitations, for any reason, has not expired or has been tolled as of the date that is thirty (30) days prior to the generally applicable Proof of Claim Deadline in the Reorganization Case, as determined under applicable law, but without regard to federal bankruptcy law; and

2.124.4 Submits a Proof of Claim in accordance with the procedures set forth in the Plan, the Confirmation Order, or the Unknown Tort Claims Allocation Protocol.

2.125 “**Unknown Tort Claimant**” means the holder of an Unknown Tort Claim.

2.126 “**Unknown Tort Claims Allocation Protocol**” means the allocation protocol with respect to Class 11 Unknown Tort Claims in the form attached hereto as **Exhibit B** and incorporated herein.

2.127 “**Unknown Tort Claims Obligation**” means the Reorganized Debtor’s obligation to fund distributions to the Trustee for the benefit of any Unknown Tort Claimant who is entitled to an Award, pursuant to Sections 16.2 and 16.3 of the Plan and the Plan Documents (including the Unknown Tort Claims Allocation Protocol), subject to the limitations and provisions thereof.

2.128 “**Unresolved**” means, with respect to a Claim, a Claim that has neither been Allowed, Disallowed, nor liquidated.

2.129 “**Unsecured Claim**” means every Claim, or portion thereof, that is not a Secured Claim, regardless of the priority of such Claim.

2.130 “**US Bank**” means U.S. Bank, National Association, a national banking institution.

2.131 “**US Bank PPP Loan Claim**” means the Unsecured Claim of US Bank for repayment of the PPP Loan under the terms of the PPP Loan Documents.

ARTICLE 3

PLAN OBJECTIVES

3.1 **Objectives.** The Plan provides the means for settling and paying all Claims asserted against the Debtor. The Plan creates a Trust for the exclusive benefit of Tort Claimants and Unknown Tort Claimants. The Trust Assets will consist of Cash contributions from the Debtor, as provided herein. The Trust Assets will fund the Trust’s costs and expenses and payments to Tort Claimants. Subject to limitations set forth in the Plan and Plan Documents, the Reorganized Debtor will fund Awards to the holders of Unknown Tort Claims when and if any such holders of Unknown Tort Claims become entitled to Awards, up to a maximum aggregate amount of \$500,000.00. The Reorganized Debtor’s obligation to fund such Awards will expire three (3) years after the Effective Date. Distributions from the Trust to Tort Claimants will be determined by application of the Tort Claims Allocation Protocol. Distributions to the Unknown Tort Claimants will be determined by application of the Unknown Tort Claims Allocation Protocol. General Unsecured Creditors will be paid the Allowed amount of their Claims over a period of time, as more specifically set forth in Article 12 of the Plan. The Debtor will receive the benefit of a Bankruptcy Code § 1141(d) discharge as set forth in the Plan and the Confirmation Order. In consideration of their respective contributions towards funding the Plan and the Trust, the Protected Parties will receive the benefit of injunctions provided under the Plan.

ARTICLE 4

UNCLASSIFIED CLAIMS

4.1 **Administrative Claims (other than Professional Charges).** In full satisfaction of any Allowed Administrative Claim, the holder of such Claim will receive: (a) a single Cash payment in the Allowed amount of the Claim on the Effective Date (or the applicable Claim Payment Date); or (b) payment as otherwise agreed in writing by the holder of the Allowed Administrative Claim and the Debtor. The Debtor will pay fully and in Cash in the ordinary course of business, every Allowed Administrative Claim for an operating expense incurred in the ordinary course of such operations (including any payment terms applicable to any such expense).

4.2 **Professional Charges.** On or before the date that is forty-five (45) Business Days after the Effective Date, Chapter 11 Professionals must file final fee applications for approval of Professional Charges. The Reorganized Debtor will pay all Professional Charges within ten (10) Business Days of entry of a Final Order approving such Professional Charges unless otherwise extended by agreement between the Chapter 11 Professional and the Reorganized Debtor. Allowed Professional Charges will be paid from the Administrative Claims Reserve.

4.3 **Priority Unsecured Claims.** In full satisfaction of any Allowed Priority Unsecured Claim, the holder of every Allowed Priority Unsecured Claim will be paid: (a) a single Cash payment in the Allowed amount of the Allowed Priority Unsecured Claim on the Effective Date (or the applicable Claim Payment Date); or (b) as otherwise agreed in writing by the holder of the Allowed Priority Unsecured Claim and the Debtor.

4.4 **Priority Tax Claims.** In full satisfaction of any Allowed Priority Tax Claim, pursuant to the provisions of Bankruptcy Code § 1129(a)(9)(C), the holder of every Allowed Priority Tax Claim will be paid: (a) in deferred Cash payments over a period of five (5) years from the Petition Date, to be paid in equal quarterly installments of principal and interest; (b) the first payment will be made on the first Business Day after the day that is ninety (90) days after the later of the Effective Date or the Claim Payment Date; and (c) each payment thereafter will be made on the first Business Day of each succeeding quarter until paid in full; *provided, however, that* the entire unpaid amount of the Allowed Priority Tax Claim, together with any interest accrued thereon, will be paid in full on the date that is five (5) years after the Petition Date or as otherwise agreed in writing by the holder of the Allowed Claim and the Debtor.

4.5 **Elimination of Claim.** To the extent the Estate does not owe any amounts on the Effective Date for any Priority Unsecured Claims and/or any Priority Tax Claims, the treatment set forth above will be deemed automatically eliminated from the Plan.

ARTICLE 5

CLASSIFICATION OF CLAIMS

5.1 **Classification.** All Claims are classified under the Plan as hereafter stated in this Article; *provided, however, that* a Claim will be deemed classified in a particular Class only to the extent that the Claim qualifies within the description of that Class and will be deemed classified in a different Class to the extent that any remainder of the Claim qualifies within the description of such different Class. As of the Confirmation Hearing, any Class that does not contain any Claims will be deemed deleted automatically from the Plan, and any Class that does not contain an Allowed Claim (or a Claim temporarily or provisionally Allowed by the Bankruptcy Court for voting purposes) will be deemed automatically deleted from the Plan solely with respect to voting on confirmation of the Plan.

5.2 **Classes.** For purposes of the Plan, Claims against the Debtor are hereby classified in the following Classes in accordance with Bankruptcy Code § 1122(a):

Class	Name	Impaired	Entitled to Vote
1	Priority Employee Unsecured Claims	No	No - Deemed to Accept
2	Prepetition Date Secured Tax Claims	Yes	Yes
3	Faricy Claim	Yes	Yes
4	US Bank PPP Loan Claim	Yes	Yes
5	Catholic Charities Claims	Yes	Yes
6	General Unsecured Convenience Claims	Yes	Yes
7	General Unsecured Claims	Yes	Yes
8	Other Tort and Employee Claims	Yes	Yes
9	Annuity Claims	No	No – Deemed to Accept
10	Tort Claims	Yes	Yes
11	Unknown Tort Claims	Yes	Yes
12	Co-Defendant and Parish Claims	Yes	No – Deemed to Reject
13	Insurance and Benefit Claims	Yes	Yes
14	Penalty Claims	Yes	No – Deemed to Reject

ARTICLE 6

TREATMENT OF CLASS 1 CLAIMS (PRIORITY EMPLOYEE UNSECURED CLAIMS)

6.1 **Distribution.** No holder of an Allowed Priority Employee Unsecured Claim will receive Cash on account of such Claim through the Plan. All Allowed Priority Employee Unsecured Claims will be satisfied, in full, without interest, in accordance with the policies and procedures regarding vacation and sick leave pay in effect with the Debtor at the time such Priority Employee Unsecured Claim becomes matured and liquidated; *provided, however, that* the Debtor reserves the right to review its policies and procedures regarding vacation and sick leave pay and to propose modifications to those policies and procedures to become a part of the Plan prior to the Confirmation Date or after the Effective Date. To the extent the Debtor

proposes any changes to such policies and procedures that become part of the Plan and would be retroactive, the Debtor will modify the Plan to include such changes and give notice to the holders of any Priority Employee Unsecured Claims at least ten (10) days before the Confirmation Hearing. In that event, the holders of the Priority Employee Unsecured Claims will be impaired and the Plan will be modified to so state.

ARTICLE 7

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

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

7.1.1 In order to compute the Prepetition Date Secured Tax Claims, which are the Class 2 Claims, a property tax claims pro-ration will be conducted as of the Effective Date, if necessary. The Prepetition Date Secured Tax Claims that are Allowed Claims will bear interest from and after the Effective Date until they are paid in full at the rate of two percent (2%) per annum or such other rate as ordered by the Bankruptcy Court.

7.1.2 The Allowed Class 2 Claims, including interest thereon from and after the Effective Date, will be paid in three (3) equal installments. The first (1st) installment will be paid on the first Business Day that is ninety (90) days after the Effective Date or the Claim Payment Date. The second (2nd) installment will be paid on the first Business Day after the first (1st) anniversary of the Effective Date or the applicable Claim Payment Date. The third (3rd) and last installment will be paid on the first Business Day after the second (2nd) anniversary of the Effective Date or the applicable Claim Payment Date.

7.1.3 No penalties will be paid on any of the Allowed Class 2 Claims.

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

7.3 **Retention of Liens.** Each holder of an Allowed Class 2 Claim will retain its lien(s) on its collateral to the extent of its Allowed Class 2 Secured Claim.

7.4 **Other Claims.** The Reorganized Debtor will pay the Post-Effective Date Secured Tax Claims in the ordinary course of its business operations after the Effective Date. All Property Tax Administrative Claims will be paid as Administrative Claims pursuant to Section 4.1 of the Plan.

ARTICLE 8

TREATMENT OF CLASS 3 CLAIMS (FARICY CLAIM)

8.1 **Treatment:** Unless all holders of all Class 3 Claims elect on each of their Class 3 Ballots to be treated under Section 8.2 of the Plan, all Class 3 Claims will be treated as follows:

8.1.1 **Distribution.** All Class 3 Claims, as and when each is an Allowed Claim but only up to the maximum aggregate amount of \$585,623.00, will be treated as a fully Unsecured Claim and will be paid in full and in Cash through equal monthly payments of no more than \$4,000.00 each over sixty (60) months. Payments to the holders of Allowed Class 3 Claims, if any, will begin on the first Business Day following the sixth (6th) month after the later to occur of (i) the Effective Date, or (ii) the date such Class 3 Claim is Allowed. Subsequent payments will be made on the same day of the each month thereafter. After applying the monthly payments, the full amount remaining of any Allowed Class 3 Claim will be paid in full on the date that is sixty (60) months after the first monthly payment made on such Allowed Class 3 Claim.

8.1.2 **Interest and Penalties.** No interest or penalties will be payable on any Class 3 Claims.

8.2 **Alternative Treatment:** If (and only if) all holders of all Class 3 Claims each elect on each Class 3 Ballot to be treated under this Section 8.2, all Class 3 Claims will be deemed Allowed Claims as of the Effective Date. On the Effective Date, the Class 3 Claims will receive a single, aggregate, lump sum payment of \$300,000.00 in full satisfaction of all Class 3 Claims. If less than all holders of all Class 3 Claims elect to be treated under this Section 8.2 on each Class 3 ballot, then all Class 3 Claims will be treated exclusively in accordance with Section 8.1 of the Plan.

ARTICLE 9

TREATMENT OF CLASS 4 CLAIMS (US BANK PPP LOAN CLAIM)

9.1 **Distribution.** All Class 4 Claims, as and when they are Allowed Claims, will be treated as fully Unsecured Claims and will be paid as follows:

9.1.1 The Debtor will file for full forgiveness of the PPP Loan on or before the deadline to do so under the SBA regulations then in effect. If the PPP Loan is forgiven in accordance with the SBA regulations then in effect, all Class 4 Claims will be deemed fully and finally satisfied, and no distribution to holders of Class 4 Claims will be made under the Plan; and

9.1.2 If the PPP Loan, or any portion thereof, is not forgiven and the Debtor has exhausted all administrative remedies and appeals of the decision denying such forgiveness, the unforgiven portion of the PPP Loan will be Allowed and paid in full in accordance with the

terms of the PPP Loan Documents and the SBA regulations then in effect. To the extent the SBA regulations then in effect conflict with the PPP Loan Documents, the SBA regulations then in effect will control.

9.2 **Interest and Penalties.** Except as provided in Section 9.1.2, no interest or penalties will be payable on any Class 4 Claims.

ARTICLE 10

TREATMENT OF CLASS 5 CLAIMS (CATHOLIC CHARITIES CLAIMS)

10.1 **Treatment.** All Class 5 Claims will be treated solely in accordance with the Catholic Charities Settlement Agreement, which agreement is incorporated herein by this reference. As set forth in the Catholic Charities Settlement Agreement, on the Effective Date all Class 5 Claims will be deemed fully and finally released, and no distribution will be made on account of any Class 5 Claims. The parties to the Catholic Charities Settlement Agreement are required to fully comply with and perform under the Catholic Charities Settlement Agreement.

