

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MINNESOTA**

In re:

The Diocese of New Ulm,

Debtor.

Case No.: 17-30601

Chapter 11 Case

FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION

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INTRODUCTION

The Official Committee of Unsecured Creditors and the Diocese of New Ulm, the debtor and debtor in possession in the above-captioned Chapter 11 case, propose this First Amended Joint Chapter 11 Plan of Reorganization (the "Plan") pursuant to the provisions of the Bankruptcy Code.

All creditors are encouraged to consult the Disclosure Statement, as defined below, before voting to accept or reject this Plan. Among other information, the Disclosure Statement contains discussions of the Diocese of New Ulm, events prior to and during this Chapter 11 Case, and a summary and analysis of the Plan. No solicitation materials, other than the Disclosure Statement, have been authorized by the Bankruptcy Court for use in soliciting acceptances or rejections of the Plan.

ARTICLE I DEFINITIONS

1.1 Defined Terms

For the purposes of the Plan, except as expressly provided, all capitalized terms not otherwise defined herein have the meanings ascribed to them below:

(1) “Abuse” means any (i) actual or alleged act of sexual conduct, misconduct, abuse, or molestation; including any actual or alleged “Sexual Abuse” as that phrase is defined in the Minnesota Statutes Section 541.071(1) or any other sexually related act, contact, or interaction; indecent assault and/or battery; rape; lascivious behavior; undue familiarity; pedophilia; or ephebophilia; (ii) 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; (iii) assault; battery; corporal punishment; or any other act of physical, psychological, mental, or emotional abuse, humiliation, or intimidation. 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) “Administrative Expense” means an unpaid administrative expense of the kind described in Bankruptcy Code Sections 503(b) and 507(a)(2) against the Diocese, including, without limitation, (i) the actual, necessary costs and expenses of preserving the estate of the Diocese, including wages, salaries, or commissions for services rendered after the commencement of the Chapter 11 Case, (ii) compensation and reimbursement of expenses of professionals to the extent allowable under Bankruptcy Code Sections 327, 328, 330(a), 331, 503(b), and/or 1103 and actually Allowed pursuant to a Non-Appealable Order of the Bankruptcy Court, and (iii) all fees and charges assessed against the estate under 28 U.S.C. §§ 1911-1930, including the fees, if any, due to the U.S. Trustee.

(3) “Allowed” means with respect to any Claim: (i) a Claim that has been scheduled by the Diocese in its Schedules as other than disputed, contingent, or unliquidated and as to which the Diocese or any other party-in-interest have not filed an objection; (ii) a Claim that either is not a Disputed Claim or has been allowed by a Non-Appealable Order; (iii) a Claim that is determined by the Diocese to be allowed; (iv) a Claim that is allowed in a stipulation or settlement executed prior to or after the Effective Date; (v) a Claim relating to a rejected executory contract or unexpired lease that is not a Disputed Claim or has been allowed by a Non-Appealable Order, only if a Proof of Claim has been timely filed; or (vi) a Claim as to which a Proof of Claim has been timely filed and as to which the Diocese or any party-in-interest has not filed an objection; and with respect to all Claims, only after reduction for applicable setoff and similar rights of the Diocese.

(4) “Approval Order” means an order of the Bankruptcy Court approving one or more Insurance Settlement Agreements, including the Confirmation Order, if no other Approval Order is entered with respect to an Insurance Settlement Agreement.

(5) “Archdiocese” means the Archdiocese of Saint Paul and Minneapolis.

(6) “Assumed Agreement” means a contract, lease, or other agreement listed on Exhibit G.

(7) “Avoidance Action” means any claim, cause of action, or rights to property of the Diocese or the bankruptcy estate under Bankruptcy Code Sections 544, 545, 547, 548, 549, 550, or 551.

(8) “Ballot” means the form of ballot to be used to vote on this Plan.

(9) “Bankruptcy Code” or “Code” means Title 11 of the United States Code.

(10) “Bankruptcy Court” means the United States Bankruptcy Court for the District of Minnesota, or such other court of competent jurisdiction which properly exercises jurisdiction over part or all of the Chapter 11 Case, to the extent that the reference of part or all of the Chapter 11 Case is withdrawn.

(11) “Bankruptcy Rule” or “Rule” means a Federal Rule of Bankruptcy Procedure.

(12) “Catholic Mutual” means Catholic Mutual Relief Society of America.

(13) “Causes of Action” means, except as provided otherwise in the Plan, the Confirmation Order, or any document, instrument, release, or other agreement entered into in connection with the Plan, all Claims, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, controversies, variances, trespasses, damages, judgments, third-party Claims, counterclaims, and cross claims of the Diocese or its Estate, the UCC, or the Trust (as successor to the Diocese or its Estate), including an action that is or may be pending on the Effective Date or instituted by the Reorganized Debtor after the Effective Date against any Person based on law or equity, including under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted, known or unknown, any action brought pursuant to Bankruptcy Code Sections 522, 541–45, 547–51, and 553; provided, however, that any affirmative defense or cross-claim asserted with respect to a Claim shall not be deemed a Cause of Action to the extent that it seeks to disallow or reduce, or is offset against, such Claim.

(14) “Channeled Claim” means any Survivor Claim, Related Insurance Claim, Medicare Claim, Extra-Contractual Claim, or other Claim against any of the Protected Parties or the Settling Insurers to the extent such Claim arises from the same injury or damages asserted as a Survivor Claim against the Protected Parties or the Settling Insurers, that directly or indirectly arises out of, relates to, or is in connection with such Survivor Claim or other Claim covered by the Channeling Injunction or Supplemental Insurer Injunction; provided, however, that “Channeled Claims” shall not include any Claim against (i) an individual who perpetrated an act of Abuse that forms the basis of a Survivor Claim with respect to that Survivor Claim; or (ii) any religious order, diocese (other than the Diocese itself), or archdiocese (including the Archdiocese).

(15) “Channeling Injunction” is the injunction contained in Plan Section 13.7.

(16) “Chapter 11 Case” means Diocese’s pending case under the Bankruptcy Code, enumerated in the caption at the top of this Plan.

(17) “Child Protection Protocols” means the document entitled “Child Protection Protocols” and the related “Appendix A” included as Exhibits J and J(1).

(18) “Claim” has the meaning ascribed in 11 U.S.C. § 101(5).

(19) “Claim Filing Deadline” means July 10, 2017.

(20) “Class 1 Claim” means a Known Survivor Claim.

(21) “Class 1 Claimant” means a holder of a Class 1 Claim.

(22) “Class 2 Claim” means an Unknown or Late-Filed Survivor Claim.

(23) “Class 2 Claimant” means a holder of a Class 2 Claim.

(24) “Class 2 Reserves” means, collectively, the Pre-Effective Date Unknown Claim Reserve, the Post-Effective Date Unknown Claim Reserve, and the Late-Filed Claim Reserve.

(25) “Conditional Payment” means any payment made to a Survivor Claimant under the MMSEA, including any payment by an MAO under the MSPA.

(26) “Confirmation Date” means the date on which the Bankruptcy Court enters the Confirmation Order.

(27) “Confirmation Order” means the order entered by the Bankruptcy Court confirming the Plan pursuant to Bankruptcy Code Section 1129 which becomes a Non-Appealable Order.

(28) “Covered Non-Survivor Claim” means any Claim, other than Survivor Claims, Related Insurance Claims, or Medicare Claims, for which the Diocese, a Parish, or an Other Insured Entity would otherwise have coverage under a Settling Insurer Policy but for the sale, transfer, or release by the Diocese, Parish or Other Insured Entity of such Settling Insurer Policy in connection with an Insurance Settlement Agreement.

(29) “Creditor” means a holder of a Claim entitled to distributions under the Plan.

(30) “Cure Amount Claim” means a Claim based upon the Diocese’s monetary defaults under an executory contract or unexpired lease that is to be paid in connection with the assumption of such contract or lease under Bankruptcy Code Section 365 in the amount set forth on Exhibit G.

(31) “Diocese” means the Diocese of New Ulm, the Debtor in the Chapter 11 Case.

(32) “Disallowed Claim” means (i) a Claim, or any portion thereof, that has been disallowed by a Non-Appealable 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, Non-Appealable 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, Non-Appealable Order, or other applicable law.

(33) “Discharge” shall mean the complete extinguishment of the Diocese’s liability in respect to any Claim or debt as further described in Section 13.1.

(34) “Disclosure Statement” means the Amended Disclosure Statement for this Plan, as may be further revised, modified, or amended.

(35) “Disputed Claim” means: (i) a Claim that was scheduled by the Diocese in its Schedules as a disputed, contingent, or unliquidated claim and that has not been otherwise Allowed; (ii) a Claim that is not an Allowed Claim because the Diocese or other party in interest has objected to allowance of the claim under Bankruptcy Code Sections 502(b) or 503 and Bankruptcy Rule 3007; (iii) any secured or unsecured portions of a secured Claim that is the subject of a motion for determination of the value of security under Bankruptcy Code Section 506(a) and Bankruptcy Rule 3012; (iv) any Claim held by a Creditor against which the Diocese has demanded the recovery of property pursuant to Bankruptcy Code Section 502(d), without regard to whether such Claim was previously an Allowed Claim; (v) a Claim that is subject to final adjudication in a proceeding outside the Bankruptcy Court against one or more of the Diocese’s insurers; or (vi) a Claim whose validity or amount is subject to determination in an adversary proceeding that has not been resolved by a Non-Appealable Order.

(36) “District Court” means the United States District Court for the District of Minnesota.

(37) “Effective Date” means the day on which the conditions of Plan Section 12.1 have been satisfied.

(38) “Employee Priority Claim” means a claim held by an employee that is entitled to priority under Bankruptcy Code Section 507(a)(4) or (5).

(39) “Exculpated Parties” means collectively, (i) the Diocese, the Estate, and the UCC; (ii) the respective officers, directors, employees, members, attorneys, financial advisors, members of subcommittees of the board of directors, volunteers, and members of consultative bodies and councils including with respect to their service or participation in an outside board on which they serve at the request of the Diocese or the Bishop, in their capacity as such; (iii) the Settling Insurers with respect to their Settling Insurer Policies; and (iv) professionals of a Person identified in the preceding clause (i) through (iii).

(40) “Extra-Contractual Claim” means any Claim against any of the Settling Insurers based, in whole or in part, on allegations that any of the Settling Insurers acted in bad faith or in breach of any express or implied duty, obligation, or covenant, contractual, statutory or otherwise before the Effective Date, including any Claim on account of alleged bad faith; failure to act in good faith; violation of any express or implied duty of good faith and fair dealing; violation of any unfair Claims practices act or similar statute, regulation, or code; any type of alleged misconduct; or any other alleged act or omission of any of the Settling Insurers of any type for which the claimant seeks relief other than coverage or benefits under a Settling Insurer Policy. Extra-Contractual Claims include: (i) any Claim that, directly or indirectly, arises out of, relates to, or is in connection with any of the Settling Insurers’ handling of any Claim or any

request for coverage; (ii) any Claim that, directly or indirectly, arises out of, relates to, or is in connection with any of the Settling Insurer Policies, or any contractual duties arising therefrom, including any contractual duty to defend any of the Protected Parties against any Claim, and (iii) any Claim that directly or indirectly, arises out of, relates to, or is in connection with the conduct of the Settling Insurers with respect to the negotiation of Insurance Settlement Agreements and the Plan.

(41) “Filing Date” means March 3, 2017.

(42) “Final Decree” means the decree contemplated under Bankruptcy Rule 3022.

(43) “General Unsecured Claim” means an unsecured Claim against the Diocese, but which is not an Administrative Expense, a Priority Tax Claim, an Employee Priority Claim, a Claim entitled to priority under Bankruptcy Code Section 507(a), a Survivor Claim, or a Contingent Claim. A Claim related to bodily injuries or personal injuries that is not a Survivor Claim is a General Unsecured Claim.

(44) “Insurance Coverage Adversary Proceeding” means the adversary proceeding commenced by the Diocese before the Bankruptcy Court on March 6, 2017, captioned as *The Diocese of New Ulm v. Continental Casualty Company, American Casualty Company of Reading, Pennsylvania, Lamorak Insurance Company, Catholic Mutual Relief Society of America, Maryland Casualty Company, and Fireman’s Fund Insurance Company*, case no. 17-03028.

(45) “Insurance Settlement Agreement” means a settlement agreement among the Diocese, the Parishes, and a Settling Insurer, which is listed on Exhibit I.

(46) “Insurance Settlement Amount” means the funds payable by a Settling Insurer pursuant to an Insurance Settlement Agreement.

(47) “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.

(48) “Known Survivor Claim” means a Survivor Claim for which a Proof of Claim was filed on or before the Claim Filing Deadline.

(49) “Known Survivor Claimant” means the holder of a Known Survivor Claim.

(50) “Late-Filed Survivor Claim” means a Survivor Claim that is neither a Known Survivor Claim nor an Unknown Survivor Claim.

(51) “Late-Filed Survivor Claimant” means the holder of a Late-Filed Survivor Claim.

(52) “Late-Filed Claim Reserve” means the reserve established by the Trust and jointly funded by the Trust and the Diocese pursuant to Section 5.4 of the Plan.

(53) “MAO” means Medicare Advantage Organizations under parts C & D of the MMSEA.

(54) “Medicare Claims” means any and all Claims relating to Survivor Claims by the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services and/or any other agent or successor Person charged with responsibility for monitoring, assessing, or receiving reports made under MMSEA and pursuing Claims under MSPA, including Claims for reimbursement of payments made to Survivor Claimants who recover or receive any distribution from the Trust and Claims relating to reporting obligations.

(55) “Medicare Eligible” means a Survivor Claimant who is eligible to receive, is receiving, or has received Medicare benefits.

(56) “Medicare Trust Fund” means a U.S. Treasury-held trust fund account from which Medicare is funded or from which Medicare disbursements are paid, including the Hospital Insurance Trust Fund and the Supplementary Medical Insurance (SMI) Trust Fund.

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

(58) “MSPA” means 42 U.S.C. § 1395y et seq., or any other similar statute or regulation, and any related rules, regulations, or guidance issued in connection therewith or amendments thereto.

(59) “Non-Appealable Order” means an order, judgment, or other decree (including any modification or amendment thereof) that remains in effect and is final and has not been reversed, withdrawn, vacated, or stayed, and as to which the time to appeal or seek review, rehearing, or writ of certiorari has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending or as to which, if such an appeal, writ of certiorari, review, reargument, or rehearing has been sought, (i) appeal, certiorari, review, reargument, or rehearing has been denied or dismissed and the time to take any further appeal or petition for certiorari, review, reargument, or rehearing has expired; or (ii) such order has been affirmed by the highest court to or in which such order was appealed, reviewed, reargued, or reheard, or that granted certiorari, and the time to take any further appeal or petition for certiorari, review, reargument, or rehearing has expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure or any analogous rule under the Bankruptcy Rules may be filed with respect to such order shall not cause such order not to be a “Non-Appealable Order.”

(60) “Other Insured Entities” means those Persons listed on Exhibit L that are insured or covered or allegedly insured or covered under a Settling Insurer Policy that was issued or allegedly issued to the Diocese, but only with respect to Survivor Claims based on alleged Abuse that occurred during the effective periods of that Settling Insurer Policy and that would be covered or alleged to be covered under that Settling Insurer Policy but for an Insurance Settlement Agreement. Notwithstanding the foregoing, “Other Insured Entities” does not include the Diocese or the Parishes. An individual who perpetrated an act of Abuse that forms the basis of a Survivor Claim is not an Other Insured Entity. No religious order, archdiocese, or diocese, other than the Diocese itself, is an Other Insured Entity.

(61) “Other Insurer” means any insurer that is not a Settling Insurer but is a party to the Insurance Coverage Adversary Proceeding or has, or is alleged to have, extended insurance coverage for Survivor Claims.

(62) “Parish” means all past and present parishes or Catholic schools within the Diocese, identified on Exhibit A.

(63) “Person” means any individual or entity, including any corporation, limited liability company, partnership, general partnership, limited partnership, limited liability partnership, limited liability limited partnership, proprietorship, association, joint stock company, joint venture, estate, trust, trustee, personal executor or personal representative, unincorporated association, or other entity, including any federal, international, foreign, state, or local governmental or quasi-governmental entity, body, or political subdivision or any agency or instrumentality thereof and any other individual or entity within the definition of (i) “person” in Section 101(41) of the Bankruptcy Code; or (ii) “entity” in Section 101(15) of the Bankruptcy Code.

(64) “Plan” means this First Amended Joint Chapter 11 Plan of Reorganization as revised or modified or amended.

(65) “Plan Proponents” means the Diocese and the UCC.

(66) “Post-Effective Date Unknown Claim Reserve” means the reserve established by the Trust and funded by the Trust and the Diocese pursuant to Section 5.2 of the Plan.

(67) “Post-Effective Date Unknown Survivor Claim” means any Survivor Claim that was neither filed, nor deemed filed by the Effective Date, and is held by (i) an individual who was at the time of the Filing Date under a disability recognized by Minn. Stat. § 541.15, subd. 1, 2 and 3 (or other applicable law suspending the running of the limitation period, if any, other than Minn. Stat. § 541.15, subd. 4); (ii) an individual who experienced Abuse prior to and including the Effective Date and whose Claim is timely under Minn. Stat. § 541.073, subd. 2 as amended in 2013; or (iii) an individual who has a Survivor Claim that was barred by the statute of limitations as of the Effective Date but is no longer barred by the applicable statute of limitations for any reason as of the Effective Date, including the enactment of legislation that revises previously time-barred Survivor Claims.

(68) “Pre-Effective Date Unknown Claim Reserve” means the reserve established by the Trust and funded by the Trust and the Diocese pursuant to Section 5.3 of the Plan.

(69) “Pre-Effective Date Unknown Survivor Claim” means any Survivor Claim for which a Proof of Claim was filed prior to the Effective Date, but such Proof of Claim was neither filed nor deemed filed by the Claim Filing Deadline, and is held by (i) an individual who was at the time of the Filing Date under a disability recognized by Minn. Stat. § 541.15, subd. 1, 2 and 3 (or other applicable law suspending the running of the limitation period, if any, other than Minn. Stat. § 541.15, subd. 4); (ii) an individual who experienced Abuse prior to and including the Effective Date and whose Claim is timely under Minn. Stat. § 541.073, subd. 2 as amended in 2013; or (iii) an individual who has a Survivor Claim that was barred by the statute of limitations as of the Effective Date but is no longer barred by the applicable statute of limitations for any

reason as of the Effective Date, including the enactment of legislation that revises previously time-barred Survivor Claims.

(70) “Priority Tax Claim” means a Claim that is entitled to priority in payment pursuant to Bankruptcy Code Section 507(a)(8).

