

Appendix 4 to Amended Settlement Agreement

QUALIFIED SETTLEMENT FUND

1. As provided in Section V of the Amended Settlement Agreement, if a valid notice of appeal of the Court's Final Approval Order or Judgment is timely filed, Delta Dental shall establish an escrow account into which it shall deposit the Amended Settlement Amount, the total amount of any Service Awards, and the amount of any award of Attorney's Fees and Expenses (collectively, the "Settlement Fund"), to be administered in accordance with the provisions herein (the "Escrow Account"). The Settling Parties will cooperate to execute an appropriate escrow agreement within thirty (30) days after a valid notice of appeal is timely filed. Alternatively, if the conditions precedent to the establishment of a Qualified Settlement Fund as set forth in the Amended Plan of Allocation and Distribution (Appendix 3) are satisfied, then the Settlement Fund shall consist of those amounts specified in the Amended Plan of Allocation and Distribution.

2. The Escrow Account shall be established at a bank or such other financial institution agreed upon by the Settling Parties, with such bank, other institution or other entity serving as the Escrow Agent ("Escrow Agent") subject to escrow instructions mutually acceptable to Class Counsel and Delta Dental's counsel. The Escrow Account shall be administered under the Court's continuing supervision and control.

3. Delta Dental's transfer of the Settlement Fund to the Escrow Agent shall constitute full and complete satisfaction of its obligations relating to the payment of the Amended Settlement Amount pursuant to Section III.D.1 and III.D.1.a of the Amended Settlement Agreement, the payment of Service Awards pursuant to Section III.D.1.b of the Amended Settlement Agreement, and the payment of Attorney's Fees and Expenses pursuant to Section VI of the Amended Settlement Agreement.

4. The Escrow Agent shall cause the Settlement Fund deposited in the Escrow

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Account to be invested in instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof, or money market funds invested substantially in such instruments, and shall reinvest any income from these instruments and proceeds from these instruments as they mature in similar instruments at their then current market rates.

5. The Settlement Fund and any interest thereon held in the Escrow Account shall be deemed and considered to be in legal custody of the Court, and shall remain subject to the jurisdiction of the Court, until the Fund is distributed pursuant to the Amended Settlement Agreement, the Amended Plan of Allocation and Distribution, and/or further order(s) of the Court.

6. Any accrued interest earned on the Settlement Fund shall remain with the balance of the Settlement Fund and distributed pursuant to the Amended Plan of Allocation and Distribution, and other order(s) of the Court.

7. Releasors shall look solely to the Settlement Fund for settlement and satisfaction against Delta Dental and other Releasees of all the Released Claims and shall have no recovery of damages, Attorney's Fees and Expenses, costs or other relief except as expressly provided in the Amended Settlement Agreement.

8. In the event any Settlement Funds remain as residue in the Escrow Account following all distribution efforts approved by the Court, Class Counsel shall seek from the Court an order disposing of all such Settlement Funds in the form of a *cy pres* distribution pursuant to Section III.D.4 of the Amended Settlement Agreement.

9. For the purposes of § 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("Section 468B"), the Settling Parties agree to treat

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the Settlement Fund in the Escrow Account as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1 and to refrain from taking any action inconsistent with such treatment. The “administrator” within the meaning of Treas. Reg. § 1.468B-2(k)(3) shall be the Escrow Agent who shall promptly take all steps necessary so that the Settlement Fund qualifies as a “qualified settlement fund.” In addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out the provisions herein, including the “relation-back election” (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. The Escrow Agent shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including without limitation the returns described in Treas. Reg. § 1.468B-2(k)(1)). Such returns shall be consistent with treatment of the Settlement Fund as a qualified settlement fund, and in all events shall reflect that all Taxes, as defined below (including any estimated Taxes, interest or penalties), on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided herein. The Escrow Agent shall have the responsibility to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

10. For the purposes of Section 468B, Delta Dental shall be the “transferor” to the qualified settlement fund within the meaning of Treas. Reg. § 1.468B-1(d)(1) with respect to the Amended Settlement Amount or any other funds transferred to the qualified settlement fund pursuant to the Amended Settlement Agreement.

11. All of the following shall be paid out of the Settlement Fund: (i) taxes (including any estimated taxes, interest, or penalties) arising with respect to the income earned by the

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Settlement Fund, including any taxes or tax detriments that may be imposed upon Delta Dental with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a qualified settlement fund for federal or state income tax purposes (“Taxes”); and (ii) expenses and costs incurred in connection with the administration, operation and implementation of the Settlement Fund and Escrow Account (including, without limitation, fees of the Escrow Agent, costs and expenses of administering and distributing settlement payments, expenses of attorneys and/or accountants, and mailing and distribution costs and expenses relating to filing (or failing to file) tax returns) (“QSF Expenses”).

12. Neither Delta Dental nor any other Releasee nor their respective counsel shall have any liability or responsibility for any Taxes or QSF Expenses associated with the Settlement Fund or Escrow Account, nor for maintaining or securing any desired tax status for the Settlement Fund or Escrow Account, nor for any negligence, fraud, or malfeasance regarding the Settlement Fund or Escrow Account. Further, Taxes and QSF Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund, and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court, and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to any claimants authorized by the Court any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and QSF Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. § 1.468B-2(l)(2)). The Settling Parties agree to cooperate with the Escrow Agent, each other, and their attorneys and accountants to the extent reasonably necessary to carry out the provisions relating to the Settlement Fund and the Escrow Account.

13. The Settling Parties, Class Counsel and Delta Dental’s Counsel shall have no

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liability, obligation or responsibility with respect to the investment, disbursements, settlement payment distributions, or other administration or oversight of the Settlement Fund or Escrow Account and shall have no liability, obligation or responsibility with respect to any liability, obligation or responsibility of the Settlement Fund or Escrow Account.

14. Prior to the Escrow Agent's distribution of settlement payments from the Escrow Account, Class Counsel and Delta Dental's Counsel shall meet and confer to determine whether any adjustments are required in light of any increase or decrease in the Settlement Fund due to the accrual of interest or distributions from the Settlement Fund such as, for example, Taxes, QSF Expenses, or other fees or costs incurred in connection with the administration or operation of the Escrow Account.

15. If the Amended Settlement Agreement does not receive the Court's final approval as described in the Amended Settlement Agreement or the Court's Final Approval Order or Judgment is reversed or vacated on appeal, the Settlement Fund (less Taxes, QSF Expenses and other fees or costs expended) shall be promptly returned to Delta Dental from the Escrow Account by the Escrow Agent along with any interest accrued thereon.