

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO**

In re:

ROMAN CATHOLIC CHURCH OF THE
ARCHDIOCESE OF SANTA FE, a New
Mexico corporation sole,

Debtor.

Chapter 11

Case No. 18-13027-t11

**MOTION TO APPROVE PARTICIPATING RELIGIOUS ORDER SETTLEMENT
AGREEMENTS PURSUANT TO §§ 105, 363, AND 1123 AND RULE 9019**

The Roman Catholic Church of the Archdiocese of Santa Fe, a New Mexico Corporation sole, the debtor and debtor-in-possession (the “Archdiocese” or “Debtor”) in the above-captioned Chapter 11 reorganization case (the “Bankruptcy Case”), by counsel, with the support of the Official Unsecured Creditors’ Committee, Participating Religious Orders, the Settlement Funding Insurers, and Joint Tort Claimants (defined below), pursuant to 11 U.S.C. §§105, 363, and 1123 and F.R.Bankr.P Rule 9019, hereby moves: for an order approving the Participating Religious Order Settlement Agreements (defined herein and attached hereto) that compromise controversies between the Debtor, the Participating Religious Orders, the Settlement Funding Insurers and Tort Claimants parties thereto, pursuant to 11 U.S.C. §363(b) and 1123(b) and will provide \$8,475,000 in incremental funding of the ASF Settlement Trust and Unknown Tort Claims Settlement Trust created pursuant to the Debtor’s First Amended Plan of Reorganization Dated November 3, 2022 (the “Plan”) (Doc. No. 1151). In support of the Motion, Debtor states as follows:

INTRODUCTION

1. The Court has jurisdiction over this case and this motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(O). Venue is proper in this District, pursuant to 28 U.S.C. §§ 1408 and 1409(a).

2. On December 3, 2018 (the “Petition Date”), the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, commencing the Bankruptcy Case.

3. The Debtor is a debtor-in-possession and is authorized to operate its business pursuant to 11 U.S.C. §§ 1107(a) and 1108.

4. The Unsecured Creditors Committee (the “UCC” or the “Committee”) was appointed in this case on December 18, 2018. *See* Docket No. 53.

5. Capitalized terms have the meaning ascribed to them in the Plan and in the Settlement Agreements which are the subject of the Motion.

6. Approximately 400 proofs of claims have been filed in the Bankruptcy Case based on Tort Claims (as defined in the Plan).

7. Among the proofs of claim are approximately 159 Tort Claims (the “Joint Tort Claims”) wherein certain Tort Claimants (the “Joint Tort Claimants”) assert that both the Debtor and one or more of the following participating Religious Orders (the “Participating Religious Orders”) are liable for their Tort Claim: the Servants of the Paraclete (“Servants”); Brothers of the Christian Schools, SFNO District (“Christian Brothers”); The Province of St. John the Baptist of the Order of the Friars Minor and the Province of Our Lady of Guadalupe of the Order of Friars Minor (“Province”); Sons of the Holy Family, Inc. (“Sons”); and the Congregation of the Blessed Sacrament, Province of St. Ann (“Congregation”). These Joint Tort Claims are identified in the attached Settlement Agreements with each of the Participating Religious Orders.

8. Some of the Participating Religious Orders have asserted claims for liability coverage for the Joint Tort Claims under insurance policies or certificates of coverage issued by the following carriers: Arrowood Indemnity Company, formerly known as Royal Indemnity Company, successor by merger to Royal Insurance Company of America (“Arrowood”); the

Catholic Mutual Relief Society of America (“Catholic Mutual”); the Continental Insurance Company (“CNA”); Liberty Mutual Insurance Company (“Liberty Mutual”); Travelers Indemnity Company and St. Paul Fire and Marine Insurance Company, as itself and as a successor to or assignee of St. Paul Mercury Indemnity Company (“Travelers”), United States Fire Insurance Company (“U.S. Fire”) and Hartford Accident and Indemnity Company (“Hartford”). These companies are collectively referred to as the “Settlement Funding Insurers” herein and as defined in each Settlement Agreement involving their insured.

9. Following the global settlement between the Committee, the Archdiocese, the ASF Participating Parties and the Settling Insurers¹ that forms the core of the Plan and its funding, the Archdiocese, the Participating Religious Orders, the Joint Tort Claimants and the Settlement Funding Insurers conducted an extended series of negotiations and mediations that have led to the settlement of the Joint Tort Claims and all other issues between the Archdiocese and the Participating Religious Orders, including contribution and indemnity claims, and provide for substantial additional funding for Tort Claimants under the Plan.

Request for Approval of Participating Religious Order Settlement Agreements Pursuant to §§ 105, 363, and 1123 and Rule 9019

10. The Participating Religious Order Settlement Agreements (the “Settlement Agreements”) attached hereto as Exhibits A-E memorialize those settlements among the Archdiocese, the Joint Tort Claimants, the Participating Religious Orders and their Settlement Funding Insurers are more fully described in the Settlement Agreements attached Exhibits A-E. The terms of the Settlement Agreements will control in the event of any discrepancy between the Settlement Agreements and the description of Settlement Agreements in this motion.

11. The Settlement Agreements provide for the payments by the respective

¹ Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire are each also Settling Insurers under the Plan.

Participating Religious Orders and their Settlement Funding Insurers in an aggregate amount of \$8,475,000 to the trusts established under the Plan for the benefit of Tort Claimants:

Exhibit	Participating Religious Order	Settlement Amount	ASF Settlement Trust Payment	Unknown Tort Claims Trust Payment
A	Servants	\$4,200,000	\$4,000,000	\$200,000
B	Christian Brothers	1,995,000	1,900,000	95,000
C	Sons	1,100,000	1,050,000	50,000
D	Congregation	550,000	525,000	25,000
E	Province	<u>\$630,000</u>	<u>600,000</u>	<u>30,000</u>
	TOTAL	\$8,475,000	\$8,075,000	\$400,000

These payments reflect an approximately 95% of the Settlement Amount allocated to the ASF Settlement Trust for Class 3 Tort Claims under the Plan and an approximately 5% allocated to the Unknown Tort Claims Trust for Class 4 Unknown Tort Claims under the Plan.

12. The portion of the Settlement Amount payable to the ASF Settlement Trust for Class 3 Tort Claims is to be further allocated under the ASF Settlement Trust Agreement to ensure that all Class 3 Tort Claimants benefit from the Participating Religious Order Settlements through negotiations between the counsel for the Committee and the Joint Tort Claimants. These negotiations led to the creation of one or more Religious Order Class 3 Tort Claims Reserve subaccounts of the ASF Settlement Trust to allocate each ASF Settlement Trust Payment among the Joint Tort Claimants and other Class 3 Tort Claimants. In general, 95% of the ASF Settlement Trust Payment from each settlement will be deposited into a Religious Order Class 3 Tort Claims Reserve to be divided exclusively between the Tort Claimants who are parties to each Settlement Agreement, in ratio to the points awarded to them by the Tort Claims Reviewer, and the remaining 5% to be deposited in the general funds of the ASF Settlement Trust and to be divided among the other Class 3 Tort Claimants under the Plan but, not including the Joint Tort Claimants who are parties to the Settlement Agreement. The financial impact of the Settlement Agreements on Class

3 Tort Claimants and Joint Tort Claimants as well as the releases, injunctions to be provided to the Participating Religious Orders and Settlement Funding Insurers in consideration for the Settlement Amounts they are contributing to help fund the Plan is discussed in the Amended Disclosure Statement to Accompany Debtor's Amended Plan of Reorganization dated November 3, 2022 (the "Disclosure Statement") (Doc. No. 1152), most particularly in sections 4.2, 4.5-4.7, 8.1 and 8.2 thereof, and in the Plan and ASF Settlement Trust Agreement that will be distributed with the Disclosure Statement.

13. The allocation of the Settlement Payment involving the Servants illustrates the effect of these formulas. The Servants and its Settlement Funding Insurers will pay \$200,000 into the Unknown Tort Claims Trust for Class 4 Unknown Tort Claims with none reserved for Joint Tort Claims. The remaining \$4,000,000 payable by the Servants and its Settlement Funding Insurers to the ASF Settlement Trust will be divided as follows: (i) \$3,800,000.00 will be deposited into a Religious Order Class 3 Tort Claims Reserve subaccount of the ASF Settlement Trust and be divided exclusively between the Joint Tort Claimants and (ii) the remaining \$200,000.00 will be deposited in the general funds of the ASF Settlement Trust and be divided among Class 3 Tort Claimants who are not Joint Tort Claimants. Tort Claimants who have no claims against the Servants thus will be eligible to receive a share of \$400,000 of the Servants Settlement Payment. The allocations of the Settlement Payments involving the other Participating Religious Orders has a substantially similar effect.

14. The Participating Religious Orders and, if applicable, their Settlement Funding Insurers reached this agreement to be a part of the global settlement under the Plan. In return, they would receive the same liability releases and protection of a channeling injunction as other Protected Parties under the Plan. This is the same protection that the Plan provides to the

Archdiocese, the ASF Participating Parties, and the Settling Insurers for their contributions to the funding of the Plan. As with other Protected Parties, each Participating Religious Order and, if applicable, its Settlement Funding Insurers, will only receive the benefit of such release and channeling injunction if it timely makes its payment to the ASF Settlement Trust and Unknown Tort Claims Trust as required under the Settlement Agreement to which it is a party and if the Plan is confirmed.

15. The Debtor, exercising its business judgment, has determined that the Settlement Agreements are in the best interests of the Estate. The Settlement Agreements, if approved, will be incorporated into the Plan.

16. This Court has the right and the power to approve the Settlement Agreements pursuant to Bankruptcy Rule 9019(a). Bankruptcy Rule 9019 provides, in pertinent part, that “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise and settlement.” Fed. R. Bankr. P. 9019(a). Settlements and compromises are “a normal part of the process of reorganization.” *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968) (quoting *Case v. Los Angeles Lumber Prods Co.*, 308 U.S. 106, 130 (1939)). Indeed, “[t]o minimize litigation and expedite the administration of a bankruptcy estate, [c]ompromises are favored in bankruptcy.” *In re Martin*, 91 F.3d 389,393 (3d Cir. 1996) (quoting *Collier on Bankruptcy* ~ 9019.03[1] (15th ed. 1993)). The court is not required, however, to conduct a “mini-trial” to decide the questions of law or fact raised by the settlement. *In re Lee Way Holding Co.*, 82 B.R. 847, 853 (Bankr. S.D. Ohio 1990).

17. The proposed settlements set forth in the Settlement Agreements and the Plan are the culmination of years of negotiations and litigation and should aid the confirmation of the Plan and provide a significant distribution to the claimants in this matter. Such a result is

overwhelmingly in the best interest of the Debtor, the claimants, other creditors, and the estate. The ultimate goal of a business reorganization under chapter 11 of the Bankruptcy Code is the judicial confirmation of a reorganization plan that enables the debtor to restructure its pre-bankruptcy debts, pay its creditors, and return to active operation as a viable enterprise, free from judicial control and creditor scrutiny. See H.R. Rep. No. 595, 95th Cong., 1st Sess. 220 (1977) 1978 U.S. Code Cong. & Admin. News p. 6179; *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 528, 104 S.Ct. 1188, 1197, 79 L.Ed.2d 482 (1984); *In re Mold Makers, Inc.*, 124 B.R. 766, 767 (Bankr.N.D.Ill.1990); *In re J.M. Fields, Inc.*, 26 B.R. 852, 857 (Bankr.S.D.N.Y.1983). Because the proposed settlements set forth in the Settlement Agreements resolve numerous claims and controversies between and among the Debtor, the Participating Religious Orders, the Joint Tort Claimants, the Committee and the Settlement Funding Insurers, approval of the Settlement Agreements is crucial to confirmation of the Plan and is in the best interest of all parties.

18. With regard to the specific factors for approval of a settlement, the standards by which a court should evaluate a settlement are well-established. In addition to the proposed terms of the settlement, the Court should consider the following: (a) the probable success of the litigation on the merits; (b) the possible difficulty in collection of a judgment; (c) the complexity and expense of the litigation; and (d) the interests of creditors. See *In re Kopexa Realty Venture Co.*, 213 B.R. 1020 (10th Cir. B.A.P. 1997). See also *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424-25 (1968) and *In re Kaiser Steel Corp.*, 105 B.R. 971, 977 (D. Colo. 1989). Such factors favor approval of the Agreements.

- a. Likelihood of Success. The result of the litigation among the Debtor and the Participating Religious Orders with regard to their responsibility for the Joint Tort Claims would be difficult, lengthy, expensive and complex. In the absence of the settlements between those parties, recovery on potential claims of contribution and indemnification, among others, between the Debtor and the Participating Religious Orders would be in doubt. Although each of the parties

are convinced that it has the better argument, it is not possible to predict with any certainty which party would prevail. Accordingly, the Debtor believes that entering into the Settlement Agreements is in its best economic interests.

- b. Collectability. Collectability is not an issue as to the Debtor, some of the Participating Religious Orders and, if applicable, their Settlement Funding Insurers. As to the Sons and possibly other Participating Religious Orders, collectability is an issue and a basis for the settlement with the Joint Tort Claimants to ensure that all Joint Tort Claimants receive a portion of available funds.
- c. Complexity and Expense of Litigation. Again, litigating these issues would be complex, expensive and burdensome on the Estate.
- d. Interests of the Creditors. The settlements with the Participating Religious Orders are in the best interests of creditors. It will resolve virtually all remaining issues in this Chapter 11 reorganization and result in a higher distribution not only to Joint Tort Claimants, but all Class 3 Tort Claimants on an expedited basis. Confirmation of a consensual plan of reorganization is the ultimate goal of Chapter 11 of the Bankruptcy Code and the Agreements make such confirmation possible.

19. The settlements with the Participating Religious Orders are fair, equitable, and in the best interest of the Estate and its creditors.

20. The Debtor will give all parties in interest notice of the Settlement Agreements and this Motion as provided in the *Order (A) Approving the Disclosure Statement; (B) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan; (C) Approving the Form of Ballots and the Inclusion of the Releases and Certifications Therein; and (D) Approving the Form and Manner of Notice Regarding the Insurance Settlement Agreements and Participating Party Agreements* entered by this Court on November 8, 2022 (Doc. No. 1161).

WHEREFORE, the Debtor respectfully requests that the Court enter an order: (i) enter the order in substantially the form attached hereto as Exhibit F granting the relief requested in this motion, approving the Settlement Agreements in all respects, and granting the Debtor authority to take any action to effectuate the Settlement Agreements; and (ii) granting such other and further relief as may be just and proper.

Respectfully submitted,
WALKER & ASSOCIATES, P.C.
/s/ filed electronically
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I hereby certify that, on November 21, 2022, in accordance with NM LBR 9036-1 and Fed. R. Civ. P. Rule 5(b)(3), a true copy of the foregoing was served via the Court's CM/ECF notification facilities to those parties who are registered CM/ECF participants in this case and otherwise as indicated above.

s/ filed electronically
Thomas D. Walker

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Settlement Agreement”) dated as of November 11, 2022, is hereby made by, and between, and among the Servants Tort Claimants (as defined below); Servants of the Paraclete (“Servants” as defined below); Arrowood Indemnity Company (“Arrowood” as defined below); Catholic Mutual (“Catholic Mutual” as defined below); Liberty Mutual Insurance Company (“Liberty Mutual” as defined below); U.S. Fire (“US Fire” as further defined below); Travelers (“Travelers” as defined below); and the Roman Catholic Church of the Archdiocese of Santa Fe, a corporation sole (“Archdiocese” as defined below), together, the “Parties” and each a “Party” to this Settlement Agreement.

RECITALS:

WHEREAS, on December 3, 2018 (the “Petition Date”), the Archdiocese filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of New Mexico (the “Bankruptcy Court”), pending under case no. 18-13027-t11 (the “Bankruptcy Case”);

WHEREAS, the Servants Tort Claimants have asserted Servants Tort Claims (as defined below) against the Archdiocese and the Servants (among others), arising in New Mexico, within the geographical jurisdiction of the Archdiocese;

WHEREAS, one or more of the Servants Tort Claimants filed lawsuits entitled: (i) *John Doe 77 v. ADSF & Servants of the Paraclete*, D-202-CV-2018-896; (ii) *Doe v. The Holy See, et. al.*, D-101-CV-2018-3085; (iii) *Jane Doe L v. ADSF & Servants of the Paraclete*, D-202-CV-2018-8050; (iv) *John Doe 94 v. ADSF & Servants of the Paraclete*, D-202-CV-2018-8551; (v) *John Doe 112 v. Servants of the Paraclete & Servants of the Paraclete Found’n*, D-1329-CV-2019-2693, (vi) *John Doe 119 v. Servants of the Paraclete & Servants of the Paraclete Found’n*, D-202-CV-2019-3943 (vii) *John Doe 122 v. Servants of the Paraclete & Servants of the Paraclete Found’n*, D-202-CV-2019-3947; (viii) *John Doe 127 & John Doe 143 v. Servants of the Paraclete & Servants of the Paraclete Found’n*, D-1329-CV-2019-2695; and (ix) *BL, CR, GL, LG, QR, RJ, SP, CJ, SW, JR, AR, QS, RC, & SR v. Servants of the Paraclete*, D-1329-CV-2022-453 (collectively, “the Civil Actions”);

WHEREAS, certain Servant Tort Claimants (as defined below) are represented by their undersigned counsel and others are debtors in Claimant Bankruptcy Cases (as defined below) in which their bankruptcy estates are administered by Trustee Claimants (as defined below) who have agreed to this Settlement Agreement on behalf of those estates, subject to the entry of a Claimant Bankruptcy Approval Order (as defined below);

WHEREAS, Arrowood issued, allegedly issued, or may have issued one or more Servants of the Paraclete Policies (as defined below) providing certain coverage to Servants;

WHEREAS, Catholic Mutual issued, allegedly issued, or may have issued one or more Servants of the Paraclete Policies (as defined below) providing certain coverage to Servants;

WHEREAS, through a corporate transaction between Great American Insurance Company (“Great American”) and The Ohio Casualty Insurance Company (“Ohio Casualty”) (now a Liberty Mutual Company), Ohio Casualty has assumed responsibility for one or more Servants of the Paraclete Policies (as defined below) issued or allegedly issued by Great American providing certain coverage to Servants;

WHEREAS, U.S. Fire issued, allegedly issued, or may have issued one or more Servants of the Paraclete Policies (as defined below) providing certain coverage to Servants;

WHEREAS, Travelers issued, allegedly issued, or may have issued one or more Servants of the Paraclete Policies (as defined below) providing certain coverage to Servants;

WHEREAS, Catholic Mutual filed the declaratory judgment action against the Servants that is pending in the United States District Court for the District of New Mexico as *Catholic Mutual Relief Society of America vs. The Servants of the Paraclete, Inc., et al.*, Case No. 1:21-CV-308 MV/GJF (the “Coverage Action”);

WHEREAS, certain disputes between Servants, on the one hand, and Arrowood, Catholic Mutual, Liberty Mutual, U.S. Fire, and Travelers, on the other hand, have arisen or may arise in the future concerning the scope and nature of Arrowood’s responsibilities, Catholic Mutual’s responsibilities, Liberty Mutual’s responsibilities, U.S. Fire’s responsibilities, and Travelers’ responsibilities, if any, to provide coverage for Servants Tort Claims and/or the Civil Actions under the Servants of the Paraclete Policies (the “Coverage Disputes”);

WHEREAS, disputes have arisen, or may in the future arise, between the Servants, on the one hand, and the Debtor, on the other hand, with respect to obligations for contribution as between the Servants and the Debtor for some or all of the Servants Tort Claims;

WHEREAS, Servants, Arrowood, Catholic Mutual, Liberty Mutual, U.S. Fire, and Travelers, without any admission of liability or concession of the validity of the positions or arguments advanced by each other, now wish to compromise and resolve fully and finally any and all Coverage Disputes and all other disputes between and among them, and the Parties intend to provide one another with the broadest possible release of any and all further obligations under the Servants of the Paraclete Policies arising out of or relating to Servants Tort Claims and the Civil Actions;

WHEREAS, through this Settlement Agreement, the Servants Tort Claimants intend to provide Servants, Arrowood, Catholic Mutual, Liberty Mutual, U.S. Fire, and Travelers and the Archdiocese with the broadest possible release of any and all obligations arising out of or relating to Servants Tort Claims, that arose or may have arisen prior to the Bankruptcy Plan Effective Date (as defined below), including the Civil Actions;

WHEREAS, as part of the consideration given by Servants, Arrowood, Catholic Mutual, Liberty Mutual, U.S. Fire and Travelers for the releases described above, the Settlement Amount (as defined herein) shall consist of Tort Claims Payments (as defined below) payable to the ASF

Settlement Trust (as defined below) and of Unknown Tort Claims Payments (as defined below) payable to the Unknown Tort Claims Trust (as defined below);

WHEREAS, in exchange for such consideration, the Archdiocese has agreed to provide Servants, Arrowood, Catholic Mutual, Liberty Mutual, U.S. Fire and Travelers with certain protections in connection with its proposed Plan of Reorganization, including designation as Protected Parties (as defined below) and the protection of the Channeling Injunction contemplated by the Bankruptcy Plan or Plan (as defined below); and

WHEREAS, this Settlement Agreement shall be incorporated by reference into the Plan.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants contained in this Settlement Agreement, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

1. DEFINITIONS

1.1 The following terms have the meanings set forth in the Plan:

1.1.1 “Abuse”

1.1.2 “Abuse Claim”

1.1.3 “Archdiocese”

1.1.4 “Debtor”

1.1.5 “ASF Settlement Trust”

1.1.6 “ASF Settlement Trust Documents”

1.1.7 “Bankruptcy Case”

1.1.8 “Bankruptcy Code”

1.1.9 “Bankruptcy Court”

1.1.10 “Channeled Claim”

1.1.11 “Channeling Injunction”

1.1.12 “Claim”

1.1.13 “Committee”

1.1.14 “Conditional Payment”

1.1.15 “Confirmation Order”

- 1.1.16 “Direct Action Claim”
- 1.1.17 “Entity”
- 1.1.18 “Escrow Agent”
- 1.1.19 “Extra-Contractual Claim”
- 1.1.20 “Final Order”
- 1.1.21 “Insurer Settlement Agreement”
- 1.1.22 “Interests”
- 1.1.23 “Medicare Claims”
- 1.1.24 “MMSEA”
- 1.1.25 “MSPA”
- 1.1.26 “Participating Religious Order”
- 1.1.27 “Person”
- 1.1.28 “Petition Date”
- 1.1.29 “Protected Parties”
- 1.1.30 “Related Insurance Claim”
- 1.1.31 “Reorganized Debtor”
- 1.1.32 “Settling Insurers”
- 1.1.33 “Tort Claim”
- 1.1.34 “Unknown Tort Claim”
- 1.1.35 “Unknown Tort Claimant”
- 1.1.36 “Unknown Tort Claims Representative”
- 1.1.37 “Unknown Tort Claims Trust”
- 1.1.38 “Unknown Tort Claims Trust Documents”

1.2 As used in this Settlement Agreement, the following terms shall have the meanings set forth below.

1.2.1 “Approval Motion” means the motion filed in the Bankruptcy Court seeking approval of this Settlement Agreement as described in Section 2 of this Settlement Agreement.

1.2.2 “Approval Order” means the order granting the Approval Motion described in Section 2 of this Settlement Agreement and providing all of the relief described in this Settlement Agreement.

1.2.3 “Arrowood” means Arrowood Indemnity Company, formerly known as Royal Indemnity Company, successor by merger to Royal Insurance Company of America and, solely in their capacity as such, (i) each of its past, present, and future parents, subsidiaries, affiliates, and divisions; (ii) each of the foregoing Persons’ or Entities’ respective past, present, and future parents, subsidiaries, affiliates, holding companies, merged companies, related companies, divisions, and acquired companies; each of the foregoing Persons’ or Entities’ respective past, present, and future directors, officers, shareholders, employees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators; and (iii) each of the foregoing Persons’ or Entities’ respective predecessors, successors, assignors, and assigns, whether known or unknown, and all Persons or Entities acting on behalf of, by, through, or in concert with them. For the avoidance of doubt, the inclusion of the phrase “future parents” in this definition is limited to such Entity in its capacity as a “future parent,” and nothing contained herein shall limit or alter the obligations of any such Entity to the extent that such obligations exist independent of such Entity’s role as a “future parent.”

1.2.4 “Bankruptcy Plan” or “Plan” means Debtor’s First Amended Plan of Reorganization Dated November 3, 2022, in the form that was filed in the Bankruptcy Case on November 3, 2022 as Doc. No. 1151.

1.2.5 “Bankruptcy Plan Effective Date” has the same meaning as “Effective Date” as set forth in the Plan.

1.2.6 “Catholic Mutual” means The Catholic Mutual Relief Society of America, and solely in the capacity as such, (i) each of its past, present and future parents, subsidiaries, affiliates, reinsurers, retrocessionaires, and divisions; (ii) each of the foregoing Entities’ respective past, present, and future parents, subsidiaries, affiliates, holding companies, merged companies, related companies, divisions and acquired companies, (iii) each of the foregoing Entities’ respective past, present and future, directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators; and (iv) each of the foregoing Entities’ respective predecessors, successors, assignors, and assigns, whether known or unknown, and all Entities acting on behalf of, by, through or in concert with them.

1.2.7 “Civil Actions” shall have the meaning set forth in the Recitals.

1.2.8 “Claimant Bankruptcy Case” means an open case under the Bankruptcy Code for which a Trustee Claimant is the bankruptcy trustee.

1.2.9 “Claimant Bankruptcy Approval Order” shall have the meaning set forth in Section 2.3.

1.2.10 “Coverage Action” shall have the meaning set forth in the Recitals;

1.2.11 “Coverage Disputes” shall have the meaning set forth in the Recitals.

1.2.12 “Joinder” means a joinder to this Settlement Agreement by a *pro se* Servants Tort Claimant in the form of attached Exhibit C and a submitted Class 3 Tort Claim Ballot in the Bankruptcy Case accepting the Plan and in such ballot that is fully executed and delivered to counsel for the Archdiocese on or before 5:00 p.m. Mountain Time on December 22, 2022.

1.2.13 “Liberty Mutual” means the Liberty Mutual Insurance Company and each of its past, present, and future parents, subsidiaries, affiliates, reinsurers and retrocessionaires, and divisions, including without limitation Ohio Casualty; each of the foregoing Persons’ or Entities’ respective past, present, and future parents, subsidiaries, affiliates, holding companies, merged companies, related companies, divisions, and acquired companies; each of the foregoing Persons’ or Entities’ respective past, present, and future directors, officers, shareholders, employees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators; and each of the foregoing Persons’ or Entities’ respective predecessors, successors, assignors, and assigns, whether known or unknown, and all Persons or Entities, including without limitation Great American, acting on behalf of, by, through, or in concert with them, including any such Persons or Entities who issued, or allegedly issued, Servants of the Paraclete Policies.

1.2.14 “Parties” has the meaning set forth in the recitals above.

1.2.15 “Servants” means (a) the Servants of the Paraclete, a New Mexico nonprofit corporation, itself and its affiliated and related business entities, subsidiaries, sister corporations, successors, predecessors, agents, employees, designees, and assigns wherever found and in whatever incorporated, unincorporated, or governmental form it may be organized, and all other organizational units or forms, subsidiaries, divisions, and affiliates, as well as all directors, officers, employees, agents, members, priests, brothers, oblates, novices, and all other religious associates, insurers, guarantors, attorneys, and other representatives, as well as their predecessors and successors, assigns, trustees, shareholders, partners, insurers, guarantors, and all directors, officers, employees, agents, attorneys, and other representatives of any of the foregoing.

1.2.16 “Servants of the Paraclete Policies” means any and all known and unknown contracts, binders, certificates, or policies of liability coverage or insurance, including any stipulations with respect to the same, in effect on or before the Bankruptcy Plan Effective Date, that were issued by any of the Settlement Funding Insurers to, or allegedly issued by any of the Settlement Funding Insurers to, or for the benefit of, or that otherwise actually or allegedly insure Servants.

1.2.17 “Servants Tort Claim” means Tort Claim that arises out of conduct for which both the Servants and the Debtor may be liable and includes a Tort Claim and an Unknown Tort Claim.

1.2.18 “Servants Tort Claimant” means the holder of a Servants Tort Claim, and his or her personal executors or representatives, administrators, heirs, successors and assigns and any bankruptcy trustee of an open bankruptcy estate with an interest in a Servants Tort Claim (“Trustee Claimant”). The Servants Tort Claimants who have asserted Servants Tort Claims against the

Servants include those Persons identified in attached Exhibit B according to their Proof of Claim number in the Bankruptcy Case. The Servants Tort Claimants who are Parties to this Settlement Agreement are the holders of Servant Tort Claims: (i) whose counsel has executed and delivered this Settlement Agreement on their behalf, subject to, only in the case of a debtor in a Claimant Bankruptcy Case in which such Servants Tort Claim has not been abandoned to the debtor therein, the approval of a Trustee Claimant and the entry of a Claimant Bankruptcy Approval Order, or (ii) *pro se* Servants Tort Claimants who have timely executed and delivered a Joinder (as defined below) to this Settlement Agreement. For the avoidance of doubt, if any Claimant Bankruptcy Case is closed without administering the Servants Tort Claim, the execution of this Settlement Agreement by state court counsel shall be binding on the debtor in the underlying closed Claimant Bankruptcy Case, and such debtor shall be the Servants Tort Claimant and a Party to this Settlement Agreement.

1.2.19 “Settlement Agreement Effective Date” means the day following the date on which the last of the following conditions have occurred: (i) all Parties (other than Parties added by joinder) have executed this Settlement Agreement; (ii) the Bankruptcy Court has entered the Approval Order and the Approval Order has become a Final Order; and (iii) the Bankruptcy Court has entered the Bankruptcy Plan Confirmation Order and such order has become a Final Order; provided, however, that notwithstanding any other provision of this Settlement Agreement to the contrary, the rights and obligations of the Parties under Sections 2 and 5 of this Settlement Agreement shall become effective and binding when all Parties have executed this Settlement Agreement.

1.2.20 “Settlement Amount” means four million two hundred thousand dollars (\$4,200,000) to be funded by each of the Settlement Funding Parties as set forth on attached Schedule 1. The Settlement Amount shall include such Settlement Funding Party’s respective portion of the four million dollar (\$4,000,000) portion thereof payable by the Settlement Funding Parties to the ASF Settlement Trust (the “Tort Claims Payment”) as follows: three million eight hundred thousand dollars (\$3,800,000.00) to be deposited into a Religious Order Class 3 Tort Claims Reserve subaccount of the ASF Settlement Trust and to be divided exclusively among the Servants Tort Claimants who are parties to this Settlement Agreement, in ratio to their Judge Bettinelli point awards and the remainder (\$200,000.00) to be deposited in the general funds of the ASF Settlement Trust and be divided among the other Class 3 Tort Claimants under the Plan but, not including the Servants Tort Claimants who are Parties to this Settlement Agreement. Each such Settlement Funding Party’s respective portion of the balance of the Settlement Amount consisting of two hundred thousand dollars (\$200,000) shall be payable to the Unknown Tort Claims Trust (the “Unknown Tort Claims Payment”).

1.2.21 “Settlement Approval Motion” means the motion filed in the Bankruptcy Court seeking approval of this Settlement Agreement as described in Section 2 of this Settlement Agreement.

1.2.22 “Settlement Approval Order” means the order granting the Approval Motion described in Section 2 of this Settlement Agreement and providing all of the relief described in this Settlement Agreement.

1.2.23 “Settlement Execution Date” means the date on which all Parties have executed this Settlement Agreement (except Parties added by joinder).

1.2.24 “Settlement Funding Parties” means Servants, Arrowood, Catholic Mutual, Liberty Mutual, U.S. Fire and Travelers.

1.2.25 “Settlement Funding Insurers” means Arrowood, Catholic Mutual, Liberty Mutual, U.S. Fire and Travelers.

1.2.26 “Tort Claims Payment” has the meaning set forth in Section 1.2.20.

1.2.27 “Travelers” means the Travelers Indemnity Company and St. Paul Fire and Marine Insurance Company, as itself and as a successor to or assignee of St. Paul Mercury Indemnity Company, and, i) each of their past and present parents, subsidiaries, affiliates, and divisions; ii) each of their respective past and present parents, subsidiaries, affiliates, holding companies, merged companies, related companies, divisions and acquired companies, each of their respective past, present and future, directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators; and iii) each of their respective predecessors, successors, assignors, and assigns, whether known or unknown, and all Entities acting on behalf of, by, through or in concert with them.

1.2.28 “Trustee Claimant” has the meaning set forth in Section 1.2.18.

1.2.29 “Unknown Tort Claims Payment” has the meaning set forth in Section 1.2.20.

1.2.30 “U.S. Fire” means United States Fire Insurance Company, and solely in the capacity as such, (i) each of its past and present parents, subsidiaries, affiliates, and divisions; (ii) each of their respective past and present parents, subsidiaries, affiliates, holding companies, merged companies, related companies, divisions and acquired companies, each of their respective past, present and future, directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators; and (iii) each of their respective predecessors, successors, assignors, and assigns, whether known or unknown, and all Entities acting on behalf of, by, through or in concert with them.

1.3 Capitalized terms not defined in this section or elsewhere in this Settlement Agreement shall have the meanings given to them in the Plan or in the Bankruptcy Code. If there is a conflict between the definitions in the Plan and in the Bankruptcy Code, the Plan definition will control.

2. BANKRUPTCY OBLIGATIONS

2.1 Settlement Approval Motion. The Archdiocese shall file a motion in the Bankruptcy Court (the “Approval Motion”) that seeks the entry of an order in substantially the form attached as Exhibit A to this Settlement Agreement, approving the compromises and settlements set forth in this Settlement Agreement and authorizing the Parties to undertake the

settlement and the transactions contemplated by this Settlement Agreement (the “Approval Order”).

2.2 Settlement Approval Order. The Approval Order shall be in form and substance acceptable to each of the Settlement Funding Parties and shall: (i) approve the settlements and compromises set forth in this Settlement Agreement; and (ii) provide that this Settlement Agreement and the Approval Order are binding on the ASF Settlement Trust and the Unknown Tort Claims Trust, and any successors of the ASF Settlement Trust or the Unknown Tort Claims Trust or the Reorganized Debtor.

2.3 Claimant Bankruptcy Approval Order. No later than February 5, 2023, each Trustee Claimant shall deliver to the other Parties to this Settlement Agreement a copy of either (a) an order of the court in the applicable Claimant Bankruptcy Case (a “Claimant Bankruptcy Approval Order”) that: (i) approves the settlements and compromises set forth in this Settlement Agreement; and (ii) approves the Trustee Claimant’s execution and delivery of this Settlement Agreement in form and substance reasonably acceptable to the Settlement Funding Parties; *provided, however*, that any delay in obtaining a Claimant Bankruptcy Approval Order shall not terminate a Trustee Claimant and Servant Tort Claimant as a Party to this Settlement Agreement, but only defer any distribution from the ASF Settlement Trust to any Trustee Claimant who has not obtained a Claimant Bankruptcy Approval Order until such order is entered and all conditions to distribution under the ASF Settlement Trust Documents are satisfied.

2.3.1 Mailed Notice of Approval Motion. The Archdiocese, at the Settlement Funding Parties’ expense, shall include notice of the Approval Motion in a form and substance approved by the Bankruptcy Court. The Settlement Funding Parties acknowledge and agree that the Archdiocese shall have complied with its obligations if such notice (i) consists of a summary of the terms of the Settlement Agreement with a link to the Archdiocese’s website, an address and telephone number from which the addressee can obtain or request a copy of the Approval Motion and Settlement Agreement and (ii) is mailed or otherwise transmitted in accordance with Court order, with the Archdiocese’s notice to all parties receiving notice of the motion, objection date and hearing date for approval of the Insurer Settlement Agreements and the confirmation of the Plan. The Settlement Funding Parties promptly will pay any incremental cost of notice required by this Settlement Agreement or the Bankruptcy Court.

2.3.2 Publication Notice of Approval Motion. The Archdiocese, at the Settlement Funding Parties’ expense, shall include notice of the Approval Motion in a form and substance approved by the Bankruptcy Court as part of its publication of any publication notice of the motion, objection date and hearing date for approval of the Insurer Settlement Agreements and the confirmation of the Plan. The Settlement Funding Parties acknowledge and agree that the Archdiocese shall have complied with its obligations if such notice is published in the Albuquerque Journal, Santa Fe New Mexican, Las Cruces Sun News and USA Today. The Settlement Funding Parties promptly will pay any incremental cost of the notice required by this Settlement Agreement or the Bankruptcy Court.