10.2 **Interest and Penalties.** No interest or penalties will be payable on any Class 5 Claims.

ARTICLE 11

TREATMENT OF CLASS 6 CLAIMS (GENERAL UNSECURED CONVENIENCE CLAIMS)

11.1 **Distribution.** All Class 6 Claims that are in an amount less than \$2,000.00, inclusive of interest, will be paid in full. All Class 6 Claims that resulted from the election of a holder of a General Unsecured Claim to be paid as a General Unsecured Convenience Claim will receive \$2,000.00 total, without interest. Holders of Class 6 Claims, as and when such Class 6 Claim is or becomes an Allowed Claim, will be paid on the first Business Day that is six (6) months after the later of Effective Date or the Claim Payment Date. Notwithstanding the forgoing, the Debtor may (but is not obligated to) pay one or more Allowed 6 Claims earlier than scheduled.

11.2 **Interest and Penalties.** No interest or penalties will be payable on any Class 6 Claims.

ARTICLE 12

TREATMENT OF CLASS 7 CLAIMS (GENERAL UNSECURED CLAIMS)

12.1 **Distribution.** Each holder of a Class 7 General Unsecured Claim, as and when such General Unsecured Claim is or becomes an Allowed Claim, will be paid the principal amount of its Claim in Cash in two (2) installments with the first installment to be paid on the

first Business Day that is six (6) months after the later of the Effective Date or the Claim Payment Date, and the next installment on the first Business Day that is twelve (12) months after the previous payment. Notwithstanding the forgoing, the Debtor may (but is not obligated to) pay one or more Allowed 7 Claims earlier than scheduled.

12.2 **Interest and Penalties.** No interest or penalties will be payable on any Class 7 Claims.

ARTICLE 13

TREATMENT OF CLASS 8 CLAIMS (OTHER TORT AND EMPLOYEE CLAIMS)

13.1 **Distribution.** Each holder of a Class 8 Other Tort and Employee Claim, as and when such Claim becomes an Allowed Claim, will be paid solely from any insurance coverage applicable to such Other Tort and Employee Claim. To the extent that such Claims may not be satisfied in full by the foregoing, then such Other Tort and Employee Claims, to the extent not so satisfied, will be a Disallowed Claim and will receive no distribution under the Plan.

13.2 **Interest and Penalties.** No interest or penalties will be payable on any Class 8 Claims.

ARTICLE 14

TREATMENT OF CLASS 9 CLAIMS (ANNUITY CLAIMS)

14.1 **Unimpairment.** The legal, equitable, and contractual rights of each holder of an Allowed Class 9 Claim will be reinstated in full on the Effective Date if any such legal, equitable, or contractual rights have been altered prior to the Effective Date.

14.2 **Distribution.** In full satisfaction of each Allowed Class 9 Claim, the Reorganized Debtor, through Bremer Bank, will continue to pay the Annuity payments in accordance with the terms of the applicable Annuity Agreement.

ARTICLE 15

TREATMENT OF CLASS 10 CLAIMS (TORT CLAIMS)

15.1 **Establishment of Trust.** On the Effective Date, the Trust will assume all liability for all Class 10 Claims. The Trust will pay Class 10 Claims pursuant to the provisions of the Plan, Plan Documents, Confirmation Order, Tort Claims Allocation Protocol, and Trust Documents. Except for fees and expenses the Reorganized Debtor will pay under Section 20.3 of the Plan, the Reorganized Debtor and the Protected Parties will not have any liability for any fees and expenses of attorneys representing any of the Tort Claimants.

15.2 **Treatment.** Tort Claimants will have their Class 10 Claims treated pursuant to the Tort Claims Allocation Protocol, including review of such Tort Claims by the Abuse Claims Reviewer in accordance with the Tort Claims Allocation Protocol. **The right of any Tort Claimant to a trial by jury or otherwise against the Reorganized Debtor and any of the Protected Parties is waived and released upon the occurrence of the Effective Date, and the Tort Claim of a Tort Claimant will be solely determined by the Abuse Claims Reviewer in accordance with the Tort Claims Allocation Protocol, and shall be a Channeled Claim to be paid solely from the Trust and/or Trust Assets.**

15.3 **Rights Against Co-Defendants.** Nothing in the Plan is intended to affect, diminish or impair any Tort Claimant's rights against any Co-Defendant, joint tortfeasor, or other Person who is not a Protected Party. Under no circumstances will the reservation of such Tort Claimant's rights against any Co-Defendant, joint tortfeasor, or other Person who is not a Protected Party impair the releases, discharge, or injunctions with respect to any Protected Party, against whom all such rights and/or Claims will be and are hereby enjoined as provided in Sections 26.5 of the Plan.

15.4 **Objections to Tort Claims.** No Tort Claimant may challenge the merit, validity, or amount of any Class 10 Claim. If any objection to a Class 10 Claim is pending as of the Effective Date, such objection is deemed withdrawn with prejudice on or after the Effective Date. The Trustee shall have the sole and exclusive right to object to a Class 10 Claim.

15.5 **Release and Certification.** No Tort Claimant will receive any payment on any Award unless and until such Tort Claimant has made the certifications set forth in the Class 10 Ballot and executed the release attached hereto as **Exhibit D** to the Plan. The release and certifications included in the Class 10 Ballot for voting on the Plan are sufficient for this purpose. A Tort Claimant who does not timely submit a Ballot must personally execute the release and certifications required by this Section 15.5. Notwithstanding the foregoing, nothing in this Article requires any Class 10 claimant to release any Claim(s) against any joint tortfeasor or other Person who is not a Protected Party, and such Claim(s) are reserved. But in no event may a Class 10 claimant collect on that portion of any judgment or obtain any reallocation of any judgment based on the causal fault or share of liability of any Protected Parties. 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 a Class 10 Claim will be provided by the Trustee with a copy of the executed release upon reasonable request and provision of an appropriate, executed

confidentiality agreement, and will not be liable for any Protected Parties' share of liability or fault. The release of these Class 10 Claims is pursuant to the principles set forth in *Pierringer v. Hoyer*, 124 N.W.2d 106 (Wis. 1963) and *Frey v. Snelgrove*, 269 N.W.2d 918 (Minn. 1978). The Trust will be obligated to provide copies of the Tort Claimants' releases and certifications to any of the Protected Parties upon request.

15.6 **Denial of Payment.** If a Tort Claim is denied an Award pursuant to the Tort Claims Allocation Protocol, the holder of such Tort Claim will nevertheless have no rights against the Protected Parties, the Trust, the Trustee, or the Reorganized Debtor arising out of, relating to, or in connection with such Tort Claim and such Tort Claim will be a Disallowed Claim and will be discharged and subject to the Channeling Injunction as provided in the Plan.

15.7 **No Penalty Claims.** Except for any Award that may be paid from the Trust as part of the Tort Claims Allocation Protocol, Penalty Claims relating to Tort Claims will receive no distribution and will be Disallowed Claims.

15.8 **Withdrawal of Tort Claim.** A Tort Claimant may withdraw a Tort Claim at any time, without further order of the Court, on written notice to the Trustee. If withdrawn, (a) the Tort Claim will be withdrawn with prejudice and may not be reasserted against the Reorganized Debtor, the Trust, the Trustee, or any Protected Party, including as an Unknown Tort Claim, (b) as a condition to withdrawal of the Tort Claim, any funds paid to the Tort Claimant by the Trust (inclusive of attorneys' fees and costs) will be returned to the Trust, and (c) any reserve maintained by the Trust on account of such Tort Claim will revert to the non-reserved assets of the Trust for distribution in accordance with the Plan and the Trust. Withdrawal of any Tort Claim by a Tort Claimant will be without prejudice to such Person's rights against any Co-Defendant, joint tortfeasor, or other Person who is not a Protected Party, subject to the limitations contained in the Plan and the Confirmation Order.

ARTICLE 16

TREATMENT OF CLASS 11 CLAIMS (UNKNOWN TORT CLAIMS)

16.1 **Liability.** Except for the Unknown Tort Claims Obligation, on the Effective Date, the Trust will assume all liability for and pay all Unknown Tort Claims pursuant to the provisions of the Plan, Plan Documents, Confirmation Order, the Unknown Tort Claims Allocation Protocol, and Trust Documents. From and after the Effective Date, neither the Reorganized Debtor nor any of the other Protected Parties will have any liability for any Unknown Tort Claims, except for funding the Unknown Tort Claims Obligation.

16.2 **Unknown Tort Claims Obligation.** After the Effective Date, the Reorganized Debtor will be responsible for funding distributions to the Trustee for the benefit of Unknown Tort Claimants who are entitled to an Award pursuant to the Plan and Plan Documents, as follows:

16.2.1 **Funding Obligation Amount Limit.** During the Unknown Tort Claims Funding Period (defined below), the Reorganized Debtor will fund distributions to the Trustee

for the benefit of Unknown Tort Claimants on an “as-needed” basis as provided in Section 16.3 of the Plan; *provided, however, that* the aggregate maximum amount the Reorganized Debtor is obligated to fund to the Trustee for the benefit of Unknown Tort Claimants will not exceed the lesser of: (i) the aggregate amount of all Awards to Unknown Tort Claimants finally determined in accordance with the Plan and Plan Documents, or (ii) \$500,000.00. For the avoidance of doubt, the Reorganized Debtor is not obligated to fund to the Trustee for the benefit of Unknown Tort Claimants more than \$500,000.00 under any circumstances, and the Unknown Tort Claimants, collectively, cannot collect more than \$500,000.00. The Reorganized Debtor will provide the funds required under this Section 16.2 to the Trustee for the benefit of Unknown Tort Claimants in accordance with Section 16.3 of the Plan and applicable Plan Documents. Under no circumstances, will the Reorganized Debtor pay an Unknown Tort Claimant’s Award directly to an Unknown Tort Claimant.

16.2.2 Funding Obligation Time Limit. The Reorganized Debtor’s obligation to fund distributions to the Trustee for the benefit of Unknown Tort Claimants will terminate automatically on the date that is forty-two (42) months following the Effective Date (the “**Funding Period**”), regardless of the amount that the Reorganized Debtor has then funded to the Trustee for the benefit of Unknown Tort Claimants; *provided, however, that*, if, prior to expiration of the Funding Period, an Unknown Tort Claim has been submitted to the Abuse Claims Reviewer in accordance with Section 16.3.1 below and the Unknown Tort Claims Allocation Protocol, then the Reorganized Debtor’s obligation to fund distributions to the Trustee for the benefit of Unknown Tort Claimants will automatically be extended to the date that is sixty (60) months following the Effective Date (the “**Extended Funding Period**”). The Funding Period and the Extended Funding Period, as applicable, will be referred to in this Plan as the “**Unknown Tort Claims Funding Period**”. The Reorganized Debtor’s obligation to fund distributions to the Trustee for the benefit of Unknown Tort Claimants will terminate automatically upon expiration of the Unknown Tort Claims Funding Period, regardless of the amount that the Reorganized Debtor has then funded to the Trustee for the benefit of Unknown Tort Claimants.

16.3 Treatment. Class 11 Claims will be treated pursuant to the Unknown Tort Claims Allocation Protocol and other applicable Plan Documents, which will include, among other things, the following provisions:

16.3.1 After the Effective Date, the Reorganized Debtor will refer all inquiries it receives from potential Unknown Tort Claimants to the Unknown Claims Representative. The Unknown Claims Representative will provide any potential holder of an Unknown Tort Claim the applicable proof of claim form previously approved by the Court in the Proof of Claim Deadline Order. The Proof of Claim and any accompanying additional documentation the potential Unknown Tort Claimant wishes to submit will be submitted to the Abuse Claims Reviewer and the Trustee so the potential Unknown Tort Claimant’s Claim may be processed as provided below.

16.3.2 The Abuse Claims Reviewer will be responsible for reviewing all Unknown Tort Claims asserted against the Debtor or Reorganized Debtor at any time, and then reporting to the Trustee. The Abuse Claims Reviewer will review such Claims in accordance with the Unknown Tort Claims Allocation Protocol.

16.3.3 The Abuse Claims Reviewer and the Trustee will determine the amount of any Award awarded to each Unknown Tort Claimant.

16.3.4 After determination of an Unknown Tort Claim Award, the Trustee will make an initial distribution to the holder of such Unknown Tort Claim Award in amount not to exceed ten percent (10%) of the Award, less any allocable fees of the Abuse Claims Reviewer (the “**Initial Distribution**”). The remaining ninety percent (90%) of such Unknown Tort Claim Award will be “held back” (each, a “**Holdback**”) and not paid. Following the expiration of the Unknown Tort Claims Funding Period, the Trustee will distribute any available funds, less any allocable fees of the Abuse Claims Reviewer, under the Unknown Tort Claims Obligation to satisfy all Holdbacks on a *pro rata* basis. The purpose of the Holdbacks is to ensure that sufficient funds under the Unknown Tort Claims Obligation are available to compensate all Unknown Tort Claim Awards equitably.