(71) “Pro Rata” means, with respect to any distribution on account of any allowed Claim in any class, the ratio of the amount of such allowed Claim to the sum of (i) all allowed Claims in such class and (ii) the aggregate maximum of all allowed Claims in such class.

(72) “Proof of Claim” means a proof of Claim filed in the Chapter 11 Case pursuant to Bankruptcy Code Section 501 and/or pursuant to any order of the Bankruptcy Court, together with supporting documents.

(73) “Protected Parties” means any of (i) the Diocese; (ii) the Parishes; (iii) Other Insured Entities (as set forth in the definition of “Other Insured Entities,” “Other Insured Entities” are Protected Parties only as to certain Claims, including only certain Survivor Claims); (iv) each of the foregoing Persons’ respective past, present, and future parents, subsidiaries, affiliates, holding companies, merged companies, related companies, divisions, and acquired companies; (v) each of the foregoing Persons’ respective predecessors, successors and assigns; and (vi) solely to the extent of and in their capacity as such, any and all the foregoing Persons’ respective past and present employees, officers, directors, shareholders, principals, teachers, staff, members, boards, administrators, priests, deacons, brothers, sisters, nuns, other clergy or Persons bound by monastic vows, volunteers, agents, attorneys, and representatives, in their capacity as such. Nothing in the foregoing is intended to suggest that such Persons are “employees” or agents of the Diocese or subject to its control. An individual who perpetrated an act of Abuse that forms the basis of a Survivor Claim is not a Protected Party. No religious order, archdiocese, or diocese, other than the Diocese itself, is a Protected Party.

(74) “Record Date” means the last date on which a Claim transfer will be recognized. The Record Date is the Confirmation Date.

(75) “Related Insurance Claim” means (i) any Claim by any Person against any Settling Insurer, including an Extra-Contractual Claim, that, directly or indirectly, arises from, relates to, or is in connection with a Survivor Claim, including any such Claim for defense, indemnity, contribution, subrogation, or similar relief or any direct action or Claim, including an action or Claim under Minn. Stat. § 60A.08, subd. 8, and (ii) any Extra-Contractual Claim that, directly or indirectly, arises out of, relates to, or is in connection with any Survivor Claim, including any Claim that, directly or indirectly, arises out of, relates to, or is in connection with any of the Settling Insurers’ handling of, or alleged failure to handle, any Survivor Claim

(76) “Reorganized Debtor” means the Diocese, from and after the Effective Date. Unless otherwise expressly stated or the context otherwise requires, references to “the Diocese” and “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 Diocese 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).

(77) “Retained Claims” means the Diocese’s Claims, including, but not limited to, all Avoidance Actions, 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 Diocese for indemnification, contribution, or fault allocation, and other Claims of the Diocese against any entity on account of any Claims which are or may be asserted against the Diocese. Retained Claims do not include any Claims transferred or assigned to the Trust and expressly exclude any Claims against any entity released by the Diocese under the Plan.

(78) “Schedules” means the Diocese’s schedules of assets and liabilities and the statement of financial affairs on file with the Clerk of the Bankruptcy Court, as amended or modified in accordance with Bankruptcy Rule 1009.

(79) “Settling Insurer Policies” means any and all of the following issued or allegedly issued by a Settling Insurer: (i) all policies or certificates of insurance; and (ii) any and all other known and unknown contracts, binders, certificates, or policies of insurance, including all of the insurance policies mentioned or referred to in any Insurance Settlement Agreement, in effect on or before the Effective Date that were issued to, allegedly issued to, or for the benefit of, or that otherwise actually, allegedly, or potentially insure, the Diocese, the Parishes, or any of their predecessors in interest, successors, or assigns, and that actually, allegedly, or could potentially afford coverage with respect to any Survivor Claim; provided, however, that if a contract, binder, certificate, or policy of insurance that was not issued to or allegedly issued to the Diocese or the Parishes insures or covers both the Diocese, the Parishes, and any other Person, such contract, binder, certificate, or policy of insurance, as applicable, is a “Settling Insurer Policy” only to the extent it insures or covers the Diocese and Parishes and not to the extent it insures or covers any other Person. With respect to the certificates issued by Catholic Mutual, the “Settling Insurer Policies” means the certificates issued by Catholic Mutual to the Diocese or Parishes to the extent coverages under such certificates are released by the Insurance Settlement Agreement between Catholic Mutual and the Diocese.

(80) “Settling Insurers” means the Persons listed on Exhibit B whose Insurance Settlement Agreements are approved by Approval Orders that become Non-Appealable Orders. Solely in connection with insurance under any Settling Insurer Policies, Settling Insurers also includes each of their past, present and future parents, subsidiaries, affiliates, divisions, reinsurers, and retrocessionaires; each of the foregoing Persons’ respective past, present and future parents, subsidiaries, affiliates, holding companies, merged companies, related companies, divisions and acquired companies, including the Persons released pursuant to the respective Insurance Settlement Agreements; each of the foregoing Persons’ respective past, present and future directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and Claims handling administrators; and each of the foregoing Persons’ respective predecessors, successors, assigns, and assigns, whether known or unknown, and all Persons acting on behalf of, by, through or in concert with them.

(81) “Statutory Fees and Court Costs” means court costs and fees payable by the Diocese under 28 U.S.C. § 1930 and United States Trustee fees.

(82) “Supplemental Settling Insurer Injunction” is the injunction contained in Plan Section 13.8.

(83) “Survivor Claim” means any Claim against any of the Protected Parties or any of the Settling Insurers that arises out of, relates to, results from, or is in connection with, in whole or in part, directly or indirectly, Abuse that took place in whole or in part prior to the Effective Date, including any such Claim that seeks monetary damages or any other relief, under any theory of liability, including: vicarious liability; *respondeat superior*; any tort-based theory; any fraud-based theory, including fraud, fraud in the inducement, misrepresentation, concealment, and unfair practice; any negligence-based or employment-based theory, including negligent hiring, supervision, retention or misrepresentation; any other theory based on misrepresentation, concealment, or unfair practice; contribution; indemnity; public or private nuisance; or any other theory, including any theory based on public policy or any acts or failures to act by any of the Protected Parties, any of the Settling Insurers, or any other Person for whom any of the Protected Parties are allegedly responsible, including any such Claim asserted against any of the Protected Parties in connection with the Chapter 11 Case. For the avoidance of doubt, Survivor Claim includes any Known Survivor Claim, Unknown Survivor Claim, and Late-Filed Survivor Claim.

(84) “Survivor Claimant” means the holder of a Survivor Claim.

(85) “Survivor Claim Distribution Plan” means the Survivor Claim Distribution Plan attached as Exhibit K.

(86) “Survivor Claims Reviewer” means the person or entity, including the designee of such person or entity, who will assess Class 1 and Class 2 Claims under the Survivor Claim Distribution Plan.

(87) “Trust” means the trust created for the benefit of Survivor Claimants in accordance with the Plan, Confirmation Order, and the Trust Agreement.

(88) “Trust Agreement” or “Trust Documents” shall mean the trust agreement establishing the Trust, as may be amended, together with such additional documents as may be executed in connection with the Trust Agreement.

(89) “Trust Assets” means all property funded to the Trust pursuant to the Plan, the Confirmation Order, the Trust Documents, the Insurance Settlement Agreements, and the Plan Documents.

(90) “Trustee” means the Person appointed as Trustee of the Trust in accordance with the terms of the Plan, the Confirmation Order, and the Trust Agreement, or any successor appointed in accordance with the terms of the Plan, Confirmation Order, and the Trust Agreement.

(91) “UCC” means the Official Committee of Unsecured Creditors appointed in this Chapter 11 Case, as such committee may be constituted from time to time.

(92) “Unknown Survivor Claim” means Pre-Effective Date Unknown Survivor Claim and Post-Effective Date Unknown Survivor Claim.

(93) “Unknown Survivor Claimant” means the holder of an Unknown Survivor Claim.

(94) “Unsecured Claim” means a Claim that is unsecured, including an Unsecured Priority Claim or General Unsecured Claim.

(95) “Unsecured Priority Claim” means a Priority Tax Claim, Employee Priority Claim, or Other Priority Claim.

(96) “U.S. Trustee” means the Office of the United States Trustee for Region 12, which includes the District of Minnesota.

1.2 Interpretation

For purposes of the Plan:

(1) any term that is not defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable;

(2) the terms “including” or “include(s)” are intended to be illustrative and not exhaustive, and shall be construed as “including, but not limited to” or “include(s), but is not limited to”;

(3) whenever the context requires, terms shall include the plural as well as the singular number, and the masculine gender shall include the feminine and the feminine gender shall include the masculine;

(4) the rules of construction set forth in Bankruptcy Code Section 102 and in the Bankruptcy Rules shall apply;

(5) unless the context should otherwise require, all references to documents to be filed shall refer to filing with the Bankruptcy Court in accordance with the Bankruptcy Code and Bankruptcy Rules;

(6) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

(7) any reference in the Plan to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified or supplemented;

(8) unless otherwise specified, all references in the Plan to “Articles,” “Sections,” “Schedules” and “Exhibits” are references to Articles, Sections, Schedules, and Exhibits of or to the Plan;

(9) the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan;

(10) captions and headings to Articles and Sections are inserted for ease of reference only and shall not be considered a part of the Plan or otherwise affect the interpretation of the Plan; and

(11) the Plan supersedes all prior drafts of the Plan, and all prior negotiations, agreements, and understandings with respect to the Plan, evidence of which shall not affect the interpretation of any provision of the Plan.

1.3 Time Periods

In computing any period of time prescribed or allowed by the Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply. Enlargement of any period of time prescribed or allowed by the Plan shall be governed by the provisions of Bankruptcy Rule 9006(b).

1.4 Exhibits

All Exhibits to the Plan (including any Supplemental Plan Documents) (with the Plan, the “Plan Documents”) are hereby incorporated by reference and made part of the Plan as if set forth fully herein. The Exhibits to the Plan include the following:

- Exhibit A Parishes
- Exhibit B Settling Insurers
- Exhibit C [Reserved]
- Exhibit D Trust Agreement
- Exhibit E Release
- Exhibit F [Reserved]
- Exhibit G Assumed Agreements and Cure Amount Claims
- Exhibit H Officers and Directors of Reorganized Debtor
- Exhibit I Insurance Settlement Agreements
- Exhibit J Child Protection Protocols
- Exhibit K Survivor Claim Distribution Plan
- Exhibit L Other Insured Entities

**ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS**

The following table designates the classes of claims against and equity interests in the Diocese and specifies which of those classes are (i) impaired or unimpaired by the Plan and (ii) entitled to vote to accept or reject the Plan in accordance with Bankruptcy Code Section 1126.

Class	Designation	Impaired	Entitled to Vote
Unclassified	Administrative Expense Claims	N/A	No
Unclassified	Priority Claims	N/A	No

Class	Designation	Impaired	Entitled to Vote
1	Known Survivor Claims	Yes	Yes
2	Unknown and Late-Filed Survivor Claims	Yes	Yes
3	General Unsecured Claims	No	No
4	Parish Claims	Yes	Yes

**ARTICLE III
TREATMENT OF CERTAIN UNCLASSIFIED PRIORITY CLAIMS**

Certain Allowed Claims that are not classified will be treated as follows:

3.1 Allowed Administrative Expense Claims

Except as otherwise provided in this Article, the holder of an Allowed Administrative Expense will receive, in full satisfaction of such Allowed Administrative Expense: (i) payment in full in cash as soon as practicable after the later of: (a) the Effective Date, or (b) the date the Administrative Expense becomes Allowed; or (ii) such other treatment as agreed in writing by the holder thereof or ordered by the Bankruptcy Court.

3.1.1 Professional Fees and Expenses

Professional fees and expenses incurred through the Effective Date and not previously Allowed will be subject to Bankruptcy Court approval after the Effective Date. All holders of professional fees and expenses claims shall file and serve an application for final allowance of compensation and reimbursement of expenses accruing from the Petition Date to the Effective Date, no later than thirty (30) days after a notice of the Effective Date is filed. Any such Allowed Claims will be paid from retainers or by the Reorganized Debtor in cash within ten (10) days of the later of the Effective Date or the Bankruptcy Court’s order on such Claims.

3.1.2 Claims Arising Under Assumed Executory Contracts or Unexpired Leases

The holders of Allowed Cure Amount Claims will receive, in full satisfaction of such Cure Amount Claim: (i) payment of the amount as set forth on Exhibit G in cash, as soon as practicable after the Effective Date; or (ii) such other treatment as agreed in writing by the holder thereof or ordered by the Bankruptcy Court.

3.2 Statutory Fees and Court Costs

Statutory Fees and Court Costs will be paid in full in cash by the Reorganized Debtor on the Effective Date or as soon as practicable thereafter or as required under the Office of the United States Trustee’s quarterly payment guidelines. After confirmation, the Reorganized Debtor will continue to pay quarterly fees to the Office of the United States Trustee and file quarterly reports with the Office of the United States Trustee until this case is closed by the Bankruptcy Court, dismissed, or converted. This requirement is subject to any amendments to 28 U.S.C. § 1930(a)(6) that Congress makes retroactively applicable to confirmed Chapter 11

cases. In the event the Trustee opposes the closure of the Chapter 11 Case, the Trust will be responsible for the payment of all Statutory Fees and Court Costs from the date of the filing of any such opposition through the closure of the Chapter 11 Case. The Trust will be responsible for the payment of Statutory Fees and Court Costs should the Trustee reopen the Chapter 11 Case in the future. In the event that the Trust fails to pay any applicable Statutory Fees or Court Costs, the Diocese may pay the applicable Statutory Fees and Court Costs and seek reimbursement from the Trust. This requirement is subject to any amendments to 28 U.S.C. § 1930(a)(6) that Congress makes retroactively applicable to confirmed Chapter 11 cases.

3.3 Unsecured Priority Claims

3.3.1 Priority Tax Claims

a. Payment of Priority Tax Claims

The holder of an Allowed Priority Tax Claim will receive, in full satisfaction of such Allowed Priority Tax Claim: (i) payment in full of the unpaid amount of such Allowed Priority Tax Claim in cash as soon as practicable after the latest of (a) the Effective Date, (ii) the date such Allowed Priority Tax Claim becomes Allowed, and (iii) the date such Allowed Priority Tax Claim is payable under applicable non-bankruptcy law; or (b) such other treatment as agreed in writing by the holder thereof or ordered by the Bankruptcy Court.

b. Other Provisions Concerning Treatment of Priority Tax Claims

Notwithstanding the provisions of Section 3.3.1(a), the holder of an Allowed Priority Tax Claim shall not be entitled to receive any payment on account of any penalty arising with respect to, or in connection with the Allowed Priority Tax Claim. Any such Claim or demand for any such penalty shall be subject to treatment in Class 3 (General Unsecured Claims), if not subordinated to Class 3 claims pursuant to an order of the Bankruptcy Court. The holder of an Allowed Priority Tax Claim shall not assess or attempt to collect such penalty from the Diocese, the Reorganized Debtor, or their respective property.

3.3.2 Employee Priority Claims

The holder of an Allowed Employee Priority Claim will receive, in full satisfaction of such Allowed Employee Priority Claim: (i) payment in full of the unpaid amount of such Allowed Employee Priority Claim in cash as soon as practicable after the later of (a) the Effective Date, or (b) the date such Allowed Employee Priority Claim becomes Allowed; or (ii) such other treatment as agreed in writing by the holder thereof or ordered by the Bankruptcy Court.

3.3.3 Other Priority Claims

The holder of an Allowed Claim not specifically treated in this section and entitled to priority under Bankruptcy Code Section 507(a) will receive, in full satisfaction of such Allowed Claim: (i) payment in full in cash as soon as practicable after the later

of: (a) the Effective Date, or (b) the date the Claim becomes Allowed; or (ii) such other treatment as agreed in writing by the holder thereof or ordered by the Bankruptcy Court.

ARTICLE IV TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

4.1 Class 1 – Known Survivor Claims

4.1.1 Summary

The Plan creates a Trust to fund payments to Class 1 Claimants entitled to such payments under the Plan, Trust Agreement, and Survivor Claim Distribution Plan. Class 1 Claimants' share of the Trust Assets as provided by the Survivor Claim Distribution Plan is the only amount, if any, Class 1 Claimants will be entitled to receive from the Protected Parties and Settling Insurers. Distribution from the Trust does not preclude Claims or recoveries by Class 1 Claimants against Persons who are not Protected Parties or Settling Insurers for the liability of such Persons not attributable to the causal fault or share of liability of Protected Parties or Settling Insurers under the Settling Insurer Policies. 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 1 Claim shall not be liable for any Protected Party's share of causal liability or fault, but claims against such party shall not be diminished or otherwise impacted by this Plan, as set forth in greater detail in the following paragraph.

4.1.2 Reservation

Except with respect to the Protected Parties and the Settling Insurers, nothing in the Plan is intended to affect, diminish, or impair the rights of any Known Survivor Claimant against any Person named or that could be named as a defendant in a lawsuit based on the Abuse that forms the basis of the Class 1 Claim except that the rights of Class 1 Claimants against third-parties, including joint tortfeasors, does not include the right of Class 1 Claimants to collect or to obtain a reallocation of the share of any judgment initially allocated to a Protected Party to any third-party based on the causal fault or share of liability of Protected Parties. Any Person that is or was alleged to be a joint tortfeasor with any of the Protected Parties in connection with a Class 1 Claim shall not be liable for any Protected Party's share of liability or fault. Under no circumstances will the reservation of such Class 1 Claimant's rights against any other Person impair the Discharge, Channeling Injunctions, or Supplemental Settling Insurer Injunction with respect to any Protected Party, the Reorganized Debtor, or Settling Insurers.

4.1.3 Treatment

The Protected Parties' and Settling Insurers' liability for and obligation to pay, if any, Class 1 Claims shall be assigned to and assumed by the Trust. Each Class 1 Claim will be estimated solely for purposes of voting. The Protected Parties and the Settling Insurers shall have no further liability in connection with Class 1 Claims.

4.1.4 Release and Certification

No Class 1 Claimant shall receive any payment on any award unless and until such Class 1 Claimant has executed the Release attached as Exhibit E to this Plan. Notwithstanding the foregoing, nothing in this Article requires any Class 1 Claimant to release any Claim(s) against any joint tortfeasor that is not a Protected Party, and such Claim(s) are reserved. But in no event may a Class 1 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 1 Claim shall be provided by the Trustee with a copy of the executed Release upon reasonable request and provision of an appropriate, executed confidentiality agreement, and shall not be liable for any Protected Parties' share of liability or fault. The release of these Class 1 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 shall be obligated to provide copies of the Class 1 Claimants' releases and certifications to any of the Protected Parties or Settling Insurers upon request.