2.3.3 Objections. If any Person or Entity files an objection to the Approval Motion, the Archdiocese will reasonably cooperate with the Settlement Funding Insurers and Servants in filing a written response, and in securing approval of the Approval Motion and in defending against any

objection, appeal, petition, motion, or other challenge to the Bankruptcy Court's entry of the Approval Order, all of which will or be done, if at all, by and at the expense of the Settlement Funding Parties. Nothing in this Settlement Agreement will require the Archdiocese to take or join in any position, even nominally, that may, in the Archdiocese's reasonable judgment, delay or jeopardize confirmation of the Plan, the Bankruptcy Plan Effective Date, or the Debtor's Discharge.

2.4 The Plan. The Bankruptcy Plan, including all exhibits, schedules, and related documents shall not deprive the Parties of any right or benefit under this Settlement Agreement. To the extent that any conflict exists between the Plan and this Settlement Agreement the Plan will control. The Settlement Funding Parties stipulate that the provisions of this section are satisfied by the Plan and Plan Documents, as filed.

2.4.1 The Plan shall include an injunction (the "Channeling Injunction") enjoining Claims or suits against the Settlement Funding Parties on account of Servants Tort Claims, barring and permanently enjoining all Entities who have held or asserted, or may in the future hold or assert one or more Channeled Claims from taking any action, directly or indirectly for purposes of asserting, enforcing, or attempting to assert or enforce any Channeled Claim against the Settlement Funding Parties and channeling such Channeled Claims to the ASF Settlement Trust or the Unknown Tort Claims Trust, as the case may be, as the sole and exclusive source of payment of any such Channeled Claims. The Settlement Funding Parties stipulate that the Channeling Injunction set forth in the Plan, as filed, is satisfactory for all purposes under this Settlement Agreement.

2.4.2 The Plan shall designate Servants as a "Participating Religious Order" entitled to protection as a "Protected Party" under the Plan.

2.4.3 The Plan shall designate each of the Settlement Funding Insurers as a "Protected Party" in connection with their funding of the Settlement Amount that is entitled to the benefits and protections of the Channeling Injunction in its capacity as a Settlement Funding Party in addition to its capacity as a "Settling Insurer," if applicable, of the Archdiocese.

2.4.4 The Plan shall include the Settlement Funding Parties in the definition of Exculpated Parties.

2.4.5 The Plan shall incorporate this Settlement Agreement and the releases contained herein by reference and make the Settlement Agreement part of the Plan as if set forth fully within the Plan. To the extent that any conflict exists between the Plan and this Settlement Agreement, the Plan will control.

2.4.6 The Plan shall provide that, as a condition to receiving payment from the ASF Settlement Trust or any Unknown Tort Claims Trust, each and every Tort Claimant shall execute and deliver to the ASF Settlement Trustee or to the Unknown Tort Claims Trustee, as applicable, a general release in favor of each of the Protected Parties in the form attached to the Plan, as filed, as Exhibit N.

2.4.7 The Plan shall provide that, in the event that the Approval Motion is granted after the Bankruptcy Plan Effective Date, then the Settlement Funding Parties shall receive the benefits and protections accorded to Protected Parties under the Plan when the Settlement Amount is paid.

2.5 The Confirmation Order. In the Bankruptcy Case, the Archdiocese shall seek and obtain entry of the Confirmation Order that: (i) approves the Plan; (ii) approves the Channeling Injunction; (iii) approves this Settlement Agreement; and (iv) provides the same protections to the Settlement Funding Parties against Servants Tort Claims and other Channeled Claims with respect to the releases and Channeling Injunction in the Plan that are afforded to any other Protected Party, provided, however, that neither the Archdiocese nor the Reorganized Debtor shall have any duty or obligation to indemnify or to defend the Settlement Funding Parties in their capacity as Settlement Funding Parties. The Plan and Plan Confirmation Order must contain no provisions that diminish or impair the benefits of this Settlement Agreement or the Approval Order to the Settlement Funding Parties.

2.6 Automatic Stay Remains in Force/State Court Litigation Held in Abeyance. The Servants Tort Claimants agree that, prior to entry of the Plan Confirmation Order, they will not seek to lift the automatic stay, and agree to stay or continue to stay the Civil Actions. Prior to entry of the Plan Confirmation Order, the Archdiocese shall cooperate with the Settlement Funding Parties' efforts to oppose, any motion by the Servants Tort Claimants to lift any stay pursuant to Bankruptcy Code § 362 to pursue a Servants Tort Claim against the Archdiocese. Opposition to efforts by the Servants Tort Claimants to get relief from any stay other than that imposed by Bankruptcy Code § 362 or to pursue a Servants Tort Claim against persons or entities other than the Archdiocese shall be by and at the sole expense of the Settlement Funding Parties.

2.7 No Discovery Sought From Other Parties. The Parties agree that they shall not attempt to obtain discovery from any other Party during the pendency of the Bankruptcy Case.

2.8 Medicare Reporting. The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust each register as a Responsible Reporting Entity ("RRE") under the reporting provisions of §111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Pub. L. 110- 173).

2.8.1 The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust timely submit all reports that are required under MMSEA on account of any claims settled, resolved, paid, or otherwise liquidated. The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require also that the ASF Settlement Trust and the Unknown Tort Claims Trust, in their respective roles as RRE, follow all applicable guidance published by the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services and/or any other agent or successor entity charged with responsibility for monitoring, assessing, or receiving reports made under MMSEA (collectively, "CMS") to determine whether or not, and, if so, how, to report to CMS pursuant to MMSEA.

2.8.2 The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust obtain prior to remittance of funds to Servants Tort Claimants' counsel, or to the Servants Tort Claimant,

if pro se, in respect of any Servants Tort Claim, a certification of compliance with MMSEA for such Claimant from the Claimant's counsel, if such claimant has an attorney and, if the Claimant is pro se from the third party administrator engaged by and paid for by the Archdiocese for the purpose of providing certifications of compliance with MMSEA for all such pro se Claimants. The certifications of compliance shall provide that the Servants Tort Claimant has or will provide for the payment and/or resolution of any obligations owing or asserted under 42 U.S.C. §1395y(b), or any related rules, regulations, or guidance, in connection with, or relating to, such Servants Tort Claim.

2.8.3 The Settlement Funding Parties and Servants Tort Claimants stipulate that compliance with the provisions of the ASF Settlement Trust or with the Unknown Tort Claims Trust is deemed to be compliance with the provisions of this Settlement Agreement and that this Settlement Agreement shall not be read or interpreted to impose requirements on the ASF Settlement Trustee or on the Unknown Tort Claims Trustee that are greater than or different from those imposed by the ASF Settlement Trust or the Unknown Tort Claims Trust, respectively.

2.9 From and after the date when all Parties have executed and delivered this Settlement Agreement, the Settlement Funding Parties shall not object to any proposed disclosure statement or Plan that is consistent with this Settlement Agreement; provided, however, that: (i) the Archdiocese shall not include any provision in any Plan that adversely affects the rights or benefits of the Settlement Funding Parties under this Settlement Agreement, or that otherwise violates, or is contrary to, the agreements and covenants contained in this Settlement Agreement; and (ii) the Archdiocese shall not act, or fail to act, in such a way that otherwise violates, or is contrary to, the agreements and covenants contained in this Settlement Agreement. Notwithstanding the foregoing, the Settlement Funding Parties are parties in interest that may participate in the Bankruptcy Case for the purpose of supporting or enforcing any of the terms of this Settlement Agreement and protecting their rights. The Settlement Funding Parties stipulate that the provisions of this section are satisfied by the Plan, as filed, and Plan Documents, as filed.

2.10 The Parties covenant not to sue each other until: (a) the Approval Order has become a Final Order, at which time this covenant is superseded by the releases provided in Section 4, or (b) the date on which this Settlement Agreement is terminated.

3. THE SETTLEMENT PAYMENT AND CONDITIONS THERETO

3.1 Each Settlement Funding Party's obligation to pay its respective portion of the Settlement Amount is conditioned on the satisfaction of the bankruptcy obligations set forth in Section 2.1-2.7 and the Settlement Approval Order and the Confirmation Order both becoming Final Orders in form and substance consistent with this Settlement Agreement. Each Settlement Funding Party shall pay its respective portion of the Settlement Amount within thirty (30) days after receipt of notice from the Reorganized Debtor: (a) that both the Approval Order and the Bankruptcy Plan Confirmation Order have become Final Orders and (b) of appropriate instructions for the transmission of its portion of the Settlement Amount. Each Settlement Funding Party shall have the option of paying its respective portion of the Settlement Amount by check, ACH transfer or wire transfer. If the last date for payment of the Settlement Amount is a weekend or legal holiday the deadline for payment of the Settlement Amount shall be the first business day thereafter.

3.2 If the Settlement Amount is due prior to the Bankruptcy Plan Effective Date, each Settlement Funding Party shall pay its portion of the Settlement Amount to the Escrow Agent. The Escrow Agent shall hold the Settlement Amount in escrow and in trust for the benefit of the Settlement Funding Parties in a separate reserve account and: (i) upon receipt of notice of the occurrence of the Bankruptcy Plan Effective Date, transfer the Tort Claims Payment, with any accrued interest, to the ASF Settlement Trust; and transfer the Unknown Tort Claims Payment to the Unknown Tort Claims Trust or (ii) return each Settlement Funding Party's respective portion of the Settlement Amount, with any accrued interest to such Settlement Funding Party upon receipt of notice that the Settlement Agreement has been terminated.

3.3 If the Settlement Amount is due after the Bankruptcy Plan Effective Date, each Settlement Funding Party shall pay its portion of the Tort Claims Payment to the ASF Settlement Trust and its portion of the Tort Claims Payment to the Unknown Tort Claims Trust in the amounts set forth in attached Schedule 1.

3.4 The Parties agree: (a) the respective amounts that each of the Settlement Funding Parties is obligated to pay under this Settlement Agreement represents the maximum amount each of the Settlement Funding Parties is obligated to pay on account of: (i) the Servants Tort Claims; or (ii) the Servants of the Paraclete Policies with respect to the Servants Tort Claims and Channeled Claims arising from, related to or in connection with such Servants Tort Claims; (b) under no circumstance will any Settlement Funding Party be obligated to make any additional payments for: (i) Servants Tort Claims and Channeled Claims arising from, related to or in connection with such Servants Tort Claims or (ii) the Servants of the Paraclete Policies with respect to the Servants Tort Claims and Channeled Claims arising from, related to or in connection with such Servants Tort Claims, including in connection with amounts allegedly owed under the MSPA or any Channeled Claims arising from, related to or in connection with such Servants Tort Claims; (c) under no circumstance will any Settlement Funding Party be obligated to make any additional payments to or on behalf of Servants or the other Archdiocese Parties in connection with any (i) Servants Tort Claims and Channeled Claims arising from, related to or in connection with such Servants Tort Claims or (ii) the Servants of the Paraclete Policies with respect to the Servants Tort Claims and Channeled Claims arising from, related to or in connection with such Servants Tort Claims; and (d) all limits of liability of the Servants of the Paraclete Policies, regardless of how the Servants of the Paraclete Policies identify or describe those limits, including all per person, per occurrence, per claim, "each professional incident," per event, per accident, total, and aggregate limits, shall be deemed fully and properly exhausted with respect to the Servants Tort Claims.

3.5 The Parties agree that the consideration to be provided by each Party pursuant to this Settlement Agreement constitutes fair and reasonable exchange for the consideration granted it under this Settlement Agreement, including the bankruptcy obligations and requirements set forth in Section 3 and the releases in Section 4. The Settlement Funding Parties are not acting as volunteers in tendering the Settlement Amount, and the Settlement Amount reflects the liabilities and obligations of the Settlement Funding Parties to the Servants Tort Claimants and the potential exposure for Unknown Tort Claims by Servants Tort Claimants.

3.6 The Debtor will undertake all reasonable actions to cooperate with the Settlement Funding Insurers in connection with their reinsurers and/or retrocessionaires so long as they do

not require a material expense beyond the expenses incurred in the approval of the Settling Insurer Agreements and the confirmation of the Plan.

3.7 Within (5) days from the receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust, counsel for the Servants and the Servants Tort Claimants who are parties in the Civil Actions shall dismiss such actions entirely with prejudice, with each party to bear its own costs and fees.

3.8 Within (5) days from the receipt of the Settlement Amount by one or more of the Escrow Agent, the ASF Settlement Trust and the Unknown Tort Claims Trust, counsel for the Servants and Catholic Mutual shall file a stipulation dismissing the Coverage Action with prejudice, with each party to bear its own costs and fees.

3.9 The Parties agree, with respect to their costs, expenses and counsel and professional fees incurred in connection with this Settlement Agreement, that they each shall bear such costs, expenses and fees.

4. MUTUAL RELEASES

4.1 Upon receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust, with no further action being required, the Settlement Funding Parties and the Archdiocese each shall have and shall be deemed to have fully, finally, and completely remised, released, acquitted, and forever discharged one another from any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are in connection with: (i) any Servants Tort Claims, including Unknown Tort Claims, (ii) the Servants of the Paraclete Policies with respect to any Servants Tort Claims or Channeled Claims (including any Direct Action Claim, Related Insurance Claim or Extra-Contractual Claim), and (iii) all reimbursement obligations for Conditional Payments under the MSPA and all other Medicare Claims related to Channeled Claims, and all Claims that, directly or indirectly, arise from, relate to, or are in connection with the Bankruptcy Case.

4.2 The releases set forth in Section 4.1 are not intended, and shall not be construed, to release any rights of any of the Settlement Funding Insurers against their respective reinsurers or retrocessionaires, solely in their capacities as such. Nothing in this Settlement Agreement is intended to or shall be construed to diminish or to have any effect on any of the Settlement Funding Insurers' right to seek or obtain reinsurance recoveries under any reinsurance treaties, certificates, or contracts that cover losses arising under or in connection with the Servants of the Paraclete Policies or any other binder, certificate, or policy of insurance issued by any of the Settlement Funding Insurers.

4.3 Upon the Bankruptcy Plan Effective Date, Servants shall not assert against any of the Settlement Funding Insurers any Claim with respect to any matter, conduct, transaction, occurrence, fact, or other circumstance that, directly or indirectly, arises out of, relates to, or is in connection with any Servants Tort Claim or Channeled Claim or any other matter released pursuant to Sections 4.1 above. Upon the Bankruptcy Plan Effective Date, the Settlement Funding Insurers will not assert or make any claims against Servants to seek reimbursement, subrogation, and/or contribution for amounts paid under the Servants of the Paraclete Policies to fund their

respective contributions to the Settlement Amount and shall forever forebear and refrain from filing any further action, claim, or lawsuit of any kind whatsoever against Servants for any Servants Tort Claim, Channeled Claim or any other matter released pursuant to Section 4.1 above.

4.4 Notwithstanding anything in this Settlement Agreement, nothing in this Settlement Agreement is intended to or shall be construed to release any Claims that any of the Settlement Funding Insurers has or might have against any insurer that is not a Party to this Settlement Agreement except that, to the extent such other insurers have agreed or in the future agree to release any Claims against any of the Settlement Funding Insurers arising out of or related in any way to the Tort Claims, then such Settlement Funding Insurer also releases such Claims against such other insurers to the same extent.

4.5 The Servants Tort Claims of the Servants Tort Claimants against the Protected Parties, including the Archdiocese and the Settlement Funding Parties shall be governed by the Plan, the ASF Settlement Trust Documents, the Unknown Tort Claims Trust Documents, and the releases contained therein, which shall be in form and substance acceptable to the Settlement Funding Parties. Notwithstanding the foregoing, the Servants Tort Claimants agree that, as of the date that the Settlement Amount is received by the ASF Settlement Trust and Unknown Tort Claims Trust, each of the Servants Tort Claimants fully, finally, and completely remise, release, acquit, and forever discharge the Settlement Funding Parties of and from any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are in connection with (i) any Servants Tort Claims, (ii) the Servants of the Paraclete Policies with respect to any Servants Tort Claims or Channeled Claims (including any Direct Action Claim, Related Insurance Claim or Extra-Contractual Claim) or (iii) any other Claims arising out of or relating to Abuse that they may have, whether known or unknown, against such Settlement Funding Party. For the avoidance of doubt, there is no partial release for some but not all of the Settlement Funding Parties and all Settlement Funding Parties must pay their obligation for there to be a release of any Settlement Funding Party.

4.6 This Section 4 is not intended to, and shall not be construed to, release, waive, relinquish, or otherwise affect the Parties' rights and obligations under this Settlement Agreement.

5. TERMINATION OF AGREEMENT

In the event: (i) the Bankruptcy Plan Effective Date does not occur within one year from the date on which the Settlement Agreement is executed by all the Parties (other than Parties added by joinder); (ii) the receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust does not occur within 395 days from the date on which the Settlement Agreement is executed by all the Parties (other than Parties added by joinder); (iii) a Plan is filed or confirmed that is inconsistent with the terms of this Settlement Agreement; or (iv) the Bankruptcy Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code, then in any such event any of the Settlement Funding Parties may terminate this Settlement Agreement upon fifteen (15) days' notice to the other Parties, immediately following which this Settlement Agreement shall be null and void and of no force or effect and any Settlement Amount

paid to the Escrow Agent shall be immediately returned to the Settlement Funding Parties with any accrued interest as set forth in Section 3.2.

6. COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE PARTIES

6.1 The Parties separately represent and warrant that, to the extent it is a corporation, including a corporation sole, a non-profit corporation, or other legal entity, each Party has the requisite power and authority to enter into this Settlement Agreement and to perform the obligations contemplated by this Settlement Agreement, subject only to approval of the Bankruptcy Court, and in the case of a Trustee Claimant, the entry of a Claimant Bankruptcy Approval Order.

6.2 Each Party represents that the person executing this Settlement Agreement on its behalf is duly authorized to do so.

6.3 Each Party warrants and represents that this Settlement Agreement has been thoroughly negotiated and analyzed by counsel to the Parties and executed and delivered in good faith pursuant to arm's length negotiations and for value and valuable consideration.

6.4 Each of the Settlement Funding Parties represents and warrants that, except as provided in this Agreement, it has not assigned, conveyed, transferred, or sold, and will not assign, convey, transfer or sell, any Interests in the Servants of the Paraclete Policies to any Entity.

6.5 Servants represents and warrants that to the best of its knowledge, it is the owner of the Servants of the Paraclete Policies, and that no other Entity has any Interest in or legal title to the Servants of the Paraclete Policies.

6.6 Servants represents and warrants that it has not in any way assisted, and shall not in any way assist, any Person or Entity in the establishment or pursuit of any Claim or Servants Tort Claim against any of the Settlement Funding Insurers.

6.7 Servants and the Settlement Funding Insurers each represent and warrant that, to the best of its knowledge, the only policies of insurance and certificates of coverage that have been issued, allegedly issued, or may have been issued to Servants that would provide coverage for any Claim or Servants Tort Claim are the Servants of the Paraclete Policies issued by the Settlement Funding Insurers.

6.8 Servants and each of the Settlement Funding Insurers each represent and warrant to the other that they have completed a reasonable search for evidence of any policy of insurance issued by the Settlement Funding Insurers to Servants that would afford coverage with respect to any Servants Tort Claim. Other than the Servants of the Paraclete Policies, no such policies have been identified. Notwithstanding the foregoing, nothing in this Settlement Agreement, including the exhibits and schedules hereto, shall be construed as or deemed to be an admission or evidence that any binder, certificate, or policy of insurance was in fact issued or affords coverage in connection with any Servants Tort Claims.

7. ACTIONS INVOLVING THIRD PARTIES

7.1 For purposes of supporting the releases granted in Section 4 and the release of coverage under the Servants of the Paraclete Policies for Servants Tort Claims and other Channeled Claims as described in the Settlement Agreement, unless the Settlement Agreement is terminated, the Settlement Funding Insurers shall not seek reimbursement for any payments each makes under this Settlement Agreement under theories of contribution, subrogation, indemnification, or similar relief from any other Settlement Funding Party unless that other insurer first seeks contribution, subrogation, indemnification, or similar relief from any of the Settlement Funding Insurers. Notwithstanding the foregoing, nothing herein shall be construed as prohibiting any of the Settlement Funding Insurers from seeking recovery from its reinsurers.

7.2 From and after the Bankruptcy Plan Effective Date, and pursuant to the terms of the Plan, the ASF Settlement Trust shall cooperate with the Settlement Funding Parties, at the Settlement Funding Parties' sole expense and with the Settlement Funding Insurers taking the lead, in the enforcement of the Channeling Injunction against the assertion of any and all Channeled Claims (other than Unknown Tort Claims) filed in violation of the Channeling Injunction against any Settlement Funding Party (but not the Debtor or Reorganized Debtor). The Settlement Funding Parties shall reimburse the ASF Settlement Trust for any costs or expenses incurred by the ASF Settlement Trust in connection with such cooperation. Each of the Settlement Funding Insurers shall have the right, but not the duty, to defend such Channeled Claims identified in this Section 7.2.

7.3 The Reorganized Debtor shall reasonably cooperate with the Settlement Funding Parties, at the Settlement Funding Parties' sole expense and with the Settlement Funding Insurers taking the lead, in the enforcement of the Channeling Injunction against the assertion of any and all Channeled Claims that are filed in violation of the Channeling Injunction against any Settlement Funding Party (but not the Debtor or Reorganized Debtor) and that arise from or relate to, Unknown Tort Claims. The Settlement Funding Parties shall reimburse the Reorganized Debtor for any costs or expenses incurred by the Reorganized Debtor in connection with such cooperation. Each of the Settlement Funding Insurers shall have the right, but not the duty, to defend such Channeled Claims identified in this Section 7.3.

7.4 The Settlement Funding Parties may settle or otherwise resolve a Channeled Claim filed in violation of the Channeling Injunction against any Settlement Funding Party (but not the ASF Settlement Trust or Reorganized Debtor, as applicable) only with the prior consent of the ASF Settlement Trust or Reorganized Debtor, as applicable, which consent shall not be unreasonably withheld. Any Settlement Funding Party's defense, settlement, or other resolution of any Channeled Claims pursuant to this Section 7 shall not diminish the ASF Settlement Trust's, or Reorganized Debtor's obligations, as applicable, reasonably to cooperate with the Settlement Funding Parties in the defense of such Claims, as set forth in this Section 7.

8. MISCELLANEOUS

8.1 If any action or proceeding of any type whatsoever is commenced or prosecuted by any Person or Entity that is not a Party to this Settlement Agreement to invalidate or prevent the validation or enforcement, or carrying out, of all or any of the provisions of this Settlement

Agreement, the Settlement Funding Parties mutually agree to cooperate fully in opposing such action or proceeding.

8.2 The Parties will take such steps and execute any documents as may be reasonably necessary or proper to effectuate the purpose and intent of this Settlement Agreement and to preserve its validity and enforceability.

8.3 The Parties shall cooperate with each other in connection with the Approval Motion, the Approval Order, the Plan, the Plan Confirmation Order, and the Bankruptcy Case and any appeal therefrom. Such cooperation shall include consulting with each other upon reasonable request concerning the status of proceedings and providing each other with copies of reasonably requested pleadings, notices, proposed orders, and other documents relating to such proceedings as soon as reasonably practicable prior to any submission thereof.

8.4 Notwithstanding any other provision of this Settlement Agreement, the terms and obligations set forth in Section 2 and Section 5 of this Agreement are effective and binding as of the Execution Date.

8.5 This Settlement Agreement constitutes a single integrated written contract that expresses the entire agreement and understanding between and among the Parties and shall supersede any prior or contemporaneous oral or written communication on the settlement of the Servants Tort Claims and the treatment of the Settlement Funding Parties and Servants Tort Claimants under the Plan as a result of such settlement. To the extent that any conflict exists between the Plan and this Settlement Agreement, the Plan will control. This Settlement Agreement is independent of the Insurer Settlement Agreements between the Debtor and certain Settlement Funding Insurers.

8.6 This Settlement Agreement may be modified only by a written amendment signed by the Parties and to the extent required by Rule 9019, approved by the Bankruptcy Court. No waiver of any provision of this Settlement Agreement or of a breach thereof shall be effective unless expressed in a writing signed by the waiving Party. The waiver by any Party of any of the provisions of this Settlement Agreement or of the breach thereof shall not operate or be construed as a waiver of any other provision or breach.

8.7 By entering into this Settlement Agreement, none of the Parties has waived or shall be deemed to have waived any rights, obligations, or positions they have asserted or may in the future assert other than as set forth in this Settlement Agreement. No part of this Settlement Agreement, its negotiation, or its performance may be used in any manner in any action, suit, or proceeding as evidence of the rights, duties, or obligations of the Parties with respect to matters outside the scope of this Settlement Agreement. All actions taken and statements made by the Parties or by their representatives, relating to this Settlement Agreement or participation in this Settlement Agreement, including its development and implementation, shall be without prejudice or value as precedent and shall not be used as a standard by which other matters may be judged.

8.8 This Settlement Agreement represents a compromise of disputed Claims and shall not be deemed an admission or concession regarding liability, culpability, wrongdoing, or insurance coverage. All related discussions, negotiations, and all prior drafts of this Settlement

Agreement shall be deemed to fall within the protection afforded to compromises and to offers to compromise by Rule 408 of the Federal Rules of Evidence and any parallel state law provisions. Any evidence of the negotiations or discussions associated with this Settlement Agreement shall be inadmissible in any action or proceeding for purposes of establishing any rights, duties, or obligations of the Parties, except that they shall be admissible to the extent they would have otherwise been admissible, absent this Section 8.8, in (i) an action or proceeding to enforce the terms of this Settlement Agreement, (ii) any possible action or proceeding between any of the Settlement Funding Insurers and any of their respective reinsurers, and (iii) in any Claimant Bankruptcy Case in connection with the motion of the Trustee Claim for the entry of a Claimant Bankruptcy Approval Order. This Settlement Agreement shall not be used as evidence or in any other manner, in any court or dispute resolution proceeding, to create, prove, or interpret any of the Settlement Funding Insurers' obligations under the Servants of the Paraclete Policies, or any other binder, certificate, or policy of insurance issued or allegedly issued by any of the Settlement Funding Insurers with respect to any Claims against any of the Settlement Funding Insurers.

8.9 None of the Parties shall make any public statements or disclosures (i) regarding another Party's rationale or motivation for negotiating or entering into this Settlement Agreement, or (ii) asserting or implying in any way that the Parties acted improperly or in violation of any duty or obligation, express or implied, in connection with any matter arising out of, relating to, or in connection with the Servants of the Paraclete Policies or any other binder, certificate, or policy of insurance issued or allegedly issued by any of the Settlement Funding Insurers, including handling of or involvement in connection with the resolution of the Servants Tort Claims.

8.10 Neither this Settlement Agreement nor the rights and obligations set forth in this Settlement Agreement shall be assigned without the prior written consent of the other Parties.

8.11 This Settlement Agreement was jointly drafted by the Parties, and the wording of this Settlement Agreement was reviewed by legal counsel for each of the Parties, and each of them had sufficient opportunity to propose and negotiate changes prior to its execution. The language of all parts of this Settlement Agreement shall in all cases be construed as a whole according to its meaning and not strictly for or against any Person or Entity.

8.12 Section titles and headings contained in this Settlement Agreement are included only for ease of reference and shall have no substantive effect.

8.13 All notices, demands, or other communication to be provided pursuant to this Settlement Agreement shall be in writing and deemed given when sent by e-mail (if provided) and Federal Express or other overnight delivery service, costs prepaid, to the Parties at the addresses set forth below, or to such other person or address as any of them may designate in writing from time to time:

If to the Servants Tort Claimants:

By giving notice to (i) any *pro se* Tort Claimant set forth in a Joinder that is timely executed and delivered in accordance with this Settlement Agreement; and (ii) to all other Servant Tort Claimants in care of their counsel at the address below the signature of such counsel, with a copy to:

Daniel A. White
Askew & White, LLC
1122 Central Ave. SW, Suite 1
Albuquerque NM 87102
dwhite@askewwhite.com

If to Servants of the Paraclete:

Fr. Raffaele Tamelli
Servants of the Paraclete
P. O. Box 539
Cedar Hill, MO 63016
p.rafff@gmail.com

With a copy to:

Jeffrey E. Jones
Law Office of Jeffrey E. Jones LLC
P. O. Box 24350
Santa Fe, NM 87502
eljefelaw@msn.com

If to Arrowood:

Leif T. Aus, CPCU
Liability Claim Practice Leader
3600 Arco Corp. Drive
Charlotte, NC 28273
leif.aus@arrowpointcap.com

With a copy to:

Brian D. Harrison
Clyde & Co. U.S. LLP
150 California Street, 15th Floor
San Francisco, CA 94111
brian.harrison@clydeco.us

If to Catholic Mutual:

Michael Lee
Catholic Mutual Group
Director of Specialty Claims
10843 Old Mill Road
Omaha, NE 68154
mlee@catholicmutual.org

with a copy to:

Everett J. Cygal
ArentFox Schiff LLP
233 S. Wacker Drive, Suite 6600
Chicago, IL 60606
everett.cygal@afslaw.com

If to Liberty Mutual:

LaVonne Elliott
Sr. Claims Resolution Specialist III
Liberty Mutual Insurance
175 Berkeley Street
Boston, MA 02116
Lavonne.Elliott@LibertyMutual.com

with a copy to:

Nancy D. Adams, Esq.
Laura B. Stephens, Esq.
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, MA 02111
NAdams@mintz.com
LBStephens@mintz.com

If to U.S. Fire:

Kathleen D'Andraia
Senior Claims Analyst
RiverStone Claims Management
250 Commercial Street, Suite 5000
Manchester, NH 03101
Kathleen_dandraia@trg.com

with a copy to:

Jillian G. Dennehy
Kennedys
120 Mountain View Blvd
Basking Ridge, NJ 07920
Jillian.dennehy@kennedyslaw.com

If to Travelers:

Edward M. Zawitoski
Travelers
P.O. Box 430
Buffalo, NY 14240
ezawitos@travelers.com

with a copy to:

Patrick C. Maxcy
Dentons US LLP
233 South Wacker Drive, Suite 5900
Chicago, IL 60606
patrick.maxcy@dentons.com

If to the Archdiocese:

Tony Salgado, CPA
Archdiocese of Santa Fe
4000 St. Joseph Pl NW
Albuquerque, NM 87120
tsalgado@sfcca.org

with a copy to:

Ford Elsaesser
Elsaesser Anderson, Chtd.
P. O. Box 369
535 High Street
Priest River, ID 83856
ford@eaidaho.com

and

Thomas D. Walker
Walker & Associates, P.C.
500 Marquette Ave. NW, Suite 650
Albuquerque, NM 87102
twalker@walkerlawpc.com

8.14 This Settlement Agreement may be executed in multiple counterparts, all of which together shall constitute the same instrument. This Settlement Agreement may be executed and/or delivered by e-mail or other electronic image, which shall be deemed to be originals.

8.15 Nothing contained in this Settlement Agreement shall be deemed or construed to constitute (i) an admission by any of the Settlement Funding Parties or any other Person or Entity regarding whether any Person was or is entitled to any insurance coverage under the Servants of the Paraclete Policies, or any other binder, certificate, or policy of insurance issued by any of the Settlement Funding Insurers, (ii) an admission by Servants as to the validity of any of the positions or defenses to coverage that have been or could have been asserted by any of the Settlement Funding Insurers or any Claims that have been or could have been asserted by Servants against any of the Settlement Funding Insurers, or (iii) an admission by any Party of any liability whatsoever with respect to any of the Servants Tort Claims, including the Servants Tort Claimants.

8.16 All of the Parties to this Agreement, the ASF Settlement Trust and the Unknown Tort Claims Trust are intended beneficiaries of this Settlement Agreement. Except as set forth in the preceding sentence or otherwise set forth in this Settlement Agreement, there are no third-party beneficiaries of this Settlement Agreement.

8.17 Except as specifically provided otherwise, each of the Parties shall be responsible for their own fees and costs incurred in connection with this Settlement Agreement and the implementation of this Settlement Agreement, and each of the Settlement Funding Parties agree to be responsible for their own fees and costs incurred in connection with the Bankruptcy Case. With regard to the Servants Tort Claims and Civil Actions, the Settlement Funding Insurers will pay defense fees and costs per their agreement, if any, incurred by Servants until five days after the Settlement Agreement Effective Date.

8.18 The following rules of construction shall apply to this Settlement Agreement:

8.18.1 Unless the context of this Settlement Agreement otherwise requires: (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms “hereof,” “herein,” “hereby,” and derivative or similar words refer to this entire Settlement Agreement; and (iv) the words “include,” “includes,” or “including” shall be deemed to be followed by the words “without limitation.”

8.18.2 References to statutes shall include all regulations promulgated thereunder and references to statutes or regulations shall be construed as including all statutory and regulatory provisions regardless of whether specifically referenced in this Settlement Agreement.

8.18.3 The use of the terms “intend,” “intended,” or “intent,” when describing the intention of the Parties, as the case may be, shall not be construed to create a breach of this Settlement Agreement when the stated intent is not achieved.

8.19 The Bankruptcy Court shall retain jurisdiction to interpret and enforce the provisions of this Settlement Agreement, which shall be construed in accordance with New Mexico law without regard to conflicts of law principles thereof. The Settlement Funding Insurers do not, by virtue of this Section 8.19 or any other provision in this Settlement Agreement, consent to the Bankruptcy Court’s jurisdiction as to any other matter.

8.20 This Settlement Agreement shall be binding on the Settlement Funding Parties, the Debtor, the Reorganized Debtor, the ASF Settlement Trust, and the Unknown Tort Claims Trust, along with their successors and assigns and shall survive the entry of the Plan Confirmation Order.

8.21 Nothing in this Settlement Agreement shall prevent any of the Settlement Funding Insurers from allocating their respective portions of the Settlement Amount among the Servants of the Paraclete Policies (including among separate policy periods, if applicable) at such Settlement Funding Insurer’s respective discretion.

8.22 The Parties each acknowledge that every provision of this Settlement Agreement was negotiated by the Parties as a material and interdependent aspect of the consideration for the compromises and agreements reflected herein.

8.23 The Parties agree that all matters relating to the negotiation of this Settlement Agreement shall be confidential and are not to be disclosed except by order of court or consent of the Parties in writing.