16.3.5 Subject to the provisions of Section 16.2 above, the Reorganized Debtor will fund Initial Distributions following written request by the Trustee. Upon written request of the Trustee, the Reorganized Debtor will fund all Holdbacks (subject to the provisions of Section 16.2 above), but such funding will not occur until the last Business Day prior to expiration of the Unknown Tort Claims Funding Period.

16.3.6 The right of any Unknown Tort Claimant to a trial by jury or otherwise against the Reorganized Debtor, and any of the Protected Parties is waived and released upon occurrence of the Effective Date, and the Tort Claim of an Unknown Tort Claimant will be solely determined by the Abuse Claims Reviewer and in accordance with the Unknown Tort Claims Allocation Protocol.

16.4 **Rights Against Co-Defendants.** Nothing in the Plan is intended to affect, diminish or impair any Unknown Tort Claimant’s rights against any Co-Defendant, joint tortfeasor, or other Person who is not a Protected Party. Under no circumstances will the reservation of such Unknown Tort Claimant’s rights against any Co-Defendant, joint tortfeasor, or other Person who is not a Protected Party impair the releases, discharge, or injunctions with respect to any Protected Party against whom all such rights and/or Claims will be and are hereby released and enjoined as provided in Sections 26.5 of the Plan.

16.5 **Release and Certification.** No Unknown Tort Claimant will receive any payment from the Trust unless and until the Unknown Tort Claimant has personally made the same certifications set forth in the Class 10 Ballot and executed the release attached hereto as **Exhibit D** to the Plan. The release and certifications included in the Class 10 Ballot for voting on the Plan are sufficient for this purpose. Any Person or Entity that is or was alleged to be a joint tortfeasor with the Debtor in connection with any Tort Claim or Unknown Tort Claim will not be liable for the Debtor’s share of liability or fault for such Claim. Notwithstanding the foregoing, nothing in this Article requires any Class 11 claimant to release any Claim(s) against any joint tortfeasor or other Person who is not a Protected Party, and such Claim(s) are reserved. But in no event may a Class 11 claimant collect on that portion of any judgment or obtain any reallocation of any judgment based on the causal fault or share of liability of any Protected Parties. 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 a Class 11 Claim will be provided by

the Trustee with a copy of the executed release upon reasonable request and provision of an appropriate, executed confidentiality agreement, and will not be liable for any Protected Parties' share of liability or fault. The release of these Class 11 Claims is pursuant to the principles set forth in *Pierringer v. Hoyer*, 124 N.W.2d 106 (Wis. 1963) and *Frey v. Snelgrove*, 269 N.W.2d 918 (Minn. 1978). The Trust will be obligated to provide copies of the Unknown Tort Claimants' releases and certifications to any of the Protected Parties upon request.

16.6 **Objections.** The Trustee shall have the sole and exclusive right to object to an Unknown Tort Claim.

16.7 **Disallowed Unknown Tort Claims.** If a Class 11 Claim is Disallowed or denied payment pursuant to the Unknown Tort Claims Allocation Protocol, the holder of such Unknown Tort Claim will have no further rights against the Protected Parties, the Reorganized Debtor, the Trust, or the Trustee arising out of, relating to, or in connection with such Unknown Tort Claim and such Unknown Tort Claim will be a Disallowed Claim and will be discharged and subject to the Channeling Injunction as provided in the Plan.

16.8 **Unknown Tort Claimants' Fees and Costs.** The fees and expenses of attorneys representing Unknown Tort Claimants who receive payment from the Trust will be borne by such Unknown Tort Claimants based on applicable state law and individual arrangements made between such Unknown Tort Claimants and their respective attorneys. None of the Reorganized Debtor, the Trust, the Trustee, or the Protected Parties will have any liability for any fees or expenses of attorneys representing any Unknown Tort Claimants and any Claims for such fees and expenses will be Disallowed.

16.9 **No Penalty Claims.** Except for any Award that may be provided from the Trust as part of the Unknown Tort Claims Allocation Protocol, Penalty Claims relating to Unknown Tort Claims will receive no distribution and will be Disallowed Claims.

16.10 **Withdrawal of Unknown Tort Claims.** An Unknown Tort Claimant may withdraw an Unknown Tort Claim at any time, without further order of the Court, on written notice to the Trustee. If withdrawn, (a) the Unknown Tort Claim will be withdrawn with prejudice and may not be reasserted against the Reorganized Debtor, the Trustee, the Trust, or any Protected Party; and (b) as a condition to withdrawal of the Unknown Tort Claim, any funds paid to the Unknown Tort Claimant by the Trust (inclusive of attorneys' fees and costs) shall be returned to the Trust. Withdrawal of any Unknown Tort Claim by an Unknown Tort Claimant will be without prejudice to such Person's rights against any Co-Defendant, joint tortfeasor, or other Person who is not a Protected Party, subject to the limitations contained in the Plan and the Confirmation Order.

ARTICLE 17

TREATMENT OF CLASS 12 CLAIMS (CO-DEFENDANT AND PARISH CLAIMS)

17.1 **Distribution.** All Class 12 Claims will be Disallowed Claims and there will be no distribution to the holders of any Class 12 Claims.

ARTICLE 18

TREATMENT OF CLASS 13 CLAIMS (INSURANCE AND BENEFIT CLAIMS)

18.1 **Distribution.** The Class 13 Claims will be treated and satisfied by the Reorganized Debtor in accordance with the past practices and policies of the Debtor.

18.2 **Interest.** Unless otherwise provided or required pursuant to the past practices and policies of the Debtor, no interest will accrue or be paid on any Insurance and Benefit Claims.

ARTICLE 19

TREATMENT OF CLASS 14 CLAIMS (PENALTY CLAIMS)

19.1 **Distribution.** No Penalty Claims will be Allowed. All Penalty Claims will be Disallowed Claims, and there will be no distribution to the holders of any Penalty Claims.

ARTICLE 20

MEANS OF IMPLEMENTATION OF THE PLAN

20.1 **Establishment of Trust Account.** After the Confirmation Date, the Trustee will establish the Trust Account, which will be held and administered in accordance with the Plan, Trust Agreement, and the Confirmation Order.

20.2 **Funding the Trust.** On the Effective Date, the Reorganized Debtor will transfer the following to the Trust:

20.2.1 TWENTY-TWO MILLION FIVE HUNDRED THOUSAND DOLLARS and no/100 (\$22,500,000.00) to the Trust Account, *less* any amount required to fund the Administrative Claims Reserve for the limited purpose of funding Allowed Professional Charges that exceed \$500,000.00 in the aggregate, as set forth in Section 20.3 below; and

20.2.2 Any and all Claims or causes of action that the Debtor may hold against Other Insurers (the “**Other Insurer Claims**”). The following provision will apply to the Other Insurer Claims:

(a) The Reorganized Debtor's transfer of Other Insurer Claims to the Trust is without representation or warranty (express or implied) of any kind, including, without limitation, that such Other Insurer Claims exist or have any value. The Trust bears all risks of collection with respect to such Other Insurer Claims (if any);

(b) According to the Debtor, it has produced all information it in its possession regarding the existence (or lack thereof) of Other Insurers; the Reorganized Debtor will have no further duty to investigate, produce, or otherwise provide information to the Trust regarding any Other Insurers or Other Insurer Claims;

(c) To the extent the Trust or any assignee asserts an Other Insurer Claim against an Other Insurer, the Reorganized Debtor will not be compelled (by the Trust or otherwise) to participate in prosecution of such Other Insurer Claim, except to the extent required to comply with any duty of cooperation the Reorganized Debtor may have, or otherwise preserve any insurance coverage. To the extent the Reorganized Debtor's participation in such prosecution is sought by any court or Person, the Trust (at its own cost) will defend any such proceeding to the full extent permitted by law, or otherwise fund the cost of compliance if necessary to preserve any insurance coverage, as set forth in Section 20.2.2(d);

(d) The Trust will reimburse both the Reorganized Debtor and Catholic Mutual for all reasonable and necessary fees and costs it may incur in connection with any prosecution of an Other Insurer Claim. Before the Trust can pursue an Other Insurer Claim, it must reserve no less than \$75,000.00 for the Reorganized Debtor and \$75,000.00 for Catholic Mutual (for a total reserve amount of \$150,000.00) to cover such reimbursement obligations; *provided, however*, that the Trust's obligation to reimburse the Reorganized Debtor and/or Catholic Mutual under this subsection is not limited to such parties' respective reserve amounts. To the extent either the Reorganized Debtor's or Catholic Mutual's reasonable and necessary fees and costs exceed \$75,000.00, the Trust will reimburse the Reorganized Debtor or Catholic Mutual, or both, for all such fees and costs incurred in connection with the Trust's pursuit of an Other Insurer Claim from whatever Trust assets are or become available; and

(e) The Trust's right to commence collection of any Other Insurer Claim will automatically terminate on the date that is sixty (60) months following the Effective Date.

20.3 Establishment of Administrative Claim Reserve. The Reorganized Debtor will establish the Administrative Claim Reserve, which may be held in any of the Reorganized Debtor's existing bank accounts or a new account, in the Reorganized Debtor's sole discretion, and which will be treated as restricted funds. The amount of the Administrative Claim Reserve will be equal to the estimated amount of all Administrative Claims (including Professional Charges) that are predicted to become Allowed on and after the Effective Date. The amount of the Administrative Claim Reserve will be fixed by agreement between the Committee and the Debtor; or, if the Committee and the Debtor cannot agree, by the Bankruptcy Court. The Administrative Claim Reserve will be funded from the following sources: (i) the Reorganized Debtor's Assets, excluding the funds to be transferred into the Trust Account, as required by Section 20.2 of the Plan, but only up to the maximum aggregate amount of \$500,000.00; and (ii) to the extent that Allowed Professional Charges exceed \$500,000.00 in the aggregate, a portion

of the Plan funding that will be held back by the Reorganized Debtor at the time the Reorganized Debtor transfers its portion of the Plan funding into the Trust Account as required by Section 20.2 of the Plan. Any amounts held back from funding to the Trust as part of the Administrative Claims Reserve that are not ultimately paid on account of Professional Charges that exceed \$500,000.00 in the aggregate will be remitted to the Trustee within ten (10) calendar days after entry of all orders on final fee applications for Professional Charges incurred during the period prior to the Effective Date. For the avoidance of doubt, the Debtor is obligated to pay the first \$500,000.00 in Professional Charges from Assets separate from the \$22,500,000.00 referenced in Section 20.2 of the Plan.

20.4 **Unknown Tort Claims Obligation.** After the Effective Date, the Reorganized Debtor will be responsible for funding the Unknown Tort Claims Obligation, as provided in Sections 16.2 and 16.3 of the Plan.

20.5 **Payment and Treatment of Other Claims.** Payments due to creditors on account of Allowed Claims (other than Tort Claims, Administrative Claims, or Unknown Tort Claims) will be paid pursuant to the terms of the Plan from the Reorganized Debtor's Revested Assets and ongoing operations.

20.6 **Retained Claims.** On or before the Effective Date, all Retained Claims will be deemed assigned by the Debtor to the Reorganized Debtor. The Reorganized Debtor may pursue any Retained Claims at its discretion and will retain the proceeds of all such Retained Claims pursued, if any.

20.7 **Other Approvals.** Any approvals required to approve a source of funding for the Plan that has not been previously approved by the Bankruptcy Court through a Final Order, will be submitted and approved as part of the Confirmation Order. The entry of the Confirmation Order may constitute the Final Order approving any Plan funding transactions.

20.8 **Approval of Settlement.** Pursuant to Bankruptcy Code § 105, the provisions of the Plan will constitute a good faith compromise and settlement of all Claims against the Debtor in consideration for the classification, distributions, and other benefits provided under the Plan, including the commitment by the Debtor to fund the Debtor's obligations under the Plan, the Parishes Agreement, the Catholic Charities Settlement, and the contribution of any other Protected Party. On or before the Effective Date, the Bankruptcy Court will have approved, by Final Order, such compromises and the Bankruptcy Court's findings will constitute its determination that such compromises and settlements are in the best interests of the Debtor, the Estate, the Tort Claimants, the Unknown Tort Claimants, holders of other Claims, and other parties in interest, and are fair, equitable, and within the range of reasonableness. To the extent a separate Final Order is not entered by the Confirmation Date, the entry of the Confirmation Order will constitute the Final Order approving the compromises and settlements.