4.2 Class 2 – Unknown Survivor Claims and Late-Filed Survivor Claims

4.2.1 Summary

The Plan creates the Class 2 Reserves administered by the Trust to fund payments to Class 2 Claimants entitled to such payments under the Plan, Trust Agreement, and Survivor Claim Distribution Plan. Class 2 Claimants' share of the Class 2 Reserves as provided by the Survivor Claim Distribution Plan is the only amount, if any, Class 2 Claimants will be entitled to receive from the Protected Parties and Settling Insurers. Distribution from the Class 2 Reserves does not preclude Claims or recoveries by Class 2 Claimants against Persons who are not Protected Parties or Settling Insurers for the liability of such Persons not attributable to the causal fault or share of liability of Protected Parties or Settling Insurers under the Settling Insurer Policies. 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 2 Claim shall not be liable for any Protected Party's share of causal liability or fault, but claims against such party shall not be diminished or otherwise impacted by this Plan, as set forth in greater detail in the following paragraph.

4.2.2 Reservation

Except with respect to the Protected Parties and the Settling Insurers, nothing in the Plan is intended to affect, diminish, or impair the rights of any Class 2 Claimant against any Person named or that could be named as a defendant in a lawsuit based on the Abuse that forms the basis of the Class 2 Claim, except that the rights of Class 2 Claimants against third-parties, including joint tortfeasors, does not include the right of Class 2 Claimants to collect or to obtain a reallocation of the share of any judgment initially allocated to a Protected Party to any third-party based on the causal fault or share of liability of 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 2 Claim shall not be liable for any Protected Party's share of liability or fault. Under no circumstances will the reservation of such Class 2 Claimant's rights against any other Person impair the Discharge Injunction, Channeling Injunction, or Supplemental Settling Insurer Injunction with respect to any Protected Party, the Reorganized Debtor, or Settling Insurers.

4.2.3 Treatment

The Protected Parties' and Settling Insurers' liability for and obligation to pay, if any, Class 2 Claims shall be assigned to and assumed by the Trust. The Protected Parties and the Settling Insurers shall have no further or other liability in connection with Class 2 Claims.

4.2.4 Determination of Class 2 Claims

Class 2 Claims will be solely determined by the Survivor Claims Reviewer in accordance with the Survivor Claims Distribution Plan. Class 2 Claimants shall provide sufficient information to allow the Survivor Claims Reviewer to make an evaluation of the Class 2 Claim pursuant to the factors in the Survivor Claims Distribution Plan.

4.2.5 Release and Certification

No Class 2 Claimant shall receive any payment on any award unless and until such Class 2 Claimant has executed the Release attached as Exhibit E to this Plan. Notwithstanding the foregoing, nothing in this Article requires any Class 2 Claimant to release any Claim(s) against any joint tortfeasor who is not a Protected Party (excluding the Reorganized Debtor) or a Settling Insurer Entity and such Claim(s) are reserved. But in no event may a Class 2 Claimant collect on that portion of any judgment or obtain reallocation of any judgment based on the causal fault or share of liability of any Protected Party. Any Person that is or was alleged to be a joint tortfeasor with any of the Protected Parties in connection with a Class 2 Claim shall be provided by the Trustee with a copy of the executed Release upon reasonable request and provision of an appropriate, executed confidentiality agreement and shall not be liable for any Protected Parties' share of liability or fault. The release of these Class 2 Claims against Protected Parties (excluding the Reorganized Debtor) and Settling Insurers is pursuant to the principles set forth in *Pierringer v. Hoger*, 124 N.W.2d 106 (Wis. 1963), and *Frey v. Snelgrove*, 269 N.W.2d 918 (Minn. 1978). The Trust shall be obligated to provide copies of the Class 2 Claimants' releases and certifications to any of the Protected Parties or Settling Insurers upon request.

4.3 Class 3 – General Unsecured Claims

The holder of an Allowed General Unsecured Claim will receive, in full satisfaction of such Allowed General Unsecured Claim: (i) payment in full of such Allowed General Unsecured Claim on the Effective Date or as soon as practicable thereafter; or (ii) such other treatment as agreed in writing by the holder thereof or ordered by the Bankruptcy Court. There will be no interest or penalties payable on any General Unsecured Claim.

4.4 Class 4 – Parish Claims

4.4.1 Definition

Class 4 consists of every Claim held by a Parish as of the Petition Date, including but not limited to Claims based upon (i) reimbursement for overpayments to the self-insurance fund maintained by the Diocese, (ii) reimbursement for overpayments to the group insurance fund maintained by the Diocese, (iii) indemnification and contribution relating to Abuse Claims, (iv) coverage under a Settling Insurer Policy, (v) the Diocese's use of donations received as part of its annual appeal for donations, and (vi) the Diocese's use of funds held in trust.

4.4.2 Summary

The Diocese has reached a global settlement with the Parishes, which is embodied in the Plan. As one component thereof, and to maximize recovery for Survivor Claimants, the Parishes have agreed to receive no distribution on account of their Class 4 Claims.

4.4.3 Treatment

There will be no distribution to the holders of any Class 4 Claims on account of such Class 4 Claims.

4.5 Special Provisions Relating to Creditors' Rights of Setoff

Nothing in this Plan shall expand or enhance a Creditor's right of setoff, which shall be determined as of the Filing Date. Nothing in this Plan is intended, nor shall be interpreted, to approve any Creditor's effectuation of a post-Filing Date set off without the consent of the Diocese unless prior Bankruptcy Court approval has been obtained.

ARTICLE V MEANS OF EXECUTION OF THE PLAN

5.1 Trust Funding

The Trust shall be established for the purposes of assuming liability of Protected Parties and Settling Insurers for Channeled Claims and receiving, liquidating, and distributing Trust Assets in accordance with this Plan and the Survivor Claim Distribution Plan. The proposed Trust Agreement is attached hereto as Exhibit D.

5.1.1 Transfers from the Diocese to the Trust

The Diocese will transfer \$7,000,000 to the Trust within two business days after the Confirmation Order has become a Non-Appealable Order. The Diocese will transfer all Claims or Causes of Action that the Diocese may hold against any and all Other Insurers, to the extent the Diocese holds any such Claims or Causes of Action.

5.1.2 Transfers from Parishes to the Trust

The Parishes will transfer \$1,000,000 to the Trust within two business days after the Confirmation Order has become a Non-Appealable Order.

5.1.3 Settling Insurer Contributions

Each Settling Insurer will pay its Insurance Settlement Amount to the Trust within the time set forth in each such Insurance Settlement Agreement.

5.2 Post-Effective Date Unknown Claim Reserve

The Trust shall establish the Post-Effective Date Unknown Claim Reserve. The Trust shall contribute \$200,000 from the Trust Assets to the Post-Effective Date Unknown Claim Reserve and the Diocese shall separately contribute an additional \$200,000 to the Post-Effective Date Unknown Claim Reserve. For the avoidance of doubt, the Diocese's \$200,000 contribution is separate from, and in addition to, the Diocese's contribution to the Trust pursuant to Section 5.1.1 of the Plan. The Trust shall maintain the Post-Effective Date Unknown Claim Reserve until the earlier of (i) the exhaustion of the Post-Effective Date Unknown Claim Reserve or (ii) the occurrence of the fifth (5th) anniversary of the Effective Date. One-half of any funds that remain in the Post-Effective Date Unknown Claim Reserve on the fifth anniversary of the Effective Date shall be returned to the Reorganized Debtor and the other half of such funds shall be retained by the Trust, with no further restrictions on the Trust's use of such funds except for the general restrictions on use of Trust Assets provided for in the Trust Documents.

5.3 Pre-Effective Date Unknown Claim Reserve

The Trust shall establish the Pre-Effective Date Unknown Claim Reserve. After the Survivor Claims Reviewer determines that there are one or more valid Pre-Effective Date Unknown Claims, the Trust shall contribute \$250,000 from the Trust Assets to the Pre-Effective Date Unknown Claim Reserve and the Diocese shall separately contribute an additional \$250,000 to the Pre-Effective Date Unknown Survivor Claim Reserve. For the avoidance of doubt, the Diocese's \$250,000 contribution is separate from, and in addition to, the Diocese's contribution to the Trust pursuant to Section 5.1.1 of the Plan. The Pre-Effective Date Unknown Claim Reserve shall be administered as provided in the Trust Agreement and Survivor Claim Distribution Plan. The Trust shall maintain the Pre-Effective Date Unknown Claim Reserve until the payment of all allowed Pre-Effective Date Unknown Survivor Claims. One-half of any funds that remain in the Pre-Effective Date Unknown Claim Reserve shall be returned to the Reorganized Debtor within 30 days of the completion of payments to holders of all allowed Pre-Effective Date Unknown Survivor Claims. The remaining half of such funds shall be retained by the Trust, with no further restrictions on the Trust's use of such funds except for the general restrictions on use of Trust Assets provided for in the Trust Documents.

5.4 Late-Filed Claim Reserve

The Trust shall establish the Late-Filed Claim Reserve. The Trust shall contribute \$20,000 from the Trust Assets to the Late-Filed Claim Reserve and the Diocese shall separately contribute an additional \$20,000 to the Late-Filed Claim Reserve. For the avoidance of doubt,

the Diocese's \$20,000 contribution is separate from, and in addition to, the Diocese's contribution to the Trust pursuant to Section 5.1.1 of the Plan. The Late-Filed Claim Reserve shall be administered as provided in the Trust Agreement and Survivor Claim Distribution Plan. The Trust shall maintain the Late-Filed Claim Reserve until the earlier of (i) the exhaustion of the Late-Filed Claim Reserve or (ii) the occurrence of the fifth (5th) anniversary of the Effective Date. One-half of any funds that remain in the Late-Filed Claim Reserve on the fifth anniversary of the Effective Date shall be returned to the Reorganized Debtor and the other half of such funds shall be retained by the Trust, with no further restrictions on the Trust's use of such funds except for the general restrictions on use of Trust Assets provided for in the Trust Documents.

5.5 Vesting

On the Effective Date, all Trust Assets shall vest in the Trust, and the Diocese and other Protected Parties shall be deemed for all purposes to have transferred all Interests in the Trust Assets to the Trust. On the Effective Date, or as soon as practicable thereafter, the Reorganized Debtor or any other Protected Party, as applicable, shall take all actions reasonably necessary to transfer any Trust Assets to the Trust. Upon the transfer of control of Trust Assets in accordance with this paragraph, the Diocese and other Protected Parties shall have no further Interest in or with respect to the Trust Assets, except as to the Reorganized Debtor's remainder Interest in the Class 2 Reserves, to the extent there are such remaining funds as detailed in Sections 5.2, 5.3, and 5.4 of the Plan.

ARTICLE VI TRUST

6.1 Establishment of Trust

On or before the Confirmation Date, the Trust shall be established in accordance with the Trust Documents. The Trust is intended to qualify as a "Designated" or "Qualified Settlement Fund" pursuant to Section 468B of the Internal Revenue Code and the Treasury Regulations promulgated thereunder. The Diocese is 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). The Trust Documents, including the Trust Agreement, are incorporated herein by reference.

6.2 Tax Matters

The Trust shall not be deemed to be the same legal entity as the Diocese or the Reorganized Debtor, but only the assignee of certain assets of the Diocese and a representative of the Estate for delineated purposes within the meaning of Bankruptcy Code Section 1123(b)(3). The Trust is expected to be tax exempt. The Trustee shall file such income tax and other returns and documents as are required to comply with the applicable provisions of the Internal Revenue Code of 1986, 26 U.S.C. §§ 1 et seq., as may be amended, and the regulations promulgated thereunder, 31 C.F.R. §§ 900 et seq., and Minnesota law and the regulations promulgated thereunder, and shall pay from the Trust all taxes, assessments, and levies upon the Trust, if any.

6.3 Appointment of the Trustee

The initial Trustee has been identified in Exhibit D. The Trustee shall commence serving as the Trustee on the Confirmation Date; provided, however, that the Trustee shall be permitted to act in accordance with the terms of the Trust Agreement from such earlier date, as authorized by the Diocese and the UCC, and shall be entitled to seek compensation in accordance with the terms of the Trust Agreement and the Plan.

6.4 Rights and Responsibilities of Trustee

As provided for in the Insurance Settlement Agreements, the Trust shall be a third-party beneficiary of the Insurance Settlement Agreements, with the right, power, and authority to take any action required to enforce the Insurance Settlement Agreements. Additionally, the Trust shall have the right, power, and authority to seek enforcement of the Plan, Confirmation Order, or any other Non-Appealable Order entered by the Bankruptcy Court in this Chapter 11 Case that may affect the Trust's ability to administer Trust Assets or otherwise perform its duties pursuant to the Plan. Among other things, the Trustee: (1) shall liquidate and convert to cash the Trust Assets, make timely distributions, and not unduly prolong the duration of the Trust; (2) may request an expedited determination of taxes of the Trust under Bankruptcy Code Section 505(b) for all returns filed for, or on behalf of, the Trust for all taxable periods through the dissolution of the Trust; and (3) may retain professionals, including legal counsel, accountants, financial advisors, auditors, and other agents on behalf of the Trust, at the Trust's sole expense, as reasonably necessary and to carry out the obligations of the Trustee hereunder and under the Trust Agreement. The Confirmation Order shall state that, absent permission of the Bankruptcy Court, no judicial, administrative, arbitral, or other action, or proceeding shall be commenced in any forum other than the Bankruptcy Court against the Trustee in its official capacity, with respect to its status, duties, powers, acts, or omissions as Trustee.

6.5 Investment Powers; Permitted Cash Expenditures

All funds held by the Trust shall be invested in cash or short-term highly liquid investments that are readily convertible to known amounts of cash as more particularly described in the Trust Agreement. The Trustee may expend the cash of the Trust in a manner consistent with the terms of the Trust Agreement.

6.6 Registry of Beneficial Interests

To evidence the beneficial interest in the Trust of each holder of such an interest, the Trustee shall maintain a registry of beneficiaries.

6.7 Non-Transferability of Interests

Any transfer of an interest in the Trust shall not be effective until and unless the Trustee receives written notice of such transfer.

6.8 Termination

The Trust shall terminate after its liquidation, administration, and distribution of the Trust Assets in accordance with the Plan and its full performance of all other duties and functions set forth herein or in the Trust Agreement. The Trust shall terminate no later than the fifth (5th) anniversary of the Effective Date.

6.9 Immunity; Liability; Indemnification

6.9.1 No Liability for Reorganized Debtor or Trustee

Neither the Reorganized Debtor or its respective members, designees, or professionals, nor the Trustee or any duly designated agent or representative of the Trustee, nor their respective employees, shall be liable for the acts or omissions of any other member, designee, agent, or representative of such Trustee, except that the Trustee shall be liable for its specific acts or omissions resulting from such Trustee's misconduct, gross negligence, fraud, or breach of the fiduciary duty of loyalty. The Trustee may, in connection with the performance of its functions and in its sole and absolute discretion, consult with its attorneys, accountants, financial advisors, and agents, and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such Persons. Notwithstanding such authority, the Trustee shall not be under any obligation to consult with its attorneys, accountants, financial advisors, or agents, and its determination not to do so shall not result in the imposition of liability on the Trustee unless such determination is based on the Trustee's recklessness, gross negligence, willful misconduct, or fraud.

6.9.2 No Recourse Against Trustee

No recourse shall ever be had, directly or indirectly, against the Trustee personally, or against any employee, contractor, agent, attorney, accountant, or other professional retained in accordance with the terms of the Trust Agreement or the Plan by the Trustee, 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 whatsoever 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 purpose authorized by the Trust Agreement or the Plan, it being expressly understood and agreed that all such liabilities, covenants, and Trust Agreements of the Trust whether in writing or otherwise, shall be enforceable only against and be satisfied only out of the Trust Assets or such part thereof as shall under the term of any such Trust Agreement be liable therefore or shall be evidence only of a right of payment out of the Trust Assets. Notwithstanding the foregoing, the Trustee may be held liable for its recklessness, gross negligence, willful misconduct, knowing and material violation of law, or fraud; and if liability on such grounds is established, recourse may be had directly against the Trustee. The Trust shall not be covered by a bond.

6.9.3 Indemnification by Trust

The Trust shall defend, indemnify, and hold harmless the Trustee, its officers, directors, agents, representatives, and employees to the fullest extent that a corporation or trust organized under the laws of Minnesota entitled to indemnify and defend its directors, trustees, officers, and

employees against any and all liabilities, expenses, Claims, damages or losses incurred by them in the performance of their duties hereunder.

a. Additionally, the Reorganized Debtor, and each of its respective agents, who was or is a party, or is threatened to be made a party to any threatened or pending judicial, administrative, or arbitative action, by reason of any act or omission of the Trust or Trustee or respective agents, with respect to: (i) the assessment or liquidation of any Survivor Claims, (ii) the administration of the Trust and the implementation of the Survivor Claim Distribution Plan, or (iii) any and all activities in connection with the Trust Agreement, shall be indemnified and defended by the Trust, to the fullest extent that a corporation or trust organized under the laws of Minnesota is from time to time entitled to indemnify and defend its officers, directors, trustees, and employees, against reasonable expenses, costs and fees (including attorneys' fees and costs), judgments, awards, amounts paid in settlement and liabilities of all kinds incurred by the Diocese or Reorganized Debtor, and their respective professionals, officers, and directors, in connection with or resulting from such action, suit or proceeding, provided such expenditures have been approved by the Trust in advance such approval not to be unreasonably withheld.

b. Reasonable expenses, costs, and fees (including attorneys' fees and costs) incurred by or on behalf of a Trustee, the Diocese, the Reorganized Debtor, and their respective agents in connection with any action, suit, or proceeding, whether civil, administrative, or arbitative, from which they are entitled to be indemnified by the Trust, shall be paid by the Trust in advance of the final disposition thereof upon receipt of an undertaking, by or on behalf of such Trustee, the Diocese, the Reorganized Debtor, and their respective agents, to repay such amount in the event that it shall be determined ultimately by Non-Appealable Order that such Trustee, the Diocese, the Reorganized Debtor, and their respective professionals, officers, and directors is not entitled to be indemnified by the Trust.

6.10 Trust Liability

On the Effective Date, the Trust shall automatically and without further act or deed assume: (i) all liability, if any, of the Protected Parties and Settling Insurers in respect of Channeled Claims, subject to Section 13.14; and (ii) the responsibility for preserving and managing Trust Assets and distributing Trust Assets.

ARTICLE VII SURVIVOR CLAIMS

7.1 Assessment

Each Survivor Claim will be assessed by the Survivor Claims Reviewer in accordance with the Survivor Claim Distribution Plan to determine whether the Survivor Claimant is entitled to a distribution. The Diocese or the Reorganized Debtor shall reasonably cooperate with the Survivor Claims Reviewer and the Trustee as requested by the Survivor Claims Reviewer or the Trustee in connection with any inquiries by either in the administration of the Survivor Claim Distribution Plan.