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Servants of the Paraclete,
a New Mexico nonprofit corporation**

By: _____
Fr. Raffaele Tamelli sP

Its: Vicar General

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**The Roman Catholic Church of the Archdiocese
of Santa Fe, a New Mexico corporation sole**

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Arrowood Indemnity Company, formerly known
as Royal Indemnity Company, successor by
merger to Royal Insurance Company of America**

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

The Catholic Mutual Relief Society of America

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Liberty Mutual Insurance Company

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Travelers Indemnity Company and St. Paul Fire and Marine Insurance Company, as itself and as a successor to or assignee of St. Paul Mercury Indemnity Company

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

United States Fire Insurance Company

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Servants Tort Claimants with Proof of Claim No.
1**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Tort Claimants:

Mr. Merit Bennett
The Bennet Law Group
460 St. Michaels Dr., Suite 703
Santa Fe, NM 87505
mb@thebennettlawgroup.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Servants Tort Claimants with Proof of Claim
Nos. 206/409, 208/402, 210/401, 213/407**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Servants Tort Claimants:

Joseph Blumel
Law Offices of Joseph A. Blumel III P.S.
4407 North Division, Suite 900
Spokane, WA 99207
Emails: joseph@blumellaw.com
and jessica@blumellaw.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Servants Tort Claimants with Proof of Claim
Nos. 426/427**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Servants Tort Claimants:

Ben Davis
Davis Kelin Law Firm, LLC
127 Bryn Mawr DR SE
Albuquerque, NM 87106
Email: bdavis@daviskelin.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Servants Tort Claimants with Proof of Claim
Nos. 187, 194/396*, 199, 200, 240, 299, 351*,**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Servants Tort Claimants:

Daniel Fasy
Fasy Law, PLLC
1752 NW Market Street #1502
Seattle, WA 98107
Email: dan@fasylaw.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Servants Tort Claimants with Proof of Claim
Nos. 147,293**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Servants Tort Claimants:

Sam Fadduol
Fadduol, Cluff, Hardy & Conaway P.C.
3301 San Mateo Blvd NE
Albuquerque, NM 87110
Emails: sfadduol@fchclaw.com
kvaselli@fchclaw.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Servants Tort Claimants with Proof of Claim
Nos. 11, 12, 13, 14, 15, 20, 26, 29, 44*, 46, 48, 55,
63, 76, 82, 87*, 88, 92, 93, 95, 108, 109*, 215, 220,
225*, 227, 249, 250, 251, 253, 279, 330, 334*, 335,
340*, 368, 369*, 390, 391, 392**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Servants Tort Claimants:

Brad Hall
Hall Monagle Huffman & Wallace, LLC
320 Osuna Rd. NE, Suite G3
Albuquerque, NM 87107
Email: brad@hmhw.law

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Tort Claimants with Proof of Claim Nos. 415

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Tort Claimants:

Jordan K. Merson
Merson Law, PLLC
950 Third Avenue
18th Floor
New York, New York 10022
jmerson@mersonlaw.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Tort Claimants with Proof of Claim Nos. 461

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Tort Claimants:

Law Office of Jamison Barkley, LLC
316 Garfield St.
Santa Fe, NM 87501
(505) 995-9602
Email: jamison@jamisonbarkley.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Tort Claimants with Proof of Claim Nos. 256,
291, 310, 313, 326, 385*, 386**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Tort Claimants:

Carolyn M. "Cammie" Nichols
Taylor E. Smith
Rothstein Donatelli, LLP
500 4th St., NW
Suite 400
Albuquerque, NM 87102
Emails: cmnichols@rothsteinlaw.com
and tsmith@rothsteinlaw.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Tort Claimants with Proof of Claim Nos. 378

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Tort Claimants:

Joseph H. Saunders
Saunders & Walker
3491 Gandy Blvd, Suite 200
Pinellas Park, FL 33781
Email: joe@saunderslawyers.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Tort Claimants with Proof of Claim Nos. 164,
173, 242, 244/398, 292, 354, 355, 381**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Tort Claimants:

Bryan G. Smith
Tamaki Law Offices
1340 N 16th Ave., Ste C.
Yakima, WA 98902
Email: bsmith@tamakilaw.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Tort Claimants with Proof of Claim Nos. 118,
120, 122, 125, 126, 132/430, 134/435**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Tort Claimants:

Bill Keeler
Keeler & Keeler, LLP
235 West Historic Highway 66
Gallup, NM 87301
Email: billkeeler@keelerandkeeler.com

Craig K. Vernon
James, Vernon & Weeks, P.A.
1626 Lincoln Way
Coeur d'Alene, Idaho 83814
Email: cvernon@jvwlaw.net

[Signature Pages Continue on Adjacent Pages]

**SCHEDULE 1:
TORT CLAIMS PAYMENT AND UNKNOWN CLAIM PAYMENT**

Settlement Funding Party	Settlement Amount	Tort Claims Payment	Unknown Tort Claims Payment
Arrowood	\$762,500.00	\$726,190.48	\$36,309.52
Catholic Mutual	\$250,000.00	\$238,095.24	\$11,904.76
Liberty Mutual	\$575,000.00	\$547,619.05	\$27,380.95
US Fire	\$200,000.00	\$190,476.19	\$9,523.81
Travelers	\$650,000.00	\$619,047.62	\$30,952.38
Servants	<u>\$1,762,500.00</u>	<u>\$1,678,571.43</u>	<u>\$83,928.57</u>
TOTAL	\$4,200,000.00	\$4,000,000.00	\$200,000.00

EXHIBIT A
APPROVAL ORDER

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO**

In re:

ROMAN CATHOLIC CHURCH OF THE
ARCHDIOCESE OF SANTA FE, a New
corporation sole,

Debtor.

Chapter 11

Case No. 18-13027-t11

**ORDER GRANTING MOTION TO APPROVE PARTICIPATING RELIGIOUS
ORDER SETTLEMENT AGREEMENTS PURSUANT TO RULE 9019(a)**

This matter came before the Court on the *Motion to Approve Participating Religious Order Settlement Agreements Pursuant to §§ 105, 363, and 1123 and Rule 9019 and Approving the Form of Notice Thereof* (the “Motion”) filed by the Roman Catholic Church of the Archdiocese of Santa Fe, a New Mexico Corporation sole, the debtor and debtor-in-possession (the “Debtor”) on [●], 2022 as

Doc. No. [●] in the above-captioned Chapter 11 reorganization case (the “Bankruptcy Case”). The Court, having considered the Motion and being sufficiently advised, FINDS:

1. The Court has jurisdiction over this case and this motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b) (2)(O). Venue is proper in this District, pursuant to 28 U.S.C. §§ 1408 and 1409(a).

2. The Debtor negotiated several settlement agreements (the “Settlement Agreements”) with the Participating Religious Orders (defined below), the Settlement Funding Insurers (defined below) and counsel for holders (the “Joint Tort Claimants”) of approximately 159 Tort Claims (the “Joint Tort Claims”) asserting liability relating to the same Abuse against both the Debtor and also one or more of the following participating Religious Orders (the “Participating Religious Orders”): the Servants of the Paraclete (“Servants”); Brothers of the Christian Schools, SFNO District (“Christian Brothers”); The Province of St. John the Baptist of the Order of the Friars Minor and The Province of Our Lady of Guadalupe of the Order of Friars Minor (“Province”); Sons of the Holy Family, Inc. (“Sons”); and the Congregation of the Blessed Sacrament, Province of St. Ann (“Congregation”). These Joint Tort Claims are identified in the attached Settlement Agreements with each of the Participating Religious Orders.

3. Many of the Participating Religious Orders have asserted liability coverage for the Joint Tort Claims under insurance policies or certificates of coverage issued either by the following carriers or another carrier for which the following carriers have assumed responsibility: Arrowood Indemnity Company, formerly known as Royal Indemnity Company, successor by merger to Royal Insurance Company of America (“Arrowood”); the Catholic Mutual Relief Society of America (“Catholic Mutual”); the Continental Insurance Company (“CNA”); Liberty Mutual Insurance Company (“Liberty Mutual”); Travelers Indemnity Company and St. Paul Fire and Marine Insurance Company,

as itself and as a successor to or assignee of St. Paul Mercury Indemnity Company (“Travelers”) and United States Fire Insurance Company (“U.S. Fire”) and Hartford Accident and Indemnity Company (“Hartford”). These companies are collectively referred to as the “Settlement Funding Insurers” herein and as defined in each Settlement Agreement involving their insured. Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire are each also Settling Insurers under the Plan.

4. The Settlement Agreements are attached as the following Exhibits to the Motion and provide for the following substantial contributions to the trusts established under the Plan for the benefit of Tort Claimants:

Exhibit	Participating Religious Order	Settlement Amount	ASF Settlement Trust Payment	Unknown Tort Claims Trust Payment
A	Servants	\$4,200,000	\$4,000,000	\$200,000
B	Christian Brothers	1,995,000	1,900,000	95,000
C	Sons	1,100,000	1,050,000	50,000
D	Congregation	550,000	525,000	25,000
E	Province	<u>630,000</u>	<u>600,000</u>	<u>30,000</u>
TOTAL		\$8,475,000	\$8,075,000	\$400,000

5. As shown on the Notice of Deadline for Objections filed [●], 2022 (the “Notice”) (Doc No. [●]), the Notice was served on [●], 2022 on all parties listed on the mailing matrix maintained by the Clerk of the Court. The Notice specified that any objection to the Motion had to be filed within 21 days, plus three days for mailing, after the date of mailing of the Notice.

6. The Notice was reasonable and appropriate under the circumstances.

7. The deadline to object to the Motion expired on [●], 2022.

8. No objection to the Motion was filed, timely or otherwise.

9. The Motion is well taken and should be granted as provided herein. Among other things, the Participating Religious Orders and Settlement Funding Insurers will make a substantial \$8,475,000

cash contribution to the ASF Settlement Trust and Unknown Tort Claims Trust to be created pursuant to the Plan. These payments reflect an approximately 95% allocation of the Settlement Amount to the ASF Settlement Trust for Class 3 Tort Claims under the Plan and an approximately 5% allocation to the Unknown Tort Claims Trust for Class 4 Unknown Tort Claims under the Plan. The Settlement Agreements, the payments thereunder, and the allocation thereof among the Plan trusts, is a fair resolution of the contribution and indemnity claims between the Debtor and the Participating Religious Organizations and the coverage disputes with the Settlement Funding Insurers (as applicable), within the range of litigation outcomes, provides fair compensation to the Debtor's estate for the releases, Plan provisions and other obligations to be provided by the Debtor thereunder, and is in the best interests of the Debtor, its creditors and bankruptcy estate. The Participating Religious Orders and Settlement Funding Insurers are Protected Parties under the Plan and entitled to be the benefits and protections of the applicable releases and injunctions and other terms and provisions of the Plan upon satisfaction of all of the conditions and obligations under the Settlement Agreements, including payment of their portions of the Settlement Amounts, upon the confirmation and occurrence of the Effective Date of the Plan. The protections accorded to Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire as Settlement Funding Insurers under the Settlement Agreements and the Plan are in addition to, and independent of, their roles as Settling Insurers under the Plan.

IT IS THEREFORE ORDERED:

- A. The Motion is granted.
- B. The Settlement Agreements are approved.
- C. The Debtor is hereby authorized and directed to consummate the Settlement Agreements.

D. The Court retains exclusive jurisdiction to interpret, enforce and implement the terms and provisions of this Order and the Settlement Agreements.

E. This Order is effective upon entry.

END OF ORDER

Respectfully submitted,

WALKER & ASSOCIATES, P.C.

/s/ submitted electronically

Thomas D. Walker

500 Marquette Ave NW, Suite 650

Albuquerque, NM 87102

Telephone: (505) 766-9272

Facsimile: (505) 766-9287

E-mail: twalker@walkerlawpc.com

Attorneys for Debtor in Possession

EXHIBIT B
IDENTIFICATION OF SERVANTS OF PARACLETE TORT CLAIMANTS
BY COUNSEL AND PROOF OF CLAIM NUMBER

JAMISON BARKLEY

#461

MERIT BENNETT

#1

LAW OFFICES OF JOSEPH BLUMEL III, P.S.

#206/409

#208/402

#210/401

#213/407

THE DAVIS KELIN LAW FIRM

#426/427

FASY LAW, LLC

#187

#200

#299

#194/396*

#240

#351*

#199

FADDOUL, CLUFF, HARDY & CONAWAY, P.C.

#147

#293

HALL & MONAGLE, LLC/LISA FORD

#11

#76

#249

#12

#82

#250

#13

#87*

#251

#14

#88

#253

#15

#92

#279

#20

#93

#330

#26

#95

#334*

#29

#108

#335

#44*

#109*

#340*

#46

#215

#368

#48

#220

#369*

#55

#225*

#390

#63

#227

#391

#392

JORDAN MERSON

#415

ROTHSTEIN, DONATELLI, LLP

#256
#291
#310
#313
#326
#385*
#386

SANDERS AND WALKER

#378

TAMAKI LAW OFFICE

#164 #244/398 #355
#173 #292 #381
#242 #354

JAMES, VERNON & WEEKS, P.A./KEELER & KEELER, LLP

#118	#125	#132/430
#120	#126	#134/435
#122		

TRUSTEE CLAIMANTS*

#44 #194/396 #340
#87 #225 #351
#109 #334 #369
#385

PRO-SE SERVANTS CLAIMANTS¹

#9 #231 #344
#56 #232 #357
#90 #274 #376
#100

¹ Pro Se Servants Claimants are not “Parties” to Settlement Agreement until they execute and deliver a Joinder in accordance with the Settlement Agreement. A Trustee Claimants is a Party unless he or she fails to obtain and deliver a Claimant Bankruptcy Approval Order in accordance with the Settlement Agreement.

*Servants Tort Claims in Claimant Bankruptcy Cases appear under the names and on the signature pages of state court counsel and as Trustee Claimants. For the avoidance of doubt, such Servants Tort Claimants are Parties to this Settlement Agreement and execution of this agreement by special counsel for such Servants Tort Claimants is subject to Bankruptcy Court approval in each claim’s related chapter 7 bankruptcy case. If any Claimant Bankruptcy Case is closed without administering the Servants Tort Claim, the execution of this Settlement Agreement by state court counsel shall be binding on the debtor in the underlying closed Claimant Bankruptcy Case, and such debtor shall be the Servants Tort Claimant and a Party to this Settlement Agreement.

EXHIBIT C

Tort Claimant Joinder as Party to Settlement Agreement

For good and valuable consideration, the receipt and sufficiency is hereby acknowledged, the undersigned hereby (i) joins in that certain Settlement Agreement (“Settlement Agreement”)¹; dated as of November 11, 2022 by, and between, and among the Tort Claimants, the Servants of the Paraclete (the “Servants”), Arrowood Indemnity Company, Catholic Mutual Relief Society of America, Liberty Mutual Insurance Company, U.S. Fire Insurance Company, Travelers Indemnity Company and St. Paul Fire and Marine Insurance Company, and the Roman Catholic Church of the Archdiocese of Santa Fe (the “Archdiocese”) and acknowledges, and agrees that all references to “Servants Tort Claimant” and “Party” in the Settlement Agreement include the undersigned; (ii) in consideration of all of the benefits to which a Servants Tort Claimant is entitled under the Settlement Agreement, the undersigned makes all of the representations and undertakes to be bound by all of the obligations of a Servants Tort Claimant thereunder; (iii) represents that he or she holds a Servants Tort Claim against the Servants and the Archdiocese filed as a Proof of Claim in the Bankruptcy Case with the number set forth below; (iv) represents that attached hereto is a copy of the Class 3 Tort Claim Ballot, Certification and Release that he or she has executed and delivered in accordance with the terms of the Class 3 Tort Claim Ballot, the Plan and applicable orders of the Bankruptcy Court; and (v) agrees that his or her address for notices under the Settlement Agreement is set forth below.

IN WITNESS WHEREOF, the undersigned Tort Claimant has duly executed this Joinder and become a Party to the Settlement Agreement as of the date indicated below.

Tort Claimant with Proof of Claim No. _____

By: _____

Print Name: _____

Date: _____

Witness: _____

Address for Notice to such Tort Claimant:

Email: _____

¹ Unless otherwise defined herein, all capitalized terms used herein have the meanings ascribed to them in the Settlement Agreement, to the extent defined therein, and the rules of construction in the Settlement Agreement with respect to conflicts in definitions shall control.

Return Executed Joinder and Class 3 Tort Claim Ballot, Certification and Release to:

Walker & Associates, P.C.
Attn.: Thomas D. Walker
500 Marquette N.W., Suite 650
Albuquerque, NM 87102

Receipt of Joinder Acknowledged:

By: _____

Print Name: _____

Date: _____

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Settlement Agreement”) dated as of November __, 2022, is hereby made by, and between, and among the Christian Brothers Tort Claimants, identified below whose counsel has executed and delivered this Settlement Agreement on their behalf; Brothers of the Christian Schools, SFNO District (“Christian Brothers” as defined below); Arrowood Indemnity Company (“Arrowood” as defined below); Hartford Accident and Indemnity Company (“Hartford” as defined below); and the Archdiocese of Santa Fe, New Mexico (“Archdiocese” as defined below), together, the “Parties” and each a “Party” to this Settlement Agreement.

RECITALS:

WHEREAS, on December 3, 2018 (the “Petition Date”), the Archdiocese filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of New Mexico (the “Bankruptcy Court”), pending under case no. 18-13027-t11 (the “Bankruptcy Case”);

WHEREAS, the Christian Brothers Tort Claimants have asserted Christian Brothers Tort Claims (as defined below) against the Archdiocese and Christian Brothers (among others), arising in New Mexico, within the geographical jurisdiction of the Archdiocese;

WHEREAS, one or more of the Christian Brothers Tort Claimants filed a lawsuit entitled *A.R., et al. v. Christian Brothers Major Superiors, et al.*, Case No. D-101-CV-2021-00842 (Santa Fe County, New Mexico) (“the *A.R.* action”);

WHEREAS, other Christian Brothers Tort Claimants filed a lawsuit entitled *John Doe 144 et al. v. Christian Brothers Major Superiors et al.*, Case No. D-202-CV-2021-05376 (Bernalillo County, New Mexico) (the “*John Doe 144* Action”), and Christian Brothers represents and warrants that to the best of the knowledge of its Visitor, Nick Gonzales, no other Claim has been asserted, or lawsuit filed, against Christian Brothers by any other holder of a Christian Brothers Tort Claim;

WHEREAS, Arrowood issued, allegedly issued, or may have issued one or more Christian Brothers Policies (as defined below) providing certain coverage to Christian Brothers;

WHEREAS, Hartford issued, allegedly issued, or may have issued one or more Christian Brothers Policies (as defined below) providing certain coverage to Christian Brothers;

WHEREAS, certain disputes between Christian Brothers, on the one hand, and Arrowood and Hartford, on the other hand, have arisen or may arise in the future concerning the scope and nature of Arrowood’s responsibilities and Hartford’s responsibilities, if any, to provide coverage for Christian Brothers Tort Claims, the *John Doe 144* Action and/or the *A.R.* Action under the Christian Brothers Policies (the “Coverage Disputes”);

WHEREAS, disputes have arisen, or may in the future arise, between Christian Brothers, on the one hand, and the Debtor, on the other hand, with respect to obligations for contribution as between Christian Brothers and the Debtor for some or all of the Christian Brothers Tort Claims;

WHEREAS, Christian Brothers, Arrowood, and Hartford, without any admission of liability or concession of the validity of the positions or arguments advanced by each other, now wish to compromise and resolve fully and finally any and all Coverage Disputes and all other disputes between and among them, and the Parties intend to provide one another with the broadest possible release of any and all further obligations under the Christian Brothers Policies arising out of or relating to Christian Brothers Tort Claims, the *John Doe 144* Action, and the *A.R.* Action;

WHEREAS, through this Settlement Agreement, the Christian Brothers Tort Claimants intend to provide Christian Brothers, Arrowood, the Hartford, and the Archdiocese with the broadest possible release of any and all obligations arising out of or relating to Christian Brothers Tort Claims, that arose or may have arisen prior to the Bankruptcy Plan Effective Date (as defined below), including the *John Doe 144* Action and the *A.R.* Action;

WHEREAS, as part of the consideration given by Christian Brothers, Arrowood, and Hartford for the releases described above, the Settlement Amount (as defined herein) shall consist of Tort Claims Payments (as defined below) payable to the ASF Settlement Trust (as defined below) and of Unknown Tort Claims Payments (as defined below) payable to the Unknown Tort Claims Trust (as defined below);

WHEREAS, in exchange for such consideration, the Archdiocese has agreed to provide Christian Brothers, Arrowood, and Hartford with certain protections in connection with its proposed Plan of Reorganization, including designation as Protected Parties (as defined below) and the protection of the Channeling Injunction contemplated by the Bankruptcy Plan or Plan (as defined below); and

WHEREAS, this Settlement Agreement shall be incorporated by reference into the Bankruptcy Plan.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants contained in this Settlement Agreement, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

1. DEFINITIONS

1.1 The following terms have the meanings set forth in the Debtor's First Amended Plan of Reorganization dated November 3, 2022, which was filed in the Bankruptcy Case at Doc. No. 1151 (the "Bankruptcy Plan" or the "Plan"):

1.1.1 "Abuse"

1.1.2 "Abuse Claim"

1.1.3 "Archdiocese"

- 1.1.4 “Debtor”
- 1.1.5 “ASF Settlement Trust”
- 1.1.6 “ASF Settlement Trust Documents”
- 1.1.7 “Bankruptcy Case”
- 1.1.8 “Bankruptcy Code”
- 1.1.9 “Bankruptcy Court”
- 1.1.10 “Channeled Claim”
- 1.1.11 “Channeling Injunction”
- 1.1.12 “Claim”
- 1.1.13 “Committee”
- 1.1.14 “Conditional Payment”
- 1.1.15 “Confirmation Order”
- 1.1.16 “Direct Action Claim”
- 1.1.17 “Entity”
- 1.1.18 “Escrow Agent”
- 1.1.19 “Final Order”
- 1.1.20 “Insurer Settlement Agreement”
- 1.1.21 “Medicare Claims”
- 1.1.22 “MMSEA”
- 1.1.23 “MSPA”
- 1.1.24 “Participating Religious Order”
- 1.1.25 “Person”
- 1.1.26 “Petition Date”
- 1.1.27 “Related Insurance Claim”
- 1.1.28 “Reorganized Debtor”

1.1.29 “Tort Claim”

1.1.30 “Unknown Tort Claim”

1.1.31 “Unknown Tort Claimant”

1.1.32 “Unknown Tort Claims Representative”

1.1.33 “Unknown Tort Claims Trust”

1.1.34 “Unknown Tort Claims Trust Documents”

1.2 As used in this Settlement Agreement (as defined above), the following terms shall have the meanings set forth below.

1.2.1 “Approval Motion” means the motion filed in the Bankruptcy Court seeking approval of this Settlement Agreement as described in Section 2 of this Settlement Agreement.

1.2.2 “Approval Order” means the order granting the Approval Motion described in Section 2 of this Settlement Agreement and providing all of the relief described in this Settlement Agreement.

1.2.3 “*A.R.* Action” shall have the meaning set forth in the Recitals.

1.2.4 “Arrowood” means Arrowood Indemnity Company, formerly known as Royal Indemnity Company, successor by merger to Royal Insurance Company of America and, solely in their capacity as such, (i) each of its past, present, and future parents, subsidiaries, affiliates, and divisions; (ii) each of the foregoing Persons’ or Entities’ respective past, present, and future parents, subsidiaries, affiliates, holding companies, merged companies, related companies, divisions, and acquired companies; each of the foregoing Persons’ or Entities’ respective past, present, and future directors, officers, shareholders, employees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators; and (iii) each of the foregoing Persons’ or Entities’ respective predecessors, successors, assignors, and assigns, whether known or unknown, and all Persons or Entities acting on behalf of, by, through, or in concert with them. For the avoidance of doubt, the inclusion of the phrase “future parents” in this definition is limited to such Entity in its capacity as a “future parent,” and nothing contained herein shall limit or alter the obligations of any such Entity to the extent that such obligations exist independent of such Entity’s role as a “future parent.”

1.2.5 “Bankruptcy Plan Effective Date” has the same meaning as “Effective Date” as set forth in the Plan.

1.2.6 “Christian Brothers” means Brothers of the Christian Schools; Christian Brothers Major Superior; NOSF, Inc., a.k.a. SFNO, a.k.a. District of San Francisco New Orleans, f.k.a. Brothers of the Christian Schools of Lafayette, LA, Inc.; De La Salle

Institute, a/k/a SFNO a/k/a District of San Francisco New Orleans, and St. Michael's High School.

1.2.7 "Christian Brothers Policies" means any and all known and unknown contracts, binders, certificates, or policies of liability coverage or insurance, including any stipulations with respect to the same, in effect on or before the Bankruptcy Plan Effective Date, that were issued by any of the Insurers to, or allegedly issued by the Insurers to, or for the benefit of, or that otherwise actually or allegedly insure Christian Brothers.

1.2.8 "Christian Brothers Tort Claim" means a Tort Claim that arises out of conduct for which both Christian Brothers and the Debtor may be liable and includes a Tort Claim and an Unknown Tort Claim.

1.2.9 "Christian Brothers Tort Claimant" means the holder of a Christian Brothers Tort Claim, and his or her personal executors or representatives, administrators, heirs, successors and assigns, and any bankruptcy trustee ("Trustee Claimant") of an open bankruptcy case with an interest in a Christian Brothers Tort Claim. The Christian Brothers Tort Claimants who have asserted Christian Brothers Tort Claims against Christian Brothers include those Persons that have asserted Claims against Christian Brothers in the *A.R. Action* and *John Doe 144 Action*, and who are identified in attached Exhibit B according to their Proof of Claim numbers in the Bankruptcy Case.

1.2.10 "Claimant Bankruptcy Cases" means the open cases under the Bankruptcy Code for Christian Brothers Tort Claimants holding Claims Nos. 136 and 138, and for which there is a Trustee Claimant. For the avoidance of doubt, if any Claimant Bankruptcy Case is closed without administering the Christian Brothers Tort Claim, the execution of this Settlement Agreement by state court counsel shall be binding on the debtor in the underlying closed Claimant Bankruptcy Case, and such debtor shall be a Christian Brothers Tort Claimant and a Party to this Settlement Agreement.

1.2.11 "Coverage Disputes" shall have the meaning set forth in the Recitals.

1.2.12 "Execution Date" means the date on which all Parties have executed this Settlement Agreement.

1.2.13 "Extra-Contractual Claim" means any Claim against Arrowood or Hartford relating to allegations that Arrowood or Hartford (a) acted in bad faith or in breach of any express or implied duty, obligation, or covenant, contractual, statutory, regulatory or otherwise, including any Claim on account of alleged bad faith; (b) failed to act in good faith; (c) committed fraud, misrepresentation or any other act giving rise to tort liability; (d) failed to provide insurance coverage under any policy; (e) failed or refused to compromise and settle any allegedly insured Claim; (f) violated or breached any covenant or duty of good faith and fair dealing, whether express, implied, or otherwise; (g) violated any statute, regulation, or code governing unlawful, unfair, or fraudulent competition, business, or trade practices, and/or untrue or misleading advertising, including any violation of any unfair claims practices act or similar statute, regulation, or code; (h) failed to investigate or provide a defense or an adequate defense; or (i) committed any other type

of alleged misconduct or otherwise acted or failed to act in any way for which the Tort Claimant or holder of a Channeled Claim seeks relief other than coverage or benefits under a policy of insurance Extra-Contractual Claims include but are not limited to: (a) any Claim that relates to Arrowood's and/or Hartford's handling of any Claim or any request for insurance coverage, including any request for coverage for or defense of any claim, including but not limited to any Tort Claim and/or the John Doe Action or *A.R.* Action; (b) any Claim that directly or indirectly relates to any of the Christian Brothers Policies and any contractual duties arising therefrom, including any contractual duty to defend Christian Brothers against any Tort Claims (including any Unknown Tort Claims) and/or the *A.R.* Action and *John Doe 144* Action; and (c) the conduct of the Parties with respect to the negotiation of this Settlement Agreement.

1.2.14 "Funding Parties" means Christian Brothers, Arrowood and Hartford.

1.2.15 "Hartford" means Hartford Accident and Indemnity Company and each of its past, present, and future parents, subsidiaries, affiliates, and divisions; each of the foregoing Persons' or Entities' respective past, present, and future parents, subsidiaries, affiliates, holding companies, merged companies, related companies, divisions, and acquired companies; each of the foregoing Persons' or Entities' respective past, present, and future directors, officers, shareholders, employees, partners, principals, managers, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators; and each of the foregoing Persons' or Entities' respective predecessors, successors, assignors, and assigns, whether known or unknown, and all Persons or Entities acting on behalf of, by, through, or in concert with them. A future parent is not a Settling Insurer to the extent that such future parent is an insurer of Christian Brothers after the Plan Effective Date.

1.2.16 "Insurers" means Arrowood and Hartford.

1.2.17 "Interests" means all Claims, liens, encumbrances, interests, and other rights of any nature, whether at law or in equity, including all claims to coverage or the proceeds under the Christian Brothers Policies with respect to Christian Brothers Tort Claims and/or the *A.R.* Action and *John Doe 144* Action and related rights of contribution, indemnity, defense, subrogation, or similar relief.

1.2.18 "Parties" has the meaning set forth in the recitals above.

1.2.19 "Protected Parties" shall have the meaning ascribed to it in the Plan, provided that such definition shall include Christian Brothers (as a Participating Religious Order) and each of the Insurers in their capacity as a Funding Party under this Settlement Agreement in addition to Arrowood's capacity as a "Settling Insurer" (as defined in the Plan, as applicable) to the Archdiocese.

1.2.20 "Settlement Agreement Effective Date" means the day following the date on which the last of the following conditions have occurred: (i) all Parties have executed this Settlement Agreement; (ii) the Bankruptcy Court has entered the Approval Order and the Approval Order has become a Final Order; and (iii) the Bankruptcy Court has entered

the Bankruptcy Plan Confirmation Order and such order has become a Final Order; provided, however, that notwithstanding any other provision of this Settlement Agreement to the contrary, the rights and obligations of the Parties under Sections 2 and 5 of this Settlement Agreement shall become effective and binding when all Parties have executed this Settlement Agreement.

1.2.21 “Settlement Amount” means the sum of one million nine-hundred ninety five thousand dollars (\$1,995,000), including the amount of \$95,000 to be paid separately to the Unknown Tort Claims Trust to be paid by the Funding Parties. The Settlement Amount is comprised of and will be payable by the Funding Parties as set forth in the Tort Claims Payment and the Unknown Tort Claims Payment.

1.2.22 “Tort Claims Payment” means the total of \$1,900,000 to be paid by the Funding Parties to the ASF Settlement Trust as follows: (a) Hartford Accident and Indemnity Company -- \$665,000; (b) Arrowood Indemnity Company -- \$442,700; (c) Christian Brothers -- \$792,300. A total of \$1,805,000 of the Tort Claims Payment shall be deposited into a separate Religious Orders Class 3 Tort Claims reserve subaccount of the ASF Settlement Trust to be divided exclusively among the Christian Brothers Tort Claimants who are Parties to this Settlement Agreement, in ratio to their Judge Bettinelli point awards, and the remainder (\$95,000) shall be deposited into the general funds of the ASF Settlement Trust to be divided among the other Class 3 Tort Claimants under the Plan, but not including the Christian Brothers Tort Claimants who are Parties to this Settlement Agreement.

1.2.23 “Unknown Tort Claims Payment” means the sum of \$95,000 to be paid to the Unknown Tort Claims Trust as follows: (a) Hartford Accident and Indemnity Company -- \$33,250; (b) Arrowood Indemnity Company -- \$22,135; (c) Christian Brothers -- \$39,615.

1.2 Capitalized terms not defined in this section or elsewhere in this Settlement Agreement shall have the meanings given to them in the Plan or in the Bankruptcy Code. If there is a conflict between the definitions in the Plan and in the Bankruptcy Code, the Plan definition will control.

2. BANKRUPTCY OBLIGATIONS

2.1 Settlement Approval Motion. The Archdiocese shall file a motion in the Bankruptcy Court (the “Approval Motion”) that seeks the entry of an order in substantially the form attached as Exhibit A to this Settlement Agreement, approving the compromises and settlements set forth in this Settlement Agreement and authorizing the Parties to undertake the settlement and the transactions contemplated by this Settlement Agreement (the “Approval Order”).

2.2 Settlement Approval Order. The Approval Order shall be in form and substance acceptable to each of the Funding Parties and shall: (i) approve the settlements and compromises set forth in this Settlement Agreement; and (ii) provide that this Settlement Agreement and the Approval Order are binding on the ASF Settlement Trust and the Unknown Tort Claims Trust, and

any successors of the ASF Settlement Trust, the Unknown Tort Claims Trust or the Reorganized Debtor.

2.2.1 Mailed Notice of Approval Motion. The Archdiocese, at the Funding Parties Expense, shall include notice of an approved notice of the Approval Motion in a form and substance approved by the Bankruptcy Court. The Funding Parties acknowledge and agree that the Archdiocese shall have complied with its obligations if such notice (i) consists of a summary of the terms of the Settlement Agreement with a link to the Archdiocese's website, an address and telephone number from which the addressee can obtain or request a copy of the Approval Motion and Settlement Agreement and (ii) is mailed or otherwise transmitted in accordance with Court order, with the Archdiocese's notice to all parties receiving notice of the motion, objection date and hearing date for approval of the Settlement Agreement and the confirmation of the Plan. The Funding Parties promptly will pay any incremental cost of notice required by this Settlement Agreement or the Bankruptcy Court.

2.2.2 Publication Notice of Approval Motion. The Archdiocese, at the Funding Parties' expense, shall include notice of the Approval Motion in a form and substance approved by the Bankruptcy Court as part of its publication of any publication notice of the motion, objection date and hearing date for approval of the Insurer Settlement Agreements and the confirmation of the Plan. The Funding Parties acknowledge and agree that the Archdiocese shall have complied with its obligations if such notice is published in the Albuquerque Journal, Santa Fe New Mexican, Las Cruces Sun News, and USA Today. The Funding Parties promptly will pay any incremental cost of the notice required by this Settlement Agreement or the Bankruptcy Court.

2.2.3 Objections. If any Person or Entity files an objection to the Approval Motion, the Archdiocese will reasonably cooperate with the Insurers and Christian Brothers in filing a written response, in securing approval of the Approval Motion, and defending against any objection, appeal, petition, motion, or other challenge to the Bankruptcy Court's entry of the Approval Order, all of which will be done, if at all, by and at the expense of the Funding Parties. Nothing in this Settlement Agreement will require the Archdiocese to take or join in any position, even nominally, that may, in the Archdiocese's reasonable judgment, delay or jeopardize confirmation of the Plan, the Bankruptcy Plan Effective Date, or the Debtor's discharge.

2.3 Claimant Bankruptcy Case Approval Orders. As soon as possible following entry of the Confirmation Order but in any event no later than July 1, 2023, each Trustee Claimant that has a Claimant Bankruptcy Case shall deliver to the other Parties to this Settlement Agreement an order of the Bankruptcy Court in the applicable Claimant Bankruptcy Case that approves the settlements and compromises set forth in this Settlement Agreement and approves the Trustee Claimant's execution of this Settlement Agreement; *provided, however*, that any delay in obtaining such an approval order shall not terminate a Trustee Claimant and Christian Brothers Tort Claimant as a Party to this Settlement Agreement, but only defer any distribution from the ASF Settlement Trust to any Trustee Claimant who has not obtained approval of this Settlement Agreement in their respective Claimant Bankruptcy Case until such an approval order is entered and all conditions to distribution under the ASF Settlement Trust Documents are satisfied.

2.4 The Plan. The Plan, including all exhibits, schedules, and related documents shall not deprive the Parties of any right or benefit under this Settlement Agreement. To the extent that any conflict exists between the Plan and this Settlement Agreement the Plan will control. The Funding Parties stipulate that the provisions of this section are satisfied by the Plan and Plan documents, as filed.

2.4.1 The Plan shall include an injunction (the “Channeling Injunction”) enjoining Claims or suits against the Funding Parties on account of Christian Brothers Tort Claims, barring and permanently enjoining all Persons and Entities who have held or asserted, or may in the future hold or assert one or more Channeled Claims from taking any action, directly or indirectly for purposes of asserting, enforcing, or attempting to assert or enforce any Channeled Claim against the Funding Parties and channeling such Channeled Claims to the ASF Settlement Trust or the Unknown Tort Claims Trust, as the case may be, as the sole and exclusive source of payment of any such Channeled Claims. The Funding Parties stipulate that the Channeling Injunction set forth in the Plan, as filed, is satisfactory for all purposes under this Settlement Agreement.

2.4.2 The Plan shall designate Christian Brothers as a “Participating Religious Order” entitled to protection as a Protected Party under the Plan.

2.4.3 The Plan shall designate each of the Insurers as a “Protected Party” in connection with their funding of the Settlement Amount that is entitled to the benefits and protections of the Channeling Injunction in its capacity as a Funding Party in addition to its capacity as a “Settling Insurer,” if applicable, of the Archdiocese.

2.4.4 The Plan shall include the Funding Parties in the definition of Exculpated Parties.

2.4.5 The Plan shall incorporate this Settlement Agreement and the releases contained herein by reference and make the Settlement Agreement part of the Plan as if set forth fully within the Plan. To the extent that any conflicts exist between the Plan and this Settlement Agreement, the Plan will control.

2.4.6 The Plan shall provide that, as a condition to receiving payment from the ASF Settlement Trust or Unknown Tort Claims Trust, each and every Christian Brothers Tort Claimant shall execute and deliver to the ASF Settlement Trustee or to the Unknown Tort Claims Trustee, as applicable, a general release in favor of each of the Protected Parties in the form attached to the Plan, as filed, as Exhibit N.

2.4.7 The Plan shall provide that, in the event that the Approval Motion is granted after the Bankruptcy Plan Effective Date, then the Funding Parties shall receive the benefits and protections accorded to Protected Parties under the Plan when the Settlement Amount is paid.

2.5 The Confirmation Order. In the Bankruptcy Case, the Archdiocese shall seek and obtain entry of the Confirmation Order that: (i) approves the Plan; (ii) approves the Channeling Injunction; (iii) approves this Settlement Agreement; and (iv) provides the same protections to the

Funding Parties against Christian Brothers Tort Claims and other Channeled Claims with respect to the releases and Channeling Injunction in the Plan that are afforded to any other Protected Party; provided, however, that neither the Archdiocese nor the Reorganized Debtor shall have any duty or obligation to indemnify or to defend the Funding Parties in their capacity as Funding Parties. The Plan and Plan Confirmation Order must contain no provisions that diminish or impair the benefits of this Settlement Agreement or the Approval Order to the Funding Parties.

2.6 Automatic Stay Remains in Force/State Court Litigation Held in Abeyance. The Christian Brothers Tort Claimants agree that, prior to entry of the Plan Confirmation Order, they will not seek to lift the automatic stay, and agree to stay or continue to stay the *John Doe 144* Action and the *A.R.* Action. Prior to entry of the Plan Confirmation Order, the Archdiocese shall cooperate with the Funding Parties' efforts to oppose any motion by the Christian Brothers Tort Claimants to lift any stay pursuant to Bankruptcy Code § 362 to pursue a Christian Brothers Tort Claim against the Archdiocese. Opposition to efforts by the Christian Brothers Tort Claimants to get relief from any stay other than that imposed by Bankruptcy Code § 362 or to pursue a Christian Brothers Tort Claim against persons or entities other than the Archdiocese shall be by and at the sole expense of the Funding Parties.