20.9 **Non-Monetary Commitment to Healing and Reconciliation.** In order to further promote healing and reconciliation, and in order to continue its efforts to prevent Abuse from occurring within the territory of the Diocese in the future, the Reorganized Debtor agrees that beginning within thirty (30) days after the Effective Date (unless a different date is provided

below), it will undertake the commitments set forth in **Exhibit F** attached hereto and incorporated herein as part of the Plan.

20.10 Review of Non-Tort Claims. Except for Tort Claimants and Unknown Tort Claimants, any Entity to which the Debtor has incurred an obligation (whether on account of the provision of goods, services, or otherwise), or that has received goods or services from the Debtor or a transfer of money or property of the Debtor, or that has transacted business with the Debtor, or leased equipment or property from the Debtor should assume that such obligation, transfer, or transaction may be reviewed by the Reorganized Debtor, subsequent to the Effective Date, and may, if appropriate, be the subject of an action after the Effective Date, regardless of whether (i) such Entity has filed a Proof of Claim against the Debtor in this Reorganization Case; (ii) such Entity's Proof of Claim has been objected to; (iii) such Entity's Claim was included in the Schedules; or (iv) such Entity's scheduled Claims have been objected to or have been identified as disputed, Contingent, or unliquidated.

20.11 Procedure for Determination of Non-Tort Claims. The following procedures will be used solely for purposes of allowance and disallowance of Non-Tort Claims:

20.11.1 Objections to Claims. Notwithstanding the occurrence of the Effective Date, and except as to any Claim that has been Allowed prior to the Effective Date, all objections to Claims must be filed by the Claim Objection Deadline; *provided, however, that* nothing contained in the Plan will affect the right of the Debtor to seek estimation of any Non-Tort Claims on any grounds permitted by the Bankruptcy Code at any time.

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

20.11.3 Treatment of Contingent Claims. Until such time as a Contingent Claim or a Contingent portion of an Allowed Claim becomes fixed or absolute or is a Disallowed Claim, such Claim will be treated as a Disputed Claim for all purposes related to distributions under the Plan. The holder of a Contingent Claim will only be entitled to a distribution under the Plan when and if such Contingent Claim becomes an Allowed Claim, subject, however, to the provisions of Bankruptcy Code § 502(e), and provided that if such Contingent Claim is for reimbursement, indemnification or contribution at the time of allowance or disallowance, it will be a Disallowed Claim pursuant to Bankruptcy Code § 502(e)(1)(B).

20.12 Payments Effective Upon Tender. Whenever the Plan requires payment to be made, such payment will be deemed made and effective upon tender thereof by the Trustee, the Debtor, or the Reorganized Debtor to the creditor to whom payment is due. If any creditor refuses a tender, the amount tendered and refused will be held by the Trust, the Debtor, or the Reorganized Debtor for the benefit of that creditor pending final adjudication of the dispute. However, when and if the dispute is finally adjudicated and the creditor receives the funds previously tendered and refused, the creditor will be obliged to apply the funds in accordance with the Plan as of the date of the tender; and while the dispute is pending and after adjudication

thereof, the creditor will not have the right to claim interest or other charges or to exercise any other rights that would be enforceable by the creditor, if the Trust, the Debtor, or the Reorganized Debtor failed to pay the tendered payment.

20.13 Preservation of Debtor's Claims, Demands, and Causes of Action. Except as otherwise expressly provided in the Plan, all Claims, demands, and causes of action of any kind or nature whatsoever held by, through, or on behalf of the Debtor and/or the Estate against any other Entity, including, but not limited to, the Debtor's claims against Faricy and all other Retained Claims arising before the Effective Date that have not been resolved or disposed of prior to the Effective Date, are hereby preserved in full for the benefit of the Reorganized Debtor. The Debtor or the Reorganized Debtor will have the exclusive right, authority and discretion to enforce the Claims, demands, and causes of action of any kind or nature, including the Retained Claims, whether arising before or after the Petition Date, in any court or other tribunal, including, without limitation, a bankruptcy court adversary proceeding filed in this Reorganization Case. The Debtor or the Reorganized Debtor will also have the exclusive right, authority, and discretion to institute, prosecute, abandon, settle, or compromise any and all such Claims, demands, and causes of action of any kind or nature, including the Retained Claims, without obtaining Bankruptcy Court approval. To the extent necessary, the Reorganized Debtor is hereby designated as the representative of the Estate pursuant to and in accordance with Bankruptcy Code § 1123(b)(3)(B). The Debtor and the Reorganized Debtor will also be entitled to assign their rights under the Plan (except to as to any Claims, causes of action, cross-claims and counterclaims that are to be released pursuant to the Plan). On the Effective Date, and except as otherwise specifically provided in the Plan, including with respect to Retained Claims that are specifically retained by the Debtor and assigned to the Reorganized Debtor, the Trustee is hereby designated as the representative of the Estate, pursuant to and in accordance with Bankruptcy Code § 1123(b)(3), with respect to any and all Claims, defenses, counterclaims, setoffs, and recoupments belonging to the Debtor or its Estate with respect to Tort Claims and Unknown Tort Claims.

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

20.15 Operative Documents. The Debtor or the Committee will prepare any documents that the Debtor, the Reorganized Debtor, or the Committee deem necessary or appropriate to execute the Plan or are provided for under the Plan, including, but not limited to, the Plan Documents. If there is any dispute regarding the reasonableness or propriety of any such documents after reasonable and good faith efforts to negotiate and obtain approval of the documents by the affected Entity, any such dispute will be presented to the Bankruptcy Court for determination at or in conjunction with the Confirmation Hearing.

20.16 Return of Deposits. To the extent that the Debtor was required to and did pay deposits to any creditors before or after the Petition Date, as a condition of or as security for continued service after the Petition Date, including, but not limited to, deposits paid to utility companies for adequate assurance pursuant to Bankruptcy Code § 366, then, upon satisfaction of

the Claims of such creditor pursuant to the Plan or if such creditor did not have any Claims against the Debtor, any such deposits, together with any interest or other income earned thereon, if any, will be refunded to the Reorganized Debtor within fifteen (15) days of demand for return of such deposit.

20.17 Delivery of Distributions (Except to Tort Claims and Unknown Tort Claims). Distributions will be made by the Debtor or the Reorganized Debtor to holders of Non-Tort Claims as follows:

20.17.1 At the addresses set forth in the Proofs of Claim (and if both a claimant's address and a claimant's counsel are listed on the Proof of Claim then to counsel's address) filed by holders of Claims, or the last known addresses of such holders if no Proof of Claim is filed or if the Debtor or the Reorganized Debtor have not been notified of a change of address; or

20.17.2 At the addresses set forth in written notices of address change delivered to the Debtor or the Reorganized Debtor after the date of any related Proof of Claim; or

20.17.3 At the addresses reflected in the Schedules filed in the Reorganization Case if no Proof of Claim has been filed and the Claim is or becomes an Allowed Claim, and the Debtor or the Reorganized Debtor (as applicable) have not received a written notice of change of address.

20.18 Transmittal of Distributions to Tort Claimants and Unknown Tort Claimants. Except as otherwise provided in the Plan, in the Plan Documents, or in an order of the Bankruptcy Court, distributions to Tort Claimants and Unknown Tort Claimants will be made by the Trustee and distributions to all other creditors will be made by the Reorganized Debtor. Distributions to Tort Claimants and Unknown Tort Claimants will be made in accordance with the Trust Documents, the Tort Claims Allocation Protocol, and the Unknown Tort Claims Allocation Protocol.

20.19 Efforts Regarding Absence of Address or Returned Mail. If a claimant's distribution is not mailed or is mailed but returned to the Reorganized Debtor or Trustee because of the absence of a proper mailing address, the Reorganized Debtor or Trustee, as the case may be, will make a reasonable effort to locate or ascertain the correct mailing address for such claimant from information generally available to the public and from such party's own records, but the Reorganized Debtor and the Trustee will not be liable to any such claimant for having failed to find a correct mailing address. The Trustee will have no liability to a Tort Claimant on account of distributions made to the client trust account of a Tort Claimant's attorney.

ARTICLE 21

TRUST

21.1 Establishment of Trust. On the Confirmation Date, the Trust will be established in accordance with the Trust Documents. The Trust will qualify as a "Designated" or "Qualified Settlement Fund" pursuant to Section 468B of the Internal Revenue Code and the Treasury

Regulations promulgated thereunder. The Trust Documents, including the Trust Agreement, are incorporated herein by reference.

21.2 **Reserve Accounts.** As set forth in the Trust Agreement, the Trustee may establish reserves for various purposes.

21.3 **No Execution.** All property transferred to the Trust will remain property of the Trust until such time as the property actually has been paid to and received by an Entity entitled to receive payment pursuant to the terms of the Plan, Plan Documents, Confirmation Order, and Trust Documents. Except as expressly provided in the Plan, Plan Documents, Confirmation Order, and the Trust Documents, the Trust will not be responsible for administration of payment of any Claims against the Debtor other than Tort Claims or Unknown Tort Claims.

21.4 **Special Provisions Relating to Tort Claims and Unknown Tort Claims.**

21.4.1 **Medicare and Medicaid-Related Provisions.** Pursuant to Section 111 of the MMSEA (42 U.S.C.A. § 1395y(b)(8)) and the MTPL, the Trust will be the applicable plan from which any Tort Claimants who might also be Medicare or Medicaid Beneficiaries receive payment on account of their Tort Claims. All payment obligations to a Tort Claimant will be funded from the assets of the Trust. The Trustee is the RRE as that term is defined herein and in Section 111 of the MMSEA, and the Confirmation Order will so provide.

21.4.2 **Medicare and Medicaid-Related Obligations.** In addition to the foregoing obligations, the Trustee is the RRE with responsibility to ensure fulfillment of the reporting, notice, and reimbursement requirements, if any, pursuant to the MSPA, the MTPL, and Section 111 of the MMSEA and any other similar statute or regulation, and any related rules, regulations, or guidance issued in connection therewith.

(a) On or after the date that the Confirmation Order becomes a Final Order, to the extent not already reliably accomplished by authorized representative(s) of a Post-1980 Claimant (as defined below), the Trustee must determine, for any Tort Claimant whose Claim, including a Proof of Claim, complaint (if one has been served or filed), or other documentation offered in support of that Claim, potentially alleges or indicates that he or she was or may have suffered Abuse after December 5, 1980 (a “**Post-1980 Claimant**”), by query to CMS: (i) whether that Post-1980 Claimant is Medicare or Medicaid eligible and, if so, (ii) whether he or she has received any Conditional Payment or otherwise subject to Medicare’s or Medicaid’s right to subrogation arising from or relating to treatment for Abuse. The Trustee will initiate such queries as soon as practicable, including prior to the Effective Date.

(b) If the Trustee, or authorized representative(s) of a Post-1980 Claimant, does not receive a response from CMS or the Minnesota’s state Medicaid program (including a response from a query that an insurer or Tort Claimant’s counsel has initiated) within seventy-five (75) days of the date on which the relevant query was submitted as to whether a Post-1980 Claimant is Medicare Eligible and/or has received one or more Conditional Payments, then that Claimant may, in lieu of the query response from the relevant agency, certify in writing to the Trustee that he or she (i) is not Medicare or Medicaid eligible and (ii) that he or

she will provide for payment and/or resolution of any future obligations owing or potentially owing under the MSPA or the MTPL.

(c) Prior to issuing a payment to any Post-1980 Claimant who is Medicare or Medicaid eligible, the Trust and Trustee will require that Tort Claimant's counsel hold in escrow an amount equal to the lesser of (1) the amount of the potential payment to the Tort Claimant or (2) the amount of any Medicare Conditional Payments, including Conditional Payments issued by any MAO, or payments subject to subrogation rights of Medicare or Medicaid, including payments issued by any MCO. Such amount must be held in escrow until such time that Tort Claimant's counsel or the Trustee's professionals have provided written documentation from Medicare, including any MAO, and Medicaid, including any MCO, demonstrating that such Conditional Payments or payments subject to subrogation rights of Medicare or Medicaid have been satisfied, waived or otherwise released.

(d) If a portion of the settlement amount is paid to any Post-1980 Claimant who is identified as Medicare or Medicaid eligible, the Trust will report such payments to Medicare in accordance with the MMSEA or Medicaid in accordance with the MTPL, as applicable.

(e) The Trust must defend, indemnify, and hold harmless the Reorganized Debtor and the Protected Parties from any Claims related to Medicare or Medicaid Claims reporting, notice, and payment obligations, whether relating to past Conditional Payments made, payments subject to subrogation rights of Medicare or Medicaid, future payments to be made, or otherwise arising out of, relating to, or in connection with Tort Claims, including any obligations owing or potentially owing under MMSEA, MTPL, or MSPA, and any Claims related to the Trust's obligations under the Plan, the Trust Documents, and the Plan Documents. The Trust will not create a reserve for this potential obligation.