7.2 Dismissal of Pending Litigation

Within 21 days after Effective Date, all Claims arising out of, or related to, Survivor Claims asserted in any lawsuit against any Protected Party or Settling Insurer, with respect to coverage under the Settling Insurer Policies, currently pending in state court shall be dismissed with prejudice and without fees or costs being recoverable against any Protected Party or by any Protected Party against the Survivor Claimant.

7.3 Release

Prior to any Survivor Claimant receiving a payment from the Trust, the Claimant shall sign the Release attached as Exhibit E.

7.4 Objections Deemed Withdrawn

Any objection asserted by the Diocese to a Survivor Claim pending as of the Effective Date is deemed withdrawn without prejudice. Whether and the extent to which any Settling Insurer who filed an objection prior to the Effective Date is entitled to have filed such objection and to continue to assert such objection after the Effective Date shall be determined by the Bankruptcy Court in accordance with applicable procedures.

7.5 Objections and Litigation after the Effective Date

As of the Effective Date, the Trustee shall have the sole and exclusive right to object to Survivor Claims. The Reorganized Debtor shall have no right to object to any Survivor Claims after the Effective Date.

7.6 Claim Withdrawal

A Survivor Claimant may withdraw his or her Survivor Claim at any time on written notice to the Trustee. If withdrawn, (i) the Survivor Claim will be withdrawn with prejudice and may not be reasserted, and such Survivor Claimant shall still be subject to the Discharge, the Channeling Injunctions, and the Supplemental Insurer Injunction as provided by this Plan; and (ii) any reserve maintained by the Trust on account of such Survivor Claim shall revert to the Trust as a Trust Asset for distribution in accordance with the Plan and Survivor Claim Distribution Plan.

7.7 Distributions to Survivor Claimants

A Survivor Claimant, who the Survivor Claims Reviewer determines to be entitled to a distribution, will receive a distribution from the Trust in the amount(s) and at the time(s) provided for in the Survivor Claim Distribution Plan. Any payment on a Survivor 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. For the avoidance of doubt, Survivor Claimants' recovery on their Survivor Claims shall be limited to the distributions they are entitled to, if any, from the Trust under the Survivor Claim Distribution Plan, and they shall not be entitled to collect personally or otherwise any additional amounts whatsoever on their Survivor Claims from any Protected Party or any Protected Party's assets, or from any Settling Insurers or Settling Insurers' assets in respect of the

Protected Party's coverage under any Settling Insurer Policies, even if they are denied a distribution pursuant to the Survivor Claim Distribution Plan. For the avoidance of doubt, the Class 2 Reserves shall be the sole source of payment to Class 2 Claimants on account of Class 2 Claims. Survivor Claimants' recovery on their Class 2 Claims shall be limited to the distributions they are entitled to, if any, under the Survivor Claim Distribution Plan, and they shall not be entitled to collect personally or otherwise any additional amounts whatsoever on their Class 2 Claims from the Trust, any Protected Party, any Protected Party's assets, any Settling Insurers or any Settling Insurers' assets in respect of the Protected Party's coverage under any Settling Insurer Policies, even if they are denied a distribution pursuant to the Survivor Claim Distribution Plan.

7.8 Survivor Claims Reviewer

The Trustee shall retain the Survivor Claims Reviewer. Fees payable to the Survivor Claims Reviewer for review of Class 1 Claims shall be paid from the Trust Assets. Fees payable to the Survivor Claims Reviewer for review of Unknown Survivor Claims shall be paid by the Trustee from the Post-Effective Date Unknown Claim Reserve or Pre-Effective Date Unknown Claim Reserve, depending on whether the Unknown Survivor Claim was a Post-Effective Date Unknown Survivor Claim or a Pre-Effective Unknown Survivor Claim. Fees payable to the Survivor Claims Reviewer for review of Late-Filed Survivor Claims shall be paid by the Trustee from the Late-Filed Claim Reserve.

7.9 Medicare Procedures

With respect to all Survivor Claims, the Trust shall maintain sufficient funds to pay any potential reimbursements to Medicare. The Trust shall complete the following "Medicare Procedures" for Survivor Claims: (i) the Trustee shall determine whether each Survivor Claimant with a Date of Injury after December 5, 1980 is Medicare Eligible; (ii) upon request, the Trust shall provide to a Settling Insurer or the Diocese information sufficient to allow them to perform their own SSA queries to the extent they wish to do so; (iii) in the event that one or more Survivor Claimants with Dates of Injury after December 5, 1980 is/are identified as Medicare Eligible, the Trust shall complete a query to the CMS for each such Survivor Claimant to determine whether any Conditional Payment has been made to or on behalf of that Survivor Claimant arising from or relating to treatment for Abuse; (iv) if any Conditional Payment has been made to or on behalf of that Survivor Claimant, the Trustee shall, within the time period called for by the MSPA, reimburse the appropriate Medicare Trust Fund for the appropriate amount, and submit the required information for that Survivor Claimant to the appropriate agency of the United States government.

7.10 Medicare Claims Indemnity

The Trust shall defend, indemnify, and hold harmless the Protected Parties and the Settling Insurers from any Medicare Claims arising out of or related to a Survivor Claim, and any Claims related to the Trust's obligations under this Plan.

ARTICLE VIII SETTLING INSURERS

8.1 Insurance Settlement Agreements

The Insurance Settlement Agreements shall automatically be, and hereby are, incorporated by reference and made part of the Plan as if set forth fully herein. Upon (i) the Confirmation Order becoming a Non-Appealable Order, (ii) the conditions precedent in each Insurance Settlement Agreement being satisfied, and (iii) subject to any termination provisions in an Insurance Settlement Agreement, the Insurance Settlement Agreements shall become fully binding on the Trust, Protected Parties, the Reorganized Debtor, the UCC, Settling Insurers, the Survivor Claimants, parties in interest in the Chapter 11 Case, and any of the foregoing Persons' successors and assigns. The rights of the parties under any Insurance Settlement Agreements shall be determined exclusively under the applicable Insurance Settlement Agreements and those provisions of the applicable Approval Order approving such Insurance Settlement Agreements, and the Confirmation Order. The Insurance Settlement Agreements shall survive the confirmation, effectiveness, and consummation of the Plan.

8.2 Sale Free and Clear of Interests of Settling Insurer Policies

To the extent provided in each of the respective Insurance Settlement Agreements and effective on the later of (i) the Effective Date of the Plan or (ii) the payment by the Settling Insurer of the Insurance Settlement Amount due under such agreement, each and every Settling Insurer Policy shall be sold to the issuing Settling Insurer pursuant to Bankruptcy Code Sections 105, 363, and 1123, free and clear of all liens, Claims and Interests of all Protected Parties and Survivor Claimants; provided, however, that the certificates of insurance issued by Catholic Mutual to the Diocese shall not be sold. As set forth in certain of the Insurance Settlement Agreements and the corresponding Approval Orders, each Settling Insurer that is repurchasing any Settling Insurer Policy is a good faith purchaser of such insurance policy within the meaning of Bankruptcy Code Section 363(m), the consideration exchanged constitutes a fair and reasonable settlement of the Parties' disputes and of their respective rights and obligations relating to each such Settling Insurer Policy and constitutes reasonably equivalent value, the releases in such Insurance Settlement Agreements and the policy buyback comply with the Bankruptcy Code and applicable non-bankruptcy laws, and each such Settling Insurer Policy shall be terminated and be of no further force and effect with the issuing Settling Insurer having fully and completely performed any and all obligations under each such Settling Insurer Policy, including any performance owed to the Diocese and Parishes, and all limits of liability of each such Settling Insurer Policy shall be deemed fully and properly exhausted.

8.3 Resolution of Claims Involving Settling Insurers

The Confirmation Order shall provide that within 10 days after payment of the Insurance Settlement Amounts, the Diocese and the Settling Insurers shall effect dismissal with prejudice of their Claims against each other in the Insurance Coverage Adversary Proceeding, with each side to bear its own fees and costs.

8.4 The Settling Insurers' Payments

The Settling Insurers will pay to the Trust the sums set forth in their respective Insurance Settlement Agreements within the time set forth in their respective Insurance Settlement Agreements.

8.5 Judgment Reduction

8.5.1 Automatic Reduction

In any proceeding, suit, or action to recover or obtain insurance coverage or proceeds for a Survivor Claim from an Other Insurer, the following shall apply: If the Trust, a Protected Party, a Survivor Claimant, or any other Person bound by the Plan obtains a judgment against the Other Insurer, the judgment shall automatically be reduced by the amount, if any, that all Settling Insurers would have been liable to pay such Other Insurer as a result of the Other Insurer's Related Insurance Claim against one or more Settling Insurers. To ensure that such a reduction is accomplished, (i) the Person pursuing the Related Insurance Claim (whether the Trust, the Protected Parties, a Survivor Claimant, or any other Person bound by the Plan) shall inform the Other Insurer of the existence of this judgment reduction provision at the time a Claim is first asserted against the Other Insurer; (ii) the Other Insurer's Related Insurance Claim against a Settling Insurer may be asserted as a defense in any proceeding, suit, or action to obtain insurance coverage or proceeds from that Other Insurer for a Survivor Claim; and (iii) to the extent the Other Insurer's Related Insurance Claim against a Settling Insurer is determined to be valid by the court presiding over such action, the liability of the Other Insurer shall be reduced dollar for dollar by the amount so determined.

8.5.2 Pursuit of Related Insurance Claims

As provided in the Insurance Settlement Agreements, each Settling Insurer agrees that it will not pursue any Related Insurance Claim that it might have against any other Settling Insurer that does not assert a Related Insurance Claim against a corresponding Settling Insurer. Notwithstanding the foregoing, if a Person pursues a Related Insurance Claim against a Settling Insurer, then such Settling Insurer shall be free to assert its Related Insurance Claims against such Person.

8.5.3 Settlements with Other Insurers

In the event that the Reorganized Debtor or the Trust executes a settlement agreement with any Other Insurer after the Effective Date, the Reorganized Debtor and the Trust shall use best efforts to obtain, from such Other Insurer, if any, agreements similar to those contained in this Section.

8.6 Further Assurances; Non-Material Modifications

From and after the Effective Date, the Reorganized Debtor and the Settling Insurers shall be authorized to enter into, execute, adopt, deliver, or implement all notes, contracts, security agreements, instruments, releases, and other agreements or documents necessary to effectuate or memorialize the settlements contained in this Article without further order of the Bankruptcy

Court. The Reorganized Debtor and the Settling Insurers may make technical or immaterial alterations, amendments, modifications, waivers, or supplements to the terms of any Insurance Settlement Agreement. A class of Claims that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified, or supplemented under this Section, if the proposed alteration, amendment, modification, or supplement does not materially and adversely change the treatment of the Claims within such class. An order of the Bankruptcy Court approving any amendment or modification made pursuant to this Section shall constitute an order in aid of consummation of the Plan and shall not require the re-solicitation of votes on the Plan.

8.7 Indemnification Obligations

a. From and after the Effective Date, the Trust shall defend, indemnify, and hold harmless the Settling Insurers with respect to any and all Survivor Claims, Related Insurance Claims, and Medicare Claims.

b. The Reorganized Debtor shall defend, indemnify, and hold harmless the Settling Insurers with respect to any Survivor Claims subject to any limitations in the Insurance Settlement Agreements. The Settling Insurers shall have the right to defend any Claims identified in this Section 8.7 and shall do so in good faith.

c. The indemnification obligations of the Trust and the Reorganized Debtor to the Settling Insurers includes Survivor Claims made by Persons over whom the Diocese or Parishes do not have control, including any other Person who asserts Survivor Claims against or right to coverage under the Settling Insurer Policies. The Settling Insurers shall have the right to defend any Claims identified in this section and shall do so in good faith in the event the Settling Insurer chooses to defend such Claims. The Settling Insurers may undertake the defense of any Claim on receipt of such Claim without affecting such indemnification obligations. The Settling Insurers shall notify the Trust or the Reorganized Debtor, as applicable, as soon as practicable of any Claims identified in this section and of their choice of counsel. The Settling Insurers' defense of any Claims shall have no effect on the obligations of the Trust or the Reorganized Debtor, as applicable, to indemnify the Settling Insurers for such Claims, as set forth in this section. The Trust or Reorganized Debtor, as applicable, is not obligated to indemnify the Settling Insurers for Claims that are or may be made against the Settling Insurers by other insurers. Any obligation of the Trust or Reorganized Debtor, as applicable, to indemnify the Settling Insurer under this section shall not exceed the Settlement Amount set forth in the Settlement Agreement as actually paid by the corresponding Settling Insurer. Subject to the limitations above concerning the maximum amounts the indemnifying party must pay, the Trust or Reorganized Debtor, as applicable, shall reimburse all reasonable attorneys' fees, expenses, costs, and amounts incurred by the Settling Insurers in defending such Claims. In defense of any such Claims, the Settling Insurers may settle or otherwise resolve a Claim consistent with the terms of this Plan and with the prior consent of the indemnifying party, which consent shall not be unreasonably withheld.

8.8 Timing

The injunctions, releases, and discharges to which any Settling Insurer is entitled pursuant to such Insurance Settlement Agreement, the Plan, the Confirmation Order, the Approval Orders, and the Bankruptcy Code shall only become effective when the Trust receives the Insurance Settlement Amount in full from the corresponding Settling Insurer pursuant to the terms of such Settling Insurer's Insurance Settlement Agreement.

ARTICLE IX ESTIMATIONS/ASSESSMENTS

9.1 Estimations/Assessments are Not Binding

Estimations of Class 1 Claims for purposes of voting, and the determination of qualification, assignment of points, and payment of distributions of Survivor Claims under the Survivor Claim Distribution Plan:

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

b. shall not be deemed to constitute a determination of liability of any Person.

ARTICLE X DISTRIBUTIONS AND CLAIMS ADMINISTRATION FOR CLAIMS OTHER THAN SURVIVOR CLAIMS

10.1 Distributions

Unless otherwise provided in this Plan, distributions for Claims other than Survivor Claims shall be made by the Reorganized Debtor.

10.2 Method of Payment

Except with respect to Survivor Claims, payments under this Plan will be made by check, mailed with first class postage pre-paid, to the holder of each Claim at the address listed on its Proof of Claim as of the Record Date, or if no Proof of Claim has been filed by the date of the hearing on confirmation, to the address listed on the Schedules as of the Record Date. Holders of Claims as of the Record Date may contact the Reorganized Debtor to amend their addresses as follows:

The Diocese of New Ulm
Attention: Thomas Holzer
Catholic Pastoral Center
1421 6th Street North
New Ulm, MN 56073

10.3 Reservation of Rights to Object to Claims

Except with respect to Survivor Claims, the Reorganized Debtor shall have and retain any and all objections to any and all Claims and motions or other requests for the payment of Claims, whether Administrative Expense, secured, or unsecured, including, without limitation, any and all objections to the validity or amount of any and all alleged Administrative Expense Claims, priority tax Claims, liens and security interests, whether under the Bankruptcy Code, other applicable law, or contract.

10.4 Filing of Objections

Except with respect to Survivor Claims or Administrative Expenses, any objections to Claims will be filed within ninety (90) days after the Effective Date (unless such day is not a business day, in which case such deadline will be the next business day thereafter) or at such later date as approved by the Bankruptcy Court upon request from the Reorganized Debtor. Any Claim objections arising solely under 11 U.S.C. § 502(d) are not subject to the 90-day deadline and may be pursued through an adversary proceeding asserting an Avoidance Claim. An objection to a Claim will be deemed properly served on the holder of the Claim if the Reorganized Debtor effects service by any of the following methods: (i) in accordance with Federal Rule of Civil Procedure 4, as made applicable by Bankruptcy Rule 7004; (ii) by first class mail on the signatory on the Proof of Claim or other representative identified on the Proof of Claim or Interest or any attachment thereto; or (iii) by first class mail on any counsel that has appeared on the behalf of the claimholder in the Chapter 11 Case.

10.5 Procedures for Treating and Resolving Disputed Claims

10.5.1 No Distributions Pending Allowance

Notwithstanding any other provision hereof, no payments or distributions will be made with respect to all or any portion of a Disputed Claim, other than a Survivor Claim, unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Non-Appealable Order, and the Disputed Claim has become an Allowed Claim.

10.5.2 Claim Estimation

Except with respect to Survivor Claims, the Diocese may request estimation or limitation of any Disputed Claim that is contingent or unliquidated pursuant to Bankruptcy Code Section 502(c); provided, however, that the Bankruptcy Court will determine: (i) whether such Disputed Claim is subject to estimation pursuant to Bankruptcy Code Section 502(c), and (ii) the timing and procedures for such estimation proceedings, if any. Unless provided otherwise in an order of the Bankruptcy Court, the estimated amount shall constitute the Allowed amount of such Claim or a maximum limitation on such Claim, as the Bankruptcy Court may direct; provided, however, that if the estimate constitutes the maximum limitation on such Claim, the Diocese may

elect to pursue supplemental proceedings to object to the ultimate allowance of such Claim. The foregoing shall not limit the rights granted by Bankruptcy Code Section 502(j).

10.5.3 No Distribution if Cause of Action Asserted

Notwithstanding any other provision hereof, no payment or distribution will be made with respect to all or any portion of a Claim or Allowed Claim held by a claimant against whom an Avoidance Claim or Cause of Action is asserted unless and until such Avoidance Claim or Cause of Action has been settled or withdrawn or has been determined by Non-Appealable Order.

10.5.4 Payment Upon Allowance and Disallowance of Disputed Claims

At such time as a Disputed Claim becomes, in whole or in part, an Allowed Claim, the Reorganized Debtor shall distribute to the holder thereof the distribution(s) to which the holder is then entitled under the Plan. Such distribution, if any, shall be made as soon as practicable after the entry of the Non-Appealable Order allowing the Claim.

10.6 Record Date

The Record Date for Claim transfers is the Confirmation Date. Claim transfers will not be recognized after the Confirmation Date. Payment under the Plan will be mailed to the address of the holder of the Claim as of the Record Date until the holder of the Claim as of the Record Date notifies the Reorganized Debtor in writing of a different address.

10.7 De Minimis Distributions

The Reorganized Debtor shall not be required to make any payment of less than twenty-five dollars (\$25.00) with respect to any Allowed General Unsecured Claim.

10.8 Unclaimed Payments

In the event a payment is returned to the Reorganized Debtor unclaimed, with no indication of the payee's forwarding address, the Reorganized Debtor will hold such payment for a period of 90 days from the date of return. If not claimed by the payee by the end of that period, the funds will be retained by the Reorganized Debtor.