2.7 No Discovery Sought From Other Parties. The Parties agree that they shall not attempt to obtain discovery from any other Party during the pendency of the Bankruptcy Case.

2.8 Medicare Reporting. The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust each register as a Responsible Reporting Entity ("RRE") under the reporting provisions of §111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Pub. L. 110-173) ("MMSEA").

2.8.1 The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust timely submit all reports that are required under MMSEA on account of any claims settled, resolved, paid, or otherwise liquidated. The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require also that the ASF Settlement Trust and the Unknown Tort Claims Trust, in their respective roles as RRE, follow all applicable guidance published by the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services and/or any other agent or successor entity charged with responsibility for monitoring, assessing, or receiving reports made under MMSEA (collectively, "CMS") to determine whether or not, and, if so, how, to report to CMS pursuant to MMSEA.

2.8.2 The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust obtain prior to remittance of funds to Tort Claimants' counsel, or to the Christian Brothers Tort Claimant, if pro se, in respect of any Christian Brothers Tort Claim, a certification of compliance with MMSEA for such Claimant from the Claimant's counsel, if such claimant has an attorney and, if the Claimant is pro se from the third party administrator engaged by and paid for by the Archdiocese for the purpose of providing certifications of compliance with MMSEA for all such pro se Claimants. The certifications of compliance shall provide

that the Christian Brothers Tort Claimant has or will provide for the payment and/or resolution of any obligations owing or asserted under 42 U.S.C. §1395y(b), or any related rules, regulations, or guidance, in connection with, or relating to, such Christian Brothers Tort Claim.

2.8.3 The Funding Parties and Christian Brothers Tort Claimants stipulate that compliance with the provisions of the ASF Settlement Trust or with the Unknown Tort Claims Trust is deemed to be compliance with Section 2.7 of this Settlement Agreement and that Section 2.7 and the subsections hereunder shall not be read or interpreted to impose requirements on the ASF Settlement Trustee or on the Unknown Tort Claims Trustee that are greater than or different from those imposed by the ASF Settlement Trust or the Unknown Tort Claims Trust, respectively.

2.9 From and after the date when all Parties have executed and delivered this Settlement Agreement, the Funding Parties shall not object to any proposed disclosure statement or Plan that is consistent with this Settlement Agreement; provided, however, that: (i) the Archdiocese shall not include any provision in any Plan that adversely affects the rights or benefits of the Funding Parties under this Settlement Agreement, or that otherwise violates, or is contrary to, the agreements and covenants contained in this Settlement Agreement; and (ii) the Archdiocese shall not act, or fail to act, in such a way that otherwise violates, or is contrary to, the agreements and covenants contained in this Settlement Agreement. Notwithstanding the foregoing, the Funding Parties are parties in interest that may participate in the Bankruptcy Case for the purpose of supporting or enforcing any of the terms of this Settlement Agreement and protecting their rights. The Funding Parties stipulate that the provisions of this section are satisfied by the Plan, as filed, and Plan documents, as filed.

2.10 The Parties covenant not to sue each other until: (a) the Approval Order has become a Final Order, at which time this covenant is superseded by the releases provided in Section 4, or (b) the date on which this Settlement Agreement is terminated.

3. THE SETTLEMENT PAYMENT AND CONDITIONS THERETO

3.1 Each Funding Party's obligation to pay its respective portion of the Settlement Amount is several and not joint in nature and is conditioned on the satisfaction of the bankruptcy obligations set forth in Section 2.1-2.7 and the Settlement Approval Order and the Confirmation Order both becoming Final Orders in form and substance consistent with this Settlement Agreement. That said, the Settlement Amount, in full, must be received by the ASF Settlement Trust and Unknown Tort Claims Trust for any of the Funding Parties to be released and/or to receive the benefit of the Channeling Injunction. Each Funding Party shall pay its respective portion of the Settlement Amount within thirty (30) days after receipt of notice from the Reorganized Debtor: (a) that both the Approval Order and the Bankruptcy Plan Confirmation Order have become Final Orders and (b) of appropriate instructions for the transmission of its portion of the Settlement Amount. Each Funding Party shall have the option of paying its respective portion of the Settlement Amount by check, ACH transfer or wire transfer. If the last date for payment of the Settlement Amount is a weekend or legal holiday, the deadline for payment of the Settlement Amount shall be the first business day thereafter.

3.2 If the Settlement Amount is due prior to the Bankruptcy Plan Effective Date, each Funding Party shall pay its portion of the Settlement Amount to the Escrow Agent. The Escrow Agent shall hold the Settlement Amount in escrow and in trust for the benefit of the Funding Parties in a separate reserve account and: (i) upon receipt of notice of the occurrence of the Bankruptcy Plan Effective Date, transfer the Tort Claims Payment, with any accrued interest, to the ASF Settlement Trust; and transfer the Unknown Tort Claims Payment to the Unknown Tort Claims Trust or (ii) return each Funding Party's respective portion of the Settlement Amount, with any accrued interest to such Settlement Funding Party upon receipt of notice that the Settlement Agreement has been terminated.

3.3 If the Settlement Amount is due after the Bankruptcy Plan Effective Date, each Funding Party shall pay its portion of the Tort Claims Payment to the ASF Settlement Trust and its portion of the Tort Claims Payment to the Unknown Tort Claims Trust in the amounts set forth in the Settlement Agreement.

3.4 The Parties agree: (a) the respective amounts that each of the Funding Parties is obligated to pay under this Settlement Agreement represents the maximum amount each of the Funding Parties is obligated to pay on account of: (i) the Christian Brothers Tort Claims or (ii) the Christian Brothers Policies with respect to the Christian Brothers Tort Claims and Channeled Claims arising from, related to or in connection with such Christian Brothers Tort Claims; (b) under no circumstance will any Funding Party be obligated to make any additional payments for: (i) Christian Brothers Tort Claims and Channeled Claims arising from, related to or in connection with the activities of the Christian Brothers or the Christian Brothers Policies, including in connection with such Christian Brothers Tort Claims or (ii) the Christian Brothers Policies with respect to the Christian Brothers Claims and Channeled Claims arising from, related to or in connection with such Christian Brothers Claims, including in connection with amounts allegedly owed under the MSPA or any Channeled Claims arising from, related to or in connection with such Christian Brothers Tort Claims; (c) under no circumstance will any Funding Party be obligated to make any additional payments to or on behalf of the Christian Brothers in connection with any (i) Christian Brothers Tort Claims and Channeled Claims arising from, related to or in connection with such Christian Brothers Claims or (ii) the Christian Brothers Policies with respect to the Christian Brothers Tort Claims; and (d) all limits of liability of the Christian Brothers Policies, regardless of how the Christian Brothers Policies identify or describe those limits, including all per person, per occurrence, per claim, "each professional incident," per event, per accident, total, and aggregate limits, shall be deemed fully and properly exhausted with respect to the Christian Brothers Tort Claims.

3.5 The Parties agree that the consideration to be provided by each Party pursuant to this Settlement Agreement constitutes fair and reasonable exchange for the consideration granted it under this Settlement Agreement, including the bankruptcy obligations and requirements set forth in Section 2 and the Releases in Section 4. The Funding Parties are not acting as volunteers in tendering their respective portions of the Settlement Amount, and the Settlement Amount reflects the liabilities and obligations of the Funding Parties to the Tort Claimants and the potential exposure for Unknown Tort Claims by Christian Brothers Tort Claimants.

3.6 The Debtor will undertake all reasonable actions to cooperate with the Insurers in connection with their reinsurers and/or retrocessionaires so long as they do not require a material expense beyond the expenses incurred in the approval of the Settling Insurer Agreements and the confirmation of the Plan.

3.7 Within (5) days from the receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust, counsel for the Christian Brothers Tort Claimants shall dismiss the *John Doe* Action and the *A.R.* Action in their entirety with prejudice, with each party to bear its own costs and fees.

3.8 The Parties agree, with respect to their costs, expenses and counsel and professional fees incurred in connection with this Settlement Agreement, that they each shall bear such costs, expenses and fees.

4. MUTUAL RELEASES

4.1 Upon receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust, with no further action being required, the Funding Parties and the Archdiocese each shall have and shall be deemed to have fully, finally, and completely remised, released, acquitted, and forever discharged one another from any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are in connection with (i) any Christian Brothers Tort Claims, including Unknown Tort Claims; (ii) the Christian Brothers Policies with respect to any Christian Brothers Tort Claims or Channeled Claims (including any Direct Action Claim, Related Insurance Claim or Extra-Contractual Claim), and (iii) all reimbursement obligations for Conditional Payments under the MSPA and all other Medicare Claims related to Channeled Claims, and all Claims that, directly or indirectly, arise from, relate to, or are in connection with the Bankruptcy Case.

4.2 The releases set forth in Section 4.1 are not intended, and shall not be construed, to release any rights of the Insurers against their respective reinsurers or retrocessionaires, solely in their capacities as such. Nothing in this Settlement Agreement is intended to or shall be construed to diminish or to have any effect on any of the Insurers' right to seek or obtain reinsurance recoveries under any reinsurance treaties, certificates, or contracts that cover losses arising under or in connection with the Christian Brothers Policies or any other binder, certificate, or policy of insurance issued by Arrowood or Hartford.

4.3 Upon the Bankruptcy Plan Effective Date, Christian Brothers shall not assert against Arrowood or Hartford any Claim with respect to any matter, conduct, transaction, occurrence, fact, or other circumstance that, directly or indirectly, arises out of, relates to, or is in connection with any Christian Brothers Tort Claim or Channeled Claim or any other matter released pursuant to Sections 4.1 above. Upon the Bankruptcy Plan Effective Date, the Insurers will not assert or make any claims against Christian Brothers to seek reimbursement, subrogation, and /or contribution for amounts paid under the Christian Brothers Policies to fund their respective contributions to the Settlement Amount and shall forever forbear and refrain from filing any further action, claim, or lawsuit of any kind whatsoever against Christian Brothers for any Christian Brothers Tort Claim, Channeled Claim or any other matter released in Section 4.1 above.

4.4 Notwithstanding anything in this Settlement Agreement, nothing in this Settlement Agreement is intended to or shall be construed to release any Claims that any of the Insurers has or might have against any insurer that is not a Party to this Settlement Agreement except that, to the extent such other insurers have agreed or in the future agree to release any Claims against Arrowood or the Hartford arising out of or related in any way to the Christian Brothers Tort Claims, then also releases such Christian Brothers Claims against such other insurers to the same extent.

4.5 The Tort Claims of the Christian Brothers Tort Claimants against the Protected Parties, including the Archdiocese and the Funding Parties, shall be governed by the Plan, the ASF Settlement Trust Documents, the Unknown Tort Claims Trust Documents, and the releases contained therein, which shall be in form and substance acceptable to the Funding Parties. Notwithstanding the foregoing, the Christian Brothers Tort Claimants agree that, as of the date that the Settlement Amount is received by the ASF Settlement Trust and Unknown Tort Claims Trust, each of the Christian Brothers Tort Claimants fully, finally and completely remise, release, acquit, and forever discharge the Funding Parties of and from any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are in connection with (i) any Christian Brothers Tort Claims, (ii) the Christian Brothers Policies with respect to any Christian Brothers Tort Claims or Channeled Claims (including any Direct Action Claim, Related Insurance Claim or Extra-Contractual Claim) or (iii) any other Claims arising out of or relating to Abuse that they may have, whether known or unknown, against such Funding Party. For the avoidance of doubt, there is no partial release for some but not all of the Funding Parties and all Funding Parties must pay their obligation for there to be a release of any Funding Party, but no funds paid by any Funding Party will be released to pay any Tort Claim (including a Christian Brothers Tort Claim) unless that Funding Party receives the benefits of the releases provided in Section 4.1.

4.6 This Section 4 is not intended to, and shall not be construed to, release, waive, relinquish, or otherwise affect the Parties' rights and obligations under this Settlement Agreement.

5. TERMINATION OF AGREEMENT

In the event: (i) the Bankruptcy Plan Effective Date does not occur within one year from the date on which the Settlement Agreement is executed by all the Parties; (ii) the receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust does not occur within 395 days from the date on which the Settlement Agreement is executed by all the Parties; (iii) a Plan is filed or confirmed that is inconsistent with the terms of this Settlement Agreement; or (iv) the Bankruptcy Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code, then in any such event the Settlement Funding Parties may terminate this Settlement Agreement upon fifteen (15) days' notice to the other Parties, immediately following which this Settlement Agreement shall be null and void and of no force or effect and any Settlement Amount paid (or portion thereof) shall be immediately returned to Christian Brothers, Arrowood, and the Hartford with any accrued interest as set forth in Section 3.2.

6. COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE PARTIES

6.1 The Parties separately represent and warrant that, to the extent it is a corporation, including a corporation sole, a non-profit corporation, or other legal entity, each Party has the

requisite power and authority to enter into this Settlement Agreement and to perform the obligations contemplated by this Settlement Agreement, subject only to approval of the Bankruptcy Court and, with respect to any Trustee Claimant, approval of this Settlement Agreement in the respective Claimant Bankruptcy Cases.

6.2 Each Party represents that the person executing this Settlement Agreement on its behalf is duly authorized to do so.

6.3 Each Party warrants and represents that this Settlement Agreement has been thoroughly negotiated and analyzed by counsel to the Parties and executed and delivered in good faith pursuant to arm's length negotiations and for value and valuable consideration.

6.4 Each of the Funding Parties represents and warrants that, except as provided in this Agreement, it has not assigned, conveyed, transferred, or sold, and will not assign, convey, transfer or sell, any Interests in the Christian Brothers Policies to any Entity.

6.5 Christian Brothers represents and warrants that to the best of its knowledge, it is an owner of the Christian Brothers Policies, and that no other Entity has any Interest in or legal title to the Christian Brothers Policies with respect to the subject matter of this Settlement Agreement.

6.6 Christian Brothers represents and warrants that it has not in any way assisted, and shall not in any way assist, any Person or Entity in the establishment or pursuit of any Claim or Tort Claim against any of the Insurers.

6.7 Christian Brothers and the Insurers each represent and warrant that, to the best of its knowledge, the only policies of insurance and certificates of coverage that have been issued, allegedly issued, or may have been issued to Christian Brothers that would provide coverage for any Claim or Tort Claim are the Christian Brothers Policies issued by the Insurers.

6.8 Christian Brothers and each of the Insurers each represent and warrant to the other that they have completed a reasonable search for evidence of any policy of insurance issued by the Insurers to Christian Brothers that would afford coverage with respect to any Tort Claim. Other than the Christian Brothers Policies, no such policies have been identified. Notwithstanding the foregoing, nothing in this Settlement Agreement, including the exhibits and schedules hereto, shall be construed as or deemed to be an admission or evidence that any binder, certificate, or policy of insurance was in fact issued or affords coverage in connection with any Tort Claims.

7. ACTIONS INVOLVING THIRD PARTIES

7.1 For purposes of supporting the releases granted in Section 4 and the release of coverage under the Christian Brothers Policies for Christian Brothers Tort Claims and other Channeled Claims as described in the Settlement Agreement, unless the Settlement Agreement is terminated, the Funding Parties shall not seek reimbursement for any payments each makes under this Settlement Agreement under theories of contribution, subrogation, indemnification, or similar relief from any other Funding Party unless that other insurer first seeks contribution, subrogation, indemnification, or similar relief from any other Funding Party. Notwithstanding the foregoing, nothing herein shall be construed as prohibiting any of the Insurers from seeking recovery from its reinsurers. Christian Brothers hereby agrees as follows:

7.1.1 From and after the first day on which the Approval Order becomes a Final Order, if any other insurer of Christian Brothers obtains a judicial determination or binding arbitration award that it is entitled to obtain a sum certain from Arrowood or the Hartford as a result of a claim for contribution, subrogation, indemnification, or other similar Claim for any of Arrowood's or the Hartford's alleged share or equitable share, or to enforce subrogation rights, if any, with respect to the defense or indemnity obligation of any of Arrowood or the Hartford for any Tort Claims (or Claims arising from or relating to Tort Claims), or reimbursement obligations for Conditional Payments and other Medicare Claims released or resolved pursuant to this Settlement Agreement, Christian Brothers shall voluntarily reduce any judgment or Claim against, or settlement with, such other insurers to the extent necessary to satisfy such contribution, subrogation, indemnification, or other Claims against Arrowood or Hartford. To ensure that such a reduction is accomplished, Arrowood or Hartford shall be entitled to assert this Section 7 as a defense to any action against it brought by any other insurer for any such portion of the judgment or Claim and shall be entitled to request that the court or appropriate tribunal issue such orders as are necessary to effectuate the reduction to protect Arrowood or Hartford from any liability for the judgment or Claim. Moreover, if a non-settling insurer asserts that it has a Claim for contribution, indemnity, subrogation, or similar relief against Arrowood or the Hartford, such Claim may be asserted as a defense against a Claim by Christian Brothers in any coverage litigation (and the Christian Brothers may assert the legal and equitable rights of Arrowood or the Hartford in response thereto); and to the extent such a Claim is determined to be valid by the court presiding over such action, the liability of such non-settling insurer to Christian Brothers shall be reduced dollar for dollar by the amount so determined.

7.1.2 Unless the Settlement Agreement is terminated, Arrowood or Hartford shall not seek reimbursement for any payments each makes under this Settlement Agreement under theories of contribution, subrogation, indemnification, or similar relief from any other Settling Insurer unless that other insurer first seeks contribution, subrogation, indemnification, or similar relief from Arrowood or the Hartford. Notwithstanding the foregoing, nothing herein shall be construed as prohibiting Arrowood or the Hartford from seeking recovery from its reinsurers.

7.2 From and after the Bankruptcy Plan Effective Date, and pursuant to the terms of the Plan, the ASF Settlement Trust shall cooperate with the Funding Parties, at the Funding Parties' sole expense and with the Insurers taking the lead, in the enforcement of the Channeling Injunction against the assertion of any and all Channeled Claims (other than Unknown Tort Claims) filed in violation of the Channeling Injunction against any Funding Party (but not the Debtor or Reorganized Debtor). The Funding Parties shall reimburse the ASF Settlement Trust for any costs or expenses incurred by the ASF Settlement Trust in connection with such cooperation. Each of the Insurers shall have the right, but not the duty, to defend such Channeled Claims identified in this Section 7.2.

7.3 The Reorganized Debtor shall reasonably cooperate with the Funding Parties, at the Funding Parties' sole expense and with the Insurers taking the lead, in the enforcement of the Channeling Injunction against the assertion of any of the Channeled Claims that are filed in violation of the Channeling Injunction against any Funding Party (but not the Debtor or

Reorganized Debtor) and that arise from or relate to, Unknown Tort Claims. The Funding Parties shall reimburse the Reorganized Debtor for any costs or expenses incurred by the Reorganized Debtor in connection with such cooperation. Each of the Insurers shall have the right, but not the duty, to defend such Channeled Claims identified in this Section 7.3

7.4 The Funding Parties may settle or otherwise resolve a Channeled Claim filed in violation of the Channeling Injunction against any Funding Party (but not the ASF Settlement Trust or Reorganized Debtor, as applicable) only with the prior consent of the ASF Settlement Trust or Reorganized Debtor, as applicable, which consent shall not be unreasonably withheld. Any Funding Party's defense, settlement, or other resolution of any Channeled Claims pursuant to this Section 7 shall not diminish the ASF Settlement Trust's, or the Reorganized Debtor's obligations, as applicable, reasonably to cooperate with the Funding Parties in the defense of such Claims, as set forth in this Section 7.

8. MISCELLANEOUS

8.1 If any action or proceeding of any type whatsoever is commenced or prosecuted by any Person or Entity that is not a Party to this Settlement Agreement to invalidate or prevent the validation or enforcement, or carrying out, of all or any of the provisions of this Settlement Agreement, the Parties mutually agree to cooperate fully in opposing such action or proceeding.

8.2 The Parties will take such steps and execute any documents as may be reasonably necessary or proper to effectuate the purpose and intent of this Settlement Agreement and to preserve its validity and enforceability.

8.3 The Parties shall cooperate with each other in connection with the Approval Motion, the Approval Order, the Plan, the Plan Confirmation Order, and the Bankruptcy Case and any appeal therefrom. Such cooperation shall include consulting with each other upon reasonable request concerning the status of proceedings and providing each other with copies of reasonably requested pleadings, notices, proposed orders, and other documents relating to such proceedings as soon as reasonably practicable prior to any submission thereof.

8.4 Notwithstanding any other provision of this Settlement Agreement, the terms and obligations set forth in Section 2 and Section 5 of this Agreement are effective and binding as of the Settlement Execution Date.

8.5 This Settlement Agreement constitutes a single integrated written contract that expresses the entire agreement and understanding between and among the Parties and shall supersede any prior or contemporaneous oral or written communication on the settlement of the Christian Brothers Tort Claims and the treatment of the Funding Parties and Christian Brothers Tort Claimants under the Plan as a result of such settlement, including the August 1, 2022 term sheet executed by the Parties. To the extent that any conflict exists between the Plan and this Settlement Agreement, the Plan will control. This Settlement Agreement is independent of the Insurer Settlement Agreements between the Debtor and certain Insurers.

8.6 This Settlement Agreement may be modified only by a written amendment signed by the Parties and, to the extent required by Bankruptcy Rule 9019, approved by the Bankruptcy

Court. No waiver of any provision of this Settlement Agreement or of a breach thereof shall be effective unless expressed in a writing signed by the waiving Party. The waiver by any Party of any of the provisions of this Settlement Agreement or of the breach thereof shall not operate or be construed as a waiver of any other provision or breach.

8.7 By entering into this Settlement Agreement, none of the Parties has waived or shall be deemed to have waived any rights, obligations, or positions they have asserted or may in the future assert other than as set forth in this Settlement Agreement. No part of this Settlement Agreement, its negotiation, or its performance may be used in any manner in any action, suit, or proceeding as evidence of the rights, duties, or obligations of the Parties with respect to matters outside the scope of this Settlement Agreement. All actions taken and statements made by the Parties or by their representatives, relating to this Settlement Agreement or participation in this Settlement Agreement, including its development and implementation, shall be without prejudice or value as precedent and shall not be used as a standard by which other matters may be judged.

8.8 This Settlement Agreement represents a compromise of disputed Christian Brothers Tort Claims and shall not be deemed an admission or concession regarding liability, culpability, wrongdoing, or insurance coverage. All related discussions, negotiations, and all prior drafts of this Settlement Agreement shall be deemed to fall within the protection afforded to compromises and to offers to compromise by Rule 408 of the Federal Rules of Evidence and any parallel state law provisions. Any evidence of the negotiations or discussions associated with this Settlement Agreement shall be inadmissible in any action or proceeding for purposes of establishing any rights, duties, or obligations of the Parties, except that they shall be admissible to the extent they would have otherwise been admissible, absent this Section 8.8, in (i) an action or proceeding to enforce the terms of this Settlement Agreement, including any use as set forth in Section 7.1.1, (ii) any possible action or proceeding between Arrowood or Hartford and any of their respective reinsurers, or (iii) in any Claimant Bankruptcy Case in connection with the motion of the Trustee Claim for the entry of a Claimant Bankruptcy Approval Order. This Settlement Agreement shall not be used as evidence or in any other manner, in any court or dispute resolution proceeding, to create, prove, or interpret Arrowood's or Hartford's obligations under the Christian Brothers Policies, or any other binder, certificate, or policy of insurance issued or allegedly issued by Arrowood or Hartford with respect to any Christian Brothers Tort Claims against Arrowood and/or the Hartford.

8.9 None of the Parties shall make any public statements or disclosures (i) regarding another Party's rationale or motivation for negotiating or entering into this Settlement Agreement, or (ii) asserting or implying in any way that the Parties acted improperly or in violation of any duty or obligation, express or implied, in connection with any matter arising out of, relating to, or in connection with the Christian Brothers Policies or any other binder, certificate, or policy of insurance issued or allegedly issued by Arrowood or Hartford, including handling of or involvement in connection with the resolution of the Christian Brothers Tort Claims.

8.10 Neither this Settlement Agreement nor the rights and obligations set forth in this Settlement Agreement shall be assigned without the prior written consent of the other Parties.

8.11 This Settlement Agreement was jointly drafted by the Parties, and the wording of this Settlement Agreement was reviewed by legal counsel for each of the Parties, and each of them

had sufficient opportunity to propose and negotiate changes prior to its execution. The language of all parts of this Settlement Agreement shall in all cases be construed as a whole according to its meaning and not strictly for or against any Person or Entity.

8.12 Section titles and headings contained in this Settlement Agreement are included only for ease of reference and shall have no substantive effect.

8.13 All notices, demands, or other communication to be provided pursuant to this Settlement Agreement shall be in writing and deemed given when sent by e-mail (if provided) and Federal Express or other overnight delivery service, costs prepaid, to the Parties at the addresses set forth below, or to such other person or address as any of them may designate in writing from time to time:

If to the Christian Brothers Tort Claimants:

By giving notice to their counsel at the address below the signature of such Christian Brothers Tort Claimant (or his or her counsel) identified by Proof of Claim No. and, solely with respect to notices sent to Claimant Nos. 136 and 138, additional copies to counsel for the respective Chapter 7 trustee:

Daniel A. White
Askew & White LLC
1122 Central Ave., SW, Suite 1
Albuquerque, NM 87102
dwhite@askewwhite.com

If to Christian Brothers:

Brother Nick Gonzalez
Visitor
De La Salle Institute/San Francisco New Orleans Province
Brothers of the Christian Schools
4401 Redwood Road
Napa, CA 94558
ngonzalez@dlsi.org

with a copy to:
Paul E. Gaspari
Weintraub Tobin
475 Sansome Street, Suite 510
San Francisco, Ca 94111
pgaspari@weintraub.com

If to Arrowood:

Leif T. Aus, CPCU
Liability Claim Practice Leader
3600 Arco Corp. Drive
Charlotte, NC 28273

leif.aus@arrowpointcap.com

with a copy to:

Brian D. Harrison
Clyde & Co. U.S. LLP
150 California Street, 15th Floor
San Francisco, CA 94111
brian.harrison@clydeco.us

If to The Hartford:

Sean P. Johnston
Head
Complex Claims Unit
The Hartford
One Hartford Plaza
Hartford, CT 06115
sean.johnston@thehartford.com

with a copy to:

Joshua Weinberg
Ruggeri Parks Weinberg LLP
1875 K Street, N.W., Suite 600
Washington, D.C. 20006
jweinberg@ruggirilaw.com

If to the Archdiocese:

Tony Salgado, CPA
Archdiocese of Santa Fe
4000 St. Joseph Pl NW
Albuquerque, NM 87120
tsalgado@asfcca.org

with a copy to:

Ford Elsaesser
Elsaesser Anderson, Chtd.
P. O. Box 369
535 High Street
Priest River, ID 83856
ford@eaidaho.com

and

Thomas D. Walker

Walker & Associates, P.C.
500 Marquette Ave. NW, Suite 650
Albuquerque, NM 87102
twalker@walkerlawpc.com

8.14 This Settlement Agreement may be executed in multiple counterparts, all of which together shall constitute the same instrument. This Settlement Agreement may be executed and/or delivered by e-mail or other electronic image, which shall be deemed to be originals.

8.15 Nothing contained in this Settlement Agreement shall be deemed or construed to constitute (i) an admission by any of the Funding Parties or any other Person or Entity regarding whether any Person was or is entitled to any insurance coverage under the Christian Brothers Policies, or any other binder, certificate, or policy of insurance issued by Arrowood or Hartford, (ii) an admission by Christian Brothers as to the validity of any of the positions or defenses to coverage that have been or could have been asserted by Arrowood or the Hartford or any claims that have been or could have been asserted by Christian Brothers against Arrowood or the Hartford, or (iii) an admission by any Party of any liability whatsoever with respect to any of the Tort Claims, including the Christian Brothers Tort Claimants.

8.16 All of the Parties to this Agreement, the ASF Settlement Trust and the Unknown Tort Claims Fund are intended beneficiaries of this Settlement Agreement. Except as set forth in the preceding sentence or otherwise set forth in this Settlement Agreement, there are no third-party beneficiaries of this Settlement Agreement.

8.17 Except as specifically provided otherwise, each of the Parties shall be responsible for their own fees and costs incurred in connection with this Settlement Agreement and the implementation of this Settlement Agreement, and each of the Settlement Funding Parties agree to be responsible for their own fees and costs incurred in connection with the Bankruptcy Case.. With regard to the Christian Brothers Tort Claims and the *John Doe* Action and the *A.R.* Action, the Insurers will pay defense fees and costs to the extent of their agreement, if any, incurred by Christian Brothers until five days after the Settlement Agreement Effective Date.

8.18 The following rules of construction shall apply to this Settlement Agreement:

8.18.1 Unless the context of this Settlement Agreement otherwise requires: (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms “hereof,” “herein,” “hereby,” and derivative or similar words refer to this entire Settlement Agreement; and (iv) the words “include,” “includes,” or “including” shall be deemed to be followed by the words “without limitation.”

8.18.2 References to statutes shall include all regulations promulgated thereunder and references to statutes or regulations shall be construed as including all statutory and regulatory provisions regardless of whether specifically referenced in this Settlement Agreement.

8.18.3 The use of the terms “intend,” “intended,” or “intent,” when describing the intention of the Parties, as the case may be, shall not be construed to create a breach of this Settlement Agreement when the stated intent is not achieved.

8.19 The Bankruptcy Court shall retain jurisdiction to interpret and enforce the provisions of this Settlement Agreement, which shall be construed in accordance with New Mexico law without regard to conflicts of law principles thereof. Arrowood and Hartford The Insurers do not, by virtue of this Section 8.19 or any other provision in this Settlement Agreement, consent to the Bankruptcy Court’s jurisdiction as to any other matter.

8.20 This Settlement Agreement and the Archdiocese’s obligations under this Settlement Agreement shall be binding on the Reorganized Debtor, the ASF Settlement Trust and the Unknown Tort Claims Fund along with their successors and assigns and shall survive the entry of the Plan Confirmation Order.

8.21 This Settlement Agreement shall be binding on the Funding Parties, the Debtor, the Reorganized Debtor, the ASF Settlement Trust, and the Unknown Tort Claims Trust, along with their successors and assigns and shall survive the entry of the Plan Confirmation Order.

8.22 Nothing in this Settlement Agreement shall prevent Arrowood or Hartford from allocating their respective portions of the Settlement Amount among the Christian Brothers Policies (including among separate policy periods, if applicable) at Arrowood’s and the Hartford’s respective discretion.

8.23 The Parties each acknowledge that every provision of this Settlement Agreement was negotiated by the Parties as a material and interdependent aspect of the consideration for the compromises and agreements reflected herein.

8.24 The Parties agree that all matters relating to the negotiation of this Settlement Agreement shall be confidential and are not to be disclosed except by order of court or consent of the Parties in writing.

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Brothers of the Christian Schools, SFNO District

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Arch Diocese of Santa Fe, New Mexico

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Arrowood Indemnity Company, formerly known
as Royal Indemnity Company, successor by
merger to Royal Insurance Company of America**

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Hartford Accident and Indemnity Company

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Certain Tort Claimants with Proof of Claim Nos.
51 and 224**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Tort Claimants:

Brad Hall
Hall Monagle Huffman & Wallace, LLC
320 Osuna Rd. NE, Suite G3
Albuquerque, NM 87107
brad@hallmonagle.com

[Signature Pages Continue on Adjacent Pages]

EXECUTION COPY

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Certain Tort Claimants with Proof of Claim No. 311

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Tort Claimants:

Carolyn M. "Cammie" Nichols
Taylor E. Smith
Rothstein | Donatelli
500 4th Street NW, Suite 400
Albuquerque, New Mexico 87102
Telephone: 505.243.1443
Facsimile: 505.242.7845
cmnichols@rothsteinlaw.com
tsmith@rothsteinlaw.com

[Signature Pages Continue on Adjacent Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Certain Tort Claimants with Proof of Claim Nos.
115, 117, 123, 133, 137, 141, 417 and
418**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Tort Claimants:

Bill Keeler
Keeler & Keeler, LLP
235 West Historic Highway 66
Gallup, NM 87301
Telephone: (505) 722-5608
Facsimile: (505) 722-5614
billkeeler@keelerandkeeler.com

Craig K. Vernon
James, Vernon & Weeks, P.A.
1626 Lincoln Way
Coeur d'Alene, Idaho 83814
Telephone: (208) 667-0683
Facsimile: (208) 664-1684
cvernon@jvwlaw.net

[Signature Pages Continue on Adjacent Pages]

IN WITNESS WHEREOF, the undersigned Trustee Claimant has duly executed this Settlement Agreement as of the date indicated below, subject to entry of an approval order in the Claimant Bankruptcy Case.

Christian Brothers Tort Claim Proof of Claim **Claimant Bankruptcy Case No.** _____
No. 136

**pending in the United States Bankruptcy
Court for the District of New Mexico:**

By: _____

Address for Notice:

Print Name: _____

Date: _____

Witness: _____

Email: _____

[Signature Pages Continue on Adjacent Page

EXECUTION COPY

IN WITNESS WHEREOF, the undersigned Trustee Claimant has duly executed this Settlement Agreement as of the date indicated below, subject to entry of an approval order in the Claimant Bankruptcy Case.

Christian Brothers Tort Claim Proof of Claim Claimant Bankruptcy Case No. _____
No. 138

**pending in the United States Bankruptcy
Court for the District of New Mexico:**

By: _____

Address for Notice:

Print Name: _____

Date: _____

Witness: _____

Email: _____

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Certain Tort Claimants with Proof of Claim No.
183**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Tort Claimants:

Bryan G. Smith
Tamaki Law
1340 N. 16th Ave., Suite C

Yakima, WA 98902
Telephone: (509) 248-8338
Facsimile: (509) 452-4228
bsmith@tamakilaw.com

[Signature Pages Continue on Adjacent Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Certain Tort Claimants with Proof of Claim No. 352

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Tort Claimants:

Joseph Blumel
Law Offices of Joseph A. Blumel III P.S.
4407 North Division, Suite 900

Spokane, WA 99207
Emails: joseph@blumellaw.com and
jessica@blumellaw.com

EXHIBIT A
APPROVAL ORDER

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO**

In re:

ROMAN CATHOLIC CHURCH OF THE
ARCHDIOCESE OF SANTA FE, a New
corporation sole,

Debtor.

Chapter 11

Case No. 18-13027-t11

**ORDER GRANTING MOTION TO APPROVE PARTICIPATING RELIGIOUS
ORDER SETTLEMENT AGREEMENTS PURSUANT TO RULE 9019(a)**

This matter came before the Court on the *Motion to Approve Participating Religious Order Settlement Agreements Pursuant to §§ 105, 363, and 1123 and Rule 9019 and Approving the Form of Notice Thereof* (the “Motion”) filed by the Roman Catholic Church of the Archdiocese of Santa Fe, a New Mexico Corporation sole, the debtor and debtor-in-possession (the “Debtor”) on [●], 2022 as Doc. No. [●] in the above-captioned Chapter 11 reorganization case (the “Bankruptcy Case”). The Court, having considered the Motion and being sufficiently advised, FINDS:

1. The Court has jurisdiction over this case and this motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b) (2)(O). Venue is proper in this District, pursuant to 28 U.S.C. §§ 1408 and 1409(a).

2. The Debtor negotiated several settlement agreements (the “Settlement Agreements”) with the Participating Religious Orders (defined below), the Settlement Funding Insurers (defined below) and counsel for holders (the “Joint Tort Claimants”) of approximately 159 Tort Claims (the “Joint Tort Claims”) asserting liability relating to the same Abuse against both the Debtor and also one or more of the following participating Religious Orders (the “Participating Religious Orders”): the

Servants of the Paraclete (“Servants”); Brothers of the Christian Schools, SFNO District (“Christian Brothers”); The Province of St. John the Baptist of the Order of the Friars Minor and The Province of Our Lady of Guadalupe of the Order of Friars Minor (“Province”); Sons of the Holy Family, Inc. (“Sons”); and the Congregation of the Blessed Sacrament, Province of St. Ann (“Congregation”). These Joint Tort Claims are identified in the attached Settlement Agreements with each of the Participating Religious Orders.