(f) Subject to the provisions of the Plan and the Trust Agreement, the Trust Assets will also be used for payment of indemnity and expenses related to reimbursing the United States government, Minnesota, or their contractors for Conditional Payments made or otherwise subject to Medicare's or Medicaid's right to subrogation pursuant to the MSPA or the MTPL applicable to any given Medicare or Medicaid Beneficiary, Tort Claimants, and Unknown Tort Claimants. None of the Protected Parties are obligated to make any other payments for this purpose, including any payments to the Trust.

21.5 **Termination of Trust.** The Trust will terminate and the Trustee will have no further obligations under the Plan or the Trust Agreement as provided in the Trust Agreement.

ARTICLE 22

TREATMENT OF EXECUTORY CONTRACTS

22.1 **Assumption and Rejection of Executory Contracts.** On the Effective Date, except as otherwise provided herein, all Executory Contracts of the Debtor that have not been previously rejected or terminated, will be deemed assumed in accordance with the provisions and requirements of Bankruptcy Code §§ 365 and 1123, other than those Executory Contracts that:

(a) have already been assumed by Final Order of the Bankruptcy Court; (b) are subject to a motion to reject Executory Contract that is pending on the Effective Date (subject to the Debtor's right to request rejection retroactive to an earlier date); or (c) are subject to a motion to reject an Executory Contract pursuant to which the requested effective date of such rejection is after the Effective Date. Approval of any motions to assume Executory Contracts pending on the Confirmation Date or thereafter will be approved by the Bankruptcy Court on or after the Confirmation Date by a Final Order. Each Executory Contract assumed by the Debtor pursuant to this Article 22 will re-vest in and be fully enforceable by the Reorganized Debtor in accordance with its terms, except as such terms are modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption or applicable law.

22.2 Claims Based on Rejected Executory Contracts. Every Claim asserted by a creditor arising from a rejected Executory Contract pursuant to the Plan must be filed with the Bankruptcy Court no later than the first Business Day that is thirty (30) days after the Effective Date or the first Business Day that is thirty (30) days after entry of the Final Order of the Bankruptcy Court approving rejection, if such Final Order is entered after the Effective Date. Every such Claim that is timely filed, as and when it becomes an Allowed Claim, will be treated under Class 7 of the Plan. Every such Claim that is not timely filed by the deadline stated above will be forever barred, unenforceable, and discharged, and the creditor holding the Claim will not receive or be entitled to any distribution under the Plan on account of such Claim.

22.3 Indemnification of Members, Managers, Officers, and Employees. The obligation of the Debtor to indemnify any Person serving at any time on or prior to the Effective Date as one of its officers, employees, council members, or volunteers, to the extent provided in any of the Debtor's constituent documents or by a written agreement with the Debtor or under the state laws pertaining to the Debtor, as applicable, will be deemed and treated as an Executory Contract that is assumed by the applicable Reorganized Debtor, pursuant to the Plan and Bankruptcy Code § 365 as of the Effective Date. Obligations of the Debtor to indemnify any such individual that are assumed will survive unimpaired and unaffected by entry of the Confirmation Order, irrespective of whether such indemnification is owed for an act or event occurring before or after the Petition Date unless such individual is a Protected Party. Notwithstanding the foregoing, under no circumstances will the Debtor or the Reorganized Debtor assume or be responsible for any alleged indemnification obligations of any priests, brothers, members, officers, directors, or others against whom the Debtor has determined or may, in the future, determine, that there are credible allegations of Abuse or other Tort Claims asserted against such individual or Entity, or that such individual or Entity has or may have engaged in some other conduct that would excuse the Reorganized Debtor from providing any indemnification to such individual or Entity.

ARTICLE 23

OTHER POST-EFFECTIVE DATE OBLIGATIONS

23.1 Closing. Closing will be conducted at such location designated by the Debtor and the Committee, as soon as reasonably practicable following the Effective Date, at which the Reorganized Debtor will execute and deliver the Plan Documents and complete those actions

necessary for the Reorganized Debtor to establish and fund the Trust and make other distributions required to be made upon, or promptly following, the Effective Date. The Closing may be conducted remotely via electronic signatures. As soon as practicable after conditions set forth in Section 25.1 have been satisfied or waived in accordance with Section 25.2, the Trustee will file a notice of the Closing and the Reorganized Debtor will file a notice of the occurrence of the Effective Date.

23.2 **Obligations of the Reorganized Debtor.** Subject to conditions set forth in Section 25.1 of the Plan, the Reorganized Debtor will perform all of its obligations under the Plan and Plan Documents, in each case, as and when the same become due or are to be performed.

23.3 **No Professional Fees or Expenses.** Except as expressly specified in the Plan or the Plan Documents, neither the Reorganized Debtor, the Protected Parties, the Trust, nor the Trustee is obligated to pay any professional fees or expenses incurred by a claimant with respect to any Claim.

23.4 **Closing of the Case.** As soon as practicable after the Effective Date, when the Reorganized Debtor deems appropriate, the Reorganized Debtor will seek authority from the Bankruptcy Court to close the Reorganization Case in accordance with the Bankruptcy Code and the Bankruptcy Rules; *provided, however, that* entry of a final decree closing the Reorganization Case will, whether or not specified therein, be without prejudice to the right of the Reorganized Debtor, the Trustee, or any other party in interest to reopen the Reorganization Case for any matter over which the Bankruptcy Court or the U.S. District Court for the District of Minnesota has retained jurisdiction under the Plan. Any order closing this Reorganization Case will provide that the Bankruptcy Court or the U.S. District Court for the District of Minnesota, as appropriate, will retain (a) jurisdiction to enforce, by injunctive relief or otherwise, the Confirmation Order, any other orders entered in the Reorganization Case, and the obligations created by the Plan and the Plan Documents, and (b) all other jurisdiction and authority granted to it under the Plan and the Plan Documents. Any such order will further provide that the Trust may be terminated and the Trustee discharged upon order of the Bankruptcy Court without reopening of the Reorganization Case.

ARTICLE 24

LIQUIDATION OF TORT CLAIMS AND UNKNOWN TORT CLAIMS

24.1 **Liquidation and Payment of Tort Claims and Unknown Tort Claims.** Tort Claims and Unknown Tort Claims will be liquidated and paid in accordance with the Plan, the Confirmation Order, the Plan Documents, the Trust Documents, and the applicable Allocation Protocol. Any payment on a Tort Claim or Unknown Tort Claim constitutes 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 Internal Revenue Code of 1986, as amended.

24.2 **Trust Expenses and Costs.** Nothing in the Trust Documents will (i) impose any costs, directly or indirectly, upon the Estate, the Reorganized Debtor, or any other Protected Party relating to the treatment of Tort Claims and Unknown Tort Claims or (ii) otherwise modify

the rights or obligations of the Estate, the Reorganized Debtor, or any other Protected Party as otherwise set forth in the Plan or a Plan Document.

24.3 **Co-Defendants.** The Trust is deemed to be subrogated to the Claims of the Tort Claimants paid by the Trust to the extent of those payments, and the Trust may pursue such subrogation Claim unless such Claim is against the Reorganized Debtor or any Protected Party. The Trust may not bring any action against the Reorganized Debtor, any Protected Party, and/or their respective Assets; *provided, however, that* the Trust may bring an action against any of the foregoing Entities to enforce the Plan or Plan Documents.

24.4 **Effect of No Award on Tort Claims.** If a Tort Claim or Unknown Tort Claim is denied payment pursuant to the respective Tort Claims Allocation Protocol or Unknown Tort Claims Allocation Protocol, the holder of such Tort Claim or Unknown Tort Claim will have no further rights against the Debtor, Reorganized Debtor, the Trust, or Trustee relating to such Tort Claim or Unknown Tort Claim and such Tort Claim or Unknown Tort Claim will be a Disallowed Claim and subject to all provisions of Article 26 below.

ARTICLE 25

CONDITIONS PRECEDENT

25.1 **Conditions to Occurrence of the Effective Date.** The Effective Date will occur on the first Business Day after each of the following conditions has been satisfied in accordance with the following:

25.1.1 The Bankruptcy Court has entered the Confirmation Order in form and substance reasonably acceptable to the Reorganized Debtor and the Committee; and the Confirmation Order is a Final Order;

25.1.2 The Trustee and the Debtor have executed the Trust Agreement;

25.1.3 The Trustee has opened the Trust Account; and

25.1.4 The Administrative Claim Reserve account has been established.

25.2 **Waiver of Conditions.** Any condition set forth in Section 25.1 of the Plan may be waived by the mutual written consent of the Debtor and the Committee.

25.3 **Non-Occurrence of Effective Date.** Subject to further order of the Bankruptcy Court, in the event that the Effective Date does not occur within ninety (90) days of entry of the Confirmation Order (as a Final Order), the Plan will become null and void unless agreed otherwise by the Debtor and the Committee. A statement will be filed with the Court within three (3) Business Days after the occurrence of any event that renders the Plan null and void.

ARTICLE 26

EFFECTS OF CONFIRMATION

26.1 **Discharge.** Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date the Debtor and the Diocese will be discharged from, and their liability will be extinguished completely with respect to, any Claim or debt, whether reduced to judgment or not, liquidated or unliquidated, Contingent or noncontingent, asserted or unasserted, fixed or not, matured or unmatured, disputed or undisputed, legal or equitable, known or future, that arose from any agreement entered into or obligation incurred by the Debtor or the Diocese before the Confirmation Date, or from any conduct of the Debtor or the Diocese prior to the Confirmation Date, or that otherwise arose before the Confirmation Date, including, without limitation, all interest, if any, on any such Claims and debts, whether such interest accrued before or after the Petition Date, and including all Claims and debts of the kind specified in Bankruptcy Code §§ 502(g), 502(h), and 502(i), whether or not a Proof of Claim was filed or deemed filed under Bankruptcy Code § 501, such Claim is Allowed under Bankruptcy Code § 502, or the holder of such Claim has accepted the Plan.

26.2 **Vesting.** Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date, the Reorganized Debtor will be vested with all of the Assets of the Debtor, including all property of the Estate free and clear of all Claims, liens, encumbrances, charges and other Interests of creditors, and the Reorganized Debtor will, thereafter, hold, use, dispose or otherwise deal with such property, operate its business and conduct its ministry and mission free of any restrictions imposed by the Bankruptcy Code or by the Court. All Retained Claims are preserved under the Plan for the benefit of the Reorganized Debtor. Any Claims, causes of action, or demands transferred to the Trust are preserved for the benefit of the Trustee under the Trust.

26.3 **Exculpation and Limitation of Liability.** Except as expressly provided in the Plan, from and after the Effective Date, none of the Exculpated Parties will have or incur any liability for any act or omission in connection with, relating to, or arising out of the Reorganization 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 or the property to be distributed under the Plan or the Trust created hereunder, except for their willful misconduct or gross negligence 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 the Reorganization Case. Without limiting the generality of the foregoing, the Committee and the Debtor and their respective professionals are entitled to and granted the benefits of Bankruptcy Code § 1125(e) and the Channeling Injunction.

26.4 **Limitation of Liability.** The Protected Parties, the Trust, the Trustee, and professionals employed by the foregoing will not have any liability to any Entity, including any governmental entity or insurer, on account of payments made to a Tort Claimant or Unknown Tort Claimant, including any liability under the MSPA.

26.5 Channeling Injunction. In consideration of the undertakings of the Protected Parties hereunder and other consideration, which also benefit the Tort Claimants and Unknown Tort Claimants, and the protections afforded the Protected Parties under the Bankruptcy Code, including Bankruptcy Code § 105:

26.5.1 Any and all Channeled Claims are channeled into the Trust and will be treated, administered, determined, and resolved under the procedures and protocols and in the amounts as established under the Plan, the Allocation Protocols, and the Trust Documents, as the sole and exclusive remedy for all holders of Channeled Claims; and

26.5.2 All Entities that have held or asserted, presently 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 purpose of asserting, enforcing, or attempting to assert or enforce any Channeled Claim, including:

(a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any Channeled Claim against any of the Protected Parties or against the property of any of the Protected Parties;

(b) enforcing, attaching, collecting, or recovering, by any manner or means from any of the Protected Parties, or from the property of any of the Protected Parties with respect to any such Channeled Claim, any judgment, award, decree, or order against any of the Protected Parties;

(c) seeking the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against the Protected Parties or the property of the Protected Parties, with respect to any discharged Claim or Channeled Claim;

(d) creating, perfecting, or enforcing any lien of any kind against any Protected Parties, or the property of any of the Protected Parties with respect to any such Channeled Claim;

(e) asserting, implementing, or effectuating any Channeled Claim of any kind against: (1) any obligation due from any of the Protected Parties; (2) any Protected Party; or (3) the property of any Protected Party.