10.9 Time Bar to Check Payments

Checks issued by the Reorganized Debtor shall be null and void if not negotiated within 90 days from and after the date of issuance. Requests for re-issuance of any check shall be made to the Reorganized Debtor by the holder of the Allowed Claim with respect to which such check originally was issued. Any claim in respect of such a voided check must be made on or before 120 days after the date of issuance of such check. After 120 days after issuance of a non-negotiated check for which the holder of the Allowed Claim did not request re-issuance, all claims in respect of voided checks shall be Discharged and forever barred.

10.10 Setoffs

The Reorganized Debtor may, pursuant to applicable non-bankruptcy law, set off against any distribution(s) to be made pursuant to the Plan, the claims, rights, and Causes of Action of any nature the Diocese may hold against the holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release of any such claims, rights, and Causes of Action that the Diocese or may hold against such holder.

ARTICLE XI EXECUTORY CONTRACTS AND UNEXPIRED LEASES

11.1 Assumption or Rejection of Executory Contracts and Unexpired Leases

Each Assumed Agreement shall be assumed as of the Effective Date, to the extent that each such Assumed Agreement has not already expired, concluded, or terminated under its own terms. All other executory contracts, unexpired leases, or other agreements that are not Assumed Agreements and were not previously assumed or rejected by order of the Bankruptcy Court in the Chapter 11 Case shall be deemed rejected as of the Effective Date. Entry of the Confirmation Order shall constitute, pursuant to Bankruptcy Code Sections 365 and 1123, the approval of the rejection of all such executory contracts and unexpired leases.

11.2 Cure of Defaults

Payments of any Cure Amount Claims relating to the Assumed Agreements shall be made pursuant to Plan Section 3.1.2.

11.3 Bar Dates for Rejection Damage Claims

To the extent not subject to a claim filing deadline set forth in any prior or subsequent order of the Bankruptcy Court, claims arising out of the rejection of an executory contract or unexpired lease pursuant to Plan Section 11.1 must be filed with the Bankruptcy Court no later than 30 days after the entry of the Confirmation Order and, upon allowance, shall be an Allowed General Unsecured Claim. Any Claims not filed within such applicable time periods shall be forever barred from receiving a distribution from the estate, the Diocese, or the Reorganized Debtor.

ARTICLE XII EFFECTIVENESS OF THE PLAN

12.1 Conditions Precedent to the Effective Date

The Effective Date shall not occur, and this Plan shall not be consummated, unless and until each of the following conditions have been satisfied:

- a. The Bankruptcy Court shall have entered the Confirmation Order, the Confirmation Order shall be a Non-Appealable Order, and no stay of the Confirmation Order shall then be in effect.

- b. All Insurance Settlement Agreements shall have been duly executed by all parties thereto and filed with the Bankruptcy Court, in each case in form and substance satisfactory to the Diocese, the UCC, and the Settling Insurers.
- c. The Trustee and the Reorganized Debtor shall have executed the Trust Agreement.
- d. All Approval Orders shall have become a Non-Appealable Order.
- e. The payments discussed in Subsections 5.1.1 and 5.1.2 shall have been received by the Trust.
- f. The Plan has not been materially amended, altered, or modified as confirmed by the Confirmation Order, unless such material amendment, alteration, or modification has been made with consent of the Diocese.

12.2 Notice of Effective Date

The Plan Proponents shall file a notice with the Bankruptcy Court within three (3) days after the occurrence of the Effective Date. Such notice will include all relevant deadlines put into effect by the occurrence of the Effective Date.

12.3 Effect of Non-Occurrence of Conditions

If substantial consummation of the Plan does not occur, the Plan will be null and void in all respects and nothing contained in the Plan or the Disclosure Statement will: (i) constitute a waiver or release of any Claims by or against the Protected Parties or the Settling Insurers; (ii) prejudice in any manner the rights of the Protected Parties, the Trust, or the Settling Insurers; or (iii) constitute an admission, acknowledgement, offer, or undertaking by the Protected Parties or the Settling Insurers in any respect, including but not limited to, in any proceeding or case against the Diocese; or (iv) be admissible in any action, proceeding or case against the Protected Parties or Settling Insurers in any court or other forum.

ARTICLE XIII EFFECTS OF CONFIRMATION

13.1 Discharge

Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date, the Diocese will be Discharged from, and its liability will be extinguished completely in respect to, any Claim and 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 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 Filing Date, and including all Claims and debts of the kind specified in Bankruptcy Code Sections 502(g), 502(h), and 502(i), whether or not a Proof of Claim is filed or is deemed filed under Bankruptcy Code Section 501, such Claim is Allowed under Bankruptcy Code Section 502, or the holder of such Claim has accepted the Plan.

13.2 Title to and Vesting of Assets

All property of the Diocese and the estate is dealt with by this Plan; therefore, on the Effective Date, to the full extent allowed by Bankruptcy Code Sections 1141(b) and 1141(c), all property of the Diocese and the estate, including Retained Claims, shall vest in the Reorganized Debtor and such property shall be free and clear of all Interests of creditors and equity security holders, except to the extent the Plan explicitly provides that such Interests are retained. From and after the Effective Date, the Reorganized Debtor may operate, use, acquire, and dispose of property in accordance with the Plan, free and clear of any restrictions of the Bankruptcy Code and the Bankruptcy Rules, and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code, except as provided in this Plan. The Reorganized Debtor may pursue any Retained Claims at the discretion of the Reorganized Debtor and will retain the proceeds thereof, if any.

13.3 Corporate Action

On the Effective Date, all matters provided for herein that would otherwise require approval of the management of the Diocese shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to the applicable general corporation law of Minnesota, without any requirement of further action by the management of the Diocese.

13.4 Identity of Officers of Reorganized Debtor

In accordance with Bankruptcy Code Section 1129(a)(5), the identities and affiliations of the Persons proposed to serve as the corporate Members of the Reorganized Debtor and the persons proposed to serve as directors and officers of the Reorganized Debtor on and after the Effective Date are set forth on Exhibit H.

13.5 Exculpation and Limitation of Liability

From and after the Effective Date, none of the Exculpated Parties shall have or incur any liability for, and each Exculpated Party shall be released from, any Claim, Cause of Action, or liability to any other Exculpated Party, to any holder of a Claim, or to any other party in interest, for any act or omission that occurred during and in connection with the Chapter 11 Case or in connection with the preparation and filing of the Chapter 11 Case, the formulation, negotiation, or pursuit of confirmation of the Plan, the consummation of the Plan, the administration of the Plan or the property to be distributed under the Plan, the formulation and negotiation of an Insurance Settlement Agreement, or the seeking or obtaining of an Approval Order related to an Insurance Settlement Agreement, except for Claims, Causes of Action, or liabilities arising from the gross negligence, willful misconduct, fraud, or breach of the fiduciary duty of loyalty of any Exculpated Party, in each case subject to determination of such by Non-Appealable Order of a court of competent jurisdiction and provided that any Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to its duties and responsibilities (if any) under the Plan. Without limiting the generality of the foregoing, the UCC and the Diocese and their respective officers, board and committee members,

employees, attorneys, financial advisors, and other Professionals shall be entitled to and granted the benefits of Bankruptcy Code Section 1125(e) and the Channeling Injunction.

13.6 Limitation of Liability

The Protected Parties, the Trust, the Trustee, and professionals employed by the foregoing shall not have any liability to any entity, including any governmental entity or Insurer, on account of payments made to a Survivor Claimant, including any liability under the MSPA.

13.7 Channeling Injunction Preventing Prosecution of Channeled Claims Against Protected Parties and Settling Insurers

In consideration of the undertakings of the Protected Parties and the Settling Insurers under the Plan, their contributions to the Trust, and other consideration, and pursuant to their respective settlements with the Diocese and to further preserve and promote the agreements between and among the Protected Parties and any Settling Insurers, and pursuant to Bankruptcy Code Section 105 and 363:

a. **any and all Channeled Claims are channeled into the Trust and shall be treated, administered, determined, and resolved under the procedures and protocols and in the amounts as established under the Plan and the Trust Agreement as the sole and exclusive remedy for all holders of Channeled Claims; and**

b. **any and all Persons who have held or asserted, hold or assert, or may in the future hold or assert any Channeled Claims are hereby permanently stayed, enjoined, barred, and restrained from taking any action, directly or indirectly, for the purposes of asserting, enforcing, or attempting to assert or enforce any Channeled Claim against the Protected Parties or Settling Insurers, including:**

(1) 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 the Settling Insurers or against the property of any of the Protected Parties or the Settling Insurers;

(2) enforcing, attaching, collecting or recovering, or seeking to accomplish any of the preceding, by any manner or means, from any of the Protected Parties or the Settling Insurers, or the property of any of the Protected Parties or the Settling Insurers, any judgment, award, decree, or order with respect to any Channeled Claim against any of the Protected Parties or the Settling Insurers;

(3) creating, perfecting, or enforcing, or seeking to accomplish any of the preceding, any lien of any kind relating to any Channeled Claim against any of the Protected Parties or the Settling Insurers, or the property of the Protected Parties or the Settling Insurers;

(4) asserting, implementing, or effectuating, any Channeled Claim of any kind against:

A. any obligation due any of the Protected Parties or the Settling Insurers;

B. any of the Protected Parties or the Settling Insurers; or

C. the property of any of the Protected Parties or the Settling Insurers.

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

(6) asserting or accomplishing any setoff, right of indemnity, subrogation, contribution, or recoupment of any kind against an obligation due to any of the Protected Parties, the Settling Insurers, or the property of the Settling Insurers.

The Channeling Injunction is an integral part of the Plan and is essential to the Plan's consummation and implementation. It is intended that the channeling of the Channeled Claims as provided in this section shall inure to the benefit of the Protected Parties and Settling Insurers. In a successful action to enforce the injunctive provisions of this Section in response to a willful violation thereof, the moving party shall be entitled to recover all costs and expenses incurred, including reasonable attorneys' fees, from the non-moving party, and such other legal or equitable remedies as are just and proper, after notice and a hearing.

13.8 Supplemental Settling Insurer Injunction

Pursuant to Bankruptcy Code Sections 105(a) and 363 and in consideration of the undertakings of the Settling Insurers pursuant to the Insurance Settlement Agreements, including certain Settling Insurers' purchase of the applicable Settling Insurer Policies free and clear of all Interests pursuant to Bankruptcy Code Section 363(f), any and all Persons who have held, now hold, or who may in the future hold any Interests (including all debt holders, all equity holders, all Persons holding a Claim, governmental, tax and regulatory authorities, lenders, trade and other creditors, Survivor Claimants, Other Insurers, perpetrators and all others holding Interests of any kind or nature whatsoever, including those Claims released or to be released pursuant to an Insurance Settlement Agreement) against any of the Protected Parties or the Settling Insurers, which, directly or indirectly, arise from, relate to, or are in connection with any Survivor Claims that are covered or alleged to be covered under the Settling Insurer Policies, or any Related Insurance Claims related to such Survivor Claims, are hereby permanently stayed, enjoined, barred, and restrained from taking any action, directly or indirectly, to assert, enforce or attempt to assert or enforce any such Interest against the Settling Insurers, Settling Insurer Policies, or Protected Parties to the extent such Interests arise from the same injury or damages asserted in connection with a Survivor Claim, including:

a. commencing or continuing in any manner any action or other proceeding, whether legal, equitable or otherwise, against the Protected Parties or

the Settling Insurers or the property of the Protected Parties or the Settling Insurers;

b. enforcing, attaching, collecting, or recovering, or seeking to do any of the preceding, by any manner or means, any judgment, award, decree or order against the Protected Parties or the Settling Insurers or the property of the Protected Parties or the Settling Insurers;

c. creating, perfecting, or enforcing, or seeking to do any of the preceding, any lien of any kind against the Protected Parties or the Settling Insurers or the property of the Protected Parties or the Settling Insurers;

d. asserting or accomplishing any setoff, right of indemnity, subrogation, contribution, or recoupment of any kind against any obligation due to the Protected Parties or the Settling Insurers or the property of the Protected Parties or the Settling Insurers; and

e. taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan.

The foregoing injunctive provisions are an integral part of this Plan and are essential to its implementation.

13.9 Protected Parties' Waiver and Consent

In consideration of the releases and Channeling Injunction, the Supplemental Settling Insurer Injunction, and other covenants set forth herein, subject to the occurrence of the Effective Date, each of the Protected Parties:

a. irrevocably and unconditionally, without limitation, releases, acquits, forever discharges, and waives any Claims and/or Interests they have or might have now or in the future against the other Protected Parties, the Reorganized Debtor, and the Settling Insurers with respect to any and all Related Insurance Claims, any contribution, subrogation, indemnification, or other similar Claim arising from or relating to Survivor Claims covered or alleged to be covered under the Settling Insurer Policies, and any Settling Insurer Policies; and

b. consents to the sale of Protected Parties' Claims and/or Interests, if any, in the Settling Insurer Policies in accordance with the Insurance Settlement Agreements and to the contribution of the proceeds from such sale and settlement to the Trust, as provided in the Plan.

13.10 Debtor Waiver and Release of Claims

In consideration of any payments to be made by the Settling Insurers and other consideration provided by each Settling Insurer, upon payment by the Settling Insurers of their respective settlement amounts under the corresponding Insurance Settlement Agreements, the Diocese irrevocably and unconditionally, without limitation, releases, acquits, forever discharges, and waives any Interests they have or might have now or in the future (i) under the

Settling Insurer Policies to the extent those Settling Insurer Policies are bought back under any Insurance Settlement Agreement and this Plan; (ii) against the Settling Insurers with respect to any Survivor Claim; and (iii) against the other Protected Parties with respect to any Channeled Claim.

13.11 Injunctions in Full Force and Effect

All injunctions and/or stays provided for in the Plan, the injunctive provisions of Bankruptcy Code Sections 524 and 1141, and all injunctions or stays protecting any Settling Insurer that has purchased its policies of insurance or certificates of insurance, free and clear of all liens, Claims, and Interests pursuant to Bankruptcy Code Sections 105, 363, and 1123, are permanent and will remain in full force and effect following the Effective Date of the Plan and are not subject to being vacated or modified. The injunctions and releases contained in the Plan shall control notwithstanding any other provision in the Plan or in any Insurance Settlement Agreement.

13.12 Injunctions Integral

The foregoing injunctive provisions are an integral part of the Plan and are essential to its implementation. Any and all currently pending court proceedings, the continuation of which would violate Article 13 of the Plan or the releases provided for under the Plan or Insurance Settlement Agreements shall be dismissed with prejudice.

13.13 No Bar on Certain Claims.

Notwithstanding the foregoing injunctions and Plan provisions, nothing in this Plan shall be construed to bar either (i) a Claim based on Abuse against a Person who is not a Protected Party or a Settling Insurer or (ii) a Claim by such Person for insurance coverage in connection with a Claim described in the foregoing clause (i) under an insurance policy other than the Settling Insurer Policies.

13.14 Defense and Indemnity for Covered Non-Survivor Claims

After the Effective Date, the Reorganized Debtor will defend and indemnify any Protected Party with respect to any Covered Non-Survivor Claims, and, if so required by the Insurance Settlement Agreements, will defend and indemnify the Settling Insurers with respect to any Covered Non-Survivor Claims. As to any Claim against the Trust that qualifies as a Covered Non-Survivor Claim, the Reorganized Debtor will also undertake on behalf of the Trust the enforcement of the injunctions set forth in the Plan, will defend the Covered Non-Survivor Claim, and, if judgment is entered on such Claim, will indemnify the Trust for any liability for such Claim. The Reorganized Debtor may not seek insurance coverage for the Claims defended or indemnified under this Section from the Settling Insurers under any Settling Insurer Policy. Nothing in this provision or any other Plan provision is intended to suggest that any Person is entitled to obtain a judgment on a Covered Non-Survivor Claim or other Enjoined Claim, that such judgment would be covered under any Settling Insurer Policy, or that any Person is entitled to seek coverage for such judgment against any Protected Party or Settling Insurer in violation of the Discharge, Channeling Injunction, or Supplemental Settling Insurer Injunction. For the avoidance of doubt, nothing contained in this Section or the Plan is intended to provide, expand,

modify or add coverage for the Diocese or any other Protected Party under any Settling Insurer Policy to cover the Diocese's indemnification of any Covered Non-Survivor Claims.

13.15 Effectuating Documents; Further Transactions; Exemption from Certain Transfer Taxes

The Diocese and Reorganized Debtor shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of this Plan. Pursuant to Bankruptcy Code Section 1146(a), the following shall not be subject to any stamp tax, real estate transfer tax, mortgage recording tax, sales or use tax, or similar tax: (i) the creation of any mortgage, deed of trust, lien, or other security interest; (ii) the making or assignment of any lease or sublease; or (iii) the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with this Plan, including any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale, or assignments executed in connection with any of the foregoing or pursuant to this Plan.

13.16 Cancellation of Instruments

On the Effective Date, all instruments evidencing or creating any indebtedness or obligation of the Diocese, except such instruments that are authorized or issued under this Plan, shall be cancelled and extinguished. The holders of, or parties to, the cancelled notes and other agreements and instruments shall have no rights arising from or relating to such notes, share certificates, and other agreements and instruments or the cancellation thereof, except any rights provided pursuant to this Plan.

13.17 Dissolution of the Committee

On the Effective Date, the UCC shall be dissolved, and the members thereof and the professionals retained thereby shall be released and discharged from their respective fiduciary obligations.