3. Many of the Participating Religious Orders have asserted liability coverage for the Joint Tort Claims under insurance policies or certificates of coverage issued by the following carriers: Arrowood Indemnity Company, formerly known as Royal Indemnity Company, successor by merger to Royal Insurance Company of America (“Arrowood”); the Catholic Mutual Relief Society of America (“Catholic Mutual”); the Continental Insurance Company (“CNA”); Liberty Mutual Insurance Company (“Liberty Mutual”); Travelers Indemnity Company and St. Paul Fire and Marine Insurance Company, as itself and as a successor to or assignee of St. Paul Mercury Indemnity Company (“Travelers”) and United States Fire Insurance Company (“U.S. Fire”) and Hartford Accident and Indemnity Company (“Hartford”). These companies are collectively referred to as the “Settlement Funding Insurers” herein and as defined in each Settlement Agreement involving their insured. Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire are each also Settling Insurers under the Plan.

4. The Settlement Agreements are attached as the following Exhibits to the Motion and provide for the following substantial contributions to the trusts established under the Plan for the benefit of Tort Claimants

Exhibit	Participating Religious Order	Settlement Amount	ASF Settlement Trust Payment	Unknown Tort Claims Trust Payment
A	Servants	\$4,200,000	\$4,000,000	\$200,000
B	Christian Brothers	1,995,000	1,900,000	95,000
C	Sons	1,100,000	1,050,000	50,000
D	Congregation	550,000	525,000	25,000
E	Province	<u>630,000</u>	<u>600,000</u>	<u>30,000</u>
TOTAL		\$8,475,000	\$8,075,000	\$400,000

5. As shown on the Notice of Deadline for Objections to Motion to Approve Participating Religious Orders Settlement Agreements filed [●], 2022 (the “Notice”) (Doc No. [●]), the Notice was served on [●], 2022 on all parties listed on the mailing matrix maintained by the Clerk of the Court. The Notice specified that any objection to the Motion had to be filed no later than 5:00 p.m. (Mountain Time) on December 22, 2022.

6. The Notice was reasonable and appropriate under the circumstances.

7. The deadline to object to the Motion expired at 5:00 p.m. (Mountain Time) on December 22, 2022.

8. No objection to the Motion was filed, timely or otherwise.

9. The Motion is well taken and should be granted as provided herein. Among other things, the Participating Religious Orders and Settlement Funding Insurers will make a substantial \$8,475,000 cash contribution to the ASF Settlement Trust and Unknown Tort Claims Trust to be created pursuant to the Plan. These payments reflect an approximately 95% allocation of the Settlement Amount to the ASF Settlement Trust for Class 3 Tort Claims under the Plan and an approximately 5% allocation to the Unknown Tort Claims Trust for Class 4 Unknown Tort Claims under the Plan. The Settlement Agreements, the payments thereunder, and the allocation thereof among the Plan trusts, is a fair resolution of the contribution and indemnity claims between the Debtor and the Participating Religious

Organizations and the coverage disputes with the Settlement Funding Insurers (as applicable), within the range of litigation outcomes, provides fair compensation to the Debtor's estate for the releases, Plan provisions and other obligations to be provided by the Debtor thereunder, and is in the best interests of the Debtor, its creditors and bankruptcy estate. The Participating Religious Orders and Settlement Funding Insurers are Protected Parties under the Plan and entitled to be the benefits and protections of the applicable releases and injunctions and other terms and provisions of the Plan upon satisfaction of all of the conditions and obligations under the Settlement Agreements, including payment of their portions of the Settlement Amounts, upon the confirmation and occurrence of the Effective Date of the Plan. The protections accorded to Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire as Settlement Funding Insurers under the Settlement Agreements and the Plan are in addition to, and independent of, their roles as Settling Insurers under the Plan.

IT IS THEREFORE ORDERED:

- A. The Motion is granted.
- B. The Settlement Agreements are approved.
- C. The Debtor is hereby authorized and directed to consummate the Settlement Agreements.
- D. The Court retains exclusive jurisdiction to interpret, enforce and implement the terms and provisions of this Order and the Settlement Agreements.
- E. This Order is effective upon entry.

END OF ORDER

EXECUTION COPY

Respectfully submitted,

WALKER & ASSOCIATES, P.C.

/s/ submitted electronically

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Attorneys for Debtor in Possession

EXHIBIT B
IDENTIFICATION OF CERTAIN TORT CLAIMANTS BY
PROOF OF CLAIM NUMBER

Hall Monagle Huffman & Wallace, LLC

#51

#224

Rothstein | Donatelli

#311

Keeler & Keeler, LLP and James, Vernon & Weeks, P.A.

#115

#117

#123

#133

#137

#141

#417

#418

Tamaki Law

#183

#352

Law Offices of Joseph A. Blumel III P.S

#352

Trustee Claimants

#136

#138

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Settlement Agreement”) dated as of November __, 2022, is hereby made by, and between, and among the Sons Tort Claimants identified below whose counsel, on their behalf, have executed and delivered this Settlement Agreement on their behalf to this Settlement Agreement; Sons of the Holy Family, Inc. (“Sons” as defined below); and the Roman Catholic Church of the Archdiocese of Santa Fe, a corporation sole (“Archdiocese” or “Debtor” as defined below), together, the “Parties” and each a “Party” to this Settlement Agreement.

RECITALS:

WHEREAS, on December 3, 2018 (the “Petition Date”), the Archdiocese filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of New Mexico (the “Bankruptcy Court”), pending under case no. 18-13027-t11 (the “Bankruptcy Case”);

WHEREAS, the Sons Tort Claimants have asserted Sons Tort Claims (as defined below) against the Archdiocese and the Sons (among others), arising in New Mexico, within the geographical jurisdiction of the Archdiocese;

WHEREAS, one or more of the Sons Tort Claimants filed lawsuits against the Sons and others (collectively, “the Civil Actions”);

WHEREAS, disputes have arisen, or may in the future arise, between the Sons, on the one hand, and the Debtor, on the other hand, with respect to obligations for contribution as between the Sons and the Debtor for some or all of the Sons Tort Claims;

WHEREAS, through this Settlement Agreement, the Sons Tort Claimants intend to provide Sons and the Archdiocese with the broadest possible release of any and all obligations arising out of or relating to Sons Tort Claims, that arose or may have arisen prior to the Bankruptcy Plan Effective Date (as defined below), including the Civil Actions;

WHEREAS, as part of the consideration given by Sons for the releases described above, the Settlement Amount (as defined herein) shall include Tort Claims Payment (as defined below) payable to the ASF Settlement Trust (as defined below) and of Unknown Tort Claims Payment (as defined below) payable to the Unknown Tort Claims Trust (as defined below);

WHEREAS, in exchange for such consideration, the Archdiocese has agreed to provide Sons with certain protections in connection with its proposed Plan of Reorganization (as defined below), including designation as Protected Parties (as defined below) and the protection of the Channeling Injunction contemplated by the Plan (as defined below); and

WHEREAS, this Settlement Agreement shall be incorporated by reference into the Bankruptcy Plan.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants contained in this Settlement Agreement, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

1. DEFINITIONS

1.1 The following terms have the meanings set forth in the Debtor's First Amended Plan of Reorganization Dated November 3, 2022, which was filed in the Bankruptcy Case on November 3, 2022 as Doc. No. 1151 (as it may be amended, the "Bankruptcy Plan" or the "Plan"):

- 1.1.1 "Abuse"
- 1.1.2 "Abuse Claim"
- 1.1.3 "Archdiocese"
- 1.1.4 "Debtor"
- 1.1.5 "ASF Settlement Trust"
- 1.1.6 "ASF Settlement Trust Documents"
- 1.1.7 "Bankruptcy Case"
- 1.1.8 "Bankruptcy Code"
- 1.1.9 "Bankruptcy Court"
- 1.1.10 "Channeled Claim"
- 1.1.11 "Channeling Injunction"
- 1.1.12 "Claim"
- 1.1.13 "Committee"
- 1.1.14 "Conditional Payment"
- 1.1.15 "Confirmation Order"
- 1.1.16 "Direct Action Claim"
- 1.1.17 "Entity"
- 1.1.18 "Escrow Agent"
- 1.1.19 "Extra-Contractual Claim"
- 1.1.20 "Final Order"

- 1.1.21 “Insurer Settlement Agreement”
- 1.1.22 “Interests”
- 1.1.23 “Medicare Claims”
- 1.1.24 “MMSEA”
- 1.1.25 “MSPA”
- 1.1.26 “Participating Religious Order”
- 1.1.27 “Person”
- 1.1.28 “Petition Date”
- 1.1.29 “Protected Parties”
- 1.1.30 “Related Insurance Claim”
- 1.1.31 “Reorganized Debtor”
- 1.1.32 “Tort Claim”
- 1.1.33 “Tort Claims Payment”
- 1.1.34 “Unknown Tort Claim”
- 1.1.35 “Unknown Tort Claimant”
- 1.1.36 “Unknown Tort Claims Payment”
- 1.1.37 “Unknown Tort Claims Representative”
- 1.1.38 “Unknown Tort Claims Trust”
- 1.1.39 “Unknown Tort Claims Trust Documents”

1.2 As used in this Settlement Agreement, the following terms shall have the meanings set forth below.

1.2.1 “Approval Motion” means the motion filed in the Bankruptcy Court seeking approval of this Settlement Agreement as described in Section 2 of this Settlement Agreement.

1.2.2 “Approval Order” means the order granting the Approval Motion described in Section 2 of this Settlement Agreement and providing all of the relief described in this Settlement Agreement.

1.2.3 “Bankruptcy Plan Effective Date” has the same meaning as “Effective Date” as set forth in the Plan.

1.2.4 “Civil Actions” shall have the meaning set forth in the Recitals.

1.2.5 “Parties” has the meaning set forth in the recitals above.

1.2.6 “Sons” means (a) the Sons of the Holy Family, Inc., a Maryland corporation, itself and its affiliated and related business entities, subsidiaries, sister corporations, successors, predecessors, agents, employees, designees, and assigns wherever found and in whatever incorporated, unincorporated, or governmental form it may be organized, and all other organizational units or forms, subsidiaries, divisions, and affiliates, as well as all directors, officers, employees, agents, members, priests, brothers, oblates, novices, and all other religious associates, guarantors, attorneys, and other representatives, as well as their predecessors and successors, assigns, trustees, shareholders, partners, guarantors, and all directors, officers, employees, agents, attorneys, and other representatives of any of the foregoing.

1.2.7 “Settlement Agreement Effective Date” means the day following the date on which the last of the following conditions have occurred: (i) all Parties have executed this Settlement Agreement; (ii) the Bankruptcy Court has entered the Approval Order and the Approval Order has become a Final Order; and (iii) the Bankruptcy Court has entered the Bankruptcy Plan Confirmation Order and such order has become a Final Order;; *provided, however*, that notwithstanding any other provision of this Settlement Agreement to the contrary, the rights and obligations of the Parties under Sections 2 and 5 of this Settlement Agreement shall become effective and binding when all Parties have executed this Settlement Agreement.

1.2.8 “Settlement Amount” means one million one hundred thousand dollars (\$1,100,000). The Settlement Amount shall include the Sons’ payment of one million fifty thousand dollars (\$1,050,000) payable to the ASF Settlement Trust (the “Tort Claims Payment”) as follows: one million dollars (\$1,000,000) to be deposited into a Religious Order Class 3 Tort Claims Reserve subaccount of the ASF Settlement Trust and to be divided exclusively among the Sons Tort Claimants who are parties to this Settlement Agreement, in ratio to their Judge Bettinelli point awards and the remainder of fifty thousand dollars (\$50,000.00) to be deposited in the general funds of the ASF Settlement Trust and be divided among the other Class 3 Tort Claimants under the Plan but, not including the Sons Tort Claimants who are Parties to this Settlement Agreement. The balance of the Settlement Amount consisting of fifty thousand dollars (\$50,000) shall be payable to the Unknown Tort Claims Trust (the “Unknown Tort Claims Payment”).

1.2.9 “Settlement Approval Motion” means the motion filed in the Bankruptcy Court seeking approval of this Settlement Agreement as described in Section 2 of this Settlement Agreement.

1.2.10 “Settlement Approval Order” means the order granting the Approval Motion described in Section 2 of this Settlement Agreement and providing all of the relief described in this Settlement Agreement.

1.2.11 “Settlement Execution Date” means the date on which all Parties have executed this Settlement Agreement.

1.2.12 “Sons Tort Claim” means Tort Claim that arises out of conduct for which both the Sons and the Debtor may be liable and includes a Tort Claim and an Unknown Tort Claim.

1.2.13 “Sons Tort Claimant” means the holder of a Sons Tort Claim, or his or her personal executors or representatives, administrators, heirs, successors and assigns. The Sons Tort Claimants who have asserted Sons Tort Claims against the Sons include those Persons identified in attached Exhibit B according to their Proof of Claim number in the Bankruptcy Case.

1.2.14 “Tort Claims Payment” has the meaning set forth in Section 1.1.33.

1.2.15 “Unknown Tort Claims Payment” has the meaning set forth in Section 1.1.36.

1.3 Capitalized terms not defined in this section or elsewhere in this Settlement Agreement shall have the meanings given to them in the Plan or in the Bankruptcy Code. If there is a conflict between the definitions in the Plan and in the Bankruptcy Code, the Plan definition will control.

2. BANKRUPTCY OBLIGATIONS

2.1 Settlement Approval Motion. The Archdiocese shall file a motion in the Bankruptcy Court (the “Approval Motion”) that seeks the entry of an order in substantially the form attached as Exhibit A to this Settlement Agreement, approving the compromises and settlements set forth in this Settlement Agreement and authorizing the Parties to undertake the settlement and the transactions contemplated by this Settlement Agreement (the “Approval Order”).

2.2 Settlement Approval Order. The Approval Order shall be in form and substance acceptable to the Sons and shall: (i) approve the settlements and compromises set forth in this Settlement Agreement; and (ii) provide that this Settlement Agreement and the Approval Order are binding on the ASF Settlement Trust and the Unknown Tort Claims Trust, and any successors of the ASF Settlement Trust or the Unknown Tort Claims Trust.

2.2.1 Mailed Notice of Approval Motion. The Archdiocese, at the Sons’ expense, shall include notice of the Approval Motion in a form and substance approved by the Bankruptcy Court. The Sons acknowledges and agrees that the Archdiocese shall have complied with its obligations if such notice (i) consists of a summary of the terms of the Settlement Agreement with a link to the Archdiocese’s website, an address and telephone number from which the addressee can obtain or request a copy of the Approval Motion and Settlement Agreement and (ii) is mailed or otherwise transmitted in accordance with Court order, with the Archdiocese’s notice to all parties receiving notice of the motion, objection date and hearing date for approval of the Insurer Settlement Agreements and the confirmation of the Plan. The Sons promptly will pay any incremental cost of notice required by this Settlement Agreement or the Bankruptcy Court.

2.2.2 Publication Notice of Approval Motion. The Archdiocese, at the Sons’ expense, shall include notice of the Approval Motion in a form and substance approved by the Bankruptcy Court as part of its publication of any publication notice of the motion,

objection date and hearing date for approval of the Insurer Settlement Agreements and the confirmation of the Plan. The Sons acknowledges and agrees that the Archdiocese shall have complied with its obligations if such notice is published in the Albuquerque Journal, Santa Fe New Mexican, Las Cruces Sun News and USA Today. The Sons promptly will pay any incremental cost of the notice required by this Settlement Agreement or the Bankruptcy Court.

2.2.3 Objections. If any Person or Entity files an objection to the Approval Motion, the Archdiocese will reasonably cooperate with the Sons in filing a written response, and in securing approval of the Approval Motion and in defending against any objection, appeal, petition, motion, or other challenge to the Bankruptcy Court's entry of the Approval Order, all of which will be done, if at all, by and at the expense of the Sons. Nothing in this Settlement Agreement will require the Archdiocese to take or join in any position, even nominally, that may, in the Archdiocese's reasonable judgment, delay or jeopardize confirmation of the Plan, the Bankruptcy Plan Effective Date, or the Debtor's Discharge.

2.3 The Plan. The Bankruptcy Plan, including all exhibits, schedules, and related documents shall not deprive the Parties of any right or benefit under this Settlement Agreement. To the extent that any conflict exists between the Plan and this Settlement Agreement, the Plan will control. The Sons stipulate that the provisions of this section are satisfied by the Plan and Plan Documents, as filed.

2.3.1 The Plan shall include an injunction (the "Channeling Injunction") enjoining Claims or suits against the Sons on account of Sons Tort Claims, barring and permanently enjoining all Entities who have held or asserted, or may in the future hold or assert one or more Channeled Claims from taking any action, directly or indirectly for purposes of asserting, enforcing, or attempting to assert or enforce any Channeled Claim against the Sons and channeling such Channeled Claims to the ASF Settlement Trust or the Unknown Tort Claims Trust, as the case may be, as the sole and exclusive source of payment of any such Channeled Claims. The Sons stipulate that the Channeling Injunction set forth in the Plan is satisfactory for all purposes under this Settlement Agreement.

2.3.2 The Plan shall designate Sons as a "Participating Religious Order" entitled to protection as a "Protected Party" and included in the definition of Exculpated Parties.

2.3.3 The Plan shall incorporate this Settlement Agreement and the releases contained herein by reference and make the Settlement Agreement part of the Plan as if set forth fully within the Plan. To the extent that any conflict exists between the Plan and this Settlement Agreement, the Plan will control.

2.3.4 The Plan shall provide that, as a condition to receiving payment from the ASF Settlement Trust or any Unknown Tort Claims Trust, each and every Tort Claimant shall execute and deliver to the ASF Settlement Trustee or to the Unknown Tort Claims Trustee, as applicable, a general release in favor of each of the Protected Parties in the form attached to the Plan as Exhibit N.

2.3.5 The Plan shall provide that, in the event that the Approval Motion is granted after the Bankruptcy Plan Effective Date, then the Sons shall receive the benefits and protections accorded to Protected Parties under the Plan when the Settlement Amount is paid.

2.4 The Confirmation Order. In the Bankruptcy Case, the Archdiocese shall seek and obtain entry of the Confirmation Order that: (i) approves the Plan; (ii) approves the Channeling Injunction; (iii) approves this Settlement Agreement; and (iv) provides the same protections to the Sons against Sons Tort Claims and other Channeled Claims with respect to the releases and Channeling Injunction in the Plan that are afforded to any other Protected Party, provided, however, that neither the Archdiocese nor the Reorganized Debtor shall have any duty or obligation to indemnify or defend the Sons under this Settlement Agreement. The Plan and Plan Confirmation Order must contain no provisions that diminish or impair the benefits of this Settlement Agreement or the Approval Order to the Sons.

2.5 Automatic Stay Remains in Force/State Court Litigation Held in Abeyance. The Sons Tort Claimants agree that, prior to entry of the Plan Confirmation Order, they will not seek to lift the automatic stay, and agree to stay or continue to stay the Civil Actions. Prior to entry of the Plan Confirmation Order, the Archdiocese shall cooperate with the Sons' efforts to oppose, any motion by the Sons Tort Claimants to lift any stay pursuant to Bankruptcy Code § 362 to pursue a Sons Tort Claim against the Archdiocese. Opposition to efforts by the Sons Tort Claimants to get relief from any stay other than that imposed by Bankruptcy Code § 362 or to pursue a Sons Tort Claim against persons or entities other than the Archdiocese shall be by and at the sole expense of the Sons.

2.6 No Discovery Sought From Other Parties. The Parties agree that they shall not attempt to obtain discovery from any other Party during the pendency of the Bankruptcy Case.

2.7 Medicare Reporting. The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust each register as a Responsible Reporting Entity ("RRE") under the reporting provisions of §111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Pub. L. 110- 173).

2.7.1 The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust timely submit all reports that are required under MMSEA on account of any claims settled, resolved, paid, or otherwise liquidated. The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require also that the ASF Settlement Trust and the Unknown Tort Claims Trust, in their respective roles as RRE, follow all applicable guidance published by the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services and/or any other agent or successor entity charged with responsibility for monitoring, assessing, or receiving reports made under MMSEA (collectively, "CMS") to determine whether or not, and, if so, how, to report to CMS pursuant to MMSEA.

2.7.2 The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust

obtain prior to remittance of funds to Sons Tort Claimants' counsel, or to the Sons Tort Claimant, if *pro se*, in respect of any Sons Tort Claim, a certification of compliance with MMSEA for such Claimant from the Claimant's counsel, if such claimant has an attorney and, if the Claimant is *pro se* from the third party administrator engaged by and paid for by the Archdiocese for the purpose of providing certifications of compliance with MMSEA for all such *pro se* Claimants. The certifications of compliance shall provide that the Sons Tort Claimant has or will provide for the payment and/or resolution of any obligations owing or asserted under 42 U.S.C. §1395y(b), or any related rules, regulations, or guidance, in connection with, or relating to, such Sons Tort Claim.

2.7.3 The Sons stipulate that compliance with the provisions of the ASF Settlement Trust or with the Unknown Tort Claims Trust is deemed to be compliance with the provisions of this Settlement Agreement and that this Settlement Agreement shall not be read or interpreted to impose requirements on the ASF Settlement Trustee or on the Unknown Tort Claims Trustee that are greater than or different from those imposed by the ASF Settlement Trust or the Unknown Tort Claims Trust, respectively.

2.8 From and after the date when all Parties have executed and delivered this Settlement Agreement, the Sons shall not object to any proposed disclosure statement or Plan that is consistent with this Settlement Agreement; provided, however, that: (i) the Archdiocese shall not include any provision in any Plan that adversely affects the rights or benefits of the Sons under this Settlement Agreement, or that otherwise violates, or is contrary to, the agreements and covenants contained in this Settlement Agreement; and (ii) the Archdiocese shall not act, or fail to act, in such a way that otherwise violates, or is contrary to, the agreements and covenants contained in this Settlement Agreement. Notwithstanding the foregoing, the Sons is a party in interest that may participate in the Bankruptcy Case for the purpose of supporting or enforcing any of the terms of this Settlement Agreement and protecting their rights. The Sons stipulate that the provisions of this section are satisfied by the Plan and Plan Documents, as filed.

2.9 The Parties covenant not to sue each other until: (a) the Approval Order has become a Final Order, at which time this covenant is superseded by the releases provided in Section 4, or (b) the date on which this Settlement Agreement is terminated.

3. THE SETTLEMENT PAYMENT AND CONDITIONS THERETO

3.1 The Sons' obligation to pay the Settlement Amount is conditioned on the satisfaction of the bankruptcy obligations set forth in Section 2.1-2.7 and the Settlement Approval Order and the Confirmation Order both becoming Final Orders in form and substance consistent with this Settlement Agreement. The Sons shall pay the Settlement Amount within thirty (30) days after receipt of notice from the Reorganized Debtor: (a) that both the Approval Order and the Bankruptcy Plan Confirmation Order have become Final Orders and (b) of appropriate instructions for the transmission of the Settlement Amount. The Sons shall have the option of paying the Settlement Amount by check, ACH transfer or wire transfer. If the last date for payment of the Settlement Amount is a weekend or legal holiday the deadline for payment of the Settlement Amount shall be the first business day thereafter.

3.2 If the Settlement Amount is due prior to the Bankruptcy Plan Effective Date, the Sons shall pay the Settlement Amount to the Escrow Agent. The Escrow Agent shall hold the Settlement Amount in escrow and in trust for the benefit of the Sons in a separate reserve account and: (i) upon receipt of notice of the occurrence of the Bankruptcy Plan Effective Date, transfer the Tort Claims Payment, with any accrued interest, to the ASF Settlement Trust; and transfer the Unknown Tort Claims Payment to the Unknown Tort Claims Trust or (ii) return the Settlement Amount, with any accrued interest, to the Sons upon receipt of notice that the Settlement Agreement has been terminated.

3.3 If the Settlement Amount is due after the Bankruptcy Plan Effective Date, the Sons shall pay \$1,050,000 to the ASF Settlement Trust and \$50,000 to the Unknown Tort Claims Trust.

3.4 The Parties agree: (a) the Settlement Amount represents the maximum amount the Sons is obligated to pay on account of the Sons Tort Claims; and (b) under no circumstance will the Sons be obligated to make any additional payments for Sons Tort Claims, including in connection with amounts allegedly owed under the MSPA or any Channeled Claims arising from, related to, or in connection with the Sons Tort Claims.

3.5 The Parties agree that the consideration to be provided by each Party pursuant to this Settlement Agreement constitutes fair and reasonable exchange for the consideration granted it under this Settlement Agreement, including the bankruptcy obligations and requirements set forth in Section 3 and the releases in Section 4. The Sons are not acting as volunteers in tendering the Settlement Amount, and the Settlement Amount reflects the liabilities and obligations of the Sons to the Sons Tort Claimants and the potential exposure for Unknown Tort Claims by Sons Tort Claimants.

3.6 Within (5) days from the receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust, counsel for the Sons and the Sons Tort Claimants who are parties in the Civil Actions shall dismiss such actions entirely with prejudice, with each party to bear its own costs and fees.

3.7 3.7 The Parties agree, with respect to their costs, expenses and counsel and professional fees incurred in connection with this Settlement Agreement, that they each shall bear such costs, expenses and fees.

4. MUTUAL RELEASES

4.1 Upon receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust, with no further action being required, the Sons and the Archdiocese each shall have and shall be deemed to have fully, finally, and completely remised, released, acquitted, and forever discharged one another from any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are in connection with: (i) any Sons Tort Claims, including Unknown Tort Claims, and (ii) all reimbursement obligations for Conditional Payments under the

MSPA and all other Medicare Claims related to Channeled Claims, and all Claims that, directly or indirectly, arise from, relate to, or are in connection with the Bankruptcy Case.

4.2 The releases set forth in Section 4.1 are not intended, and shall not be construed, to release any rights of the Sons against its insurers.

4.3 The Tort Claims of the Sons Tort Claimants against the Protected Parties, including the Archdiocese and the Sons shall be governed by the Plan, the ASF Settlement Trust Documents, the Unknown Tort Claims Trust Documents, and the releases contained therein, which shall be in form and substance acceptable to the Sons. Notwithstanding the foregoing, the Sons Tort Claimants agree that, as of the date the Settlement Amount is received by the ASF Settlement Trust and the Unknown Tort Claims Trust in accordance with Section 2.1 of this Agreement, each of the Sons Tort Claimants fully, finally, and completely remise, release, acquit, and forever discharge the Sons of and from any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are in connection with (i) any Sons Tort Claims or (ii) any other Claims arising out of or relating to Abuse that they may have, whether known or unknown, against the Sons.

4.4 This Section 4 is not intended to, and shall not be construed to, release, waive, relinquish, or otherwise affect the Parties' rights and obligations under this Settlement Agreement.

5. TERMINATION OF AGREEMENT

In the event: (i) the Bankruptcy Plan Effective Date does not occur within one year from the date on which the Settlement Agreement is executed by all the Parties; (ii) the receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust does not occur within 395 days from the date on which this Settlement Agreement is executed by all the Parties; (iii) a Plan is filed or confirmed that is inconsistent with the terms of this Settlement Agreement; or (iv) the Bankruptcy Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code, then in any such event the Sons may terminate this Settlement Agreement upon fifteen (15) days' notice to the other Parties, immediately following which this Settlement Agreement shall be null and void and of no force or effect and any Settlement Amount paid to the Escrow Agent shall be immediately returned to the Sons along with any accrued interest as set forth in Section 3.2.

6. COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE PARTIES

6.1 The Parties separately represent and warrant that, to the extent it is a corporation, including a corporation sole, a non-profit corporation, or other legal entity, each Party has the requisite power and authority to enter into this Settlement Agreement and to perform the obligations contemplated by this Settlement Agreement, subject only to approval of the Bankruptcy Court and, as to the holder of Claim 130 only, subject to the approval of the Bankruptcy Court and the Bankruptcy Court in the Chapter 7 Bankruptcy Case for the holder of Claim 130.

6.2 Except for the holder of Claim 130, each of the Sons Tort Claimants represents and warrants that he or she has not filed a bankruptcy case at any time.

6.3 Each Party represents that he or she or the person executing this Settlement Agreement on his or her behalf is duly authorized to do so.

6.4 Each Party warrants and represents that this Settlement Agreement has been thoroughly negotiated and analyzed by counsel to the Parties and executed and delivered in good faith pursuant to arm's length negotiations and for value and valuable consideration.

7. ACTIONS INVOLVING THIRD PARTIES

7.1 For purposes of supporting the releases granted in Section 4 and other Channeled Claims as described in the Settlement Agreement, unless the Settlement Agreement is terminated, the Sons shall not seek reimbursement for any payments it makes under this Settlement Agreement under theories of contribution, subrogation, indemnification, or similar relief from the Archdiocese.

7.2 From and after the Bankruptcy Plan Effective Date, and pursuant to the terms of the Plan, the ASF Settlement Trust shall cooperate with the Sons, at the Sons' sole expense, and with the Sons taking the lead, in the enforcement of the Channeling Injunction against the assertion of any and all Channeled Claims (other than Unknown Tort Claims) filed in violation of the Channeling Injunction against the Sons (but not the Debtor or Reorganized Debtor). The Sons shall reimburse the ASF Settlement Trust for any costs or expenses incurred by the ASF Settlement Trust in connection with such cooperation. The Sons shall have the right, but not the duty, to defend such Channeled Claims identified in this Section 7.2.

7.3 The Reorganized Debtor shall reasonably cooperate with the Sons, at the Sons' sole expense and with the Sons taking the lead, in the enforcement of the Channeling Injunction against the assertion of any and all Channeled Claims that are filed in violation of the Channeling Injunction against the Sons (but not the Debtor or Reorganized Debtor) and that arise from or relate to Unknown Tort Claims. The Sons shall reimburse the Reorganized Debtor for any costs or expenses incurred by the Reorganized Debtor in connection with such cooperation. The Sons shall have the right, but not the duty, to defend such Channeled Claims identified in this Section 7.3.

8. MISCELLANEOUS

8.1 If any action or proceeding of any type whatsoever is commenced or prosecuted by any Person or Entity that is not a Party to this Settlement Agreement to invalidate or prevent the validation or enforcement, or carrying out, of all or any of the provisions of this Settlement Agreement, the Parties mutually agree to cooperate fully in opposing such action or proceeding.

8.2 The Parties will take such steps and execute any documents as may be reasonably necessary or proper to effectuate the purpose and intent of this Settlement Agreement and to preserve its validity and enforceability.

8.3 The Parties shall cooperate with each other in connection with the Approval Motion, the Approval Order, the Plan, the Plan Confirmation Order, and the Bankruptcy Case and any appeal therefrom. Such cooperation shall include consulting with each other upon reasonable

request concerning the status of proceedings and providing each other with copies of reasonably requested pleadings, notices, proposed orders, and other documents relating to such proceedings as soon as reasonably practicable prior to any submission thereof.

8.4 Notwithstanding any other provision of this Settlement Agreement, the terms and obligations set forth in Section 2 and Section 5 of this Agreement are effective and binding as of the Execution Date.

8.5 This Settlement Agreement constitutes a single integrated written contract that expresses the entire agreement and understanding between and among the Parties and shall supersede any prior or contemporaneous oral or written communication on the settlement of the Sons Tort Claims and the treatment of the Sons and the Sons Tort Claimants under the Plan as a result of such settlement. To the extent that any conflict exists between the Plan and this Settlement Agreement, the Plan will control.

8.6 This Settlement Agreement may be modified only by a written amendment signed by the Parties and to the extent required by Rule 9019, approved by the Bankruptcy Court. No waiver of any provision of this Settlement Agreement or of a breach thereof shall be effective unless expressed in a writing signed by the waiving Party. The waiver by any Party of any of the provisions of this Settlement Agreement or of the breach thereof shall not operate or be construed as a waiver of any other provision or breach.

8.7 By entering into this Settlement Agreement, none of the Parties has waived or shall be deemed to have waived any rights, obligations, or positions they have asserted or may in the future assert other than as set forth in this Settlement Agreement. No part of this Settlement Agreement, its negotiation, or its performance may be used in any manner in any action, suit, or proceeding as evidence of the rights, duties, or obligations of the Parties with respect to matters outside the scope of this Settlement Agreement. All actions taken and statements made by the Parties or by their representatives, relating to this Settlement Agreement or participation in this Settlement Agreement, including its development and implementation, shall be without prejudice or value as precedent and shall not be used as a standard by which other matters may be judged.

8.8 This Settlement Agreement represents a compromise of disputed Claims and shall not be deemed an admission or concession regarding liability, culpability, wrongdoing, or insurance coverage. All related discussions, negotiations, and all prior drafts of this Settlement Agreement shall be deemed to fall within the protection afforded to compromises and to offers to compromise by Rule 408 of the Federal Rules of Evidence and any parallel state law provisions. Any evidence of the negotiations or discussions associated with this Settlement Agreement shall be inadmissible in any action or proceeding for purposes of establishing any rights, duties, or obligations of the Parties, except that they shall be admissible to the extent they would have otherwise been admissible, absent this Section 8.8, in an action or proceeding to enforce the terms of this Settlement Agreement. This Settlement Agreement may be used as evidence of a compromise in connection with seeking approval of the Bankruptcy Court in the Bankruptcy Case pending for the holder of Claim 130.

8.9 None of the Parties shall make any public statements or disclosures regarding another Party's rationale or motivation for negotiating or entering into this Settlement Agreement.

8.10 Neither this Settlement Agreement nor the rights and obligations set forth in this Settlement Agreement shall be assigned without the prior written consent of the other Parties.

8.11 This Settlement Agreement was jointly drafted by the Parties, and the wording of this Settlement Agreement was reviewed by legal counsel for each of the Parties, and each of them had sufficient opportunity to propose and negotiate changes prior to its execution. The language of all parts of this Settlement Agreement shall in all cases be construed as a whole according to its meaning and not strictly for or against any Person or Entity.

8.12 Section titles and headings contained in this Settlement Agreement are included only for ease of reference and shall have no substantive effect.

8.13 All notices, demands, or other communication to be provided pursuant to this Settlement Agreement shall be in writing and deemed given when sent by e-mail (if provided) and Federal Express or other overnight delivery service, costs prepaid, to the Parties at the addresses set forth below, or to such other person or address as any of them may designate in writing from time to time:

If to the Sons Tort Claimants:

By giving notice to their counsel at the address below the signature of such Tort Claimant (or his or her counsel) identified by Proof of Claim No. and for the holder of Claim 130 to counsel for the Chapter 7 Trustee in the Bankruptcy Case for the holder of Claim 130

If to Sons of the Holy Family:

Fr. Nicolas Rodriguez
Sons of the Holy Family
401 Randolph Rd.
Silver Spring, MD 20904

With a copy to:

Spencer L. Edelman
Modrall Sperling Law Firm
P. O. Box 2168
Albuquerque, NM 87203
spencer.edelman@modrall.com

If to the Archdiocese:

Tony Salgado, CPA
Archdiocese of Santa Fe
4000 St. Joseph Pl NW
Albuquerque, NM 87120
tsalgado@asfcca.org

with a copy to:

Ford Elsaesser
Elsaesser Anderson, Chtd.
P. O. Box 369
535 High Street
Priest River, ID 83856
ford@eaidaho.com

and

Thomas D. Walker
Walker & Associates, P.C.
500 Marquette Ave. NW, Suite 650
Albuquerque, NM 87102
twalker@walkerlawpc.com

8.14 This Settlement Agreement may be executed in multiple counterparts, all of which together shall constitute the same instrument. This Settlement Agreement may be executed and/or delivered by e-mail or other electronic image, which shall be deemed to be originals.

8.15 All of the Parties to this Agreement, the ASF Settlement Trust and the Unknown Tort Claims Trust are intended beneficiaries of this Settlement Agreement. Except as set forth in the preceding sentence or otherwise set forth in this Settlement Agreement, there are no third-party beneficiaries of this Settlement Agreement.

8.16 Except as specifically provided otherwise, each of the Parties shall be responsible for their own fees and costs incurred in connection with this Settlement Agreement and the implementation of this Settlement Agreement. The Sons shall be responsible for their own fees and costs incurred in connection with the Bankruptcy Case. The Chapter 7 Trustee for the Bankruptcy Case for the holder of Claim 130 agrees, subject to Bankruptcy Court approval in the Bankruptcy Case pending for the holder of Claim 130, that the Sons are not responsible for any of the Chapter 7 Trustee's fees.

8.17 The following rules of construction shall apply to this Settlement Agreement:

8.17.1 Unless the context of this Settlement Agreement otherwise requires: (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms "hereof," "herein," "hereby," and derivative or similar words refer to this entire Settlement Agreement; and (iv) the words "include," "includes," or "including" shall be deemed to be followed by the words "without limitation."

8.17.2 References to statutes shall include all regulations promulgated thereunder and references to statutes or regulations shall be construed as including all statutory and regulatory provisions regardless of whether specifically referenced in this Settlement Agreement.

8.17.3 The use of the terms “intend,” “intended,” or “intent,” when describing the intention of the Parties, as the case may be, shall not be construed to create a breach of this Settlement Agreement when the stated intent is not achieved.

8.18 The Bankruptcy Court shall retain jurisdiction to interpret and enforce the provisions of this Settlement Agreement, which shall be construed in accordance with New Mexico law without regard to conflicts of law principles thereof.