(f) taking any act, in any manner, in any place whatsoever that does not conform to, or comply with, the provisions of the Plan; and

(g) asserting or accomplishing any setoff, right of indemnity, subrogation, contribution, or recoupment of any kind against any obligation due from any of the Protected Parties or the property of any of the Protected Parties.

The provisions of this **Section 26.5** will further operate, as between all Protected Parties, as a mutual release of all Claims relating to the Debtor and the Claims against the Debtor, which any Protected Party may have against another Protected Party except as may

specifically be reserved or set forth in the Plan. The foregoing channeling provisions are an integral part of the Plan and are essential to its implementation.

26.6 **Term of Injunctions or Stays and Confirmation of Settlements.** On the Effective Date, the injunctions provided for in the Plan are deemed issued, entered, valid, and enforceable according to their terms and are deemed permanent and irrevocable. All injunctions and/or stays provided for in the Plan, the injunctive provisions of Bankruptcy Code §§ 524 and 1141, and all injunctions or stays protecting any Protected Party are permanent and will remain in full force and effect following the Effective Date and are not subject to being vacated or modified.

ARTICLE 27

MODIFICATION OF PLAN

27.1 **Non-Material Modification of Plan.** The Plan may be modified by the Plan Proponents, the Reorganized Debtor, and the Trustee (as applicable) from time to time in accordance with, and pursuant to, Bankruptcy Code §§ 1125 and 1127. The Plan may be modified by the Plan Proponents at any time before the Confirmation Date, *provided that* the Plan, as modified, meets the requirements of Bankruptcy Code §§ 1122 and 1123 and the Plan Proponents have complied with Bankruptcy Code § 1125. Each holder of a Claim that has accepted the Plan will be deemed to have accepted such Plan as modified if the proposed alteration, amendment, or modification does not adversely change the treatment of the Claim of such holder. Each holder of a Claim that votes in favor of the Plan authorizes the Plan Proponents to modify, at any time prior to the Effective Date and without the requirement of further solicitation, the treatment provided to the Class of Claims in which such holder's Claim is classified, provided that the Bankruptcy Court determines that such modification is not material.

27.2 **Additional Documentation; Non-Material Modifications of Plan Documents.** From and after the Effective Date, the Trustee and the Reorganized Debtor are authorized to enter into, execute, adopt, deliver, and/or implement all contracts, leases, instruments, releases, and other agreements or documents necessary to effectuate or memorialize the settlements contained in the Plan and Plan Documents without further order of the Bankruptcy Court. Additionally, the Trustee and the Reorganized Debtor may make technical and/or immaterial alterations, amendments, modifications, or supplements to the terms of any settlement previously approved by the Bankruptcy Court.

27.3 **No Re-Solicitation.** An order of the Bankruptcy Court approving any amendment or modification made pursuant to this Article will constitute an order in aid of consummation of the Plan and will not require the re-solicitation of votes on the Plan to the extent that such re-solicitation is not required under the Bankruptcy Code and other applicable law.

ARTICLE 28

RETENTION OF JURISDICTION

28.1 **Retention of Jurisdiction.** Notwithstanding confirmation of the Plan and the occurrence of the Effective Date, the Bankruptcy Court will retain jurisdiction for the following purposes:

28.1.1 **In General.** The Bankruptcy Court will retain jurisdiction to determine the allowance and payment of any Claims following any objections thereto (or other appropriate proceedings). As part of such retained jurisdiction, the Bankruptcy Court will continue to determine the allowance of Administrative Claims and any request for payment thereof, including Administrative Claims for Professional Charges. The Bankruptcy Court will not retain or obtain jurisdiction to determine any disputes between or among the Debtor (or the Diocese), a Parish, or any other affiliated Entity that, under applicable Canon Law, would be determined in a specialized religious court.

28.1.2 **Tort Claims and Unknown Tort Claims.** Subject to the limitations set forth in the Plan, the Bankruptcy Court will retain jurisdiction to hear and determine and take such actions as are necessary or appropriate with respect to the payment or disallowance of Tort Claims or Unknown Tort Claims so long as such retained jurisdiction is consistent with the terms of the Plan and the Plan Documents, including the Trust Agreement.

28.1.3 **Plan Disputes and Enforcement.** The Bankruptcy Court will retain jurisdiction to determine any dispute that may arise regarding the interpretation of any provision of the Plan. The Bankruptcy Court will also retain jurisdiction to enforce any provisions of the Plan and any and all Plan Documents, including, but not limited to, any actions to enforce the discharge, releases, and injunctions provided for in Article 26 of the Plan. The Bankruptcy Court will also retain jurisdiction over any matter relating to the implementation, effectuation, and/or consummation of the Plan as expressly provided in any provision of the Plan.

28.1.4 **Further Orders.** The Bankruptcy Court will retain jurisdiction to facilitate the performance of the Plan by entering, consistent with the provisions of the Plan any further order that is necessary or appropriate regarding enforcement of the Plan, the Plan Documents, and any provisions thereof, and to protect the Debtor, the Reorganized Debtor, and the Protected Parties from actions prohibited under the Plan. In addition, the Bankruptcy Court will retain jurisdiction to facilitate or implement the allowance, disallowance, treatment, or satisfaction of any Claim, or any portion thereof, pursuant to the Plan and the Trust Agreement to which an objection has not been filed prior to the Effective Date.

28.1.5 **Retained Debtor Claims.** Subject to the limitations set forth in the Plan, and to the extent the Bankruptcy Court would otherwise have jurisdiction over such Claims prior to the Effective Date, the Bankruptcy Court will retain jurisdiction with respect to any Retained Claims, including, without limitation, the Debtor's claims against Faricy, not otherwise compromised or settled by the Debtor prior to the Effective Date.

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

28.1.7 **Final Decree.** The Bankruptcy Court will retain jurisdiction to enter an appropriate final decree in the Reorganization Case; *provided, however, that* the Bankruptcy Court will retain jurisdiction to enter an order terminating the Trust and discharging the Trustee in accordance with the terms of the Trust, notwithstanding the issuance of the final decree and closing of the Reorganization Case and without the necessity of reopening the Reorganization Case.

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

28.1.9 **Executory Contracts.** The Bankruptcy Court will retain jurisdiction to determine any and all motions regarding assumption or rejection of Executory Contracts and any and all Claims arising therefrom.

28.1.10 **Claims.** Subject to the limitations set forth in the Plan, the Bankruptcy Court will retain jurisdiction:

(a) To hear and determine any Claim or cause of action by or against the Debtor, the Debtor's officers, officials, employees, or Representatives, the Chapter 11 Professionals, the Exculpated Parties, and the Reorganized Debtor;

(b) To adjudicate any causes of action or other proceeding currently pending or otherwise referenced here or elsewhere in the Plan, including, but not limited to, the adjudication of the Retained Claims and any and all "core proceedings" under 28 U.S.C. § 157(b) that may be pertinent to the Reorganization Case and that the Debtor or the Reorganized Debtor may deem appropriate to initiate and prosecute before the Bankruptcy Court in aid of the implementation of the Plan;

(c) To approve any settlements between or among the Debtor and any party against whom the Debtor or Reorganized Debtor assert a Retained Claim; and

(d) To hear objections to any Claims, including, Tort Claims, pending or made prior to the Effective Date or as otherwise provided for in the Plan.

28.1.11 **Modification of the Plan.** The Bankruptcy Court will retain jurisdiction to modify the Plan pursuant to the provisions of the Plan.

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

ARTICLE 29

REORGANIZATION OF DEBTOR

29.1 **Continued Corporate Existence of Debtor as Reorganized Debtor.** The Debtor will, as the Reorganized Debtor, continue to exist after the Effective Date as a legal entity, with all powers of a religious corporation under the laws of the State of Minnesota without prejudice to any right to alter or terminate such existence under applicable state law but subject to applicable Canon Law. On and after the Effective Date, the Reorganized Debtor and the Diocese may operate their respective businesses and carry on the ministry and the mission of the Roman Catholic Church and may use, acquire, or dispose of property, and compromise or settle any Claims without supervision or approval of the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order.

29.2 **Management of Reorganized Debtor.** From and after the Effective Date, the Reorganized Debtor will continue to be managed in accordance with the principles of Canon Law and applicable state law and by the same management as exists on the Confirmation Date.

29.3 **Trustee.** The Committee will designate the person who will serve as the Trustee. The proposed Trustee's curriculum vitae will be filed with the Court, along with a proposal from the Trustee with respect to his or her service as the Trustee, including proposed fees with respect to his or her service.

ARTICLE 30

GENERAL PROVISIONS

30.1 **Election Pursuant to Bankruptcy Code § 1129(b).** If necessary, the Debtor hereby requests confirmation of the Plan pursuant to Bankruptcy Code § 1129(b) if the requirements of all provisions of Bankruptcy Code § 1129(a), except Section (a)(8) thereof, are met with regard to the Plan.

30.2 **Current Insurance and Benefits Coverage.** Except as expressly set forth in the Plan, the Plan and Confirmation Order will have no effect on any insurance or benefits coverage under any certificates or policies issued to the Debtor that are in effect on the Effective Date and not otherwise previously released or sold prior to the Petition Date or pursuant to the Plan.

30.3 **Extension of Payment Dates.** If any payment date falls due on any day that is not a Business Day, then such due date will be extended to the next Business Day.

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

30.5 **Interest.** Whenever interest is to be computed under the Plan, interest will be simple interest and not compounded.

30.6 **Additional Assurances.** The Debtor, the Reorganized Debtor, the Trustee, and the creditors holding Claims herein, including Tort Claims and Unknown Tort Claims, will execute such other and further documents as are necessary to implement any of the provisions of the Plan.

30.7 **Confirmation by Nonacceptance Method.** The Debtor hereby requests, if necessary, confirmation of the Plan pursuant to Bankruptcy Code § 1129(b) with respect to any impaired Class of Claims that does not vote to accept the Plan.

30.8 **Withdrawal of Plan.** Prior to entry of the Confirmation Order, the Plan Proponents may withdraw or revoke the Plan, in which event the provisions of Section 30.13 of the Plan will apply.

30.9 **Severability and Reformation.** The Debtor intends to comply fully with the Bankruptcy Code and applicable non-bankruptcy law in proposing the Plan. Therefore, if any provision of the Plan is determined by the Bankruptcy Court to be contrary to the Bankruptcy Code or applicable non-bankruptcy law, in the discretion of the Debtor and the Committee, that provision or its interpretation will be deemed reformed to ensure compliance, or if it cannot be reformed, such provision will be deemed severed and automatically deleted from the Plan; *provided, however, that* nothing contained in this Section will prevent the Debtor from modifying the Plan in any manner whatsoever in accordance with and as set forth in the Plan. Pursuant to any ruling by the Bankruptcy Court regarding the subject matter of this Section, any such severance or reformation will be stated specifically in the Confirmation Order, which then will control notwithstanding any contrary or inconsistent provisions of the Plan.

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

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

30.12 **Payment of Statutory Fees and Filing of Quarterly Reports.** All fees payable pursuant to 28 U.S.C. § 1930 as determined by the Bankruptcy Court at or in conjunction with the Confirmation Hearing, will be paid on or before the Effective Date and, thereafter, in accordance with applicable bankruptcy law. All quarterly reports of disbursements required to

be filed by applicable bankruptcy law will be filed in accordance with applicable bankruptcy law.

30.13 **Reservation of Rights.** Except as expressly provided herein, the Plan will have no force or effect unless the Confirmation Order and any other Final Orders that are conditions precedent to the Effective Date are entered by the Bankruptcy Court and the Effective Date has occurred. None of the filing of the Plan, any statement or provision contained herein, or the taking of any action by the Debtor with respect to the Plan will be nor will it be deemed to be an admission or waiver of any rights of the Debtor with respect to the holders of Claims prior to the Effective Date or with respect to any matter that is pending before or may come before the Bankruptcy Court or any other court for determination in the Reorganization Case or any other case.

30.14 **No Professional Fees or Expenses.** None of the Protected Parties or the Reorganized Debtor will have any liability for any fees and expenses of attorneys representing any creditor.

30.15 **Dissolution of Committee.** Upon the occurrence of the Effective Date, the Committee will be dissolved; *provided, however, that* the Committee may continue to exist after the Effective Date with respect to any and all applications for Professional Charges but not for any other purpose.

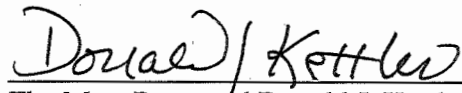
30.16 **Section 1146 Exemption.** Pursuant to Bankruptcy Code § 1146(c), any transfers of property pursuant hereto will not be subject to any document tax, recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax or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

30.17 **Successors and Assigns.** The rights, benefits, and obligations of any Entity named or referred to in the Plan will be binding upon, and will inure to the benefit of, the heirs, executors, administrator, successors, or assigns of such Entity.