ARTICLE XIV RETENTION OF JURISDICTION

14.1 By the Bankruptcy Court

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

- a. over disputes concerning the ownership of Claims;
- b. over disputes concerning the distribution or retention of assets under the Plan;
- c. over objections to Claims, motions to allow late-filed Claims, and motions to estimate Claims;
- d. over proceedings to determine the extent, validity, or priority of any Lien asserted against property of the Diocese, the Estate, or Trust, or property abandoned or transferred by the Diocese, the Estate, or the Trust;
- e. over motions to approve Insurance Settlement Agreements entered into after the Effective Date by the Trustee;
- f. over matters related to the assets of the Estate or of the Trust, including the terms of the Trust, or the recovery, liquidation, or abandonment of Trust Assets;
- g. the removal of the Trustee and the appointment of a successor Trustee;
- h. over matters relating to the subordination of Claims;
- i. to enter and implement such orders as may be necessary or appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;
- j. to consider and approve modifications of or amendments to the Plan, to cure any defects or omissions or to reconcile any inconsistencies in any order of the Bankruptcy Court, including the Confirmation Order;
- k. to issue orders in aid of execution, implementation, or consummation of the Plan, including the issuance of orders enforcing any and all releases and injunctions issued under or pursuant to this Plan and any Diocesan Insurance Settlement Agreement;
- l. over disputes arising from or relating to the Plan, the Confirmation Order, or any agreements, documents, or instruments executed in connection therewith;
- m. over requests for allowance of payment of Claims entitled to priority under Sections 507(a)(2) and 503(b)(9) of the Bankruptcy Code and any objections thereto;
- n. over all applications for compensation under Bankruptcy Code Sections 327, 328, 329, and 330;
- o. over matters concerning state, local, or federal taxes in accordance with Sections 346, 505, and 1146 of the Bankruptcy Code;
- p. over conflicts and disputes among the Trust, the Reorganized Debtor, and holders of Claims;

- q. over disputes concerning the existence, nature, or scope of the Discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;
- r. to issue injunctions, provide declaratory relief, or grant such other legal or equitable relief as may be necessary or appropriate to restrain interference with the Plan, the Diocese or its property, the Reorganized Debtor or its property, the Estate or its property, the Trust or its property, Trustee, the Professionals, or the Confirmation Order;
- s. to enter a Final Decree closing the Chapter 11 Case;
- t. to enforce all orders previously entered by the Bankruptcy Court; and
- u. over any and all other suits, adversary proceedings, motions, applications, and contested matters that may be commenced or maintained pursuant to the Chapter 11 Case or the Plan.

14.2 By the District Court

Pursuant to Sections 105, 1123(a)(5), and 1142(b) of the Bankruptcy Code, and 28 U.S.C. Section 1334, on and after the Effective Date, the District Court shall retain original, but not exclusive, jurisdiction to hear and determine all matters arising under the Bankruptcy Code or arising in or related to the Chapter 11 Case.

14.3 Actions to Collect Amounts Owed Pursuant to the Plan

Notwithstanding anything to the contrary in this Section, the Diocese, the Reorganized Debtor and the Trust may, but are not required to, commence an adversary proceeding to collect amounts owed pursuant to the Plan for any settlements embodied in the Plan or later approved by the Bankruptcy Court, which are not paid in accordance with this Plan. Any such action may be commenced by filing a motion in aid of confirmation with the Bankruptcy Court.

14.4 Case Closure

The existence and continued operation of the Trust shall not prevent the Bankruptcy Court from closing the Chapter 11 Case. The Trustee will not take any actions to unreasonably keep the case open. In an action involving the Trust, any costs incurred in reopening the Chapter 11 Case, including any statutory fees will be paid by the Trustee from the Trust Assets in accordance with an order of the Bankruptcy Court.

ARTICLE XV INCORPORATION OF CHILD PROTECTION PROTOCOLS

15.1 Child Protection Protocols

The Child Protection Protocols are incorporated into the Plan.

**ARTICLE XVI
MISCELLANEOUS PROVISIONS**

16.1 Modification of the Plan

The Plan Proponents may jointly modify the Plan at any time prior to the confirmation hearing in accordance with Bankruptcy Code Section 1127(a). After the Confirmation Date and prior to substantial consummation, the Plan Proponents may jointly modify the Plan in accordance with Bankruptcy Code Section 1127(b) by filing a motion on notice as required under the applicable Bankruptcy Rules, and the solicitation of all creditors and other parties in interest shall not be required unless directed by the Bankruptcy Court. Notwithstanding the foregoing, those provisions of the Plan that implement and supplement the Insurance Settlement Agreements, including the provisions in Articles VIII and XIII, may not be severed, waived, amended, deleted, or otherwise modified without the prior written approval of all of the Settling Insurers affected by such severance, waiver, amendment, deletion, or modification.

16.2 U.S. Trustee Reports

From the Effective Date until the Chapter 11 Case is closed, the Reorganized Debtor shall, within thirty (30) days of the end of each fiscal quarter, file with the Bankruptcy Court and submit to the U.S. Trustee, quarterly reports setting forth all receipts and disbursements as required by the U.S. Trustee guidelines. The Reorganized Debtor will not be required to file monthly operating reports or provide copies of bank account statements.

16.3 Severability of Plan Provisions

Except as specifically provided herein, the terms of the Plan constitute interrelated compromises and are not severable, and no provision of the Plan may be stricken, altered, or invalidated, except by amendment of the Plan by the Plan Proponents.

16.4 Regulated Rates

This Plan affects no rates subject to approval by any governmental regulatory commission.

16.5 Successors and Assigns

The rights, benefits, and obligations of any Person named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such Person.

16.6 Governing Law

The rights, duties, and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the Bankruptcy Code and, to the extent not inconsistent therewith, the laws of the State of Minnesota, without giving effect to principles of conflict of laws.

16.7 Construction

The section headings contained in this Plan are for reference purposes and shall not affect in any way the meaning or interpretation of the Plan. To the extent of any inconsistencies between the information contained in the Disclosure Statement and the terms and provisions of the Plan, the terms and provisions of the Plan shall govern.

16.8 Revocation

The Plan Proponents reserve the right to revoke and withdraw the Plan prior to entry of the Confirmation Order.

16.9 Controlling Documents

In the event and to the extent that any provision of the Plan or Trust Agreement is inconsistent with any provision of the Disclosure Statement, the provisions of the Plan or Trust Agreement, as applicable, shall control and take precedence. In the event and to the extent that any provision of the Trust Agreement (other than provisions relating to the Trustee's authority to act) is inconsistent with any provision of this Plan, this Plan shall control and take precedence. In the event and to the extent that any provision of the Confirmation Order is inconsistent with any provision of the Plan or the Trust Agreement, the provisions of the Confirmation Order shall control and take precedence.

16.10 Notices

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

If to the Diocese or the Reorganized Debtor:

The Diocese of New Ulm
Attn: Thomas J. Holzer
Catholic Pastoral Center
1421 6th Street North
New Ulm, MN 56073

with a copy to:

Fredrikson & Byron, P.A.
Attn: Steven R. Kinsella
200 South Sixth Street, Suite 4000
Minneapolis, MN 55401

If to the Trust or the Trustee:

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

16.11 Filing of Additional Documents

At any time before substantial consummation, the Diocese, the Trust, or the Reorganized Debtor, as appropriate, may file with the Bankruptcy Court or execute, as appropriate, such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, or otherwise to comply with applicable law.

16.12 Direction to a Party

On and after the Effective Date, the Trust or the Reorganized Debtor, as applicable, may apply to the Bankruptcy Court for entry of an order directing any Person to execute or deliver or to join in the execution or delivery of any instrument or document reasonably necessary or reasonably appropriate to effect a transfer of properties dealt with by the Plan, and to perform any other act (including satisfaction of any lien or security interest) that is reasonably necessary or reasonably appropriate for the consummation of the Plan.

16.13 Certain Actions

By reason of entry of the Confirmation Order, prior to, on or after the Effective Date (as appropriate), all matters provided for under the Plan that would otherwise require approval of the officers of the Diocese under the Plan, including: (i) the adoption, execution, delivery, and implementation of all contracts, leases, instruments, releases, and other agreements or documents related to the Plan, and (ii) the adoption, execution, and implementation of other matters provided for under the Plan involving the Diocese or organizational structure of the Diocese shall be deemed to have occurred and shall be in effect prior to, on or after the Effective Date (as appropriate), pursuant applicable non-bankruptcy law, without any requirement of further action by the officers of the Diocese.

16.14 Plan as Settlement Communication

The Plan furnishes or offers or promises to furnish (or accepts or offers or promises to accept) valuable consideration in compromising or attempting to compromise Claims and Causes of Action that are Disputed as to validity or amount (including Survivor Claims and the Insurance Adversary Proceeding), except as otherwise provided above. Accordingly, the Plan, the Disclosure Statement, and any communications regarding the Plan or the Disclosure Statement are subject in all respects to Federal Rule of Evidence 408 and any comparable provision(s) of applicable state law precluding their use as evidence of liability for, or the validity or invalidity of, any Disputed Claim or Cause of Action. Except as expressly set forth in this Plan, nothing in this Plan is intended to constitute a compromise of Survivor Claims.

16.15 Other Rights

Except as expressly set forth in this Plan, nothing in the Plan shall preclude any Person from asserting in any proceeding, or against any award or judgment entered in such proceeding, any and all rights that may be accorded under Minnesota law, or any other applicable statutory or common law, of contribution, indemnity, reduction, credit, or setoff, arising from the settlement and resolution of the Survivor Claims.

ARTICLE XVII BANKRUPTCY RULE 9019 REQUEST

Pursuant to Bankruptcy Rule 9019 and through the Plan, the Plan Proponents request approval of all compromises and settlements included in the Plan.

ARTICLE XVIII CONFIRMATION REQUEST

The Plan Proponents request confirmation of the Plan under Bankruptcy Code Section 1129 with respect to any impaired class that does not accept the Plan or is deemed to reject the Plan.

[Signature page for Joint Plan of Reorganization]

IN WITNESS WHEREOF, the undersigned has executed this Chapter 11 Plan of Reorganization this 18th day of December, 2019.

THE DIOCESE OF NEW ULM

/e/ Rev. Msgr. Douglas L. Grams

By: Rev. Msgr. Douglas L. Grams

Its: Vicar General

/e/ Steven R. Kinsella

James L. Baillie (#0003980)

James C. Brand (#387362)

Steven R. Kinsella (#0392289)

Samuel M. Andre (#0399669)

FREDRIKSON & BYRON, P.A.

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Minneapolis, MN 55402-1425

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jbrand@fredlaw.com

skinsella@fredlaw.com

sandre@fredlaw.com

**ATTORNEYS FOR THE DIOCESE
OF NEW ULM**

[Signature page for Joint Plan of Reorganization]

IN WITNESS WHEREOF, the undersigned has executed this Chapter 11 Plan of Reorganization this 18th day of December, 2019.

THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS

/e/ Bruce Doney _____

By: Bruce Doney

Its: Chairperson

/e/ Robert T. Kugler _____

Robert T. Kugler (#194116)

Edwin H. Caldie (#388930)

Brittany Michael (#397592)

STINSON, LLP

50 South Sixth Street, Suite 2600

Minneapolis, MN 55402

robert.kugler@stinson.com

ed.caldie@stinson.com

brittany.michael@stinson.com

Telephone: 612-335-1500

Facsimile: 612-335-1657

**ATTORNEYS FOR THE
OFFICIAL COMMITTEE OF
UNSECURED CREDITORS FOR
THE DIOCESE OF NEW ULM**

**JOINT PLAN OF REORGANIZATION
EXHIBIT A**

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 JOINT PLAN OF REORGANIZATION
 EXHIBIT A – LIST OF PARISHES

Organization Name	City
Church of St. John	Appleton
Church of St. Mary	Arlington
Church of St. Mary (Beardsley)	Beardsley
Church of St. Francis	Benson
Church of St. Mary	Bird Island
Church of St. Peter (Canby)	Canby
Church of St. Clara (Clara City)	Clara City
Church of St. Joseph (Clements)	Clements
Church of St. Malachy (Clontarf)	Clontarf
Church of St. Paul	Comfrey
Church of St. Mary	Cottonwood
Oratory of the Visitation	Danvers
Church of St. John	Darwin
Church of St. James (Dawson)	Dawson
Church of St. Bridget (DeGraff)	De Graff
Church of St. Andrew	Fairfax
Church of St. Gertrude (Forest City)	Litchfield
Church of the Sacred Heart	Franklin
Church of St. Michael	Gaylord
Church of St. Eloi	Ghent
Church of St. Willibrord	Gibbon
Church of St. Pius X	Glencoe
Church of the Holy Rosary	Graceville
Church of St. Andrew (Granite Falls)	Granite Falls
Church of St. Brendan	Green Isle
Church of St. Clotilde (Green Valley)	Marshall
Church of St. John (Hector)	Hector
Church of St. Joseph	Henderson
Church of St. Anastasia	Hutchinson
Church of Ss. Peter and Paul (Ivanhoe)	Ivanhoe
Oratory of St. Thomas (Jessenland)	Henderson
Church of St. Patrick	Kandiyohi
Church of St. Gregory the Great	Lafayette
Church of St. Genevieve (Lake Benton)	Lake Benton
Church of St. Thomas More	Lake Lillian
Church of St. Joseph	Lamberton
Church of Japanese Martyrs (Leavenworth)	Sleepy Eye

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 JOINT PLAN OF REORGANIZATION
 EXHIBIT A – LIST OF PARISHES

Organization Name	City
Church of St. Philip	Litchfield
Church of Our Lady of Victory	Lucan
Church of St. Michael	Madison
Church of Our Lady (Manannah)	Grove City
Church of the Holy Redeemer	Marshall
Church of St. Michael	Milroy
Church of St. Edward	Minneota
Church of St. Joseph	Montevideo
Church of St. Michael (Morgan)	Morgan
Church of St. John	Morton
Church of the Sacred Heart	Murdock
Church of St. James (Nassau)	Nassau
Cathedral of the Holy Trinity	New Ulm
Church of St. Mary	New Ulm
Church of St. Paul	Nicollet
Church of the Holy Rosary	North Mankato
Church of St. Aloysius	Olivia
Church of St. John	Ortonville
Church of St. Catherine	Redwood Falls
Church of the Holy Redeemer	Renville
Church of St. Joseph (Rosen)	Bellingham
Church of St. John (Faxon)	Belle Plaine
Church of St. Leo (St. Leo)	Saint Leo
Church of St. Peter	Saint Peter
Oratory of St. Thomas	Sanborn
Church of St. Mary (Seaforth)	Seaforth
Church of St. John the Baptist (Searles)	New Ulm
Church of the Holy Family (Silver Lake)	Silver Lake
Church of St. Mary	Sleepy Eye
Church of Our Lady of the Lakes	Spicer
Church of St. Raphael	Springfield
Church of St. Boniface	Stewart
Church of Ss. Cyril and Methodius	Taunton
Church of St. Mary	Tracy
Church of St. Dionysius	Tyler
Church of St. Anne	Wabasso
Church of St. Paul	Walnut Grove
Church of St. Mathias (Wanda)	Wanda

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JOINT PLAN OF REORGANIZATION
EXHIBIT A – LIST OF PARISHES

Organization Name	City
Church of St. Anthony	Watkins
Church of St. George (West Newton)	New Ulm
Church of St. John Cantius (Wilno)	Wilno
Church of St. Mary	Willmar
Church of the Holy Trinity	Winsted
Church of St. Francis de Sales	Winthrop

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**JOINT PLAN OF REORGANIZATION
EXHIBIT B**

JOINT PLAN OF REORGANIZATION

EXHIBIT B – LIST OF SETTLING INSURERS

Settling Insurers
Catholic Mutual Relief Society of America
Continental Casualty Company and American Casualty Company of Reading, Pennsylvania
Lamorak Insurance Company
Zurich American Insurance Company, as successor by merger to Maryland Casualty Company

**JOINT PLAN OF REORGANIZATION
EXHIBIT C**

[RESERVED]

**JOINT PLAN OF REORGANIZATION
EXHIBIT D**

THE DIOCESE OF NEW ULM SETTLEMENT TRUST AGREEMENT

This trust agreement (the “Trust Agreement”) is made and entered into by and between The Diocese of New Ulm (the “Diocese”) and DW Harrow & Assoc., LLC (the “Trustee”) pursuant to the First Amended Joint Chapter 11 Plan of Reorganization (together with any and all amendments, exhibits, and schedules, the “Plan”) filed in the Diocese’s chapter 11 bankruptcy case, case no. 17-30601, 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 Diocese filed a voluntary petition for relief pursuant to chapter 11 of the Bankruptcy Code. The Diocese continues to operate its business as 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 1 and Class 2 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 1.5 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 approval by the Bankruptcy Court, the Diocese hereby absolutely assigns to the Trust, and to its successors in trust and its successors and assigns, all rights, title, and interest of the Diocese 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 Diocese hereby creates the Trust known as “The Diocese of New Ulm 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 1 Claimants and Class 2 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 Confirmation Order becoming a Non-Appealable Order, the Diocese 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 Diocese’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) Establishing Deadlines for Filing Proofs of Claim; (III) Approving Sexual Abuse Proof of Claim Form; (IV) Approving Form and Manner of Notice; and (V) Approving Confidentiality Procedures [Docket No. 33].

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

1.6 Beneficiaries. The beneficiaries of the Trust are Class 1 Claimants and Class 2 Claimants under the Plan whose Claims are allowed by the Survivor 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. The Claims of the Beneficiaries will be evaluated by the Survivor Claims Reviewer in accordance with the Survivor Claims Distribution Plan, Plan Exhibit K.

1.7.3 The Trustee shall have all of the rights, powers, and duties set forth in this Trust Agreement, the Survivor Claims Distribution Plan, 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.

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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 5 of the Plan.

2.2 Transfer to Trust. After the Confirmation Order becomes a Non-Appealable Order, 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 Diocese) 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 Diocese's and the bankruptcy estate's right to and title and Interest in the Trust Assets, and the Diocese and the bankruptcy 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. 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 Survivor Claim Distribution Plan, the Plan, and the Confirmation Order.

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2.7 Pre-Effective Date Unknown Claim Reserve. After the Trustee notifies the Reorganized Debtor that the Survivor Claims Reviewer has determined that there are one or more valid Pre-Effective Unknown Survivor Claims, the Diocese shall contribute \$250,000 separate from the Trust Assets to a reserve fund for Pre-Effective Date Unknown Claims pursuant to the Plan (the “Pre-Effective Date Unknown Claim Reserve”). The Trustee shall also allocate \$250,000 of the Trust’s initial corpus to the Pre-Effective Date Unknown Claim Reserve. The payments to holders of Pre-Effective Date Unknown Survivor Claims shall be made in accordance with the Survivor Claim Distribution Plan. The Pre-Effective Date Unknown Claim Reserve will terminate after the payment of all allowed Pre-Effective Date Unknown Survivor Claims. After the Pre-Effective Date Unknown Claim Reserve terminates, to the extent there are any remaining funds after payment to all Pre-Effective Date Unknown Survivor Claims pursuant to the Survivor Claim Distribution Plan, such remaining funds shall be divided equally, with the Trustee returning one half of the remaining funds to the Reorganized Debtor within 30 days after the completion of payments to holders of allowed Pre-Effective Date Unknown Survivor Claims. The remaining half of such funds shall be retained by the Trust, with no further restrictions on the Trust’s use of such funds except for the general restrictions on use of Trust Assets provided for herein.