8.19 This Settlement Agreement shall be binding on the Sons, the Reorganized Debtor, the ASF Settlement Trust, and the Unknown Tort Claims Trust, along with their successors and assigns and shall survive the entry of the Plan Confirmation Order.

8.20 The Parties each acknowledge that every provision of this Settlement Agreement was negotiated by the Parties as a material and interdependent aspect of the consideration for the compromises and agreements reflected herein.

8.21 The Parties agree that all matters relating to the negotiation of this Settlement Agreement shall be confidential and are not to be disclosed except by order of court or consent of the Parties in writing.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Sons of the Holy Family, Inc.

By: Fr. Nicolas Rodriguez SF
Fr. Nicolas Rodriguez SF

Its: Delegate

Date: 11/21/22

Witness: Fr. John F. Plaus S.F.

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**The Roman Catholic Church of the Archdiocese
of Santa Fe, a New Mexico corporation sole**

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Sons Tort Claimants with Proof of Claim Nos. 1 and 4

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Sons Tort Claimants:

Merit Bennett
The Bennett Law Group
460 Saint Michaels Dr., Suite 703
Santa Fe, NM 87505
mb@thebennettlawgroup.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Sons Tort Claimants with Proof of Claim Nos.
28, 45, 214, 222, and 223**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Sons Tort Claimants:

Brad Hall
Hall Monagle Huffman & Wallace, LLC
320 Osuna Rd. NE, Suite G3
Albuquerque, NM 87107
Email: brad@hmhw.law

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Sons Tort Claimants with Proof of Claim Nos.
301, 303, 306, 312, and 317**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Sons Tort Claimants:

Carolyn M. "Cammie" Nichols
Taylor E. Smith
Rothstein Donatelli, LLP
500 4th St., NW
Suite 400
Albuquerque, NM 87102
cmnichols@rothsteinlaw.com
tsmith@rothsteinlaw.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Sons Tort Claimants with Proof of Claim No.
298**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Sons Tort Claimants:

Daniel Fasy
Fasy Law, PLLC
1752 NW Market Street #1502
Seattle, WA 98107
Email: dan@fasylaw.com

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below, subject to approval of the Bankruptcy Court in the Bankruptcy Case pending for the holder of Claim No. 130.

**Sons Tort Claimants with Proof of Claim No.
130**

By: _____

Their Counsel

Date: _____

Witness: _____

Address for Notice to such Sons Tort Claimants:

Craig Vernon
James, Vernon & Weeks, P.A.
1626 Lincoln Way
Coeur d'Alene, ID 83815
cvernon@jvwlaw.net

and

Dan White
White & Askew, LLC
1122 Central Ave. SW, Suite 1
Albuquerque, NM 87102
dwhite@askewwhite.com

[Signature Pages Continue on Following Pages]

EXHIBIT A
APPROVAL ORDER

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO**

In re:

ROMAN CATHOLIC CHURCH OF THE
ARCHDIOCESE OF SANTA FE, a New
corporation sole,

Debtor.

Chapter 11

Case No. 18-13027-t11

**ORDER GRANTING MOTION TO APPROVE PARTICIPATING RELIGIOUS
ORDERS SETTLEMENT AGREEMENTS PURSUANT TO RULE 9019(a)**

This matter came before the Court on the *Motion to Approve Participating Religious Orders Settlement Agreements Pursuant to §§ 105, 363, and 1123 and Rule 9019 and Approving the Form of Notice Thereof* (the “Motion”) filed by the Roman Catholic Church of the Archdiocese of Santa Fe, a New Mexico Corporation sole, the debtor and debtor-in-possession (the “Debtor”)

on [●], 2022 as Doc. No. [●] in the above-captioned Chapter 11 reorganization case (the “Bankruptcy Case”). The Court, having considered the Motion and being sufficiently advised, FINDS:

1. The Court has jurisdiction over this case and this motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b) (2)(O). Venue is proper in this District, pursuant to 28 U.S.C. §§ 1408 and 1409(a).

2. The Debtor negotiated several settlement agreements (the “Settlement Agreements”) with the Participating Religious Orders (defined below), the Funding Insurers (defined below) and counsel for holders the “Joint Tort Claimants”) of approximately 159 Tort Claims (the “Joint Tort Claims”) asserting liability relating to the same Abuse against both the Debtor and also one or more of the following participating Religious Orders (the “Participating Religious Orders”): the Servants of the Paraclete (“Servants”); Brothers of the Christian Schools, SFNO District (“Christian Brothers”); The Province of St. John the Baptist of the Order of the Friars Minor and The Province of Our Lady of Guadalupe of the Order of Friars Minor (“Province”); Sons of the Holy Family, Inc. (“Sons”); and the Congregation of the Blessed Sacrament, Province of St. Ann (“Congregation”). These Joint Tort Claims are identified in the attached Settlement Agreements with each of the Participating Religious Orders.

3. Many of the Participating Religious Orders have asserted liability coverage for the Joint Tort Claims under insurance policies or certificates of coverage issued by the following carriers: Arrowood Indemnity Company, formerly known as Royal Indemnity Company, successor by merger to Royal Insurance Company of America (“Arrowood”); the Catholic Mutual Relief Society of America (“Catholic Mutual”); the Continental Insurance Company (“CNA”); Liberty Mutual Insurance Company (“Liberty Mutual”); Travelers Indemnity Company and St.

Paul Fire and Marine Insurance Company, as itself and as a successor to or assignee of St. Paul Mercury Indemnity Company (“Travelers”) and United States Fire Insurance Company (“U.S. Fire”) and Hartford Accident and Indemnity Company (“Hartford”). These companies are collectively referred to as the “Settlement Funding Insurers” herein and as defined in each Settlement Agreement involving their insured. Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire are each also Settling Insurers under the Plan.

4. The Settlement Agreements are attached as the following Exhibits to the Motion and provide for the following substantial contributions to the trusts established under the Plan for the benefit of Tort Claimants

Exhibit	Participating Religious Order	Settlement Amount	ASF Settlement Trust Payment	Unknown Tort Claims Trust Payment
A	Servants	\$4,200,000	\$4,000,000	\$200,000
B	Christian Brothers	1,995,000	1,900,000	95,000
C	Sons	1,100,000	1,050,000	50,000
D	Congregation	550,000	525,000	25,000
E	Province	<u>630,000</u>	<u>600,000</u>	<u>30,000</u>
TOTAL		\$8,475,000	\$8,075,000	\$400,000

5. As shown on the Notice of Deadline for Objections filed [●], 2022 (the “Notice”) (Doc No. [●]), the Notice was served on [●], 2022 on all parties listed on the mailing matrix maintained by the Clerk of the Court. The Notice specified that any objection to the Motion had to be filed no later than 5:00 p.m. (Mountain Time) on December 22, 2022.

6. The Notice was reasonable and appropriate under the circumstances.

7. The deadline to object to the Motion expired on at 5:00 p.m. (Mountain Time) on December 22, 2022.

8. No objection to the Motion was filed, timely or otherwise.

9. The Motion is well taken and should be granted as provided herein. Among other things, the Participating Religious Orders and Settlement Funding Insurers will make a substantial \$8,475,000 cash contribution to the ASF Settlement Trust and Unknown Tort Claims Trust to be created pursuant to the Plan. These payments reflect an approximately 95% allocation of the Settlement Amount to the ASF Settlement Trust for Class 3 Tort Claims under the Plan and an approximately 5% allocation to the Unknown Tort Claims Trust for Class 4 Unknown Tort Claims under the Plan. The Settlement Agreements, the payments thereunder, and the allocation thereof among the Plan trusts, is a fair resolution of the contribution and indemnity claims between the Debtor and the Participating Religious Organizations and the coverage disputes with the Settlement Funding Insurers (as applicable), within the range of litigation outcomes, provides fair compensation to the Debtor's estate for the releases, Plan provisions and other obligations to be provided by the Debtor thereunder, and is in the best interests of the Debtor, its creditors and bankruptcy estate. The Participating Religious Orders and Settlement Funding Insurers are Protected Parties under the Plan and entitled to be the benefits and protections of the applicable releases and injunctions and other terms and provisions of the Plan upon satisfaction of all of the conditions and obligations under the Settlement Agreements, including payment of their portions of the Settlement Amounts, upon the confirmation and occurrence of the Effective Date of the Plan. The protections accorded to Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire as Settlement Funding Insurers under the Settlement Agreements and the Plan are in addition to, and independent of, their roles as Settling Insurers under the Plan.

IT IS THEREFORE ORDERED:

- A. The Motion is granted.
- B. The Settlement Agreements are approved.

C. The Debtor is hereby authorized and directed to consummate the Settlement Agreements.

D. The Court retains exclusive jurisdiction to interpret, enforce and implement the terms and provisions of this Order and the Settlement Agreements.

E. This Order is effective upon entry.

END OF ORDER

Respectfully submitted,

WALKER & ASSOCIATES, P.C.

/s/ submitted electronically

Thomas D. Walker

500 Marquette Ave NW, Suite 650

Albuquerque, NM 87102

Telephone: (505) 766-9272

Facsimile: (505) 766-9287

E-mail: twalker@walkerlawpc.com

Attorneys for Debtor in Possession

EXHIBIT B
IDENTIFICATION OF SONS TORT CLAIMANTS
BY PROOF OF CLAIM NUMBER

MERIT BENNETT

#1

#4

FASY LAW, LLC

#298

HALL & MONAGLE, LLC/LISA FORD

#28

#45

#214

#222

#223

ROTHSTEIN, DONATELLI, LLP

#301

#303

#306

#312

#317

JAMES, VERNON & WEEKS, P.A./KEELER & KEELER, LLP

#130

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Settlement Agreement”) dated as of November __, 2022, is hereby made by, and between, and among the Congregation Tort Claimants identified below who or whose counsel, on their behalf, have executed and delivered this Settlement Agreement or who have executed and delivered a Joinder (as defined below) to this Settlement Agreement; the Congregation of the Blessed Sacrament, Province of St. Ann (hereinafter called the “Congregation”); and the Roman Catholic Church of the Archdiocese of Santa Fe, a corporation sole (“Archdiocese” or “Debtor” as defined below), together, the “Parties” and each a “Party” to this Settlement Agreement.

RECITALS:

WHEREAS, on December 3, 2018 (the “Petition Date”), the Archdiocese filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of New Mexico (the “Bankruptcy Court”), pending under case No. 18-13027-t11 (the “Bankruptcy Case”);

WHEREAS, the Congregation Tort Claimants have filed proofs of claim in the Bankruptcy Case alleging abuse by a member of the Congregation in New Mexico, within the geographical jurisdiction of the Archdiocese;

WHEREAS, one or more of the Congregation Tort Claimants filed lawsuits entitled: (i) *John Doe 67 v. ADSF & Congregation of Blessed Sacrament, et al.*, No. D-202-CV-2017-5701 (POC #52); (ii) *John Doe 76 v. ADSF & Congregation of Blessed Sacrament, et al.*, D-202-CV-2018-108 (POC #38); and (iii) *John Doe 91 v. ADSF & Congregation of Blessed Sacrament, et al.*, No. D-202-CV-2018-8029 (POC #66) (the “Civil Actions”);

WHEREAS, certain Congregation Tort Claimants (as defined below) are represented by their undersigned counsel, and others are debtors in Claimant Bankruptcy Cases (as defined below) in which their bankruptcy estates are administered by Trustee Claimants (as defined below) who have agreed to this Settlement Agreement on behalf of those estates, subject to the entry of a Claimant Bankruptcy Approval Order (as defined below);

WHEREAS, disputes have arisen, or may in the future arise, between the Congregation, on the one hand, and the Debtor, on the other hand, with respect to obligations for contribution as between the Congregation and the Debtor for some or all of the Congregation Tort Claims;

WHEREAS, through this Settlement Agreement, the Congregation Tort Claimants intend to provide Congregation and the Archdiocese with the broadest possible release of any and all obligations arising out of or relating to Tort Claims, that arose or may have arisen prior to the Bankruptcy Plan Effective Date (as defined below);

WHEREAS, as part of the consideration given by Congregation for the releases described above, the Settlement Amount (as defined herein) shall include Tort Claims Payments (as defined

below) payable to the ASF Settlement Trust (as defined below) and of Unknown Tort Claims Payments (as defined below) payable to the Unknown Tort Claims Trust (as defined below);

WHEREAS, in exchange for such consideration, the Archdiocese has agreed to provide Congregation with certain protections in connection with its proposed Plan of Reorganization (as defined below), including designation as Protected Parties and Exculpated Parties (as defined below) and the protection of the Channeling Injunction as defined in the Bankruptcy Plan or the Plan (as defined below); and

WHEREAS, this Settlement Agreement shall be incorporated by reference into the Bankruptcy Plan.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants contained in this Settlement Agreement, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

1. DEFINITIONS

1.1 The following terms have the meanings set forth in the Debtor's First Amended Plan of Reorganization, filed in the Bankruptcy Case on November 3, 2022 as Doc. No. 1151 (as it may be amended, the "Bankruptcy Plan" or the "Plan"):

- 1.1.1 "Abuse"
- 1.1.2 "Abuse Claim"
- 1.1.3 "Archdiocese"
- 1.1.4 "Debtor"
- 1.1.5 "ASF Settlement Trust"
- 1.1.6 "ASF Settlement Trust Documents"
- 1.1.7 "Bankruptcy Case"
- 1.1.8 "Bankruptcy Code"
- 1.1.9 "Bankruptcy Court"
- 1.1.10 "Channeled Claim"
- 1.1.11 "Channeling Injunction"
- 1.1.12 "Claim"
- 1.1.13 "Committee"
- 1.1.14 "Conditional Payment"
- 1.1.15 "Confirmation Order"
- 1.1.16 "Direct Action Claim"
- 1.1.17 "Entity"
- 1.1.18 "Escrow Agent"
- 1.1.19 "Extra-Contractual Claim"
- 1.1.20 "Final Order"
- 1.1.21 "Insurer Settlement Agreement"
- 1.1.22 "Interests"
- 1.1.23 "Medicare Claims"
- 1.1.24 "MMSEA"
- 1.1.25 "MSPA"

- 1.1.26 “Participating Religious Order”
- 1.1.27 “Person”
- 1.1.28 “Petition Date”
- 1.1.29 “Protected Parties”
- 1.1.30 “Reorganized Debtor”
- 1.1.31 “Tort Claim”
- 1.1.32 “Tort Claims Payment”
- 1.1.33 “Unknown Tort Claim”
- 1.1.34 “Unknown Tort Claimant”
- 1.1.35 “Unknown Tort Claims Payment”
- 1.1.36 “Unknown Tort Claims Representative”
- 1.1.37 “Unknown Tort Claims Trust”
- 1.1.38 “Unknown Tort Claims Trust Documents”

1.2 As used in this Settlement Agreement, the following terms shall have the meanings set forth below.

1.2.1 “Approval Motion” means the motion filed in the Bankruptcy Court seeking approval of this Settlement Agreement as described in Section 2 of this Settlement Agreement.

1.2.2 “Approval Order” means the order granting the Approval Motion described in Section 2 of this Settlement Agreement and providing all of the relief described in this Settlement Agreement.

1.2.3 “Bankruptcy Plan Effective Date” has the same meaning as “Effective Date” as set forth in the Plan.

1.2.4 “Civil Actions” shall have the meaning set forth in the Recitals.

1.2.5 “Claimant Bankruptcy Approval Order” shall have the meaning set forth in Section 2.3.

1.2.6 “Claimant Bankruptcy Case” means an open case under the Bankruptcy Code for which a Trustee Claimant is the bankruptcy trustee.

1.2.7 “Joinder” means a joinder to this Settlement Agreement by a *pro se* Congregation Tort Claimant in the form of attached Exhibit C and a submitted Class 3 Tort Claim Ballot in the Bankruptcy Case accepting the Plan and in such ballot that is fully executed and delivered to counsel for the Archdiocese on or before 5:00 p.m. Mountain Time on December 22, 2022.

1.2.8 “Parties” has the meaning set forth in the recitals above.

1.2.9 “Congregation” means the Congregation of the Blessed Sacrament, Province of St. Ann, for themselves and affiliated and related business entities, subsidiaries, sister

corporations, successors, predecessors, agents, employees, designees, and assigns wherever found and in whatever incorporated, unincorporated, or governmental form they may be organized, and all other organizational units or forms, subsidiaries, divisions, and affiliates, as well as all directors, officers, employees, agents, members, priests, brothers, oblates, novices, and all other religious associates, guarantors, attorneys, and other representatives, as well as their predecessors and successors, assigns, trustees, shareholders, partners, guarantors, and all directors, officers, employees, agents, attorneys, and other representatives of any of the foregoing.

1.2.10 “Congregation Tort Claim” means Tort Claim alleging abuse by a member of the Congregation in New Mexico, within the geographical jurisdiction of the Archdiocese and includes a Tort Claim and an Unknown Tort Claim.

1.2.11 “Congregation Tort Claimant” means the holder of a Congregation Tort Claim, or his or her personal executors or representatives, administrators, heirs, successors and assigns and any bankruptcy trustee of an open bankruptcy estate with an interest in a Congregation Tort Claim (“Trustee Claimant”). The Congregation Tort Claimants who have asserted Congregation Tort Claims against the Congregation include those Persons identified in attached Exhibit B according to their Proof of Claim number in the Bankruptcy Case. The Congregation Tort Claimants who are Parties to this Settlement Agreement are the holders of Congregation Tort Claims: (i) whose counsel has executed and delivered this Settlement Agreement on their behalf, subject to, only in the case of a debtor in a Claimant Bankruptcy Case in which such Congregation Tort Claim has not been abandoned to the debtor therein, the approval of a Trustee Claimant and the entry of a Claimant Bankruptcy Approval Order; or (ii) *pro se* Congregation Tort Claimants who have timely executed and delivered a Joinder (as defined herein) to this Settlement Agreement. For the avoidance of doubt, if any Claimant Bankruptcy Case is closed without administering the Congregation Tort Claim, the execution of this Settlement Agreement by state court counsel shall be binding on the debtor in the underlying closed Claimant Bankruptcy Case, and such debtor shall be the Congregation Tort Claimant and a Party to this Settlement Agreement.

1.2.12 “Settlement Agreement Effective Date” means the day following the date on which the last of the following conditions have occurred: (i) all Parties (other than Parties added by Joinder) have executed this Settlement Agreement; (ii) the Bankruptcy Court has entered the Approval Order and the Approval Order has become a Final Order; and (iii) the Bankruptcy Court has entered the Bankruptcy Plan Confirmation Order and such order has become a Final Order; *provided, however*, that notwithstanding any other provision of this Settlement Agreement to the contrary, the rights and obligations of the Parties under Sections 2 and 5 of this Settlement Agreement shall become effective and binding when all Parties have executed this Settlement Agreement.

1.2.13 “Settlement Amount” means five hundred fifty thousand dollars \$550,000.00. The Settlement Amount shall include the Congregation’s payment of \$525,000 payable to the ASF Settlement Trust (the “Tort Claims Payment” as defined below) as follows: \$500,000.00 to be deposited into a Religious Order Class 3 Tort Claims

Reserve subaccount of the ASF Settlement Trust and to be divided exclusively among the five Congregation Tort Claimants with Proof of Claim numbers 38, 52, 66, 252, and 426/427, in ratio to their Judge Bettinelli point awards. The remainder (\$25,000) will be divided among the other Tort Claimants, but not including the above enumerated claimants. The balance of the Settlement Amount consisting of \$25,000.00 shall be payable to the Unknown Tort Claims Trust (the "Unknown Tort Claims Payment" as defined below).

1.2.14 "Settlement Approval Motion" means the motion filed in the Bankruptcy Court seeking approval of this Settlement Agreement as described in Section 2 of this Settlement Agreement.

1.2.15 "Settlement Approval Order" means the order granting the Approval Motion described in Section 2 of this Settlement Agreement and providing all of the relief described in this Settlement Agreement.

1.2.16 "Settlement Execution Date" means the date on which all Parties have executed this Settlement Agreement (except Parties added by Joinder).

1.2.17 "Settlement Payment Due Date" means the date that is thirty days from the Settlement Agreement Effective Date except that if such date is a weekend or legal holiday, the Settlement Payment Due Date shall be the first business day thereafter.

1.2.18 "Tort Claims Payment" has the meaning set forth in Section 1.2.13.

1.2.19 "Trustee Claimant" has the meaning set forth in Section 1.2.11.

1.2.20 "Unknown Tort Claims Payment" has the meaning set forth in Section 1.2.13.

1.3 Capitalized terms not defined in this section or elsewhere in this Settlement Agreement shall have the meanings given to them in the Plan or in the Bankruptcy Code. If there is a conflict between the definitions in the Plan and in the Bankruptcy Code, the Plan definition will control.

2. BANKRUPTCY OBLIGATIONS

2.1 Settlement Approval Motion. The Archdiocese shall file a motion in the Bankruptcy Court (the "Approval Motion") that seeks the entry of an order in substantially the form attached as Exhibit A to this Settlement Agreement, approving the compromises and settlements set forth in this Settlement Agreement and authorizing the Parties to undertake the settlement and the transactions contemplated by this Settlement Agreement (the "Approval Order").

2.2 Settlement Approval Order. The Approval Order shall be in form and substance acceptable to the Congregation and shall: (i) approve the settlements and compromises set forth in this Settlement Agreement; and (ii) provide that this Settlement Agreement and the Approval

Order are binding on the ASF Settlement Trust and the Unknown Tort Claims Trust, and any successors of the ASF Settlement Trust or the Unknown Tort Claims Trust.

2.3 Claimant Bankruptcy Approval Order. No later than February 5, 2023, each Trustee Claimant shall deliver to the other Parties to this Settlement Agreement a copy of either (a) an order of the court in the applicable Claimant Bankruptcy Case (a “Claimant Bankruptcy Approval Order”) that: (i) approves the settlements and compromises set forth in this Settlement Agreement; and (ii) approves the Trustee Claimant’s execution and delivery of this Settlement Agreement in form and substance reasonably acceptable to the Parties; *provided, however*, that any delay in obtaining a Claimant Bankruptcy Approval Order shall not terminate a Trustee Claimant and Congregation Tort Claimant as a Party to this Settlement Agreement, but only defer any distribution from the ASF Settlement Trust to any Trustee Claimant who has not obtained a Claimant Bankruptcy Approval Order until such order is entered and all conditions to distribution under the ASF Settlement Trust Documents are satisfied.

2.3.1 Mailed Notice of Approval Motion. The Archdiocese, at the Congregation’s expense, shall include notice of the Approval Motion in a form and substance approved by the Bankruptcy Court. The Congregation acknowledges and agrees that the Archdiocese shall have complied with its obligations if such notice (i) consists of a summary of the terms of the Settlement Agreement with a link to the Archdiocese’s website, an address and telephone number from which the addressee can obtain or request a copy of the Approval Motion and Settlement Agreement and (ii) is mailed or otherwise transmitted in accordance with Court order, with the Archdiocese’s notice to all parties receiving notice of the motion, objection date and hearing date for approval of the Insurer Settlement Agreements and the confirmation of the Plan. The Congregation promptly will pay any incremental cost of notice required by this Settlement Agreement or the Bankruptcy Court.

2.3.2 Publication Notice of Approval Motion. The Archdiocese, at the Congregation’s expense, shall include notice of the Approval Motion in a form and substance approved by the Bankruptcy Court as part of its publication of any publication notice of the motion, objection date and hearing date for approval of the Insurer Settlement Agreements and the confirmation of the Plan. The Congregation acknowledges and agrees that the Archdiocese shall have complied with its obligations if such notice is published in the Albuquerque Journal, Santa Fe New Mexican, Las Cruces Sun News and USA Today. The Congregation promptly will pay any incremental cost of the notice required by this Settlement Agreement or the Bankruptcy Court.

2.3.3 Objections. If any Person or Entity files an objection to the Approval Motion, the Archdiocese will reasonably cooperate with the Congregation in filing a written response, and in securing approval of the Approval Motion and in defending against any objection, appeal, petition, motion, or other challenge to the Bankruptcy Court’s entry of the Approval Order, all of which will be done, if at all, by and at the expense of the Congregation. Nothing in this Settlement Agreement will require the Archdiocese to take or join in any position, even nominally, that may, in the Archdiocese’s reasonable judgment, delay or jeopardize confirmation of the Plan, the Bankruptcy Plan Effective Date, or the Debtor’s Discharge.

2.4 The Plan. The Bankruptcy Plan, including all exhibits, schedules, and related documents, shall not deprive the Parties of any right or benefit under this Settlement Agreement. To the extent that any conflict exists between the Plan and this Settlement Agreement, the Plan will control. The Congregation stipulates that the provisions of this section are satisfied by the Plan and Plan Documents, as filed.

2.4.1 The Plan shall include an injunction (the “Channeling Injunction”) enjoining Claims or suits against the Congregation on account of Congregation Tort Claims, barring and permanently enjoining all Entities who have held or asserted, or may in the future hold or assert one or more Channeled Claims from taking any action, directly or indirectly for purposes of asserting, enforcing, or attempting to assert or enforce any Channeled Claim against the Congregation and channeling such Channeled Claims to the ASF Settlement Trust or the Unknown Tort Claims Trust, as the case may be, as the sole and exclusive source of payment of any such Channeled Claims. The Congregation stipulates that the Channeling Injunction set forth in the Plan is satisfactory for all purposes under this Settlement Agreement.

2.4.2 The Plan shall designate Congregation as a “Participating Religious Order” entitled to protection as a “Protected Party” and included as an “Exculpated Party.”

2.4.3 The Plan shall incorporate this Settlement Agreement and the releases contained herein by reference and make the Settlement Agreement part of the Plan as if set forth fully within the Plan. To the extent that any conflict exists between the Plan and this Settlement Agreement, the Plan will control.

2.4.4 The Plan shall provide that, as a condition to receiving payment from the ASF Settlement Trust or any Unknown Tort Claims Trust, each and every Tort Claimant shall execute and deliver to the ASF Settlement Trustee or to the Unknown Tort Claims Trustee, as applicable, a general release in favor of each of the Protected Parties in the form attached to the Plan as Exhibit N.

2.4.5 The Plan shall provide that, in the event that the Approval Motion is granted after the Bankruptcy Plan Effective Date, then the Congregation shall receive the benefits and protections accorded to Protected Parties and Exculpated Parties under the Plan when the Settlement Amount is paid.

2.5 The Confirmation Order. In the Bankruptcy Case, the Archdiocese shall seek and obtain entry of the Confirmation Order that: (i) approves the Plan; (ii) approves the Channeling Injunction; (iii) approves this Settlement Agreement; and (iv) provides the same protections to the Congregation against Congregation Tort Claims and other Channeled Claims with respect to the releases and Channeling Injunction in the Plan that are afforded to any other Protected Party, provided, however, that neither the Archdiocese nor the Reorganized Debtor shall have any duty or obligation to indemnify or defend the Congregation under this Settlement Agreement. The Plan and Plan Confirmation Order must contain no provisions that diminish or impair the benefits of this Settlement Agreement or the Approval Order to the Congregation.

2.6 Automatic Stay Remains in Force/State Court Litigation Held in Abeyance. The Congregation Tort Claimants agree that, prior to entry of the Plan Confirmation Order, they will not seek to lift the automatic stay. Prior to entry of the Plan Confirmation Order, the Archdiocese shall cooperate with the Congregation's efforts to oppose any motion by the Congregation Tort Claimants to lift any stay pursuant to Bankruptcy Code § 362 to pursue a Congregation Tort Claim against the Archdiocese. Opposition to efforts by the Congregation Tort Claimants to get relief from any stay other than imposed by Bankruptcy Code § 362 or to pursue a Congregation Tort Claim against persons or entities other than the Archdiocese shall be by and at the sole expense of the Congregation.

2.7 No Discovery Sought From Other Parties. The Parties agree that they shall not attempt to obtain discovery from any other Party during the pendency of the Bankruptcy Case.

2.8 Medicare Reporting. The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust each register as a Responsible Reporting Entity ("RRE") under the reporting provisions of §111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Pub. L. 110- 173).

2.8.1 The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust timely submit all reports that are required under MMSEA on account of any claims settled, resolved, paid, or otherwise liquidated. The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require also that the ASF Settlement Trust and the Unknown Tort Claims Trust, in their respective roles as RRE, follow all applicable guidance published by the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services and/or any other agent or successor entity charged with responsibility for monitoring, assessing, or receiving reports made under MMSEA (collectively, "CMS") to determine whether or not, and, if so, how, to report to CMS pursuant to MMSEA.

2.8.2 The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust obtain prior to remittance of funds to Congregation Tort Claimants' counsel, or to the Congregation Tort Claimant, if *pro se*, in respect of any Congregation Tort Claim, a certification of compliance with MMSEA for such Claimant from the Claimant's counsel, if such claimant has an attorney and, if the Claimant is *pro se* from the third party administrator engaged by and paid for by the Archdiocese for the purpose of providing certifications of compliance with MMSEA for all such *pro se* Claimants. The certifications of compliance shall provide that the Congregation Tort Claimant has or will provide for the payment and/or resolution of any obligations owing or asserted under 42 U.S.C. §1395y(b), or any related rules, regulations, or guidance, in connection with, or relating to, such Congregation Tort Claim.

2.8.3 The Congregation stipulates that compliance with the provisions of the ASF Settlement Trust or with the Unknown Tort Claims Trust is deemed to be compliance with

the provisions of this Settlement Agreement and that this Settlement Agreement shall not be read or interpreted to impose requirements on the ASF Settlement Trustee or on the Unknown Tort Claims Trustee that are greater than or different from those imposed by the ASF Settlement Trust or the Unknown Tort Claims Trust, respectively.

2.9 From and after the date when all Parties have executed and delivered this Settlement Agreement, the Congregation shall not object to any proposed disclosure statement or Plan that is consistent with this Settlement Agreement; provided, however, that: (i) the Archdiocese shall not include any provision in any Plan that adversely affects the rights or benefits of the Congregation under this Settlement Agreement, or that otherwise violates, or is contrary to, the agreements and covenants contained in this Settlement Agreement; and (ii) the Archdiocese shall not act, or fail to act, in such a way that otherwise violates, or is contrary to, the agreements and covenants contained in this Settlement Agreement. Notwithstanding the foregoing, the Congregation, if and to the extent they have standing to do so, may participate in the Bankruptcy Case for the purpose of supporting or enforcing any of the terms of this Settlement Agreement and protecting their rights. The Congregation stipulates that the provisions of this section are satisfied by the Plan and Plan Documents, as filed.

2.10 The Parties covenant not to sue each other until: (a) the Approval Order has become a Final Order, at which time this covenant is superseded by the releases provided in Section 4; or (b) the date on which this Settlement Agreement is terminated.

3. THE SETTLEMENT PAYMENT AND CONDITIONS THERETO

3.1 The Congregation's obligation to pay the Settlement Amount is conditioned on the satisfaction of the bankruptcy obligations set forth in Section 2.1-2.7 and the Settlement Approval Order and the Confirmation Order both becoming Final Orders in form and substance consistent with this Settlement Agreement. The Congregation shall pay the Settlement Amount within thirty (30) days after receipt of notice from the Reorganized Debtor: (a) that both the Approval Order and the Bankruptcy Plan Confirmation Order have become Final Orders; and (b) of appropriate instructions for the transmission of the Settlement Amount. The Congregation shall have the option of paying the Settlement Amount by check, ACH transfer or wire transfer. If the last date for payment of the Settlement Amount is a weekend or legal holiday the deadline for payment of the Settlement Amount shall be the first business day thereafter.

3.2 If the Settlement Amount is due prior to the Bankruptcy Plan Effective Date, the Congregation shall pay the Settlement Amount to the Escrow Agent. The Escrow Agent shall hold the Settlement Amount in escrow and in trust for the benefit of the Congregation in a separate reserve account and: (i) upon receipt of notice of the occurrence of the Bankruptcy Plan Effective Date, transfer the Tort Claims Payment, with any accrued interest, to the ASF Settlement Trust; and transfer the Unknown Tort Claims Payment to the Unknown Tort Claims Trust or (ii) return the Settlement Amount, with any accrued interest, to the Congregation upon receipt of notice that the Settlement Agreement has been terminated.

3.3 If the Settlement Amount is due after the Bankruptcy Plan Effective Date, the Congregation shall pay \$525,000 to the ASF Settlement Trust and \$25,000 to the Unknown Tort Claims Trust.

3.4 The Parties agree: (a) the Settlement Amount represents the maximum amount the Congregation is obligated to pay on account of the Congregation Tort Claims; and (b) under no circumstance will the Congregation be obligated to make any additional payments for Congregation Tort Claims and Channeled Claims arising from, related to or in connection with such Congregation Tort Claims, including in connection with amounts allegedly owed under the MSPA or any Channeled Claims arising from, related to or in connection with such Congregation Tort Claims.

3.5 The Parties agree that the consideration to be provided by each Party pursuant to this Settlement Agreement constitutes fair and reasonable exchange for the consideration granted it under this Settlement Agreement, including the bankruptcy obligations and requirements set forth in Section 3 and the releases in Section 4. The Congregation is not acting as a volunteer in tendering the Settlement Amount, and the Settlement Amount reflects the liabilities and obligations of the Congregation to the Congregation Tort Claimants and the potential exposure for Unknown Tort Claims by Congregation Tort Claimants.

3.6 Within (5) days from the receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust, counsel for the Congregation and counsel for the Congregation Tort Claimants who are parties in the Civil Actions shall dismiss such actions entirely with prejudice, with each party to bear its own costs and fees.

3.7 The Parties agree, with respect to their costs, expenses and counsel and professional fees incurred in connection with this Settlement Agreement, that they each shall bear such costs, expenses and fees.

4. MUTUAL RELEASES

4.1 Upon receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust, with no further action being required, the Congregation and the Archdiocese each shall have and shall be deemed to have fully, finally, and completely remised, released, acquitted, and forever discharged one another from any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are in connection with: (i) any Congregation Tort Claims, including Unknown Tort Claims, and (ii) all reimbursement obligations for Conditional Payments under the MSPA and all other Medicare Claims related to Channeled Claims, and all Claims that, directly or indirectly, arise from, relate to, or are in connection with the Bankruptcy Case.

4.2 The releases set forth in Section 4.1 are not intended, and shall not be construed, to release any rights of the Congregation against its insurers.

4.3 The Tort Claims of the Congregation Tort Claimants against the Protected Parties, including the Archdiocese and the Congregation shall be governed by the Plan, the ASF Settlement

Trust Documents, the Unknown Tort Claims Trust Documents, and the releases contained therein, which shall be in form and substance acceptable to the Congregation. Notwithstanding the foregoing, the Congregation Tort Claimants agree that, as of the date the Settlement Amount is received by the ASF Settlement Trust and the Unknown Tort Claimants Trust in accordance with Section 2.1 of this Agreement, each of the Congregation Tort Claimants fully, finally, and completely remise, release, acquit, and forever discharge the Congregation of and from any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are in connection with (i) any Congregation Tort Claims or (ii) any other Claims arising out of or relating to Abuse that they may have, whether known or unknown, against the Congregation.

4.4 This Section 4 is not intended to, and shall not be construed to, release, waive, relinquish, or otherwise affect the Parties' rights and obligations under this Settlement Agreement.

5. TERMINATION OF AGREEMENT

In the event: (i) the Bankruptcy Plan Effective Date does not occur within one year from the date on which this Settlement Agreement is executed by all the Parties (other than Parties added by joinder); (ii) the receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust does not occur within 395 days from the date on which this Settlement Agreement is executed by all the Parties (other than Parties added by joinder); (iii) a Plan is filed or confirmed that is inconsistent with the terms of this Settlement Agreement; or (iv) the Bankruptcy Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code, then in any such event the Congregation may terminate this Settlement Agreement upon fifteen (15) days' notice to the other Parties, immediately following which this Settlement Agreement shall be null and void and of no force or effect and any Settlement Amount paid to the Escrow Agent shall be immediately returned to the Congregation with any accrued interest as set forth in Section 3.2.

6. COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE PARTIES

6.1 The Parties separately represent and warrant that, to the extent it is a corporation, including a corporation sole, a non-profit corporation, or other legal entity, each Party has the requisite power and authority to enter into this Settlement Agreement and to perform the obligations contemplated by this Settlement Agreement, subject only to approval of the Bankruptcy Court, and in the case of a Trustee Claimant, the entry of a Claimant Bankruptcy Approval Order.

6.2 Each Party represents that he or she or the person executing this Settlement Agreement on his or her behalf is duly authorized to do so.

6.3 Each Party warrants and represents that this Settlement Agreement has been thoroughly negotiated and analyzed by counsel to the Parties and executed and delivered in good faith pursuant to arm's length negotiations and for value and valuable consideration.

