

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	
	)	Chapter 11
CATHOLIC DIOCESE OF WILMINGTON,	)	
INC., a Delaware Corporation, <sup>1</sup>	)	Case No. 09-13560 (CSS)
	)	
Debtor.	)	
	)	Objection Deadline: December 21, 2010 at 4:00 p.m. (ET)
	)	Hearing Date: N/A

**NOTICE OF ABANDONMENT OF PROPERTY**

TO: (I) ALL CREDITORS OF THE DEBTOR; (II) THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (III) COUNSEL FOR THE CREDITORS' COMMITTEE; (IV) COUNSEL FOR THE LAY EMPLOYEES' COMMITTEE; AND (V) THOSE PARTIES ENTITLED TO NOTICE PURSUANT TO BANKRUPTCY RULE 2002, IN ACCORDANCE WITH DEL. BANKR. L.R. 2002-1(b).

PLEASE TAKE NOTICE that the above-captioned debtor and debtor-in-possession (the "Debtor") is one of eighteen (18) beneficiaries under the will of Francis O'Connor (the "Decedent"), of New Castle County, Delaware. In his will, the Decedent bequeathed a 4% share of "the residue of his estate, real and personal, per stirpes and not per capita, out right and free of trust, wherever situate" to "Catholic Diocese of Wilmington (Priest Retirement Fund)". The Debtor was contacted by the Executrices of the Decedent's estate, and counsel to the estate, who represent that the estate's primary asset is a condominium unit located at 1000 Fountainview Circle, Unit 303, Newark, Delaware 19713 (the "Property"). The Executrices have found buyers for the Property for the amount of \$155,000 and, on behalf of the Decedent's estate, entered into an Agreement of Sale with the buyers on or about October 18, 2010. The Executrices and the buyers would like to move to closing, but the closing attorney contends the Executrices need a power of attorney ("POA") from each of the beneficiaries under the will, in order to have proper legal authority to sign the deed and convey title to the Property. The Executrices have obtained POAs from the seventeen (17) other beneficiaries under the will having 96% of the beneficial interest in the Property. On November 3, 2010, the Agreement of Sale was amended so as to permit the buyers to take possession of the Property pending final settlement.

PLEASE TAKE FURTHER NOTICE THAT, while the Debtor believes the execution of a POA in favor of the Executrices under these circumstances would be an "ordinary course" transaction permitted by 11 U.S.C. § 363(c), the closing attorney has requested a "comfort order" confirming the same. The Debtor believes the cost of any motion practice in the Bankruptcy Court concerning the Property (which, if necessary to proceed on an expedited basis,

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<sup>1</sup> The last four digits of the Debtor's federal tax identification number are 5439. The Debtor's mailing address is 1925 Delaware Avenue, P.O. Box 2030, Wilmington, Delaware 19899-2030.

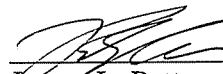
would entail additional motion practice and expense) would outweigh any economic benefit to the Debtor's bankruptcy estate and general creditors from the Property, particularly given that any proceeds of the sale of the Property ultimately distributed to the Debtor would be subject to a testamentary restriction limiting the use such proceeds for the payment of clergy pensions. **Accordingly, pursuant to 11 U.S.C. § 554(a) and Federal Rule of Bankruptcy Procedure 6007, the Debtor proposes to abandon any interest of the Debtor's bankruptcy estate in the Property, or in proceeds of the Property,<sup>2</sup> on the grounds that it is burdensome to the Debtor's estate and/or of inconsequential value and benefit to the Debtor's estate.**

PLEASE TAKE FURTHER NOTICE that objections to the proposed abandonment must be filed with the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801 on or before **4:00 p.m. (prevailing Eastern Time) on December 21, 2010** (the "Objection Deadline"). At the same time, you must also serve a copy of the objection upon the undersigned counsel. A hearing on this matter will not be scheduled unless an objection is filed by the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT, IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE PROPOSED ABANDONMENT WILL BECOME IMMEDIATELY EFFECTIVE WITHOUT FURTHER NOTICE OR APPROVAL BY THE BANKRUPTCY COURT.

Dated: Wilmington, Delaware  
December 7, 2010

YOUNG CONAWAY STARGATT & TAYLOR, LLP



James L. Patton, Jr. (No. 2202)

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*Counsel to the Debtor and Debtor in Possession*

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<sup>2</sup> Following abandonment, the estate's interest in the Property will revert to the Debtor. Thereafter, the Debtor intends to execute a POA in favor of the Executrices and to receive and use the cash proceeds of the Property for the payment of clergy pensions.