Dated and Submitted this 23rd day of September, 2020.

THE DIOCESE OF ST. CLOUD, a Minnesota
religious corporation,

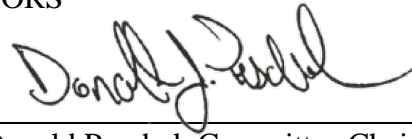
By

A handwritten signature in dark ink, appearing to read "Donald J. Kettler", written over a horizontal line.

The Most Reverend Donald J. Kettler,
President

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS

By

A handwritten signature in black ink, appearing to read "Donald J. Peschel", written over a horizontal line.

Donald Peschel, Committee Chairperson

Prepared and Submitted By:

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*Counsel for the Official Committee of
Unsecured Creditors*

EXHIBIT A

**-TO BE SUPPLEMENTED-
(DEBTOR WILL FILE THIS EXHIBIT AT
LEAST TEN (10) DAYS PRIOR TO HEARING
ON APPROVAL OF DISCLOSURE
STATEMENT)**

EXHIBIT B

**-TO BE SUPPLEMENTED-
(DEBTOR WILL FILE THIS EXHIBIT AT
LEAST TEN (10) DAYS PRIOR TO HEARING
ON APPROVAL OF DISCLOSURE
STATEMENT)**

EXHIBIT C

**-TO BE SUPPLEMENTED-
(DEBTOR WILL FILE THIS EXHIBIT AT
LEAST TEN (10) DAYS PRIOR TO HEARING
ON APPROVAL OF DISCLOSURE
STATEMENT)**

EXHIBIT D

**-TO BE SUPPLEMENTED-
(DEBTOR WILL FILE THIS EXHIBIT AT
LEAST TEN (10) DAYS PRIOR TO HEARING
ON APPROVAL OF DISCLOSURE
STATEMENT)**

EXHIBIT E

THE DIOCESE OF ST. CLOUD SETTLEMENT TRUST AGREEMENT

This trust agreement (the “Trust Agreement”) is made and entered into by and between The Diocese of St. Cloud, a Minnesota religious corporation (the “Reorganized Debtor”) and DW Harrow & Assoc., LLC (the “Trustee”) pursuant to the Joint Plan of Reorganization (together with any and all amendments, exhibits, and schedules, the “Plan”) filed in the Reorganized Debtor’s chapter 11 bankruptcy case, case no. 20-60337, before the United States Bankruptcy Court for the District of Minnesota (the “Bankruptcy Court”). Unless otherwise stated in this Trust Agreement, capitalized terms used in this Trust Agreement shall have the meanings as ascribed to them in the Plan, Confirmation Order, and Bankruptcy Code.

RECITALS

A. On the Filing Date, the debtor filed a voluntary petition for relief pursuant to chapter 11 of the Bankruptcy Code. The Reorganized Debtor continues to operate its business as a debtor in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

B. It is anticipated that in 2020, the Bankruptcy Court will enter an order confirming the Plan (the “Confirmation Order”).

C. The Plan anticipates the existence 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 the Class 10 and Class 11 Claims and carry out the purposes of the Plan.

E. The Trust is established for the benefit of the Beneficiaries of the Trust, as defined in Section 1.6 of this Trust Agreement, and is intended to qualify as a “Designated” or “Qualified Settlement Fund” within the meaning of Section 468B of the Internal Revenue Code and the Treasury Regulations promulgated under the Internal Revenue Code and codified at 26 C.F.R. §§ 1.468B-1 to -5.

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 the occurrence of the Effective Date, the Reorganized Debtor hereby absolutely assigns to the Trust, and to its successors in trust and its successors and assigns, all rights, title, and interest of the Reorganized 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, as 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 Trustee 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. The Reorganized Debtor hereby creates the Trust known as “The Diocese of St. Cloud 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 10 Claimants and Class 11 Claimants in accordance with the Trust Agreement and the requirements of the Plan and Confirmation Order.

1.3 Transfer of Trust Assets. Pursuant to the Plan and upon the occurrence of the Effective Date, the Reorganized Debtor will irrevocably transfer, absolutely grant, assign, convey, set over and deliver to the Trust at all times as set forth in the Plan, all of the Reorganized Debtor’s rights, titles, and interests in and to the Trust Assets to be held in trust and for the uses and purposes stated in this Trust Agreement and in the Plan. The Trustee is hereby authorized to file with the proper governmental authorities any and all documents necessary or helpful to establish the Trust.

1.4 Transfer of Confidential Information. The Trustee shall maintain the confidentiality of all documents and follow the confidentiality procedures provided for in the Bankruptcy Court’s Order (I) Granting Expedited Relief, (II) Approving Claim Forms, (III) Approving Manner and Form of Notice, and (IV) Approving Confidentiality Procedures [Docket No. 46].

1.5 Irrevocability. The Trust shall be irrevocable. The Reorganized Debtor shall not alter, amend, revoke, or terminate the Trust. The Reorganized Debtor shall have no power or authority to direct the Trustee to return any of the Trust Assets to the Reorganized Debtor.

1.6 Beneficiaries. The beneficiaries of the Trust are Class 10 Claimants and Class 11 Claimants under the Plan whose Claims are allowed by the Abuse Claims Reviewer (the “Beneficiaries”).

1.7 Acceptance of Assets and Assumption of Liabilities.

1.7.1 In furtherance of the purposes of the Trust, the Trustee 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, and the Confirmation Order.

1.7.2 In furtherance of the purposes of the Trust, the Trustee, on behalf of the Trust, hereby expressly assumes all responsibility for preserving, managing, and distributing Trust Assets to the Beneficiaries in accordance with the terms of this Trust Agreement, the Plan, and the Confirmation Order. The Claims of the Beneficiaries will be evaluated by the Abuse Claims Reviewer in accordance with the Allocation Protocols, Plan Exhibits A and B.

1.7.3 The Trustee shall have all of the rights, powers, and duties set forth in this Trust Agreement, the Allocation Protocols, and the Plan, and available under applicable law, for accomplishing the purposes of the Trust. The Trustee’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 Trustee 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 Trustee, and not individually, for all purposes contained in this Trust Agreement.

1.7.4 In furtherance of the purposes of the Trust, the Trustee assumes responsibility for (a) making payments to the Beneficiaries; (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, and the Confirmation Order. 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 or Confirmation Order.

1.7.5 All Trust expenses and all liabilities of the Trust with respect to the Beneficiaries shall be payable solely by the Trustee out of the Trust Assets.

ARTICLE II

CORPUS OF THE TRUST

2.1 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 Article 20 of the Plan.

2.2 Transfer to Trust. After 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, or holders of claims against or Interests in the Reorganized Debtor) in accordance with Sections 1123, 1141, and 1146(a) of the Bankruptcy Code, except as otherwise provided for in the Plan. The Trustee, on behalf of the Trust, shall receive the Trust Assets when they are transferred to the Trust.

2.3 Trustee's Right to and Title and Interest in Trust Assets. Upon the transfer of the Trust Assets, the Trust succeeds to all of the Reorganized Debtor's and the Estate's right to and title and Interest in the Trust Assets, and the Reorganized Debtor and the Estate shall have no further right to, or title or Interest in or with respect to, the Trust Assets or this Trust, except as provided in this Trust Agreement, the Plan, or the Confirmation Order.

2.4 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.

2.5 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.

2.6 Trust Corpus. Subject to the terms of the Plan, 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 the Allocation Protocols, the Plan, and the Confirmation Order.

2.7 Unknown Tort Claims. The Reorganized Debtor shall comply with the Unknown Tort Claims Obligation, as provided in Section 16.2 of the Plan. The payments to holders of Unknown Tort Claims shall be made in accordance with the Unknown Tort Claims Allocation Protocols and Plan.

2.9 Administrative Claims Reserve. Subject to the terms of the Plan (including Section 20.3 thereof), the Debtor may, if necessary, establish an Administrative Claim Reserve. This Administrative Claim Reserve, if established, may be held in any of the Debtor's existing bank accounts or a new account, in the Debtor's sole discretion, and which will be treated as restricted funds. Any amounts held as from funding to the Trust as part of the Administrative Claims Reserve that are not paid on account of Professional Charges will be remitted to the Trustee.

ARTICLE III

POWERS AND DUTIES OF TRUSTEE

3.1 Trustee's Bond. The Trustee shall not be required to post any bond, surety, or other security for the performance of the Trustee's duties unless otherwise ordered by the Bankruptcy Court and, in the event the Trustee 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 Trustee shall have, in addition to any other powers and duties conferred on the Trustee by applicable trust law (to the extent not inconsistent with applicable bankruptcy law, the Plan, and the Confirmation Order), the Plan, and the other provisions in this Trust Agreement, 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 for the benefit of the Beneficiaries as the Trustee deems appropriate to accomplish the purpose of the Trust, in accordance with the terms contained in this Trust Agreement, the Plan, and the Confirmation Order.

3.2.2 To abandon any property which the Trustee determines in the Trustee'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 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 for liquidation and in conjunction with their disposition under this Trust Agreement and the 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.

3.2.6 To obtain all reasonably necessary 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 in this Trust Agreement and the 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 Trustee (the “Professionals”), including without limitation the Abuse Claims Reviewer, investment advisors, accountants, agents, managers, attorneys-at-law, actuaries, or auditors, (c) the premiums charged by insurers, including without limitation professional liability insurers, (d) reimbursement of any Statutory Fees and Court Costs incurred by the Reorganized Debtor (i) in the event the Trustee opposes the closure of the Reorganization Case, from the date of the filing of any such opposition through the closure of the Reorganization Case or (ii) should the Trustee reopen the Reorganization Case in the future.

3.2.8 In accordance with the evaluation of the Abuse Claims Reviewer pursuant to the Allocation Protocols, to make distributions, in accordance with the Allocation Protocols and Plan to Beneficiaries who have provided signed copies of all required releases and forms.

3.2.9 In the Trustee’s discretion, to rely on the authenticity of the signature of the Abuse Claims Reviewer, and the accuracy of the information set forth by, and the reasonableness of the determination of, the Abuse Claims Reviewer in the administration of the Allocation Protocols and assessment of the Class 10 and Class 11 Claims without any verification or confirmation.

3.2.10 In the Trustee’s discretion, as a party in interest, to seek enforcement of any provision of the Plan 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. In no event, however, shall the Trustee incur fees from any professional, except the Trustee’s primary legal counsel, in excess of \$50,000.00 without prior approval of the Bankruptcy Court.

3.2.12 The Court appointed Kramer Law LLC to serve as Abuse Claim Reviewer prior to the Effective Date, and Kramer Law LLC shall serve as the Abuse Claim Reviewer for the Trustee on the terms approved by the bankruptcy court. The Trustee may subsequently remove any Abuse Claims Reviewer for cause. For purposes of this Trust Agreement, “cause” shall mean (a) the willful and continued refusal by the Abuse Claims Reviewer to perform the Abuse Claims Reviewer’s duties as set forth in this Trust Agreement, the Allocation Protocols, and the Plan, (b) gross negligence, gross misconduct, fraud, embezzlement, or theft, (c) a serious breach of fiduciary duty, or (d) other cause as the Trustee shall in good faith determine. In the event the Abuse Claims Reviewer resigns, is removed, or is otherwise unable to perform the Abuse Claims Reviewer’s obligations, the Trustee shall have exclusive authority to appoint a new Abuse Claims Reviewer. Nothing contained in this Trust Agreement shall prohibit the Trustee from also serving as the Abuse Claims Reviewer if the Trustee determines that serving as both the Trustee and the Abuse Claims 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 the Trust Agreement by filing a motion with the Bankruptcy Court, with notice to the Beneficiaries, the Reorganized 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 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 Trustee 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 Trustee’s authority to pool the accounts, funds, or reserves for investment purposes or require separate bank accounts for the accounts, funds, or reserves.

3.2.19 To be responsible for only the Trust Assets 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 The Trust will assume all duties, obligations, and indemnification responsibilities outlined in the Plan.

3.3 Limitations on the Trustee. Notwithstanding anything in this Trust Agreement to the contrary, the Trustee 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 Loan Trust Assets;

3.3.3 Make any transfer or distribution of Trust Assets other than those authorized in this Trust Agreement, the Plan, or the Confirmation Order;

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 “Designated” or “Qualified Settlement Trust.”

ARTICLE IV

TERMINATION OF THE TRUST

4.1 Pre-Confirmation Termination. The Trustee shall terminate the Trust if (a) the Effective Date does not occur within one year from the date the Trust Agreement is executed by the Reorganized Debtor and the Trustee or (b) the Reorganization Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code (the “Pre-Confirmation Termination”). Upon the Pre-Confirmation Termination of the Trust, the Trust Agreement shall be null and void and of no force and effect, with the Trustee and the Reorganized Debtor both discharged from any and all duties and obligations provided for in this Trust Agreement.