2.8 Post-Effective Date Unknown Claim Reserve. After the Plan Effective Date, the Diocese shall contribute \$200,000 separate from the Trust Assets to a reserve fund for Post-Effective Date Unknown Survivor Claims pursuant to the Survivor Claim Distribution Plan (the “Post-Effective Date Unknown Claim Reserve”). The Trustee shall also allocate \$200,000 of the Trust’s initial corpus to the Post-Effective Date Unknown Claim Reserve. The payments to holders of Post-Effective Date Unknown Survivor Claims shall be made in accordance with the Survivor Claim Distribution Plan. The Post-Effective Date Unknown Claim Reserve will terminate on the earlier of: (i) the exhaustion of the Post-Effective Date Unknown Claim Reserve or (ii) the occurrence of the fifth (5th) anniversary of the Plan Effective Date. After the Post-Effective Date Unknown Claim Reserve terminates, to the extent there are any remaining funds after payment to all Post-Effective Date Unknown Survivor Claims pursuant to the Survivor Claim Distribution Plan, such remaining funds shall be divided equally, with the Trustee returning one half of the remaining funds to the Reorganized Debtor within 30 days after the termination of the Post-Effective Date Unknown Claim Reserve. The remaining half of such funds shall be retained by the Trust, with no further restrictions on the Trust’s use of such funds except for the general restrictions on use of Trust Assets provided for herein.

2.9 Late-Filed Claims Reserve. The Diocese shall contribute \$20,000 separate from the Trust Assets to a reserve fund for Late-Filed Survivor Claims pursuant to the Survivor Claim Distribution Plan (the “Late-Filed Claims Reserve”). The Trustee shall also allocate \$20,000 of the Trust’s initial corpus to the Late-Filed Claims Reserve. The payments to holders of Late-Filed Survivor Claims shall be made in accordance with the Survivor Claim Distribution Plan. The Late-Filed Claims Reserve will terminate on the earlier of: (i) the exhaustion of the Late-

Filed Claim Reserve or (ii) the occurrence of the fifth (5th) anniversary of the Effective Date. After the Late-Filed Claims Reserve terminates, to the extent there are any remaining funds after payment to all Late-Filed Survivor Claims pursuant to the Survivor Claim Distribution Plan, such remaining funds shall be divided equally, with the Trustee returning one half of the remaining funds to the Reorganized Debtor within 30 days after termination of the Late-Filed Claims Reserve. The remaining half of such funds shall be retained by the Trust, with no further restrictions on the Trust's use of such funds except for the general restrictions on use of Trust Assets provided for herein.

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 Survivor 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 Debtor (i) in the event the Trustee opposes the closure of the Chapter 11 Case, from the date of the filing of any such opposition through the closure of the Chapter 11 Case or (ii) should the Trustee reopen the Chapter 11 Case in the future.

3.2.8 In accordance with the evaluation of the Survivor Claims Reviewer pursuant to the Survivor Claim Distribution Plan, to make distributions, in accordance with the Survivor Claim Distribution 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 Survivor Claims Reviewer, and the accuracy of the information set forth by, and the reasonableness of the determination of, the Survivor Claims Reviewer in the administration of the Survivor Claim Distribution Plan and assessment of the Class 1 and Class 2 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.

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3.2.12 In the Trustee's sole right and discretion, to appoint the Survivor Claims Reviewer. The Trustee may subsequently remove the Survivor Claims Reviewer for cause. For purposes of this Trust Agreement, "cause" shall mean (a) the willful and continued refusal by the Survivor Claims Reviewer to perform the Survivor Claims Reviewer's duties as set forth in this Trust Agreement, the Trust Distribution Plan, and the Plan, (b) gross negligence, gross misconduct, fraud, embezzlement, or theft, (c) a serious breach of fiduciary duty, or (d) other cause as the Trustee shall in good faith determine. In the event the Survivor Claims Reviewer resigns, is removed, or is otherwise unable to perform the Survivor Claims Reviewer's obligations, the Trustee shall have exclusive authority to appoint a new Survivor Claims Reviewer. Nothing contained in this Trust Agreement shall prohibit the Trustee from also serving as the Survivor Claims Reviewer if the Trustee determines that serving as both the Trustee and the Survivor 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 Diocese, 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 and Insurance Settlement Agreements.

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 Confirmation Order does not become a Non-Appealable Order within one year from the date the Trust Agreement is executed by the Diocese and the Trustee or (b) the Chapter 11 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 Diocese 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

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Trustee shall continue to act as Trustee until the Trustee's duties in this Trust Agreement 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 Diocese 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

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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, 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 UCC (notwithstanding dissolution of the UCC 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 UCC 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 Diocese 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.

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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 Diocese 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 Diocese 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 Diocese 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 Diocese 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 Diocese makes a transfer to the Trust.

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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 Survivor Claims Distribution Plan.

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 this Trust Agreement. In the event of any conflict between the terms of this Trust Agreement and the Plan, the terms of the Plan shall govern.

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 Diocese:

The Diocese of New Ulm
Attention: Thomas J. Holzer
Catholic Pastoral Center
1421 6th Street North
New Ulm, MN 56073
Telephone: 502.359.2966

with a copy to:

Fredrikson & Byron, P.A.
Attention: Steven R. Kinsella
200 South Sixth Street, Suite 4000
Minneapolis, MN 55402
Telephone: 612.492.7000
E-mail: skinsella@fredlaw.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

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JOINT PLAN OF REORGANIZATION
EXHIBIT D – TRUST AGREEMENT

out-of-pocket expenses and fees, including attorneys' fees, incurred in connection with the dispute or enforcement action.

11.5 Entirety of Trust Agreement. This Trust Agreement supersedes any and all prior oral discussions and agreements with respect to the subject matter in this Trust Agreement. This Trust Agreement, together with the Exhibits to the Trust Agreement, the Plan, and the Confirmation Order, contain the sole and entire Trust Agreement and understanding with respect to the matters addressed in the Trust Agreement. It is acknowledged that there are no communications or oral understandings that are contrary to, or that in any way restrict, this Trust Agreement and that all prior agreements or understandings within the scope of the subject matter of this Trust Agreement are, upon execution and delivery of this Trust Agreement, superseded, null, and void.

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]

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JOINT PLAN OF REORGANIZATION
EXHIBIT D – TRUST AGREEMENT

IN WITNESS WHEREOF, the Diocese and the Trustee execute this Trust Agreement as of the ___ of _____, 2019.

TRUSTEE:

By: _____
Title: _____

THE DIOCESE OF NEW ULM:

By: _____
Title: _____

EXHIBIT 1

TRUSTEE COMPENSATION

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

**JOINT PLAN OF REORGANIZATION
EXHIBIT E**

**TO BE ENTITLED TO RECEIVE ANY COMPENSATION UNDER THE PLAN, YOU
MUST EXECUTE AND DELIVER THIS RELEASE.**

1. All capitalized terms in this Release are defined in the Plan and have the meanings stated in the Plan.
2. In consideration of the Trust's promise to make me a distribution, the amount payable to me under the Survivor Claim Distribution Plan, and other valuable consideration, I, for myself and my heirs, successors, assigns, agents, and representatives:
 - a. Hereby fully, finally, and completely release, remise, acquit, and forever discharge the Settling Insurers with respect to the Settling Insurer Policies and the Diocese and the Parishes, with respect to their portion or share of liability for my damages or Claims, from any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are connected with the i) Survivor Claims; ii) Related Insurance Claims; iii) the Settling Insurer Policies; and iv) all Claims that, directly or indirectly, arise from, relate to, or are connected with the Chapter 11 Case.
 - b. Hereby covenant (i) not to sue or seek recovery or relief of any kind from the Protected Parties or Settling Insurers in connection with any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are connected with the Survivor Claims, Related Insurance Claims, the Settling Insurer Policies, or the Chapter 11 Case; (ii) to forever and irrevocably discharge that fraction, portion or percentage of damages I claim to have suffered in connection with any Abuse which is by trial or other disposition determined to be the causal fault or responsibility, if any, of any Protected Party; (iii) to voluntarily reduce any judgment that I may ever obtain against any Person relating to the same Abuse at issue in the Survivor Claims or other claims of abuse or neglect in an amount reflecting that fraction, portion or percentage of damage or injury that I suffered due to the causal fault or responsibility, if any, of any Protected Party; (iv) that filing of this Release with any court by any Protected Party shall satisfy that fraction, portion or percentage of any judgment that may be rendered in my favor attributable to any Protected Party's causal fault or responsibility relating to the Abuse at issue in the Survivor Claims; (v) that I will not seek a reallocation of the causal fault or causal responsibility of any Protected Party to any other Person, whether assessed by reason of judgment or settlement relating to the Abuse at issue in the Survivor Claims; and (vi) this Release extinguishes any potential liability of any Protected Party or Settling Insurer for contribution or indemnity to any Person who has been or may be held liable to me for any Survivor Claim.
3. I have been provided with copies of the Disclosure Statement, the Plan, and the exhibits thereto and have been given an opportunity to review such documents and to consult with counsel of my choice regarding those documents and this Release.

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JOINT PLAN OF REORGANIZATION

EXHIBIT E - RELEASE

4. I expressly reserve and retain my rights to recover from any Person for liability for any Abuse except as provided in this Release and do not intend that payment by the Trust constitutes full compensation for the damage alleged in my Survivor Claim(s).
5. I intend the foregoing undertakings comply with 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).
6. I understand and agree that any payment by the Trust to me does not constitute an admission of liability of any kind or nature by the Trust, any Settling Insurer, or any Protected Party.
7. I consent to, and agree to be bound by, the injunctions set forth in the Plan, including those injunctions contained in Article XIII for the benefit of the Settling Insurers and Protected Parties. I also approve of the Insurance Settlement Agreements referenced in and incorporated into the Plan.
8. I understand that payment from the Trust constitutes 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.
9. I represent and warrant that I have not assigned or otherwise transferred any interest in my Survivor Claim(s).
10. I hereby authorize the Center for Medicare & Medicaid Services (“CMS”), its agents and/or contractors to release, upon request, information related to my injury/illness and/or settlement since my date of birth to the Trust and/or its agents. I understand that I may revoke this “consent to release information” at any time, in writing. I consent to the release of information relating to my lifetime Medicare entitlement from the Social Security Administration and CMS to the Trustee and all other professionals retained by the Trust, and further authorize the Trustee and other Trust professionals to execute on my behalf any requests, including consents for release of information, for information relating to my Medicare entitlement and any obligations owing or potentially owing under the Medicare Secondary Payer Statute relating to my Survivor Claim(s), from the Social Security Administration and CMS. I affirm that I am the individual to whom the requested information or record applies or the authorized representative of the individual’s estate. I declare under penalty of perjury (28 CFR § 16.41(d)(2004)) that I have examined all the information on this form and it is true and correct to the best of my knowledge. I understand that anyone who knowingly or willfully seeks or obtains access to records about another person under false pretenses is punishable by a fine of up to \$5,000.

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JOINT PLAN OF REORGANIZATION

EXHIBIT E - RELEASE

11. This Release shall be binding upon my successors, heirs, assigns, agents, and representatives.

TO BE COMPLETED BY SURVIVOR CLAIMANT OR AUTHORIZED REPRESENTATIVE OF SURVIVOR CLAIMANT'S ESTATE:

Name of Survivor Claimant: _____

By: _____

Signature: _____

Dated: _____

Claim Number(s): _____

Social Security Number: _____

Date of Birth: _____

**JOINT PLAN OF REORGANIZATION
EXHIBIT F**

[RESERVED]

**JOINT PLAN OF REORGANIZATION
EXHIBIT G**

JOINT PLAN OF REORGANIZATION

EXHIBIT G – LIST OF ASSUMED CONTRACTS, LEASES, AND OTHER AGREEMENTS

Counterparty	Contract Title	Contract Expiration Date	Cure Amount
Blackbaud 2000 Daniel Island Drive Charleston, SC 29492	Credit card gateway and processor	Ongoing	\$0.00
Blue Cross Blue Shield of MN PO Box 64676 Saint Paul, MN 55164	Medical Benefits Administrator	Ongoing	\$0.00
Church Mutual Insurance Co. 3000 Schuster Lane Merrill, WI 54452	Workers' Compensation Insurance Policy	7/1/2020	\$0.00
Church Mutual Insurance Co. Attn: Officer or Agent 3000 Schuster Lane Merrill, WI 54452	Automobile Insurance Policy	7/1/2020	\$0.00
Church of St. Mary, Willmar Attn: Fr. Steve Verhelst 713 12th Street SW Willmar, MN 56201	Occupancy Agreement for office space located at: 713 12th Street SW Willmar, MN	12/31/2019	\$0.00
David & Lori Broll 904 Hwy 15 S Suite G Hutchinson, MN 55350	Lease Extension Agreement for office space located at: 902 Hwy 15 South, Suites 12 & 13 Hutchinson, MN 55350	12/31/19	\$0.00
Delta Dental of Minnesota 500 Washington Avenue South Suite 2060 Minneapolis, MN 55415	Dental Benefits Administration Group Dental Plan Contract	12/31/23	\$0.00
Digital Innovation, Inc. 134 Industry Lane, Suite 3 Forest Hill, MD 21050	Casemaster Case Management Software License Agreement	Ongoing	\$0.00
Human Resource Tech Inc. 850 Emerald Court New Brighton, MN 55112	Human Resources Consulting Agreement	5/21/2020	\$0.00
Keith Marti 23830 County Road 12 New Ulm, MN 56073	Purchase Agreement for Vacant Land - 11th Street North, New Ulm, MN Lot 16 Block 1 Oak Bluffs 6th Addition	12/31/19	\$0.00

JOINT PLAN OF REORGANIZATION

EXHIBIT G – LIST OF ASSUMED CONTRACTS, LEASES, AND OTHER AGREEMENTS

Counterparty	Contract Title	Contract Expiration Date	Cure Amount
Maday Motors Inc. 2403 S. Broadway New Ulm, MN 56073	Leased 2017 Grand Cherokee Limited	11/2019	\$0.00
SMSU Campus Religious Center Attn: William Pavot 1418 State Street Marshall, MN 56258	Occupancy Agreement for office space located at: 1418 State Street, Marshall, MN	12/31/19	\$0.00
South Central Service Coop 2075 Lookout Drive Mankato, MN 56003	Joint Powers Agreement for Group Employee Benefits and Other Financial Risk Management Services	Ongoing	\$0.00
The Catholic Mutual Relief Society of America 10843 Old Mill Road Omaha, NE 68154	Agreement related to self-insurance fund for various insurance coverages	7/1/2020	\$0.00

**JOINT PLAN OF REORGANIZATION
EXHIBIT H**

JOINT PLAN OF REORGANIZATION

EXHIBIT H – OFFICERS AND DIRECTORS OF THE DIOCESE OF NEW ULM

Name	Title
Most Reverend John M. LeVoir	Bishop Board of Directors - President
Rev. Msgr. Eugene L. Lozinski	Chancellor for Civil Affairs Board of Directors - Secretary
Rev. Msgr. Douglas L. Grams	Vicar General Board of Directors - Member
Michael Boyle	Board of Directors – Member
Steve Gehrke	Board of Directors – Member

**JOINT PLAN OF REORGANIZATION
EXHIBIT I**

JOINT PLAN OF REORGANIZATION

EXHIBIT I – INSURANCE SETTLEMENT AGREEMENTS

TO BE FILED PRIOR TO THE CONFIRMATION HEARING

**JOINT PLAN OF REORGANIZATION
EXHIBIT J**

CHILD PROTECTION PROTOCOLS

1. The Diocese shall not recommend any clergy for a position in active ministry (*i.e.*, those clergy with permission to exercise priestly ministry to the faithful) or a position that provides for access to minors, who has a pending credible or previously substantiated claim of sexual abuse of a minor against him¹¹ or is otherwise deemed unsuitable for ministry under circumstances that arise in whole or in part, out of accusations or risk of sexual abuse of a minor. Unsuitability determinations are made by the Bishop of Diocese of New Ulm with recommendations from the Vicar General and the Diocesan Review Board. Likewise, the Diocese shall not recommend, and shall direct clergy not to recommend, any non-clergy employee for a position that provides access to minors, who has a pending credible or previously substantiated claim of sexual abuse of a minor against him or her.
2. The Diocese shall disclose any substantiated claim of sexual abuse of a minor to any Diocese, Catholic entity or secular employer who inquires about the existence of any such claim of sexual abuse of a minor with regard to a past or present Diocesan clergy member to the extent that communication is allowed by federal and state law. This policy does not apply to ministerial assignments within the Diocese.
3. Diocesan leadership shall meet with any survivor, and his or her support person, as determined by the needs of the survivor, as reasonable, in a supervised setting with a facilitator when appropriate, with due respect for the needs of the survivor. Meetings shall be private and may be interrupted or delayed by the facilitator if the setting becomes overly difficult for the survivor.
4. The Diocese shall publish in *The Prairie Catholic* four times per year for five (5) years (2020–2024) and one time per year for an additional five (5) years (2025–2029) thereafter a statement urging those subject to the sexual abuse of a minor to contact law enforcement to make a report of the abuse.
5. Upon written request of a survivor or a survivor’s attorney, the Bishop, on behalf of the Diocese, shall send a personally signed letter of apology to the survivor with a credible claim of sexual abuse of a minor in the context of a Minnesota Rule of Civil Procedure 408 settlement communication.

¹ A “credible claim” is one that, as determined by the Diocese, is “not implausible, and there exists a reasonable suspicion or belief supported by circumstances to justify a prudent and cautious person’s belief that the allegation may be or probably is true.” A “substantiated claim” is one for which, as determined by the Diocese, sufficient credible evidence exists that a reasonable person might accept as adequate to substantiate the allegation or support the conclusion that the allegation can be substantiated.