7. ACTIONS INVOLVING THIRD PARTIES

7.1 For purposes of supporting the releases granted in Section 4 and other Channeled Claims as described in the Settlement Agreement, unless the Settlement Agreement is terminated, the Congregation shall not seek reimbursement for any payments it makes under this Settlement Agreement under theories of contribution, subrogation, indemnification, or similar relief from the Archdiocese.

7.2 From and after the Bankruptcy Plan Effective Date, and pursuant to the terms of the Plan, the ASF Settlement Trust shall cooperate with the Congregation, at the Congregation's sole expense, and with the Congregation taking the lead, in the enforcement of the Channeling Injunction against the assertion of any and all Channeled Claims (other than Unknown Tort Claims) filed in violation of the Channeling Injunction against the Congregation (but not the Debtor or Reorganized Debtor). The Congregation shall reimburse the ASF Settlement Trust for any costs or expenses incurred by the ASF Settlement Trust in connection with such cooperation. The Congregation shall have the right, but not the duty, to defend such Channeled Claims identified in this Section 7.2.

7.3 The Reorganized Debtor shall reasonably cooperate with the Congregation, at the Congregation's sole expense and with the Congregation taking the lead, in the enforcement of the Channeling Injunction against the assertion of any and all Channeled Claims that are filed in violation of the Channeling Injunction against the Congregation (but not the Debtor or Reorganized Debtor) and that arise from or relate to, Unknown Tort Claims. The Congregation shall reimburse the Reorganized Debtor for any costs or expenses incurred by the Reorganized Debtor in connection with such cooperation. The Congregation shall have the right, but not the duty, to defend such Channeled Claims identified in this Section 7.3.

8. MISCELLANEOUS

8.1 If any action or proceeding of any type whatsoever is commenced or prosecuted by any Person or Entity that is not a Party to this Settlement Agreement to invalidate or prevent the validation or enforcement, or carrying out, of all or any of the provisions of this Settlement Agreement, the Parties mutually agree to cooperate fully in opposing such action or proceeding.

8.2 The Parties will take such steps and execute any documents as may be reasonably necessary or proper to effectuate the purpose and intent of this Settlement Agreement and to preserve its validity and enforceability.

8.3 The Parties shall cooperate with each other in connection with the Approval Motion, the Approval Order, the Plan, the Plan Confirmation Order, and the Bankruptcy Case and any appeal therefrom. Such cooperation shall include consulting with each other upon reasonable request concerning the status of proceedings and providing each other with copies of reasonably requested pleadings, notices, proposed orders, and other documents relating to such proceedings as soon as reasonably practicable. If the Bankruptcy Court issues an order on the Approval Motion that refuses to approve the Settlement Agreement, then the Settlement Agreement will be null and void.

8.4 Notwithstanding any other provision of this Settlement Agreement, the terms and obligations set forth in Section 2 and Section 5 of this Agreement are effective and binding as of the Execution Date.

8.5 This Settlement Agreement constitutes a single integrated written contract that expresses the entire agreement and understanding between and among the Parties and shall supersede any prior or contemporaneous oral or written communication, provided however that this Settlement Agreement shall not affect the Plan or any Plan Document. To the extent that any conflict exists between the Plan and this Settlement Agreement, the Plan will control.

8.6 This Settlement Agreement may be modified only by a written amendment signed by the Parties and to the extent required by Rule 9019, approved by the Bankruptcy Court. No waiver of any provision of this Settlement Agreement or of a breach thereof shall be effective unless expressed in a writing signed by the waiving Party. The waiver by any Party of any of the provisions of this Settlement Agreement or of the breach thereof shall not operate or be construed as a waiver of any other provision or breach.

8.7 By entering into this Settlement Agreement, none of the Parties has waived or shall be deemed to have waived any rights, obligations, or positions they have asserted or may in the future assert other than as set forth in this Settlement Agreement. No part of this Settlement Agreement, its negotiation, or its performance may be used in any manner in any action, suit, or proceeding as evidence of the rights, duties, or obligations of the Parties with respect to matters outside the scope of this Settlement Agreement. All actions taken and statements made by the Parties or by their representatives, relating to this Settlement Agreement or participation in this Settlement Agreement, including its development and implementation, shall be without prejudice or value as precedent and shall not be used as a standard by which other matters may be judged.

8.8 This Settlement Agreement represents a compromise of disputed Claims and shall not be deemed an admission or concession regarding liability, culpability, or wrongdoing. All related discussions, negotiations, and all prior drafts of this Settlement Agreement shall be deemed to fall within the protection afforded to compromises and to offers to compromise by Rule 408 of the Federal Rules of Evidence and any parallel state law provisions. Any evidence of the negotiations or discussions associated with this Settlement Agreement shall be inadmissible in any action or proceeding for purposes of establishing any rights, duties, or obligations of the Parties, except that they shall be admissible to the extent they would have otherwise been admissible, absent this Section 8.8, in (i) an action or proceeding to enforce the terms of this Settlement Agreement, and (ii) in any Claimant Bankruptcy Case in connection with the motion of the Trustee Claimant for the entry of a Claimant Bankruptcy Approval Order.

8.9 None of the Parties shall make any public statements or disclosures regarding another Party's rationale or motivation for negotiating or entering into this Settlement Agreement.

8.10 Neither this Settlement Agreement nor the rights and obligations set forth in this Settlement Agreement shall be assigned without the prior written consent of the other Parties.

8.11 This Settlement Agreement was jointly drafted by the Parties, and the wording of this Settlement Agreement was reviewed by legal counsel for each of the Parties, and each of them had sufficient opportunity to propose and negotiate changes prior to its execution. The language of all parts of this Settlement Agreement shall in all cases be construed as a whole according to its meaning and not strictly for or against any Person or Entity.

8.12 Section titles and headings contained in this Settlement Agreement are included only for ease of reference and shall have no substantive effect.

8.13 All notices, demands, or other communication to be provided pursuant to this Settlement Agreement shall be in writing and deemed given when sent by e-mail (if provided) and Federal Express or other overnight delivery service, costs prepaid, to the Parties at the addresses set forth below, or to such other person or address as any of them may designate in writing from time to time:

If to the Trustee Claimants:

Daniel A. White
Askew & White, LLC
1122 Central Ave. SW, Suite 1
Albuquerque NM 87102
dwhite@askewwhite.com

If to the Congregation Tort Claimants:

Brad D. Hall, for Claim #s 38*, 52, 66, 252
Hall & Monagle
320 Osuna Rd. NE, Suite G3
Albuquerque, NM 87107
(505) 255-6300
Email: brad@hnmhw.law

Ben Davis, for Claim #426/427
Davis Kelin Law Firm, LLC
127 Bryn Mawr Dr SE
Albuquerque, NM 87106
(505) 242-7200
bdavis@daviskelin.com

If to The Congregation:

Father John Thomas Lane
Congregation of Blessed Sacrament
5384 Wilson Mills Road
Highland Heights, Ohio 44143

with a copy to:

Mark Chopko
Stradley Ronon, *et al.*
2000 K Street NW, Suite 700
Washington, DC 20006
(202) 419-8410
mchopko@stradley.com

Jeffrey E. Jones
Law Office of Jeffrey E. Jones
P. O. Box 24350
Santa Fe, NM 87502
505) 466-3426
eljefelaw@msn.com

If to the Archdiocese:

Tony Salgado, CPA
Archdiocese of Santa Fe
4000 St. Joseph Pl NW
Albuquerque, NM 87120
tsalgado@asfcca.org

with a copy to:

Ford Elsaesser
Elsaesser Anderson, Chtd.
P. O. Box 369
535 High Street
Priest River, ID 83856
ford@eaidaho.com

Thomas D. Walker
Walker & Associates, P.C.
500 Marquette Ave. NW, Suite 650
Albuquerque, NM 87102
twalker@walkerlawpc.com

8.14 This Settlement Agreement may be executed in multiple counterparts, all of which together shall constitute the same instrument. This Settlement Agreement may be executed and/or delivered by e-mail or other electronic image, which shall be deemed to be originals.

8.15 All of the Parties to this Agreement, the ASF Settlement Trust and the Unknown Tort Claims Trust are intended beneficiaries of this Settlement Agreement. Except as set forth in the preceding sentence or otherwise set forth in this Settlement Agreement, there are no third-party beneficiaries of this Settlement Agreement.

8.16 Except as specifically provided otherwise, each of the Parties shall be responsible for its own fees and costs incurred in connection with this Settlement Agreement and the implementation of this Settlement Agreement, and the Congregation shall be responsible for its own fees and costs incurred in connection with the Bankruptcy Case.

8.17 The following rules of construction shall apply to this Settlement Agreement:

8.17.1 Unless the context of this Settlement Agreement otherwise requires: (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms "hereof," "herein," "hereby," and derivative or similar words refer to this entire Settlement Agreement; and (iv) the words "include," "includes," or "including" shall be deemed to be followed by the words "without limitation."

8.17.2 References to statutes shall include all regulations promulgated thereunder and references to statutes or regulations shall be construed as including all statutory and regulatory provisions regardless of whether specifically referenced in this Settlement Agreement.

8.17.3 The use of the terms “intend,” “intended,” or “intent,” when describing the intention of the Parties, as the case may be, shall not be construed to create a breach of this Settlement Agreement when the stated intent is not achieved.

8.18 The Bankruptcy Court shall retain jurisdiction to interpret and enforce the provisions of this Settlement Agreement, which shall be construed in accordance with New Mexico law without regard to conflicts of law principles thereof.

8.19 This Settlement Agreement shall be binding on the Congregation, the Reorganized Debtor, the ASF Settlement Trust, and the Unknown Tort Claims Trust, along with their successors and assigns and shall survive the entry of the Plan Confirmation Order.

8.20 The Parties each acknowledge that every provision of this Settlement Agreement was negotiated by the Parties as a material and interdependent aspect of the consideration for the compromises and agreements reflected herein.

8.21 The Parties agree that all matters relating to the negotiation of this Settlement Agreement shall be confidential and are not to be disclosed except by order of court or consent of the Parties in writing.

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

The Congregation of the Blessed Sacrament .

By: _____

Fr. John Thomas Lane
Congregation of Blessed Sacrament
5384 Wilson Mills Road
Highland Heights, Ohio 44143

Its: Provincial

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**The Roman Catholic Church of the Archdiocese
of Santa Fe, a New Mexico corporation sole**

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Parties have duly executed this Settlement Agreement as of the date indicated below.

**Congregation Tort Claimants with Proof of
Claim Nos. 38*¹, 52, 66, 252**

By: _____
Brad D. Hall, attorney for Claim #s 38*, 52, 66, 252

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

¹ *Congregation Tort Claims in Claimant Bankruptcy Cases appear under the names and on the signature pages of state court counsel and as Trustee Claimants. For the avoidance of doubt, such Congregation Tort Claimants are Parties to this Settlement Agreement, and execution of this agreement by special counsel for such Congregation Tort Claimants is subject to Bankruptcy Court approval in each claim's related chapter 7 bankruptcy case. If any Claimant Bankruptcy Case is closed without administering the Congregation Tort Claim, the execution of this Settlement Agreement by state court counsel shall be binding on the debtor in the underlying closed Claimant Bankruptcy Case, and such debtor shall be the Congregation Tort Claimant and a Party to this Settlement Agreement.

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Congregation Tort Claimant with Proof of Claim
No. 426/427**

By: _____
Ben Davis, attorney for Claim # 426/427

Date: _____

Witness: _____

EXHIBIT A
APPROVAL ORDER

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO**

In re:

ROMAN CATHOLIC CHURCH OF THE
ARCHDIOCESE OF SANTA FE, a New
corporation sole,

Debtor.

Chapter 11

Case No. 18-13027-t11

**ORDER GRANTING MOTION TO APPROVE PARTICIPATING RELIGIOUS
ORDER SETTLEMENT AGREEMENTS PURSUANT TO RULE 9019(a)**

This matter came before the Court on the *Motion to Approve Participating Religious Order Settlement Agreements Pursuant to §§ 105, 363, and 1123 and Rule 9019 and Approving the Form of Notice Thereof* (the “Motion”) filed by the Roman Catholic Church of the Archdiocese of Santa Fe, a New Mexico Corporation sole, the debtor and debtor-in-possession (the “Debtor”) on [●], 2022 as

Doc. No. [●] in the above-captioned Chapter 11 reorganization case (the “Bankruptcy Case”). The Court, having considered the Motion and being sufficiently advised, FINDS:

1. The Court has jurisdiction over this case and this motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b) (2)(O). Venue is proper in this District, pursuant to 28 U.S.C. §§ 1408 and 1409(a).

2. The Debtor negotiated several settlement agreements (the “Settlement Agreements”) with the Participating Religious Orders (defined below), the Settlement Funding Insurers (defined below) and counsel for holders (the “Joint Tort Claimants”) of approximately 159 Tort Claims (the “Joint Tort Claims”) asserting liability relating to the same Abuse against both the Debtor and also one or more of the following participating Religious Orders (the “Participating Religious Orders”): the Servants of the Paraclete (“Servants”); Brothers of the Christian Schools, SFNO District (“Christian Brothers”); The Province of St. John the Baptist of the Order of the Friars Minor and The Province of Our Lady of Guadalupe of the Order of Friars Minor (“Province”); Sons^o of the Holy Family, Inc. (“Sons”); and the Congregation of the Blessed Sacrament, Province of St. Ann (“Congregation”). These Joint Tort Claims are identified in the attached Settlement Agreements with each of the Participating Religious Orders.

3. Many of the Participating Religious Orders have asserted liability coverage for the Joint Tort Claims under insurance policies or certificates of coverage issued either by the following carriers or another carrier for which the following carriers have assumed responsibility: Arrowood Indemnity Company, formerly known as Royal Indemnity Company, successor by merger to Royal Insurance Company of America (“Arrowood”); the Catholic Mutual Relief Society of America (“Catholic Mutual”); the Continental Insurance Company (“CNA”); Liberty Mutual Insurance Company (“Liberty Mutual”); Travelers Indemnity Company and St. Paul Fire and Marine Insurance Company,

as itself and as a successor to or assignee of St. Paul Mercury Indemnity Company (“Travelers”) and United States Fire Insurance Company (“U.S. Fire”) and Hartford Accident and Indemnity Company (“Hartford”). These companies are collectively referred to as the “Settlement Funding Insurers” herein and as defined in each Settlement Agreement involving their insured. Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire are each also Settling Insurers under the Plan.

4. The Settlement Agreements are attached as the following Exhibits to the Motion and provide for the following substantial contributions to the trusts established under the Plan for the benefit of Tort Claimants:

Exhibit	Participating Religious Order	Settlement Amount	ASF Settlement Trust Payment	Unknown Tort Claims Trust Payment
A	Servants	\$4,200,000	\$4,000,000	\$200,000
B	Christian Brothers	1,995,000	1,900,000	95,000
C	Sons	1,100,000	1,050,000	50,000
D	Congregation	550,000	525,000	25,000
E	Province	<u>630,000</u>	<u>600,000</u>	<u>30,000</u>
TOTAL		\$8,475,000	\$8,075,000	\$400,000

5. As shown on the Notice of Deadline for Objections filed [●], 2022 (the “Notice”) (Doc No. [●]), the Notice was served on [●], 2022 on all parties listed on the mailing matrix maintained by the Clerk of the Court. The Notice specified that any objection to the Motion had to be filed within 21 days, plus three days for mailing, after the date of mailing of the Notice.

6. The Notice was reasonable and appropriate under the circumstances.
7. The deadline to object to the Motion expired on [●], 2022.
8. No objection to the Motion was filed, timely or otherwise.
9. The Motion is well taken and should be granted as provided herein. Among other things, the Participating Religious Orders and Settlement Funding Insurers will make a substantial \$8,475,000

cash contribution to the ASF Settlement Trust and Unknown Tort Claims Trust to be created pursuant to the Plan. These payments reflect an approximately 95% allocation of the Settlement Amount to the ASF Settlement Trust for Class 3 Tort Claims under the Plan and an approximately 5% allocation to the Unknown Tort Claims Trust for Class 4 Unknown Tort Claims under the Plan. The Settlement Agreements, the payments thereunder, and the allocation thereof among the Plan trusts, is a fair resolution of the contribution and indemnity claims between the Debtor and the Participating Religious Organizations and the coverage disputes with the Settlement Funding Insurers (as applicable), within the range of litigation outcomes, provides fair compensation to the Debtor's estate for the releases, Plan provisions and other obligations to be provided by the Debtor thereunder, and is in the best interests of the Debtor, its creditors and bankruptcy estate. The Participating Religious Orders and Settlement Funding Insurers are Protected Parties under the Plan and entitled to be the benefits and protections of the applicable releases and injunctions and other terms and provisions of the Plan upon satisfaction of all of the conditions and obligations under the Settlement Agreements, including payment of their portions of the Settlement Amounts, upon the confirmation and occurrence of the Effective Date of the Plan. The protections accorded to Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire as Settlement Funding Insurers under the Settlement Agreements and the Plan are in addition to, and independent of, their roles as Settling Insurers under the Plan.*

IT IS THEREFORE ORDERED:

- A. The Motion is granted.
- B. The Settlement Agreements are approved.
- C. The Debtor is hereby authorized and directed to consummate the Settlement Agreements.

D. The Court retains exclusive jurisdiction to interpret, enforce and implement the terms and provisions of this Order and the Settlement Agreements.

E. This Order is effective upon entry.

END OF ORDER

Respectfully submitted,

WALKER & ASSOCIATES, P.C.

/s/ submitted electronically

Thomas D. Walker

500 Marquette Ave NW, Suite 650

Albuquerque, NM 87102

Telephone: (505) 766-9272

Facsimile: (505) 766-9287

E-mail: twalker@walkerlawpc.com

Attorneys for Debtor in Possession

EXHIBIT B
IDENTIFICATION OF CONGREGATION TORT CLAIMANTS
BY COUNSEL & PROOF OF CLAIM NUMBER

HALL & MONAGLE, LLC/LISA FORD

#38*

#52

#66

#252

Davis Kelin Law Firm, LLC

#426/427

TRUSTEE CLAIMANTS

#38

EXHIBIT C

Tort Claimant Joinder as Party to Settlement Agreement

For good and valuable consideration, the receipt and sufficiency is hereby acknowledged, the undersigned hereby: (i) joins in that certain Settlement Agreement (“Settlement Agreement”)¹ dated as of November 21, 2022 by and between and among the Tort Claimants, the Congregation of the Blessed Sacrament, Province of St. Ann (hereinafter called the “Congregation”), and the Roman Catholic Church of the Archdiocese of Santa Fe (the “Archdiocese”) and acknowledges, and agrees that all references to “Congregation Tort Claimant” and “Party” in the Settlement Agreement include the undersigned; (ii) in consideration of all of the benefits to which a Congregation Tort Claimant is entitled under the Settlement Agreement, the undersigned makes all of the representations and undertakes to be bound by all of the obligations of a Congregation Tort Claimant thereunder; (iii) represents that he or she holds a Congregation Tort Claim against the Congregation and the Archdiocese filed as a Proof of Claim in the Bankruptcy Case with the number set forth below; (iv) represents that attached hereto is a copy of the Class 3 Tort Claim Ballot, Certification and Release that he or she has executed and delivered in accordance with the terms of the Class 3 Tort Claim Ballot, the Plan and applicable orders of the Bankruptcy Court; and (v) agrees that his or her address for notices under the Settlement Agreement is set forth below.

IN WITNESS WHEREOF, the undersigned Tort Claimant has duly executed this Joinder and become a Party to the Settlement Agreement as of the date indicated below.

Tort Claimant with Proof of Claim No. _____

By: _____

Print Name: _____

Date: _____

Witness: _____

Address for Notice to such Tort Claimant:

Email: _____

¹ Unless otherwise defined herein, all capitalized terms used herein have the meanings ascribed to them in the Settlement Agreement, to the extent defined therein, and the rules of construction in the Settlement Agreement with respect to conflicts in definitions shall control.

Return Executed Joinder and Class 3 Tort Claim Ballot, Certification and Release to:

Walker & Associates, P.C.
Attn.: Thomas D. Walker
500 Marquette N.W., Suite 650
Albuquerque, NM 87102

Receipt of Joinder Acknowledged:

By: _____

Print Name: _____

Date: _____

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Settlement Agreement”) dated as of November __, 2022, is hereby made by, and between, and among the Province Tort Claimants identified below who or whose counsel, on their behalf, have executed and delivered this Settlement Agreement or who have executed and delivered a Joinder (as defined below) to this Settlement Agreement; the Province of St. John the Baptist of the Order of Friar’s Minor and the Province of Our Lady of Guadalupe of the Order of Friars Minor (together, “Province”); and the Roman Catholic Church of the Archdiocese of Santa Fe, a corporation sole (“Archdiocese” or “Debtor” as defined below), together, the “Parties” and each a “Party” to this Settlement Agreement.

RECITALS:

WHEREAS, on December 3, 2018 (the “Petition Date”), the Archdiocese filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of New Mexico (the “Bankruptcy Court”), pending under case no. 18-13027-t11 (the “Bankruptcy Case”);

WHEREAS, the Province Tort Claimants have filed proofs of claim in the Bankruptcy Case alleging abuse by a friar of the Province in New Mexico, within the geographical jurisdiction of the Archdiocese;

WHEREAS, disputes have arisen, or may in the future arise, between the Province, on the one hand, and the Debtor, on the other hand, with respect to obligations for contribution as between the Province and the Debtor for some or all of the Province Tort Claims;

WHEREAS, through this Settlement Agreement, the Province Tort Claimants intend to provide Province and the Archdiocese with the broadest possible release of any and all obligations arising out of or relating to Tort Claims, that arose or may have arisen prior to the Bankruptcy Plan Effective Date (as defined below);

WHEREAS, as part of the consideration given by Province for the releases described above, the Settlement Amount (as defined herein) shall include Tort Claims Payments (as defined below) payable to the ASF Settlement Trust (as defined below) and of Unknown Tort Claims Payments (as defined below) payable to the Unknown Tort Claims Trust (as defined below);

WHEREAS, in exchange for such consideration, the Archdiocese has agreed to provide Province with certain protections in connection with its proposed Plan of Reorganization (as defined below), including designation as Protected Parties (as defined below) and the protection of the Channeling Injunction contemplated by the Bankruptcy Plan or the Plan (as defined below); and

WHEREAS, this Settlement Agreement shall be incorporated by reference into the Bankruptcy Plan.

Exhibit E

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants contained in this Settlement Agreement, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

1. DEFINITIONS

1.1 The following terms have the meanings set forth in the Debtor's First Amended Plan of Reorganization Dated November 3, 2022, in the form that was filed in the Bankruptcy Case on November 3, 2022 as Doc. No. 1151 (as it may be amended, the "Bankruptcy Plan" or the "Plan"):

- 1.1.1 "Abuse"
- 1.1.2 "Abuse Claim"
- 1.1.3 "Archdiocese"
- 1.1.4 "Debtor"
- 1.1.5 "ASF Settlement Trust"
- 1.1.6 "ASF Settlement Trust Documents"
- 1.1.7 "Bankruptcy Case"
- 1.1.8 "Bankruptcy Code"
- 1.1.9 "Bankruptcy Court"
- 1.1.10 "Channeled Claim"
- 1.1.11 "Channeling Injunction"
- 1.1.12 "Claim"
- 1.1.13 "Committee"
- 1.1.14 "Conditional Payment"
- 1.1.15 "Confirmation Order"
- 1.1.16 "Direct Action Claim"
- 1.1.17 "Entity"
- 1.1.18 "Escrow Agent"
- 1.1.19 "Extra-Contractual Claim"

- 1.1.20 “Final Order”
- 1.1.21 “Insurer Settlement Agreement”
- 1.1.22 “Interests”
- 1.1.23 “Medicare Claims”
- 1.1.24 “MMSEA”
- 1.1.25 “MSPA”
- 1.1.26 “Participating Religious Order”
- 1.1.27 “Person”
- 1.1.28 “Petition Date”
- 1.1.29 “Protected Parties”
- 1.1.30 “Related Insurance Claim”
- 1.1.31 “Reorganized Debtor”
- 1.1.32 “Tort Claim”
- 1.1.33 “Tort Claims Payment”
- 1.1.34 “Unknown Tort Claim”
- 1.1.35 “Unknown Tort Claimant”
- 1.1.36 “Unknown Tort Claims Payment”
- 1.1.37 “Unknown Tort Claims Representative”
- 1.1.38 “Unknown Tort Claims Trust”
- 1.1.39 “Unknown Tort Claims Trust Documents”

1.2 As used in this Settlement Agreement, the following terms shall have the meanings set forth below.

1.2.1 “Approval Motion” means the motion filed in the Bankruptcy Court seeking approval of this Settlement Agreement as described in Section 2 of this Settlement Agreement.

1.2.2 “Approval Order” means the order granting the Approval Motion described in Section 2 of this Settlement Agreement and providing all of the relief described in this Settlement Agreement.

1.2.3 “Bankruptcy Plan Effective Date” has the same meaning as “Effective Date” as set forth in the Plan.

1.2.4 “Joinder” means a joinder to this Settlement Agreement in the form of attached Exhibit C and a submitted Class 3 Tort Claim Ballot, Certification and Release in the Bankruptcy Case accepting the Plan and agreeing to the general release in such ballot.

1.2.5 “Parties” has the meaning set forth in the recitals above.

1.2.6 “Province” means the Province of St. John the Baptist of the Order of Friars Minor and the Province of Our Lady of Guadalupe of the Order of Friars Minor, corporations, for themselves and their affiliated and related business entities, subsidiaries, sister corporations, successors, predecessors, agents, employees, designees, and assigns wherever found and in whatever incorporated, unincorporated, or governmental form they may be organized, and all other organizational units or forms, subsidiaries, divisions, and affiliates, as well as all directors, officers, employees, agents, members, priests, brothers, oblates, novices, and all other religious associates, guarantors, attorneys, and other representatives, as well as their predecessors and successors, assigns, trustees, shareholders, partners, guarantors, and all directors, officers, employees, agents, attorneys, and other representatives of any of the foregoing.

1.2.7 “Province Tort Claim” means Tort Claim alleging abuse by a friar of the Province in New Mexico, within the geographical jurisdiction of the Archdiocese and includes a Tort Claim and an Unknown Tort Claim.

1.2.8 “Province Tort Claimant” means the holder of a Province Tort Claim, and his or her personal executors or representatives, administrators, heirs, successors and assigns. The Province Tort Claimants who have asserted Province Tort Claims against the Province include those Persons identified in attached Exhibit B according to their Proof of Claim number in the Bankruptcy Case.

1.2.9 “Settlement Agreement Effective Date” means the day following the date on which the last of the following conditions have occurred: (i) all Parties (other than Parties added by Joinder) have executed this Settlement Agreement; (ii) the Bankruptcy Court has entered the Approval Order and the Approval Order has become a Final Order; and (iii) the Bankruptcy Court has entered the Bankruptcy Plan Confirmation Order and such order has become a Final Order; *provided, however*, that notwithstanding any other provision of this Settlement Agreement to the contrary, the rights and obligations of the Parties under Sections 2 and 5 of this Settlement Agreement shall become effective and binding when all Parties have executed this Settlement Agreement.

1.2.10 “Settlement Amount” means \$630,000.00. The Settlement Amount shall include the Province payment of \$600,000 payable to the ASF Settlement Trust (the “Tort Claims Payment” as defined below) as follows: \$570,000.00 to be deposited into a Religious Order Class 3 Tort Claims Reserve subaccount of the ASF Settlement Trust and to be divided exclusively among the four Province Tort Claimants, specifically the Province Tort Claimants who filed Proofs of Claim numbers 248, 254, 262, and 266, (the “4 Province Tort Claimants”) who are parties to this Settlement Agreement, in ratio to their Judge Bettinelli point awards and the remainder of \$30,000.00 to be deposited in the general funds of the ASF Settlement Trust and be divided among the Class 3 Tort Claimants under the Plan other than the 4 Province Tort Claimants. The balance of the Settlement Amount consisting of \$30,000.00 shall be payable to the Unknown Tort Claims Trust (the “Unknown Tort Claims Payment” as defined below).

1.2.11 “Settlement Approval Motion” means the motion filed in the Bankruptcy Court seeking approval of this Settlement Agreement as described in Section 2 of this Settlement Agreement.

1.2.12 “Settlement Approval Order” means the order granting the Approval Motion described in Section 2 of this Settlement Agreement and providing all of the relief described in this Settlement Agreement.

1.2.13 “Settlement Execution Date” means the date on which all Parties have executed this Settlement Agreement.

1.2.14 “Settlement Payment Due Date” means the date that is thirty days from the Settlement Agreement Effective Date except that if such date is a weekend or legal holiday, the Settlement Payment Due Date shall be the first business day thereafter.

1.2.15 “Tort Claims Payment” has the meaning set forth in Section 1.1.33.

1.2.16 “Unknown Tort Claims Payment” has the meaning set forth in Section 1.1.36.

1.3 Capitalized terms not defined in this section or elsewhere in this Settlement Agreement shall have the meanings given to them in the Plan or in the Bankruptcy Code. If there is a conflict between the definitions in the Plan and in the Bankruptcy Code, the Plan definition will control.

2. BANKRUPTCY OBLIGATIONS

2.1 Settlement Approval Motion. The Archdiocese shall file a motion in the Bankruptcy Court (the “Approval Motion”) that seeks the entry of an order in substantially the form attached as Exhibit A to this Settlement Agreement, approving the compromises and settlements set forth in this Settlement Agreement and authorizing the Parties to undertake the

settlement and the transactions contemplated by this Settlement Agreement (the “Approval Order”).

2.2 Settlement Approval Order. The Approval Order shall be in form and substance acceptable to the Province and shall: (i) approve the settlements and compromises set forth in this Settlement Agreement; and (ii) provide that this Settlement Agreement and the Approval Order are binding on the ASF Settlement Trust and the Unknown Tort Claims Trust, and any successors of the ASF Settlement Trust or the Unknown Tort Claims Trust.

2.2.1 Mailed Notice of Approval Motion. The Archdiocese, at the Province’s expense, shall include notice of the Approval Motion in a form and substance approved by the Bankruptcy Court. The Province acknowledges and agrees that the Archdiocese shall have complied with its obligations if such notice (i) consists of a summary of the terms of the Settlement Agreement with a link to the Archdiocese’s website, an address and telephone number from which the addressee can obtain or request a copy of the Approval Motion and Settlement Agreement and (ii) is mailed or otherwise transmitted in accordance with Court order, with the Archdiocese’s notice to all parties receiving notice of the motion, objection date and hearing date for approval of the Insurer Settlement Agreements and the confirmation of the Plan. The Province promptly will pay any incremental cost of notice required by this Settlement Agreement or the Bankruptcy Court.

2.2.2 Publication Notice of Approval Motion. The Archdiocese, at the Province’s expense, shall include notice of the Approval Motion in a form and substance approved by the Bankruptcy Court as part of its publication of any publication notice of the motion, objection date and hearing date for approval of the Insurer Settlement Agreements and the confirmation of the Plan. The Province acknowledges and agrees that the Archdiocese shall have complied with its obligations if such notice is published in the Albuquerque Journal, Santa Fe New Mexican, Las Cruces Sun News and USA Today. The Province promptly will pay any incremental cost of the notice required by this Settlement Agreement or the Bankruptcy Court.

2.2.3 Objections. If any Person or Entity files an objection to the Approval Motion, the Archdiocese will reasonably cooperate with the Province in filing a written response, and in securing approval of the Approval Motion and in defending against any objection, appeal, petition, motion, or other challenge to the Bankruptcy Court’s entry of the Approval Order, all of which will be done, if at all, by and at the expense of the Province. Nothing in this Settlement Agreement will require the Archdiocese to take or join in any position, even nominally, that may, in the Archdiocese’s reasonable judgment, delay or jeopardize confirmation of the Plan, the Bankruptcy Plan Effective Date, or the Debtor’s Discharge.

2.3 The Plan. The Bankruptcy Plan, including all exhibits, schedules, and related documents, shall not deprive the Parties of any right or benefit under this Settlement Agreement. To the extent that any conflict exists between the Plan and this Settlement Agreement, the Plan will control. The Province stipulates that the provisions of this section are satisfied by the Plan and Plan Documents, as filed.

2.3.1 The Plan shall include an injunction (the “Channeling Injunction”) enjoining Claims or suits against the Province on account of Province Tort Claims, barring and permanently enjoining all Entities who have held or asserted, or may in the future hold or assert one or more Channeled Claims from taking any action, directly or indirectly for purposes of asserting, enforcing, or attempting to assert or enforce any Channeled Claim against the Province and channeling such Channeled Claims to the ASF Settlement Trust or the Unknown Tort Claims Trust, as the case may be, as the sole and exclusive source of payment of any such Channeled Claims. The Province stipulates that the Channeling Injunction set forth in the Plan is satisfactory for all purposes under this Settlement Agreement.

2.3.2 The Plan shall designate the Province as a “Participating Religious Order” entitled to protection as a “Protected Party” and included in the definition of Exculpated Parties.

2.3.3 The Plan shall incorporate this Settlement Agreement and the releases contained herein by reference and make the Settlement Agreement part of the Plan as if set forth fully within the Plan. To the extent that any conflict exists between the Plan and this Settlement Agreement, the Plan will control.

2.3.4 The Plan shall provide that, as a condition to receiving payment from the ASF Settlement Trust or any Unknown Tort Claims Trust, each and every Tort Claimant shall execute and deliver to the ASF Settlement Trustee or to the Unknown Tort Claims Trustee, as applicable, a general release in favor of each of the Protected Parties in the form attached to the Plan as Exhibit N.

2.3.5 The Plan shall provide that, in the event that the Approval Motion is granted after the Bankruptcy Plan Effective Date, then the Province shall receive the benefits and protections accorded to Protected Parties under the Plan when the Settlement Amount is paid.

2.4 The Confirmation Order. In the Bankruptcy Case, the Archdiocese shall seek and obtain entry of the Confirmation Order that: (i) approves the Plan; (ii) approves the Channeling Injunction; (iii) approves this Settlement Agreement; and (iv) provides the same protections to the Province against Province Tort Claims and other Channeled Claims with respect to the releases and Channeling Injunction in the Plan that are afforded to any other Protected Party, provided, however, that neither the Archdiocese nor the Reorganized Debtor shall have any duty or obligation to indemnify or defend the Province. The Plan and Plan Confirmation Order must contain no provisions that diminish or impair the benefits of this Settlement Agreement or the Approval Order to the Province.

2.5 Automatic Stay Remains in Force/State Court Litigation Held in Abeyance. The Province Tort Claimants agree that, prior to entry of the Plan Confirmation Order, they will not seek to lift the automatic stay. Prior to entry of the Plan Confirmation Order, the Archdiocese shall cooperate with the Province’s efforts to oppose any motion by the Province Tort Claimants to lift any stay pursuant to Bankruptcy Code § 362 to pursue a Province Tort Claim against the Archdiocese. Opposition to efforts by the Province Tort Claimants to get relief from any stay other

than imposed by Bankruptcy Code § 362 or to pursue a Province Tort Claim against persons or entities other than the Archdiocese shall be by and at the sole expense of the Province.

2.6 No Discovery Sought From Other Parties. The Parties agree that they shall not attempt to obtain discovery from any other Party during the pendency of the Bankruptcy Case.

2.7 Medicare Reporting. The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust each register as a Responsible Reporting Entity (“RRE”) under the reporting provisions of §111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Pub. L. 110- 173).

2.7.1 The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust timely submit all reports that are required under MMSEA on account of any claims settled, resolved, paid, or otherwise liquidated. The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require also that the ASF Settlement Trust and the Unknown Tort Claims Trust, in their respective roles as RRE, follow all applicable guidance published by the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services and/or any other agent or successor entity charged with responsibility for monitoring, assessing, or receiving reports made under MMSEA (collectively, “CMS”) to determine whether or not, and, if so, how, to report to CMS pursuant to MMSEA.

2.7.2 The ASF Settlement Trust Documents and the Unknown Tort Claims Trust Documents shall require that the ASF Settlement Trust and the Unknown Tort Claims Trust obtain prior to remittance of funds to Province Tort Claimants’ counsel, or to the Province Tort Claimant, if pro se, in respect of any Province Tort Claim, a certification of compliance with MMSEA for such Claimant from the Claimant’s counsel, if such claimant has an attorney and, if the Claimant is *pro se* from the third party administrator engaged by and paid for by the Archdiocese for the purpose of providing certifications of compliance with MMSEA for all such *pro se* Claimants. The certifications of compliance shall provide that the Province Tort Claimant has or will provide for the payment and/or resolution of any obligations owing or asserted under 42 U.S.C. §1395y(b), or any related rules, regulations, or guidance, in connection with, or relating to, such Province Tort Claim.