4.2 Post-Confirmation Termination. The Trustee shall terminate the Trust after (a) the Trustee’s liquidation, administration, and distribution of the Trust Assets in accordance with this Trust Agreement and the Plan and (b) the Trustee’s full performance of all other duties and functions set forth in this Trust Agreement and the Plan (the “Post-Confirmation Termination”). The Trust shall terminate no later than the fifth anniversary of the Effective Date.

4.3 Post-Confirmation Termination Procedures. After the Post-Confirmation Termination of the Trust and solely for the purpose of liquidating and winding up its affairs, the

Trustee shall continue to act as Trustee until the Trustee's duties in this Trust Agreement and Plan have been fully performed. The Trustee shall retain the books, records, documents, and files that shall have been delivered to, or created by, the Trustee until distribution of all the Trust Assets. For purposes of this provision, the Trust Assets will be deemed distributed when the total amount remaining in the Trust is less than \$50,000. At the Trustee'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 or (b) the date until which the Trustee is required by applicable law to retain the books, records, documents, and files; provided that, notwithstanding the foregoing, the Trustee shall not destroy or discard any books, records, documents, or files relating to the Trust without giving the Reorganized Debtor and the Beneficiaries reasonable prior written notice.

4.4 Post-Confirmation Termination Distribution. Upon Post-Confirmation Termination of the Trust, provided that all fees and expenses of the Trust have been paid or provided for in full, the Trustee will deliver all funds and other investments in the Trust, if any, including any investment earnings to a charity supporting survivors of childhood sexual abuse as set forth in the Confirmation Order.

4.5 Discharge, Exculpation, and Exoneration. Upon Post-Confirmation Termination of the Trust and accomplishment of all activities described in this Article, the Trustee and the Trustee's Professionals shall be discharged and exculpated from liability, and the Trustee'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 Trustee or his designated agents or representatives. The Trustee 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 TRUSTEE

5.1 Limitations on Liability. Neither the Trustee nor any of the Trustee's duly designated agents, representatives, or Professionals shall be liable for any act or omission taken or omitted by the Trustee 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 Trustee or the Trustee's designated agents, representatives, or Professionals. The Trustee may, in connection with the performance of the Trustee's functions, and in the Trustee's sole and absolute discretion, consult with the Trustee's Professionals and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with the advice or opinions rendered by the Trustee's Professionals. Notwithstanding this authority, the Trustee shall be under no obligation to consult with the Trustee's Professionals, and the Trustee's good faith determination not to consult with the Trustee's Professionals shall not result in the

imposition of liability on the Trustee, unless the determination is based on the Trustee's recklessness, gross negligence, willful misconduct, knowing and material violation of law, or fraud.

5.2 No Recourse Against the Trustee Personally. No recourse shall be had, directly or indirectly, against the Trustee personally, or against any employee, contractor, or Professional retained by the Trustee 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 Trustee in implementation of this Trust Agreement or the Plan or by reason of the creation of any indebtedness by the Trustee 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 Trustee, 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 Trustee may be held liable for the Trustee'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 Trustee. The Trust will not be covered by a bond.

5.3 Indemnification. The Trustee, using Trust Assets, shall defend, indemnify, and hold harmless the Trustee, the Trustee's officers, directors, agents, representatives, and employees to the fullest extent that a corporation or trust organized under the laws of the state of Minnesota is entitled to defend, indemnify, and hold harmless its trustees, officers, directors, 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 Trustee nor the Trustee's officers, directors, 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 TRUSTEE AND ITS AGENTS

6.1 Trustee Compensation. The Trustee shall be entitled to receive compensation from the Trust Assets as detailed in Exhibit 1.

6.2 Compensation of the Trustee's Professionals. Any Professional retained by the Trustee pursuant to this Trust Agreement or the Plan will be entitled to reasonable compensation for services rendered paid by the Trustee from the Trust Assets.

6.3 Reimbursement of Expenses. Any and all reasonably necessary costs and expenses incurred by the Trustee and any Professional retained by the Trustee, in performing their respective duties under this Trust Agreement and the Plan, will be reimbursed by the Trustee from the Trust Assets.

ARTICLE VII

SUCCESSOR TRUSTEE

7.1 Vacancy Caused by the Trustee's Resignation or Removal.

7.1.1 The Trustee may resign at any time upon 30-days written notice to be filed with the Bankruptcy Court. The outgoing trustee (the "Outgoing Trustee") shall, within 30 days after the Outgoing Trustee's resignation takes effect, deliver to the successor trustee (the "Successor Trustee") all of the Trust Assets which were in the possession of the Outgoing Trustee along with a complete list of Trust Assets and a complete accounting of all transactions engaged by the Outgoing Trustee while serving as the Trustee.

7.1.2 Any Survivor Claimant may petition the Bankruptcy Court to remove the Trustee.

7.1.3 The Bankruptcy Court may remove a Trustee for cause, which cause shall include, but shall not be limited to, the factors listed in Minnesota Statute § 501C.076(b). The removal will take effect upon the date the Bankruptcy Court specifies. In the event of removal, the Trustee 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 Trustee all of the Trust Assets which were in the possession of the Trustee along with a complete list of Trust Assets and a complete accounting of all transactions engaged in by the Trustee while serving as such.

7.2 Outgoing Trustee Obligations. In the event of the resignation or the removal of the Trustee, the Outgoing Trustee, in addition to the duties imposed under Sections 7.1.1 or 7.1.2, shall:

7.2.1 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 Trustee to effect the resignation or removal of the Outgoing Trustee and the conveyance of the Trust Assets to the Successor Trustee.

7.2.2 Deliver to the Successor Trustee all documents, instruments, records, and other writings relating to the Trust Assets as may be in the possession or under the control of the Outgoing Trustee.

7.2.3 Otherwise assist and cooperate in effecting the assumption of the Outgoing Trustee's obligations and functions by the Successor Trustee.

The Outgoing Trustee hereby irrevocably appoints the Successor Trustee (and any interim trustee) as the Outgoing Trustee's attorney-in-fact and agent with full power of substitution for the Outgoing Trustee and the Outgoing Trustee's name, place, and stead to do any and all acts that the Outgoing Trustee is obligated to perform under this Trust Agreement. The appointment of the Successor Trustee as the Outgoing Trustee's attorney-in-fact and agent shall not be affected by the subsequent disability or incompetence of the Outgoing Trustee. The Bankruptcy Court may also enter any order necessary to effect the termination of the appointment of the Outgoing Trustee and the subsequent appointment of the Successor Trustee.

7.3 Appointment of Successor Trustee. Any vacancy in the office of the Trustee shall be filled by the nomination of a majority of the members of the Committee (notwithstanding dissolution of the Committee on the Effective Date), subject to the approval of the Bankruptcy Court, after notice and a hearing. If at least three (3) members of the Committee do not participate in the nomination of the Successor Trustee within 10 days after the Outgoing Trustee resigns, is removed, or otherwise becomes unable to serve, the counsel for the majority of Survivor Claimants shall designate a successor after notice to Beneficiaries and the Reorganized Debtor and a hearing, the Bankruptcy Court may appoint a Successor Trustee.

7.4 Preservation of Record of Changes in Trustees. 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 VIII

TRUSTEE REPORTING AND DISCHARGE

8.1 Annual Accountings. The Trustee shall prepare, at least annually, a written accounting of the administration of the Trust listing the current assets 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 for as long as the Bankruptcy Case remains open and pending before the Bankruptcy Court. Copies of the accounting shall be available to the Beneficiaries upon request. However, the Trustee 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.

8.2 Approval of Accountings and Discharge of the Trustee. At any time when the Bankruptcy Case is open, the Trustee may file with the Bankruptcy Court a motion for approval of any accounting described in Section 8.1 of this Trust Agreement. Upon the entry of an order of the Bankruptcy Court approving the accounting, the Trustee shall be discharged from all liability to the Trust, any Beneficiary, or any Person who has or may have a claim against the Trustee or Trust for acts or omissions in the Trustee's capacity as Trustee with respect to all assets listed and transactions detailed in the accounting.

ARTICLE IX

SECTION 468B SETTLEMENT FUND

9.1 Qualification. In accordance with the Plan, the Trustee shall take all reasonable steps to ensure that the Trust will qualify as, and remain, a "Designated" or "Qualified" settlement fund within the meaning of Section 468B of the Internal Revenue Code of 1986 (as amended, the "Tax Code") and the regulations promulgated pursuant the Tax Code (the "Treasury Regulations"). The Reorganized Debtor shall be the "Transferor" within the meaning of Treasury Regulation Section 1.468B-1(d)(1). The Trustee shall be classified as the "Administrator" within the meaning of Treasury Regulation Section 1.468B-2(k)(3).

9.2 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).

9.3 Employer Identification Number. Upon establishment of the Trust, the Trustee shall apply for an employer identification number for the Trust in accordance with Treasury Regulation Section 1.468B-2(k)(4).

9.4 Relation-Back Election. If applicable, the Trustee and the Reorganized 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.

9.5 Filing Requirements. The Trustee 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 Reorganized Debtor shall file an election statement satisfying the requirements of Treasury Regulation Section 1.468B-1(k)(2)(ii) so that the Trust is treated as a grantor trust under Section 671 of the Tax Code and the Treasury Regulations. The election statement shall be included with the Trust's first timely filed trust income tax return. The Reorganized Debtor shall supply to the Trustee and to the Internal Revenue Service 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 Reorganized Debtor makes a transfer to the Trust.

9.6 Broad Powers of the Trustee. The Trustee is empowered to take all actions, including any action consistent with those expressly set forth in Article IX of this Trust Agreement, as the Trustee deems necessary to reasonably ensure that the Trust is treated as a “Designated” or “Qualified” settlement fund under Section 468B of the Tax Code and the Treasury Regulations. Further, the Trustee 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 Article IX of this Trust Agreement.

ARTICLE X

BENEFICIARIES

10.1 Register. The Trustee shall keep a register (the “Register”) in which the Trustee shall at all times maintain the (i) names and addresses of the Beneficiaries and the actual distributions made to the Beneficiaries pursuant to the Plan. The Trustee may rely upon the Register for the purposes of delivering distributions or notices. In preparing and maintaining this Register, the Trustee 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 Trustee. The Trustee 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 Trustee.

10.2 Rights of Beneficiaries. 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 any right to call for a partition or division of the Trust Assets. Title to all the Trust Assets shall be vested in the Trustee, 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 Allocation Protocols.

10.3 Tax Identification Numbers. The Trustee shall require any Beneficiary to furnish to the Trustee 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 Trustee’s tax reporting obligations (including, but not limited to, certificates of non-foreign status). The Trustee shall condition the payment of any distribution to any Beneficiary upon receipt of the number and records or documents.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.1 Plan Incorporation. The terms of the Plan and the Confirmation Order are incorporated into and made part of this Trust Agreement as if fully set forth herein. In the event of any conflict between the terms of this Trust Agreement and the Plan, the terms of the Plan shall govern.

11.2 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 Trust or Trustee:

DW Harrow & Assoc., LLC
1880 State Highway 309
Kerens, TX 75144

If to a Beneficiary:

Counsel who signed the Beneficiary's Proof of Claim or, for an unrepresented Beneficiary, to the address for the Beneficiary provided in the Proof of Claim.

If to the Reorganized Debtor:

The Diocese of St. Cloud
P.O. Box 1248
St. Cloud, MN 56302

with a copy to:

Quarles & Brady LLP
Attention: Jason D. Curry
One Renaissance Square, Two North Central Avenue
Phoenix, Arizona 85004
Email: jason.curry@quarles.com

11.3 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.

11.4 Reimbursement of Costs. If the Trustee 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 Trustee 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.

11.5 Entirety of Trust Agreement. Except with respect to the Plan and Confirmation Order, 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.

11.6 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.

11.7 Captions. The captions of Articles and Sections are included for convenience only and are to be disregarded in interpreting this Trust Agreement.

11.8 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 Internal Revenue Service 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.

11.9 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 Agreement.

11.10 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.

11.11 Applicable Law. This Trust Agreement shall be administered under, governed by, and enforced according to the laws of the State of Minnesota 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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Reorganized Debtor and the Trustee execute this Trust Agreement as of the ____ of _____, 2020.

TRUSTEE:

By: _____
Title: _____

THE DIOCESE OF ST. CLOUD, a
Minnesota religious corporation, as Reorganized
Debtor:

By: _____
Title: _____

EXHIBIT 1

TRUSTEE COMPENSATION

DW Harrow & Assoc., LLC will charge an average hourly rate of \$385.00.

EXHIBIT F

**-TO BE SUPPLEMENTED-
(DEBTOR WILL FILE THIS EXHIBIT AT
LEAST TEN (10) DAYS PRIOR TO HEARING
ON APPROVAL OF DISCLOSURE
STATEMENT)**