EXHIBIT J – CHILD PROTECTION PROTOCOLS

6. The Diocese shall continue to provide information in writing to parishes and schools regarding the prevention of sexual abuse of a minor, training to identify signs of such abuse, stating that the abused are not at fault and encouraging the reporting of abuse to law enforcement.
7. The Diocese shall continue to provide VIRTUS training or equivalent safe environment training to all new Diocese employees and agree to provide updated VIRTUS training or equivalent safe environment training to all Diocese employees every five years. If significant changes are made to the Diocese's VIRTUS training materials, the Diocese shall provide updated training to all Diocese employees within a reasonable time after these changes are adopted.
8. All mandated reporters, as defined in the Minnesota Statutes, at the Diocese shall receive specific training regarding reporting obligations every five (5) years and within thirty (30) days of their retention if newly hired.
9. The Diocese shall adopt a whistleblower policy that includes protection for the reporting of sexual abuse of a minor.
10. On or before 20 days after the Effective Date, the Vicar General shall make a good faith effort to obtain, from each clergy member then having an assignment from the bishop in the Diocese, a signed and dated written statement affirming that the clergy member (1) has not sexually abused any minor at any time, and (2) has no knowledge of any sexual abuse of a minor by another priest of the Diocese or employee of the Diocese that has not been reported to law enforcement and the Diocese. The Vicar General shall also make a good faith effort to obtain from any visiting priest who is given faculties to minister in the Diocese (this does not include clergy visiting for a single event or over a time period of less than twenty one (21) days) a signed and dated statement under this paragraph no later than thirty (30) days after assignment or faculties are given. The written statements provided under this paragraph shall not require any clergy to disclose knowledge of sexual abuse of minors obtained in the course of confession or where a person seeks religious or spiritual advice, aid, or comfort pursuant to Minn. Stat. § 595.02 or Minnesota law.
11. The Diocese shall continue its current policy prohibiting its employees and volunteers from being alone (*i.e.* out of sight of at least one other adult) with any unrelated minor while serving as an employee or volunteer of the Diocese or a Parish subject to common sense exceptions, such as emergency situations, interactions with a minor that are incidental and not extended, parents transporting their children or related individuals, and employees or volunteers transporting the children of friends and neighbors. This policy does not apply to employees and volunteers providing services in or for schools or providing Catholic education. Priests are prohibited from being alone (*i.e.* out of sight of at least one other adult) with any unrelated minor except when the clergy member is hearing confession in a confessional and except for common sense exceptions, such as

EXHIBIT J – CHILD PROTECTION PROTOCOLS

- emergency situations and circumstances where interaction with a minor is incidental and not extended.
12. The Diocese shall continue its current policy prohibiting clergy from traveling or taking any overnight trips alone with any unrelated minor. If a clergy member travels with any unrelated minor(s), then there must be at least one other adult present and actively supervising the minor(s) at all times. The clergy members are strictly prohibited from sleeping in the same space (*e.g.*, room, bedroom, hotel room, tent, bed, etc.) with any unrelated minor.
 13. The Diocese shall continue its policy that prohibits priests from having an unrelated child or children in their automobile unless supervised by at least one other adult.
 14. Public disclosure of credible claims of sexual abuse of minors by clergy shall be ongoing. When a claim is determined to be substantiated, whether from the review of clergy files, by outside experts or otherwise, the Diocese will add the name of the clergy member to the disclosure section of its website. Public disclosures under this paragraph shall be made as soon as reasonably practicable but, in any event, no later than forty-five (45) days after the relevant determination.
 15. With regard to a substantiated claim of sexual abuse of a minor, at the conclusion of the canonical process for determination of clerical status, or with regard to a credible claim of sexual abuse of a minor that has not been deemed by the Diocese to be substantiated, documents pertaining to the substantiated claim of sexual abuse of a minor and documents pertaining to a credible claim of sexual abuse of a minor that has not been deemed by the Diocese to be substantiated may be made accessible by the public in the manner set out in Appendix A attached hereto.
 16. The Diocese shall remove photos and any visible honors (such as a plaque honoring that cleric individually or naming of a building or hall in that cleric's honor) from public display for each priest with a substantiated claim of sexual abuse of a minor. This does not prevent the Diocese from displaying photos of priests with a substantiated claim of abuse if that photo or the words accompanying it clearly indicate that the priest had a substantiated claim of sexual abuse of a minor asserted against him.
 17. When the Diocese receives a report of child sexual abuse and makes a mandated report to law enforcement pursuant to Minnesota statutes, the Diocese shall not conduct an internal investigation and will not interfere in any way with law enforcement until law enforcement concludes its investigation, closes its file without an investigation, or authorizes the Diocese to proceed with its investigation.

APPENDIX A

CHILD PROTECTION PROTOCOLS

With regard to paragraph 15 of the CHILD PROTECTION PROTOCOLS:

1. The term “documents” referred to in paragraph 15 of the CHILD PROTECTION PROTOCOLS with regard to a substantiated claim of sexual abuse of a minor by a member of the clergy who is listed on the Diocese’s website shall, to the extent not previously produced to Jeff Anderson & Associates (“JAA”), be submitted to JAA within 30 days of a final order confirming the Chapter 11 Plan, subject to paragraph 2. JAA may in its sole discretion then make documents relating to a substantiated claim of sexual abuse of a minor by a member of the clergy public after taking appropriate actions to protect the names and identities of sexual abuse survivors and their families.
2. The Diocese shall make available to JAA copies of documents maintained by the Diocese regarding credible claims of sexual abuse of a minor that have not been deemed by the Diocese to be substantiated. If JAA believes good cause exists that any of these documents should be made public, it shall so notify the Diocese in writing. If an agreement cannot be reached between the Diocese and JAA regarding release of such documents, JAA shall have 30 days to submit its written position to Judge Bernard Bohland (Ret.), with the written response to Judge Bohland by the Diocese to be due within 20 days of the written position from JAA. Judge Bohland shall determine whether good cause exists to publicly release the disputed documents. The determination by Judge Bohland shall be binding and final.

**JOINT PLAN OF REORGANIZATION
EXHIBIT K**

**DIOCESE OF NEW ULM
SURVIVOR CLAIM DISTRIBUTION PLAN**

**ARTICLE I
DEFINITIONS**

1.1 Capitalized Terms.

Capitalized terms used in this Distribution Plan shall have the meanings given them in the Plan, the Trust Agreement, or the Bankruptcy Code, unless otherwise defined herein, and such definitions are incorporated in this Distribution Plan by reference.

**ARTICLE II
RULES OF INTERPRETATION AND GENERAL GUIDELINES**

2.1. Purpose

This Distribution Plan is designed to provide guidance to the Survivor Claims Reviewer in determining the amount of each Survivor Claim under the Plan by assigning to each such Claim a value pursuant to the Evaluation Factors below.

2.2. General Principles

As a general principle, this Distribution Plan intends to set out a procedure that provides substantially the same treatment to holders of similar Survivor Claims. The range of values set forth in the Evaluation Factors below and the discretion given to the Survivor Claims Reviewer to determine and to adjust the value to be assigned to a particular Survivor Claim are intended to reflect the relative values of Survivor Claims.

2.3. Sole and Exclusive Method

The Evaluation Factors set forth below shall be the sole and exclusive method by which the holder of a Survivor Claim may seek allowance and distribution of such Claim. Although the factors collectively comprise the methodology that must be applied in reviewing Claims, the Survivor Claims Reviewer may, as indicated below, take into account considerations in addition to those identified herein when evaluating a Claim within the parameters of the delineated factors.

2.4. Interpretation

The terms of the Plan shall prevail if there is any discrepancy between the terms of the Plan and the terms of these Procedures.

2.5. Confidentiality and Privilege

All information that the Survivor Claims Reviewer receives from any source about any Survivor Claimant shall be held in strict confidence and shall not be disclosed absent an Order of the Bankruptcy Court or the written consent of the Survivor Claimant (or such Claimant's counsel of record). All information the Survivor Claims Reviewer receives from any Survivor Claimant

(including from counsel to such Claimant) shall be subject to a mediation privilege and receipt of such information by the Survivor Claims Reviewer shall not constitute a waiver of any attorney-client privilege or attorney work-product claim or any similar privilege or doctrine.

2.6. Survivor Claims Reviewer

Roger Kramer is the Survivor Claims Reviewer. The Survivor Claims Reviewer shall conduct a review of each of the Survivor Claims and, according to the guidelines set forth below, shall make determinations upon which individual monetary distributions will be made subject to the Plan and the Trust Agreement.

ARTICLE III **PROCEDURE**

3.1. Allowance of a Survivor Claim

A Survivor Claim shall be allowed if the Survivor Claims Reviewer determines the Survivor Claimant proved his or her claim by a preponderance of the evidence. If necessary, the Survivor Claims Reviewer can ask for additional information to make this determination. The Survivor Claimant may refuse such a request at his or her own risk.

3.2. Determination of Class 2 Claim Status

Under the Plan, all Survivor Claims filed after the Claim Filing Deadline are Class 2 Claims. Class 2 Claims are divided into three categories: (1) Pre-Effective Date Unknown Survivor Claims, (2) Post-Effective Date Unknown Survivor Claims, and (3) Late-Filed Survivor Claims. The Plan provides for specific treatment for each category of Class 2 Claims. In addition to determining whether a holder of a Class 2 Claim proved his or her claim by a preponderance of the evidence pursuant to Section 3.1 herein, the Survivor Claims Reviewer shall also determine the category of the Class 2 Claim pursuant to the definitions provided for in the Plan. If the Survivor Claims Reviewer determines that the holder of a Class 2 Claim holds a valid Pre-Effective Date Unknown Survivor Claim, the Survivor Claims Reviewer shall immediately notify the Trustee for the purposes of funding the Pre-Effective Date Unknown Claim Reserve.

3.3. Claim Amount Determination

If a Survivor Claim is allowed, the Survivor Claims Reviewer shall determine the amount of such Survivor Claim by assigning such Survivor Claim a value pursuant to the Evaluation Factors. The Survivor Claims Reviewer shall consider all of the facts and evidence presented by the Survivor Claimant in the Survivor Claimant's filed Proof of Claim or, if the Survivor Claimant did not file a Proof of Claim prior to the Effective Date, the Proof of Claim form submitted by the Survivor Claimant to the Survivor Claims Reviewer after the Effective Date. Survivor Claimants may supplement their filed Proofs of Claim to provide additional information to the Survivor Claims Reviewer until a plan is confirmed. Survivor Claimants shall have no later than ten (10) days from the Confirmation Date to provide the Survivor Claims Reviewer with any additional information. The Survivor Claims Reviewer may consider the credibility of the Survivor Claimant

and the facts alleged in support of the Claim and, in the Survivor Claims Reviewer's sole discretion, reduce or deny the Survivor Claim.

3.4. Determinations by the Survivor Claims Reviewer

The Survivor Claims Reviewer or the Trustee shall notify each Survivor Claimant in writing of the expected monetary distribution with respect to the Survivor Claimant's claim, which distribution may be greater or smaller than the actual distribution to be received based on the outcome of any reconsideration claims. The Survivor Claims Reviewer's determination shall be final unless the Survivor Claimant makes a timely request for the point award to be reconsidered by the Survivor Claims Reviewer. The Survivor Claimant shall not have a right to any other appeal of the Survivor Claims Reviewer's point award.

3.5. Requests for Reconsideration

The Survivor Claimant may request reconsideration by delivering a written request for reconsideration to the Survivor Claims Reviewer within ten (10) calendar days after the date of mailing of the notice of the preliminary monetary distribution. Each written request must be accompanied by a check for the reconsideration fee, five hundred dollars (\$500.00). The Survivor Claimant, with the request for reconsideration, may submit additional evidence and argument in support of such request. The Survivor Claimant's monetary distribution amount may go up or down as a result of his or her request for reconsideration. The Survivor Claims Reviewer shall have sole discretion to determine how to respond to the request for reconsideration. The Survivor Claims Reviewer's determination of such request for reconsideration shall be final and not subject to any further reconsideration, review or appeal by any party, including a court.

3.6. Distribution to Holders of Class 1 Claims

Once the Survivor Claims Reviewer has made all reconsideration determinations, the Trustee shall determine the dollar value of each Class 1 Claimant's actual distribution based on the Class 1 Claimant's pro rata share of the total final points assigned pursuant to Section __ herein and the available funds for distribution. The Trustee shall then make payment to Class 1 Claimants in accordance with the Trustee's powers and duties under Section 3.2.8 of the Trust Agreement.

3.7. Distribution to Holders of Class 2 Claims

When a Class 2 Claim is received, the Survivor Claims Reviewer will first determine the category to which the Class 2 Claim belongs pursuant to the terms of the Plan. The Survivor Claims Reviewer will also assign a total point value to each claim determined to be an Unknown Survivor Claim. The Trustee shall then make a distribution to each holder of Class 2 Claims from the Class 2 Reserves pursuant to the following:

- (a) Holders of Pre-Effective Date Unknown Survivor Claims shall receive a pro rata distribution from the Pre-Effective Date Unknown Claim Reserve based on the following calculation: the points assigned by the Survivor Claims Reviewer for each Pre-Effective Date Unknown Survivor Claim divided by the combined

JOINT PLAN OF REORGANIZATION

EXHIBIT K – SURVIVOR CLAIM DISTRIBUTION PLAN

total points of all Pre-Effective Date Unknown Survivor Claims multiplied by the amount held in the Pre-Effective Date Unknown Claim Reserve.

- (b) Holders of Post-Effective Date Unknown Survivor Claims shall receive a pro rata distribution from the Post-Effective Date Unknown Claim Reserve based on the following calculation: the points assigned by the Survivor Claims Reviewer for each Post-Effective Date Unknown Survivor Claim divided by the combined total points of all Post-Effective Date Unknown Survivor Claims multiplied by the amount held in the Post-Effective Date Unknown Claim Reserve, except that no Unknown Survivor Claimant shall receive more than he or she would have received as a Known Survivor Claimant. The Trustee shall make an immediate distribution of \$20,000 to holders of allowed Post-Effective Date Unknown Survivor Claims, with the remaining portion of their Post-Effective Date Unknown Survivor Claim paid at the termination of the Post-Effective Date Unknown Claim Reserve as provided for in the Trust Agreement.
- (c) Holders of Late-Filed Survivor Claims shall receive a distribution of \$2,000 from the Late-Filed Claims Reserve.

3.7. Deceased Abuse Survivors

The Survivor Claims Reviewer shall review the claim of a deceased Survivor Claimant without regard to the Claimant's death, except that the Survivor Claims Reviewer may require evidence that the person submitting the claim on behalf of the decedent is authorized to do so.

ARTICLE IV

GUIDELINES FOR ALLOCATION FOR ABUSE SURVIVOR CLAIMS

4.1. Evaluation Factors

Each Survivor Claim will be evaluated by the Survivor Claims Reviewer. Each Claim will be assigned points according to the following system.

(a) Nature of Abuse & Circumstances. A point value ranging from 0 to 55 should be allocated for this section. Considerations should include, but are not limited to, the following factors:

(1) The duration and/or frequency of the abuse;

(2) Type of abuse: e.g. penetration, attempted penetration, masturbation, oral sex, touching under the clothing, touching over the clothing, removing of clothing covering genitals, exposure of perpetrator's genitals, kissing, sexualized talk;

(3) Circumstances of abuse:

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(i) grooming behaviors including but not limited to special privileges, special activities, and attention, social relationship with parents, personal relationship with claimant, opportunity to experience sports or activities, isolation from others, use of alcohol or illicit drugs by abuser or claimant or use of or exposure to pornography;

(ii) coercion or threat or use of force or violence, stalking;

(iii) relationship of claimant to perpetrator including but not limited to whether claimant was a parishioner or student, held perpetrator in high regard, whether perpetrator was in position of trust, whether perpetrator had unsupervised access to claimant, and whether claimant valued relationship with perpetrator;

(iv) location of abuse, including but not limited to isolated location, Survivor Claimant's home, rectory, church, cabin, orphanage, boarding school, trip.

(b) Impact of the Abuse. Overall, this category looks to how the abuse impacted the claimant. This includes how the abuse impacted the claimant's mental health, physical health, spiritual well-being, inter-personal relationships, vocational capacity or success, academic capacity or success, and whether the abuse at issue resulted in legal difficulties for the claimant. Some of these considerations may include the below factors, but the below list is not intended to be exhaustive. A point value ranging from 0 to 40 should be allocated for this section.

The Survivor Claim Review should consider, along with any and all other relevant factors, whether the abuse at issue manifested, or otherwise led the claimant to experience, or engage in behaviors resulting from:

(1) **Mental Health Issues:** This includes but is not limited to anxiety, depression, post-traumatic stress disorder, substance abuse, addiction, embarrassment, fear, flashbacks, nightmares, sleep issues, sleep disturbances, exaggerated startle response, boundary issues, self-destructive behaviors, guilt, grief, homophobia, hostility, humiliation, anger, isolation, hollowness, regret, shame, isolation, sexual addiction, sexual problems, sexual identity confusion, low self-esteem or self-image, bitterness, suicidal ideation and suicide attempts.

(2) **Physical Health Issues:** This includes but is not limited to physical manifestations of emotional distress, gastrointestinal issues, headaches, high blood pressure, physical manifestations of anxiety, erectile dysfunction, heart palpitations, sexually-transmitted diseases, physical damage caused by acts of abuse, reproductive damage, self-cutting and other self-injurious behavior.

(3) **Spiritual Wellbeing:** This includes but is not limited to loss of faith in God, loss of faith and trust in religion and spiritual distress.

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(4) **Interpersonal Relationships:** This includes but is not limited to problems with authority figures, hypervigilance, sexual problems, marital difficulties, problems with intimacy, lack of trust, isolation, betrayal, impaired relations, secrecy, social discreditation and isolation; damage to family relationships, and fear of children or parenting.

(5) **Vocational Capacity:** This includes but is not limited to under- and un-employment, difficulty with authority figures, difficulty changing and maintaining employment, feeling of unworthiness or guilt related to financial success.

(6) **Academic Capacity:** This includes but is not limited to school behavior problems.

(7) **Legal Difficulties:** This includes but is not limited to criminal difficulties, bankruptcy, fraud.

(c) **Claimant Involvement.** The Survivor Claims Reviewer shall consider that all Claimants have benefited from the work and cost incurred by those Claimants who have previously asserted claims against the Diocese and have participated in the legal and factual development of claims against the Diocese. A point value ranging from 0 to 5 should be allocated for this section.

The Survivor Claim Review should consider factors including but not limited to whether the Claimant has filed a lawsuit; whether the Claimant and/or the Claimant's family has been subject to a deposition, mediation or interview; whether the Claimant has participated on the committee representing survivors; and whether the Claimant participated in publicizing the issue of clergy sex abuse which has benefitted all claimants.

ARTICLE V
ADDITIONAL PROVISIONS

5.1. Reduction

If the Survivor Claimant's abuser(s) belonged to a religious order, the Survivor Claimant's final monetary distribution shall be reduced by thirty-three percent (33%). If the reduction result is not a whole number, the Survivor Claims Reviewer should round up to the nearest whole number.

If the Survivor Claimant received a monetary distribution from another diocese or archdiocese on account of the same Abuse that is the subject of his or her Survivor Claim, the Survivor Claimant's final monetary distribution shall be reduced by fifty percent (50%). If the reduction result is not a whole number, the Survivor Claims Reviewer should round up to the nearest whole number.

If a Known Survivor Claimant did not file a claim or lawsuit against the Diocese on or prior to May 25, 2016, his or her final monetary distribution shall be reduced by seventy-five percent (75%).

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If a Survivor Claimant is also a clergy abuser in another allowed Survivor Claim, then his points will be reduced by the number of points allocated to his victim(s).

5.2. Minimum Point Allocation

Notwithstanding anything to the contrary herein or in the Plan, every holder of an allowed Survivor Claim shall receive a point allocation of at least 15, unless the Claim is disallowed in its entirety by an Order of the Bankruptcy Court or a decision by the Survivor Claims Reviewer.

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EXHIBIT L – LIST OF OTHER INSURED ENTITIES

None.