2.7.3 The Province stipulates that compliance with the provisions of the ASF Settlement Trust or with the Unknown Tort Claims Trust is deemed to be compliance with the provisions of this Settlement Agreement and that this Settlement Agreement shall not be read or interpreted to impose requirements on the ASF Settlement Trustee or on the Unknown Tort Claims Trustee that are greater than or different from those imposed by the ASF Settlement Trust or the Unknown Tort Claims Trust, respectively.

2.8 From and after the date when all Parties have executed and delivered this Settlement Agreement, the Province shall not object to any proposed disclosure statement or Plan that is consistent with this Settlement Agreement; provided, however, that: (i) the Archdiocese shall not include any provision in any Plan that adversely affects the rights or benefits of the Province under this Settlement Agreement, or that otherwise violates, or is contrary to, the agreements and

covenants contained in this Settlement Agreement; and (ii) the Archdiocese shall not act, or fail to act, in such a way that otherwise violates, or is contrary to, the agreements and covenants contained in this Settlement Agreement. Notwithstanding the foregoing, the Province, if and to the extent they have standing to do so, may participate in the Bankruptcy Case for the purpose of supporting or enforcing any of the terms of this Settlement Agreement and protecting their rights. The Province stipulates that the provisions of this section are satisfied by the Plan and Plan Documents, as filed.

2.9 The Parties covenant not to sue each other until: (a) the Approval Order has become a Final Order, at which time this covenant is superseded by the releases provided in Section 4, or (b) the date on which this Settlement Agreement is terminated.

3. THE SETTLEMENT PAYMENT AND CONDITIONS THERETO

3.1 The Province's obligation to pay the Settlement Amount is conditioned on the satisfaction of the bankruptcy obligations set forth in Section 2.1-2.7 and the Settlement Approval Order and the Confirmation Order both becoming Final Orders in form and substance consistent with this Settlement Agreement. The Province shall pay the Settlement Amount within thirty (30) days after receipt of notice from the Reorganized Debtor: (a) that both the Approval Order and the Bankruptcy Plan Confirmation Order have become Final Orders and (b) of appropriate instructions for the transmission of the Settlement Amount. The Province shall have the option of paying the Settlement Amount by check, ACH transfer or wire transfer. If the last date for payment of the Settlement Amount is a weekend or legal holiday the deadline for payment of the Settlement Amount shall be the first business day thereafter.

3.2 If the Settlement Amount is due prior to the Bankruptcy Plan Effective Date, the Province shall pay the Settlement Amount to the Escrow Agent. The Escrow Agent shall hold the Settlement Amount in escrow and in trust for the benefit of the Province in a separate reserve account and: (i) upon receipt of notice of the occurrence of the Bankruptcy Plan Effective Date, transfer the Tort Claims Payment, with any accrued interest, to the ASF Settlement Trust; and transfer the Unknown Tort Claims Payment to the Unknown Tort Claims Trust or (ii) return the Settlement Amount, with any accrued interest, to the Province upon receipt of notice that the Settlement Agreement has been terminated.

3.3 If the Settlement Amount is due after the Bankruptcy Plan Effective Date, the Province shall pay \$600,000 to the ASF Settlement Trust and \$30,000 to the Unknown Tort Claims Trust.

3.4 The Parties agree: (a) the Settlement Amount represents the maximum amount the Province is obligated to pay on account of the Province Tort Claims; and (b) under no circumstance will the Province be obligated to make any additional payments for Province Tort Claims and Channeled Claims arising from, related to or in connection with such Province Tort Claims, including in connection with amounts allegedly owed under the MSPA or any Channeled Claims arising from, related to or in connection with such Province Tort Claims.

3.5 The Parties agree that the consideration to be provided by each Party pursuant to this Settlement Agreement constitutes fair and reasonable exchange for the consideration granted

it under this Settlement Agreement, including the bankruptcy obligations and requirements set forth in Section 3 and the releases in Section 4. The Province is not acting as a volunteer in tendering the Settlement Amount, and the Settlement Amount reflects the liabilities and obligations of the Province to the Province Tort Claimants and the potential exposure for Unknown Tort Claims by Province Tort Claimants.

3.6 The Parties each shall bear their own costs, expenses and counsel and professional fees in connection with this Settlement Agreement.

4. MUTUAL RELEASES

4.1 Upon receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust, with no further action being required, the Province and the Archdiocese each shall have and shall be deemed to have fully, finally, and completely remised, released, acquitted, and forever discharged one another from any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are in connection with: (i) any Province Tort Claims, including Unknown Tort Claims, and (ii) all reimbursement obligations for Conditional Payments under the MSPA and all other Medicare Claims related to Channeled Claims, and all Claims that, directly or indirectly, arise from, relate to, or are in connection with the Bankruptcy Case.

4.2 The releases set forth in Section 4.1 are not intended, and shall not be construed, to release any rights of the Province against its insurers.

4.3 The Tort Claims of the Province Tort Claimants against the Protected Parties, including the Archdiocese and the Province shall be governed by the Plan, the ASF Settlement Trust Documents, the Unknown Tort Claims Trust Documents, and the releases contained therein, which shall be in form and substance acceptable to the Province. Notwithstanding the foregoing, the Province Tort Claimants agree that, as of the date the Settlement Amount is received by the ASF Settlement Trust and the Unknown Tort Claimants Trust, in accordance with Section 2.1 of this Agreement, each of the Province Tort Claimants fully, finally, and completely remise, release, acquit, and forever discharge (a) the Province of and from any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are in connection with (i) any Province Tort Claims or (ii) any other Claims arising out of or relating to Abuse that they may have, whether known or unknown, against the Province, and (b) all Entities of and from any and all past, present, and future Claims that, directly or indirectly, arise out of, relate to, or are in connection with (i) any Province Tort Claims or (ii) any other Claims arising out of or relating to Abuse that they may have, whether known or unknown, against the Province, but only if and to the extent that any recovery on such Claims would result in a Claim by any Entity against the Province, including any claim for indemnification or contribution.

4.4 This Section 4 is not intended to, and shall not be construed to, release, waive, relinquish, or otherwise affect the Parties' rights and obligations under this Settlement Agreement.

5. TERMINATION OF AGREEMENT

In the event: (i) the Bankruptcy Plan Effective Date does not occur within one year from the date on which this Settlement Agreement is executed by all the Parties (other than Parties added by joinder); (ii) the receipt of the Settlement Amount by the ASF Settlement Trust and the Unknown Tort Claims Trust does not occur within 395 days from the date on which this Settlement Agreement is executed by all the Parties (other than Parties added by joinder); (iii) a Plan is filed or confirmed that is inconsistent with the terms of this Settlement Agreement; or (iv) the Bankruptcy Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code, then in any such event the Province may terminate this Settlement Agreement upon fifteen (15) days' notice to the other Parties, immediately following which this Settlement Agreement shall be null and void and of no force or effect and any Settlement Amount paid to the Escrow Agent shall be immediately returned to the Province with any accrued interest as set forth in Section 3.2.

6. COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE PARTIES

6.1 The Parties separately represent and warrant that, to the extent it is a corporation, including a corporation sole, a non-profit corporation, or other legal entity, each Party has the requisite power and authority to enter into this Settlement Agreement and to perform the obligations contemplated by this Settlement Agreement, subject only to approval of the Bankruptcy Court.

6.2 Each of the 4 Province Tort Claimants represents and warrants that he or she has not filed a bankruptcy case at any time.

6.3 Each Party represents that he or she or the person executing this Settlement Agreement on his or her behalf is duly authorized to do so.

6.4 Each Party warrants and represents that this Settlement Agreement has been thoroughly negotiated and analyzed by counsel to the Parties and executed and delivered in good faith pursuant to arm's length negotiations and for value and valuable consideration.

7. ACTIONS INVOLVING THIRD PARTIES

7.1 For purposes of supporting the releases granted in Section 4 and other Channeled Claims as described in the Settlement Agreement, unless the Settlement Agreement is terminated, the Province shall not seek reimbursement for any payments it makes under this Settlement Agreement under theories of contribution, subrogation, indemnification, or similar relief from the Archdiocese.

7.2 From and after the Bankruptcy Plan Effective Date, and pursuant to the terms of the Plan, the ASF Settlement Trust shall cooperate with the Province, at the Province's sole expense, and with the Province taking the lead, in the enforcement of the Channeling Injunction against the assertion of any and all Channeled Claims (other than Unknown Tort Claims) filed in violation of the Channeling Injunction against the Province (but not the Debtor or Reorganized Debtor). The Province shall reimburse the ASF Settlement Trust for any costs or expenses incurred by the ASF Settlement Trust in connection with such cooperation.

7.3 The Reorganized Debtor shall reasonably cooperate with the Province, at the Province's sole expense, and with the Province taking the lead, in the enforcement of the Channeling Injunction against the assertion of any and all Channeled Claims that are filed in violation of the Channeling Injunction against the Province (but not the Debtor or Reorganized Debtor) and that arise from or relate to Unknown Tort Claims. The Province shall reimburse the Reorganized Debtor for any costs or expenses incurred by the Reorganized Debtor in connection with such cooperation.

8. MISCELLANEOUS

8.1 If any action or proceeding of any type whatsoever is commenced or prosecuted by any Person or Entity that is not a Party to this Settlement Agreement to invalidate or prevent the validation or enforcement, or carrying out, of all or any of the provisions of this Settlement Agreement, the Parties mutually agree to cooperate fully in opposing such action or proceeding.

8.2 The Parties will take such steps and execute any documents as may be reasonably necessary or proper to effectuate the purpose and intent of this Settlement Agreement and to preserve its validity and enforceability.

8.3 The Parties shall cooperate with each other in connection with the Approval Motion, the Approval Order, the Plan, the Plan Confirmation Order, and the Bankruptcy Case and any appeal therefrom. Such cooperation shall include consulting with each other upon reasonable request concerning the status of proceedings and providing each other with copies of reasonably requested pleadings, notices, proposed orders, and other documents relating to such proceedings as soon as reasonably practicable. If the Bankruptcy Court issues an order on the Approval Motion that refuses to approve the Settlement Agreement, then the Settlement Agreement will be null and void.

8.4 Notwithstanding any other provision of this Settlement Agreement, the terms and obligations set forth in Section 2 and Section 5 of this Agreement are effective and binding as of the Execution Date.

8.5 This Settlement Agreement constitutes a single integrated written contract that expresses the entire agreement and understanding between and among the Parties and shall supersede any prior or contemporaneous oral or written communication, provided however that this Settlement Agreement shall not affect the Plan or any Plan Document.

8.6 This Settlement Agreement may be modified only by a written amendment signed by the Parties and to the extent required by Rule 9019, approved by the Bankruptcy Court. No waiver of any provision of this Settlement Agreement or of a breach thereof shall be effective unless expressed in a writing signed by the waiving Party. The waiver by any Party of any of the provisions of this Settlement Agreement or of the breach thereof shall not operate or be construed as a waiver of any other provision or breach.

8.7 By entering into this Settlement Agreement, none of the Parties has waived or shall be deemed to have waived any rights, obligations, or positions they have asserted or may in the future assert other than as set forth in this Settlement Agreement. No part of this Settlement

Agreement, its negotiation, or its performance may be used in any manner in any action, suit, or proceeding as evidence of the rights, duties, or obligations of the Parties with respect to matters outside the scope of this Settlement Agreement. All actions taken and statements made by the Parties or by their representatives, relating to this Settlement Agreement or participation in this Settlement Agreement, including its development and implementation, shall be without prejudice or value as precedent and shall not be used as a standard by which other matters may be judged.

8.8 This Settlement Agreement represents a compromise of disputed Claims and shall not be deemed an admission or concession regarding liability, culpability, wrongdoing, or insurance coverage. All related discussions, negotiations, and all prior drafts of this Settlement Agreement shall be deemed to fall within the protection afforded to compromises and to offers to compromise by Rule 408 of the Federal Rules of Evidence and any parallel state law provisions. Any evidence of the negotiations or discussions associated with this Settlement Agreement shall be inadmissible in any action or proceeding for purposes of establishing any rights, duties, or obligations of the Parties, except that they shall be admissible to the extent they would have otherwise been admissible, absent this Section 8.8, in an action or proceeding to enforce the terms of this Settlement Agreement

8.9 None of the Parties shall make any public statements or disclosures regarding another Party's rationale or motivation for negotiating or entering into this Settlement Agreement.

8.10 Neither this Settlement Agreement nor the rights and obligations set forth in this Settlement Agreement shall be assigned without the prior written consent of the other Parties.

8.11 This Settlement Agreement was jointly drafted by the Parties, and the wording of this Settlement Agreement was reviewed by legal counsel for each of the Parties, and each of them had sufficient opportunity to propose and negotiate changes prior to its execution. The language of all parts of this Settlement Agreement shall in all cases be construed as a whole according to its meaning and not strictly for or against any Person or Entity.

8.12 Section titles and headings contained in this Settlement Agreement are included only for ease of reference and shall have no substantive effect.

8.13 All notices, demands, or other communication to be provided pursuant to this Settlement Agreement shall be in writing and deemed given when sent by e-mail (if provided) and Federal Express or other overnight delivery service, costs prepaid, to the Parties at the addresses set forth below, or to such other person or address as any of them may designate in writing from time to time:

If to the Province Tort Claimants:

By giving notice to them or their counsel at the address below the signature of such Province Tort Claimant or his or her counsel identified by Proof of Claim Number.

If to The Province of St. John the Baptist of the Order of Friars Minor:

Fr. Mark Soehner
The Province of St. John the Baptist of the Order of Friars Minor
1615 Vine Street
Cincinnati, OH 45202

With a copy to:

Timothy J. Hurley
Taft Stettinius & Hollister LLP
425 Walnut Street
Suite 1800
Cincinnati, OH 45202
hurley@taftlaw.com

If to The Province of Our Lady of Guadalupe of the Order of Friars Minor:

Fr. Ron Walters
The Province of Our Lady of Guadalupe of the Order of Friars Minor
1204 4 Stinson St. SW
Albuquerque, NM 87121

With a copy to:

Timothy J. Hurley
Taft Stettinius & Hollister LLP
425 Walnut Street
Suite 1800
Cincinnati, OH 45202
hurley@taftlaw.com

If to the Archdiocese:

Tony Salgado, CPA
Archdiocese of Santa Fe
4000 St. Joseph Pl NW
Albuquerque, NM 87120
tsalgado@sfcca.org

with a copy to:

Ford Elsaesser
Elsaesser Anderson, Chtd.
P. O. Box 369
535 High Street
Priest River, ID 83856
ford@eaidaho.com

and

Thomas D. Walker
Walker & Associates, P.C.
500 Marquette Ave. NW, Suite 650
Albuquerque, NM 87102
twalker@walkerlawpc.com

8.14 This Settlement Agreement may be executed in multiple counterparts, all of which together shall constitute the same instrument. This Settlement Agreement may be executed and/or delivered by e-mail or other electronic image, which shall be deemed to be originals.

8.15 All of the Parties to this Agreement, the ASF Settlement Trust and the Unknown Tort Claims Trust are intended beneficiaries of this Settlement Agreement. Except as set forth in the preceding sentence or otherwise set forth in this Settlement Agreement, there are no third-party beneficiaries of this Settlement Agreement.

8.16 Each of the Parties shall be responsible for their own fees and costs incurred in connection with the Bankruptcy Case, this Settlement Agreement, and the implementation of this Settlement Agreement, except as specifically provided otherwise.

8.17 The following rules of construction shall apply to this Settlement Agreement:

8.17.1 Unless the context of this Settlement Agreement otherwise requires: (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms “hereof,” “herein,” “hereby,” and derivative or similar words refer to this entire Settlement Agreement; and (iv) the words “include,” “includes,” or “including” shall be deemed to be followed by the words “without limitation.”

8.17.2 References to statutes shall include all regulations promulgated thereunder and references to statutes or regulations shall be construed as including all statutory and regulatory provisions regardless of whether specifically referenced in this Settlement Agreement.

8.17.3 The use of the terms “intend,” “intended,” or “intent,” when describing the intention of the Parties, as the case may be, shall not be construed to create a breach of this Settlement Agreement when the stated intent is not achieved.

8.18 The Bankruptcy Court shall retain jurisdiction to interpret and enforce the provisions of this Settlement Agreement, which shall be construed in accordance with New Mexico law without regard to conflicts of law principles thereof.

8.19 This Settlement Agreement shall be binding on the Province, the Reorganized Debtor, the ASF Settlement Trust, and the Unknown Tort Claims Trust, along with their successors and assigns and shall survive the entry of the Plan Confirmation Order.

8.20 The Parties each acknowledge that every provision of this Settlement Agreement was negotiated by the Parties as a material and interdependent aspect of the consideration for the compromises and agreements reflected herein.

8.21 The Parties agree that all matters relating to the negotiation of this Settlement Agreement shall be confidential and are not to be disclosed except by order of court or consent of the Parties in writing.

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

The Province of St. John the Baptist of the Order of Friars Minor

By: _____
Fr. Mark Soehner

Its: Provincial

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

Province of Our Lady of Guadalupe of the Order of Friars Minor

By: _____
Fr. Ron Walters

Its: Provincial

Date: _____

Witness: _____

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

The Roman Catholic Church of the Archdiocese of Santa Fe, a New Mexico corporation sole

By: _____

Its: _____

Date: _____

Witness: _____

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Province Tort Claimants with Proof of Claim
No. 266**

By: _____
Bryan A. Green
His Counsel

Date: _____

Witness: _____

Address for Notice to such Province Tort Claimant:

Baron & Budd P.C.
Bryan A. Green
33102 Oak Loan Ave., Suite 1100
Dallas, TX 75219
bgreen@baronbudd.com
(214) 521-3605
(214) 521-3605
Attorney For Claimant No. 266

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Province Tort Claimants with Proof of Claim
No. 259**

By: _____
Joseph A. Blumel, III, P.S.
His Counsel

Date: _____

Witness: _____

Address for Notice to such Province Tort Claimant:

Joseph A. Blumel, III
Law Office of Joseph A. Blumel III, P.S.
4407 N. Division Street, Suite 900
Spokane, WA 99207-1696
joseph@blumellaw.com
(509) 487-1651
Attorney for Claimant No. 259

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Province Tort Claimants with Proof of Claim
Nos. 18, 23, 33, 53, 73, 80, 107, 338 and 339**

By: _____
Brad D. Hall
Their Counsel

Date: _____

Witness: _____

Address for Notice to such Province Tort Claimant:

Brad D. Hall
Hall Monagle Huffman & Wallace, LLC
Sun Valley Commercial Center
320 Osuna Rd. NE, Suite G3
Albuquerque, NM 87107
brad@hmhw.law
(505) 255-6300
Attorney for Claimant Nos. 18, 23, 33, 53, 73,
80,107, 338 and 339

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Province Tort Claimants with Proof of Claim
Nos. 111, 119, 124 and 131**

By: _____
Craig K. Vernon
Their Counsel

Date: _____

Witness: _____

Address for Notice to such Province Tort Claimant:

Craig K. Vernon
James, Vernon & Weeks, P.A.
1626 Lincoln Way
Coeur d'Alene, ID 83814
cvernon@jvwlaw.net
(208) 667-0683
Attorney for Claimant Nos. 111, 119, 124 and 131

-and-

By: _____
William Keeler
Their Counsel

Date: _____

Witness: _____

Address for Notice to such Province Tort Claimant:

William Keeler
Keeler & Keeler LLP
235 U.S. Rt. 66
Gallup, NM 87301
billkeeler@keelerandkeeler.com
(505) 722-5608
Attorney for Claimant Nos. 111, 119, 124 and 131

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Province Tort Claimants with Proof of Claim
No. 196**

By: _____
Daniel Fasy
His Counsel

Date: _____

Witness: _____

Address for Notice to such Province Tort Claimant:

Daniel Fasy
Fasy Law, PLLC
1752 NW Market
#1502
Seattle, WA 98107
dan@fasylaw.com
(206) 450-0175
Attorney for Claimant No. 196

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Province Tort Claimants with Proof of Claim
No. 345**

By: _____
Bryan G. Smith
His Counsel

Date: _____

Witness: _____

Address for Notice to such Province Tort Claimant:

Bryan G. Smith
Tamaki Law
1340 N. 16th Ave., Suite C
Yakima, WA 98902
bsmith@tamakilaw.com
(509) 992-1623
Attorney for Claimant No. 345

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Province Tort Claimants with Proof of Claim
Nos. 155, 260, 262 and 353**

By: _____
Sam Fadduol
Their Counsel

Date: _____

Witness: _____

Address for Notice to such Province Tort Claimant:

Sam Fadduol
Fadduol, Cluff, Hardy & Conaway P.C.
3301 San Mateo Blvd. NE
Albuquerque, NM 87110
sfadduol@fchclaw.com
(505) 243-6045
Attorney for Claimant Nos. 155, 260, 262 and 353

[Signature Pages Continue on Following Pages]

IN WITNESS WHEREOF, the undersigned Party has duly executed this Settlement Agreement as of the date indicated below.

**Province Tort Claimants with Proof of Claim
No. 373**

By: _____
Carolyn M. Nichols
His Counsel

Date: _____

Witness: _____

Address for Notice to such Province Tort Claimant:

Carolyn M. Nichols
Rothstein, Donatelli, Hughes, Dahlstrom,
Schoenburg & Vienvenu, LLP
500 4th St. NW, Suite 400
Albuquerque, NM 87102
cmnichols@rothsteinlaw.com
(505) 243-1443
Attorney for Claimant No. 373

[Signature Pages Continue on Following Pages]

EXHIBIT A
APPROVAL ORDER

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO**

In re:

ROMAN CATHOLIC CHURCH OF THE
ARCHDIOCESE OF SANTA FE, a New
corporation sole,

Debtor.

Chapter 11

Case No. 18-13027-t11

**ORDER GRANTING MOTION TO APPROVE PARTICIPATING RELIGIOUS
ORDER SETTLEMENT AGREEMENTS PURSUANT TO RULE 9019(a)**

This matter came before the Court on the *Motion to Approve Participating Religious Order Settlement Agreements Pursuant to §§ 105, 363, and 1123 and Rule 9019 and Approving the Form of Notice Thereof* (the “Motion”) filed by the Roman Catholic Church of the Archdiocese of Santa Fe, a New Mexico Corporation sole, the debtor and debtor-in-possession (the “Debtor”) on [●], 2022 as

Doc. No. [●] in the above-captioned Chapter 11 reorganization case (the “Bankruptcy Case”). The Court, having considered the Motion and being sufficiently advised, FINDS:

1. The Court has jurisdiction over this case and this motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b) (2)(O). Venue is proper in this District, pursuant to 28 U.S.C. §§ 1408 and 1409(a).

2. The Debtor negotiated several settlement agreements (the “Settlement Agreements”) with the Participating Religious Orders (defined below), the Settlement Funding Insurers (defined below) and counsel for holders the “Joint Tort Claimants”) of approximately 159 Tort Claims (the “Joint Tort Claims”) asserting liability relating to the same Abuse against both the Debtor and also one or more of the following participating Religious Orders (the “Participating Religious Orders”): the Servants of the Paraclete (“Servants”); Brothers of the Christian Schools, SFNO District (“Christian Brothers”); The Province of St. John the Baptist of the Order of the Friars Minor and The Province of Our Lady of Guadalupe of the Order of Friars Minor (“Province”); Sons of the Holy Family, Inc. (“Sons”); and the Congregation of the Blessed Sacrament, Province of St. Ann (“Congregation”). These Joint Tort Claims are identified in the attached Settlement Agreements with each of the Participating Religious Orders.

3. Many of the Participating Religious Orders have asserted liability coverage for the Joint Tort Claims under insurance policies or certificates of coverage issued by the following carriers: Arrowood Indemnity Company, formerly known as Royal Indemnity Company, successor by merger to Royal Insurance Company of America (“Arrowood”); the Catholic Mutual Relief Society of America (“Catholic Mutual”); the Continental Insurance Company (“CNA”); Liberty Mutual Insurance Company (“Liberty Mutual”); Travelers Indemnity Company and St. Paul Fire and Marine

Insurance Company, as itself and as a successor to or assignee of St. Paul Mercury Indemnity Company (“Travelers”) and United States Fire Insurance Company (“U.S. Fire”). These companies are collectively referred to as the “Settlement Funding Insurers” herein and as defined in each Settlement Agreement involving their insured. Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire are each also Settling Insurers under the Plan.

4. The Settlement Agreements are attached as the following Exhibits to the Motion and provide for the following substantial contributions to the trusts established under the Plan for the benefit of Tort Claimants

Exhibit	Participating Religious Order	Settlement Amount	ASF Settlement Trust Payment	Unknown Tort Claims Trust Payment
A	Servants	\$4,200,000	\$4,000,000	\$200,000
B	Christian Brothers	1,995,000	1,900,000	95,000
C	Sons	1,100,000	1,050,000	50,000
D	Congregation	550,000	525,000	25,000
E	Province	<u>630,000</u>	<u>600,000</u>	<u>30,000</u>
TOTAL		\$8,475,000	\$8,075,000	\$400,000

5. As shown on the Notice of Deadline to File Objection filed [●], 2022 (the “Notice”) (Doc No. [●]), the Notice was served on [●], 2022 on all parties listed on the mailing matrix maintained by the Clerk of the Court. The Notice specified that any objection to the Motion had to be filed within 21 days, plus three days for mailing, after the date of mailing of the Notice.

- 6. The Notice was reasonable and appropriate under the circumstances.
- 7. The deadline to object to the Motion expired on [●], 2022.
- 8. No objection to the Motion was filed, timely or otherwise.

9. The Motion is well taken and should be granted as provided herein. Among other things, the Participating Religious Orders and Settlement Funding Insurers will make a substantial \$8,475,000 cash contribution to the ASF Settlement Trust and Unknown Tort Claims Trust to be created pursuant to the Plan. These payments reflect an approximately 95% allocation of the Settlement Amount to the ASF Settlement Trust for Class 3 Tort Claims under the Plan and an approximately 5% allocation to the Unknown Tort Claims Trust for Class 4 Unknown Tort Claims under the Plan. The Settlement Agreements, the payments thereunder, and the allocation thereof among the Plan trusts, is a fair resolution of the contribution and indemnity claims between the Debtor and the Participating Religious Organizations and the coverage disputes with the Settlement Funding Insurers (as applicable), within the range of litigation outcomes, provides fair compensation to the Debtor's estate for the releases, Plan provisions and other obligations to be provided by the Debtor thereunder, and is in the best interests of the Debtor, its creditors and bankruptcy estate. The Participating Religious Orders and Settlement Funding Insurers are Protected Parties under the Plan and entitled to be the benefits and protections of the applicable releases and injunctions and other terms and provisions of the Plan upon satisfaction of all of the conditions and obligations under the Settlement Agreements, including payment of their portions of the Settlement Amounts, upon the confirmation and occurrence of the Effective Date of the Plan. The protections accorded to Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire as Settlement Funding Insurers under the Settlement Agreements and the Plan are in addition to, and independent of, their roles as Settling Insurers under the Plan.

IT IS THEREFORE ORDERED:

- A. The Motion is granted.
- B. The Settlement Agreements are approved.

C. The Debtor is hereby authorized and directed to consummate the Settlement Agreements.

D. The Court retains exclusive jurisdiction to interpret, enforce and implement the terms and provisions of this Order and the Settlement Agreements.

E. This Order is effective upon entry.

END OF ORDER

Respectfully submitted,

WALKER & ASSOCIATES, P.C.

/s/ submitted electronically

Thomas D. Walker

500 Marquette Ave NW, Suite 650

Albuquerque, NM 87102

Telephone: (505) 766-9272

Facsimile: (505) 766-9287

E-mail: twalker@walkerlawpc.com

Attorneys for Debtor in Possession

**EXHIBIT B
IDENTIFICATION OF PROVINCE TORT CLAIMANTS
BY PROOF OF CLAIM NUMBER**

BARON & BUDD P.C.

#266

LAW OFFICE OF JOSEPH A. BLUMEL III, P.S.

#259

FASY LAW, PLLC

#196

HALL MONAGLE HUFFMAN & WALLACE, LLC

#18

#23

#33

#53

#73

#78

#80

#107

#338

#339

ROTHSTEIN, DONATELLI, HUGHES, DAHLSTROM, SCHOENBURG & VIENVENU,

LLP

#373

JAMES, VERNON & WEEKS, P.A./KEELER & KEELER LLP

#111

#119

#129

#131

TAMAKI LAW

#345

FADDUOL, CLUFF, HARDY & CONAWAY P.C.

#155

#260

#262

#353

PRO SE

#248

#254

EXHIBIT C

Tort Claimant Joinder as Party to Settlement Agreement and Release

For good and valuable consideration, including all of the benefits to which a Province Tort Claimant is entitled under that certain Settlement Agreement and Release (the "Settlement Agreement")¹ dated as of November ___, 2022 by, between, and among the Province Tort Claimants, the Franciscan Provinces of St. John the Baptist and Our Lady of Guadalupe (the "Franciscan Provinces") and the Roman Catholic Church of the Archdiocese of Santa Fe (the "Archdiocese"), the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby (i) joins in the Settlement Agreement and acknowledges and agrees that all references to "Province Tort Claimant" and "Party" in the Settlement Agreement include the undersigned; (ii) makes all of the representations and undertakes to be bound by all of the obligations of a Province Tort Claimant thereunder; (iii) represents that he or she holds a Province Tort Claim against the Franciscan Provinces and the Archdiocese as described in the Proof of Claim filed in the Bankruptcy Case with the number set forth below; (iv) represents that attached hereto is a copy of the Class 3 Tort Claim Ballot, Certification and Release (the "Ballot") that he or she has executed and delivered in accordance with the terms of the Ballot; and (v) agrees that his or her address for notices under the Settlement Agreement is set forth below.

IN WITNESS WHEREOF, the undersigned Province Tort Claimant has duly executed this Joinder and become a Party to the Settlement Agreement as of the date indicated below.

Province Tort Claimant with Proof of Claim

No. _____

By: _____
[PRINTED NAME]

Date: _____

Witness: _____

Print Name: _____

Address for Notice to such Province Tort Claimant:

Email: _____

¹ Unless otherwise defined herein, all capitalized terms used herein have the meanings ascribed to them in the Settlement Agreement, to the extent defined therein, and the rules of construction in the Settlement Agreement with respect to conflicts in definitions shall control.

Return Executed Joinder and Class 3 Tort Claim Ballot, Certification and Release to:

Walker & Associates, P.C.
Attn.: Thomas D. Walker
500 Marquette N.W., Suite 650
Albuquerque, NM 87102

Receipt of Joinder Acknowledged:

By: _____

Print Name: _____

Date: _____

EXHIBIT F

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO**

In re:

ROMAN CATHOLIC CHURCH OF THE
ARCHDIOCESE OF SANTA FE, a New
corporation sole,

Debtor.

Chapter 11

Case No. 18-13027-t11

**ORDER GRANTING MOTION TO APPROVE PARTICIPATING RELIGIOUS
ORDER SETTLEMENT AGREEMENTS PURSUANT TO RULE 9019(a)**

This matter came before the Court on the *Motion to Approve Participating Religious Order Settlement Agreements Pursuant to §§ 105, 363, and 1123 and Rule 9019 and Approving the Form of Notice Thereof* (the “Motion”) filed by the Roman Catholic Church of the Archdiocese of Santa Fe, a New Mexico Corporation sole, the debtor and debtor-in-possession (the “Debtor”) on November 21, , 2022 as Doc. No. [●] in the above-captioned Chapter 11 reorganization case (the “Bankruptcy Case”). The Court, having considered the Motion and being sufficiently advised, FINDS:

1. The Court has jurisdiction over this case and this motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b) (2)(O). Venue is proper in this District, pursuant to 28 U.S.C. §§ 1408 and 1409(a).

2. The Debtor negotiated several settlement agreements (the “Settlement Agreements”) with the Participating Religious Orders (defined below), the Settlement Funding Insurers (defined below) and counsel for holders of approximately 159 Tort Claims (the “Joint Tort Claims”) asserting liability relating to the same Abuse against both the Debtor and also one or more of the following participating Religious Orders (the “Participating Religious Orders”): the Servants of the Paraclete (“Servants”); Brothers of the Christian Schools, SFNO District (“Christian Brothers”); The Province of St. John the Baptist of the Order of the Friars Minor and The Province of Our Lady of Guadalupe of the Order of Friars Minor (“Province”); Sons of the Holy Family, Inc. (“Sons”); and the Congregation of the Blessed Sacrament, Province of St. Ann (“Congregation”). These Joint Tort Claims are identified in the attached Settlement Agreements with each of the Participating Religious Orders.

3. Many of the Participating Religious Orders have asserted liability coverage for the Joint Tort Claims under insurance policies or certificates of coverage issued by the following carriers: Arrowood Indemnity Company, formerly known as Royal Indemnity Company, successor by merger to Royal Insurance Company of America (“Arrowood”); the Catholic Mutual Relief Society of America (“Catholic Mutual”); the Continental Insurance Company (“CNA”); Liberty Mutual Insurance Company (“Liberty Mutual”); Travelers Indemnity Company and St. Paul Fire and Marine Insurance Company, as itself and as a successor to or assignee of St. Paul Mercury Indemnity Company (“Travelers”) and United States Fire Insurance Company (“U.S. Fire”). These companies are collectively referred to as the “Settlement Funding Insurers” herein and as defined in each Settlement

Agreement involving their insured. Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire are each also Settling Insurers under the Plan.

4. The Settlement Agreements are attached as the following Exhibits to the Motion and provide for the following substantial contributions to the trusts established under the Plan for the benefit of Tort Claimants:

Exhibit	Participating Religious Order	Settlement Amount	ASF Settlement Trust Payment	Unknown Tort Claims Trust Payment
A	Servants	\$4,200,000	\$4,000,000	\$200,000
B	Christian Brothers	1,995,000	1,900,000	95,000
C	Sons	1,100,000	1,050,000	50,000
D	Congregation	550,000	525,000	25,000
E	Province	<u>630,000</u>	<u>600,000</u>	<u>30,000</u>
TOTAL		\$8,475,000	\$8,075,000	\$400,000

5. As shown on the Notice of Deadline to File Objection filed November 21, 2022 (the “Notice”) (Doc No. [●]), the Notice was served on November 21, 2022 on all parties listed on the mailing matrix maintained by the Clerk of the Court. The Notice specified that any objection to the Motion had to be filed within 21 days, plus three days for mailing, after the date of mailing of the Notice.

6. The Notice was reasonable and appropriate under the circumstances.

7. The deadline to object to the Motion expired on December 22, 2022 at 5:00 p.m. MT.

8. No objection to the Motion was filed, timely or otherwise.

9. The Motion is well taken and should be granted as provided herein. Among other things, the Participating Religious Orders and Settlement Funding Insurers will make an aggregate \$8,475,000 cash contribution to the ASF Settlement Trust and Unknown Tort Claims Trust to be created pursuant to the Debtor’s plan of reorganization. These payments reflect an approximately

95% allocation of the Settlement Amount to the ASF Settlement Trust for Class 3 Tort Claims under the Plan and an approximately 5% allocation to the Unknown Tort Claims Trust for Class 4 Unknown Tort Claims under the Plan. The Settlement Agreements, the payments thereunder, and the allocation thereof among the Plan trusts, are fair resolutions of the contribution and indemnity claims between the Debtor and the Participating Religious Organizations and the coverage disputes with the Settlement Funding Insurers (as applicable), within the range of litigation outcomes, provide fair compensation to the Debtor's estate for the releases, plan provisions and other obligations to be provided by the Debtor thereunder, and are in the best interests of the Debtor, its creditors and bankruptcy estate. The Participating Religious Orders and Settlement Funding Insurers are Protected Parties under the Plan and entitled to be the benefits and protections of the applicable releases and injunctions and other terms and provisions of the Plan upon satisfaction of all of the conditions and obligations under the Settlement Agreements, including payment of their portions of the Settlement Amounts, upon the confirmation and occurrence of the Effective Date of the Plan. The protections accorded to Arrowood, Catholic Mutual, CNA, Travelers and U.S. Fire as Settlement Funding Insurers under the Settlement Agreements and the Plan are in addition to, and independent of, their roles as Settling Insurers under the Plan.

IT IS THEREFORE ORDERED:

- A. The Motion is granted.
- B. The Settlement Agreements are approved.
- C. The Debtor is hereby authorized and directed to consummate the Settlement Agreements.
- D. The Court retains exclusive jurisdiction to interpret, enforce and implement the terms and provisions of this Order and the Settlement Agreements.

E. This Order is effective upon entry.

END OF ORDER

Respectfully submitted,

WALKER & ASSOCIATES, P.C.

/s/ submitted electronically

Thomas D. Walker

500 Marquette Ave NW, Suite 650

Albuquerque, NM 87102

Telephone: (505) 766-9272

Facsimile: (505) 766-9287

E-mail: twalker@walkerlawpc.com

Attorneys for Debtor in Possession